



Education Development Charges Public Meetings

Halton District School Board

April 19, 2023



Public Meeting #1

EDC Policy

Review

What Is An Education Development Charge?



- An Education Development Charge is a development charge that is imposed under a bylaw respecting growth-related net education land costs incurred or proposed to be incurred by a School Board.
- This means it is a charge that is levied on new development that is paid by the developer/permit taker when the building permit is issued by the municipality.
- The revenue collected from the charge is then used by a school board to purchase land/school sites for new schools to be built upon.

Policy Review Public Meeting



Each EDC by-law has a set of underlying policies which help determine the structure and type of by-law that will be enacted.

Provincial legislation dictates that each School Board with an existing EDC by-law must conduct a review of its EDC policies prior to renewing their EDC by-law.

Section 257.60 sub-section (1) of the Education Act states that:

“Before passing an education development charge by-law, the board shall conduct a review of the education development charge policies of the board.”

EDC Policies



- Policy decisions made by the Board can play a key role in determining things like:
 - areas to which the bylaw applies,
 - the ability to have different charges for different types of housing developments, or
 - how much of the eventual charge is to be borne by residential or non-residential development.



Percentage of growth-related net education land costs to be borne through EDCs

- **Exemptions**

School boards typically try to collect 100% of education land costs however exemptions in the EDC bylaws may result in less than 100% of land costs being collected. There are two types of exemptions, statutory and non-statutory. A statutory exemption is determined through the legislation and a non-statutory exemption is a 'voluntary' exemption.



Jurisdiction Wide vs. Area Municipal (or Sub Area) Charges

The existing EDC bylaw is a jurisdiction-wide bylaw. This means that the charge is the same for all development in the Region of Halton.

Percentage of net education land costs to be borne by residential and non-residential development

School boards can allocate up to 40% of their EDC to non-residential development. The average around the Province is approximately 10-15%. The HDSB allocates 15% to non-residential development.

A Review Of Existing Policies



➤ **Uniform charges for all types of development vs. differentiated charges**

School boards can have one rate that applies to all types of residential development in the same way (i.e. a low-density single family type home pays the same rate as a townhouse or a condo) or the school board can have a different rates depending on the type of residential development. All the EDC bylaws in Ontario are applied uniformly, like both school boards in Halton.



Public Meeting #2

The Proposed New EDC By-laws

What Are The Existing Charges & How Are They Applied?



The HDSB has an existing EDC bylaw that covers the Region of Halton. It is a jurisdiction-wide bylaw. It is imposed on both residential and non-residential development.

Existing EDC:

HDSB							
Proposed EDC Phase-In Rates							
	Existing Rate 2020/21	Year 1	Year 2	Year 3	Year 4	Year 5	New Proposed Maximum Rate
				June 7, 2021 - July 3, 2021	July 4, 2021 - July 3, 2022	July 4, 2022 - July 3, 2023	
Residential	\$ 4,892			\$ 5,192	\$ 5,492	\$ 5,792	\$ 6,539
Non-Residential	\$ 1.11			\$ 1.21	\$ 1.31	\$ 1.41	\$ 1.52

The Board proposes to consider passage of new by-laws in May of 2023.

A Review Of The Key Elements



Enable
Recovery Of
Growth-
Related Land
Costs Only

School
Boards Must
Meet An
Eligibility
Trigger To
Qualify

Jurisdiction
Wide Or
Area
Specific

Differentiated
Or Uniform

School Boards Can Allocate Education Land Costs To Both Residential and Non-Residential Developments

What Does A School Board Have To Do?



**Prepare an
EDC
Background
Study**

**EDC
Background
Study Must Be
Approved By
Minister of
Education**

**Two Public
Meetings
Must Be
Held Prior
To Passing
A New EDC**

**EDC Study
Must Be
Available To
Public At
Least 2 Weeks
Before 1st Mtg.**

Notice Of Public Meetings Must Be Provided At Least 20 Days Prior To Said Meetings

The Calculation



1. Demographics and enrolment projections determine need.
2. Legislation and Board planning determines the number of school sites required.
3. Land appraisals determine site acquisition costs.
4. Historical expenditures determine site preparation costs.
5. The reserve fund analysis determines existing EDC surplus or deficit.
6. The total costs determined are referred to as the total growth-related net education land costs – this is the amount for which EDC's are collected.
7. Board policies determine how the charge is implemented and collected (exemptions, non-residential allocation etc.)

The Residential Growth Forecast – 15 Years



Region of Halton Residential Forecast		
2023/24 - 2037/38		
	# of Units	% By Density
Low Density (Singles/Semis)	22,139	25%
Medium Density (Townhouses)	21,951	25%
High Density (Apartments)	44,747	50%
<i>Total</i>	88,837	100%

The Non-Residential Growth Forecast – 15 Years



Region of Halton Non-Residential Forecast	
	2023/24-2037/38
TOTAL GROSS GFA	77,098,200
TOTAL NET GFA	51,170,160

Net Growth-Related New Pupil Places



HDSB			
Elementary		Secondary	
New Pupils:	18,589	New Pupils:	7,094
Less Available Pupil Places:	4,578	Less Available Pupil Places:	1,801
Total EDC Pupils:	14,012	Total EDC Pupils:	5,293

Legislated EDC Eligible Site Sizes



Elementary schools	
Number of Pupils	Maximum Area (acres)
1 to 400	4
401 to 500	5
501 to 600	6
601 to 700	7
701 or more	8

Secondary schools	
Number of Pupils	Maximum Area (acres)
1 to 1000	12
1001 to 1100	13
1101 to 1200	14
1201 to 1300	15
1301 to 1400	16
1401 to 1500	17
1501 or more	18

Appraised Land Values



The school boards retained the firm Cushman & Wakefield to provide appraised land values per acre for different areas in the Board's jurisdiction. The appraisals are based on 2023 land values. Appraised values are based on recent land sales and other economic factors.

Appraised Land Values Per Acre	
Burlington	\$ 3,800,000
Oakville	\$ 3,720,000
Milton	\$ 2,960,000
Halton Hills	\$ 2,600,000

Proposed Charges



Calculation of Uniform Residential Charge

Residential Growth-Related Net Education Land Costs (85%)	\$ 764,121,674
Net New Dwelling Units (Form C)	87,682
Uniform Residential EDC per Dwelling Unit	\$ 8,715

Calculation of Non-Residential Charge - Board Determined GFA

Non-Residential Growth-Related Net Education Land Costs (15%)		\$ 134,845,001
GFA Method:	Non-Exempt Board-Determined GFA (Form D)	51,170,160
	Non-Residential EDC per Square Foot of GFA	\$ 2.64

Recent EDC Legislative Changes – A Summary



On October 12, 2018, the Provincial government made a change to the legislation that pertains to education development charges;

- ❖ Ontario Regulation 438/18 amended Ontario Regulation 20/98 and namely;
 - ❖ Maintained EDC rates at the levels in existing EDC by-laws as of August 31, 2018
 - ❖ Limited the ability of school boards to change the areas in their by-law that are subject to EDCs

On March 29, 2019 the Ontario Government further amended the EDC legislation.

- ❖ Ontario Regulation 55/19 amended Ontario Regulation 20/98.
- ❖ *O. Reg 55/19, essentially lifted the EDC rate freeze by implementing a provisional phase-in of proposed EDC rates.*

Other changes:

- ❖ *Alternative projects*
- ❖ *Local developer agreements (LEDA)*

Phased In EDC Rates



- In year 1, the existing EDC rate could be increased by \$300 or 5% of the existing residential EDC rate, whichever is greater. The non-residential rate can similarly be increased by \$0.10 or 5% of the existing non-residential EDC rate;
- In the second year of the by-law and in each subsequent year, the rate could be increased by another \$300 or 5% of the previous year's residential EDC rate, whichever is greater. Again, the non-residential rate can also be increased by another \$0.10 or 5% of the previous year's non-residential EDC rate.
- Both the residential and non-residential rates are subject to maximum rates, which are the proposed EDC rates in the EDC Background Study.

Proposed Phase-In Of EDC Rates



Type of Development	Current 2023 EDC Rate	Year 1	Year 2	Year 3	Year 4	Year 5	MAXIMUM RATE
Residential	\$ 5,792	\$ 6,092	\$ 6,397	\$ 6,716	\$ 7,052	\$ 7,405	\$ 8,715
Non-Residential	\$ 1.41	\$ 1.51	\$ 1.61	\$ 1.71	\$ 1.81	\$ 1.91	\$ 2.64

The Public Process



- 2 Public Meetings (Notice Given)
- EDC Background Study Released To The Public & Submitted To Ministry Of Education For Review/Approval
- The Boards corresponded with stakeholders throughout process.
- The Boards encourage additional and continued feedback from area stakeholders.





Next Steps & Important Dates

- Ongoing discussions with the Ministry of Education regarding approvals.
- Continued dialogue with stakeholders.
- Staff recommendations and reports.
- **Bylaw passage consideration public meetings – May 17, 2023**

QUESTIONS?