

**HALTON DISTRICT
SCHOOL BOARD
AND
HALTON CATHOLIC DISTRICT
SCHOOL BOARD**

**EDUCATION DEVELOPMENT
CHARGE POLICY REVIEW
REPORT**

APRIL 3, 2018



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 **Planning for growth**

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1. THE POLICY REVIEW PROCESS

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1.1 Legislative Requirements

The process and methodology to impose or renew Education Development Charges (EDC) is guided by Provincial legislation. Division E of the *Education Act* as well as Ontario Regulation 20/98, as amended, are the specific pieces of legislation that set out the EDC requirements. One of the requirements that must be met before an EDC by-law can be imposed deals with certain policies that must be vetted through a public process and passed and approved by boards.

Each EDC by-law has a set of underlying policies which help to determine the structure and type of by-law that will be enacted. While the EDC analysis is guided by legislative requirements and is technical and formulaic in nature, each school board (in conjunction with public participation) is responsible for determining their own policies. For school boards that have existing EDC by-laws in force, before passing a subsequent EDC, they must conduct a review of their existing EDC policies.

Section 257.60 (1) of the *Education Act* states, “Before passing an education development charge by-law, the board shall conduct a review of the education development charge policies of the board.” As part of the policy review the board must also hold a public meeting. Subsection (2) of the same legislation goes on to state, “In conducting a review under subsection (1), the board shall ensure that adequate information is made available to the public, and for this purpose shall hold at least one public meeting, notice of which shall be given in at least one newspaper having general circulation in the area of the jurisdiction of the board.”

Both the Halton District School Board (HDSB) and the Halton Catholic District School Board (HCDSB) have existing EDC by-laws in force and as such are required to conduct a review of their existing EDC policies. This report will outline the existing policies of the Board’s current EDC by-laws.

1.2 Existing By-laws

The existing EDC by-laws for both Boards came into force on June 24, 2013 and are valid for a maximum period of 5 years. Both School Boards have by-laws that are jurisdiction wide and cover the Region of Halton.

The Board’s existing by-laws are both uniform by-laws. This means that the by-laws have one uniform charge for all types of developments (single family, townhouses apartments etc.). In addition, the EDC rate is the same throughout the area to which the by-law applies (one rate for all of Halton Region). The existing EDC rate is also based on an 85% residential allocation and

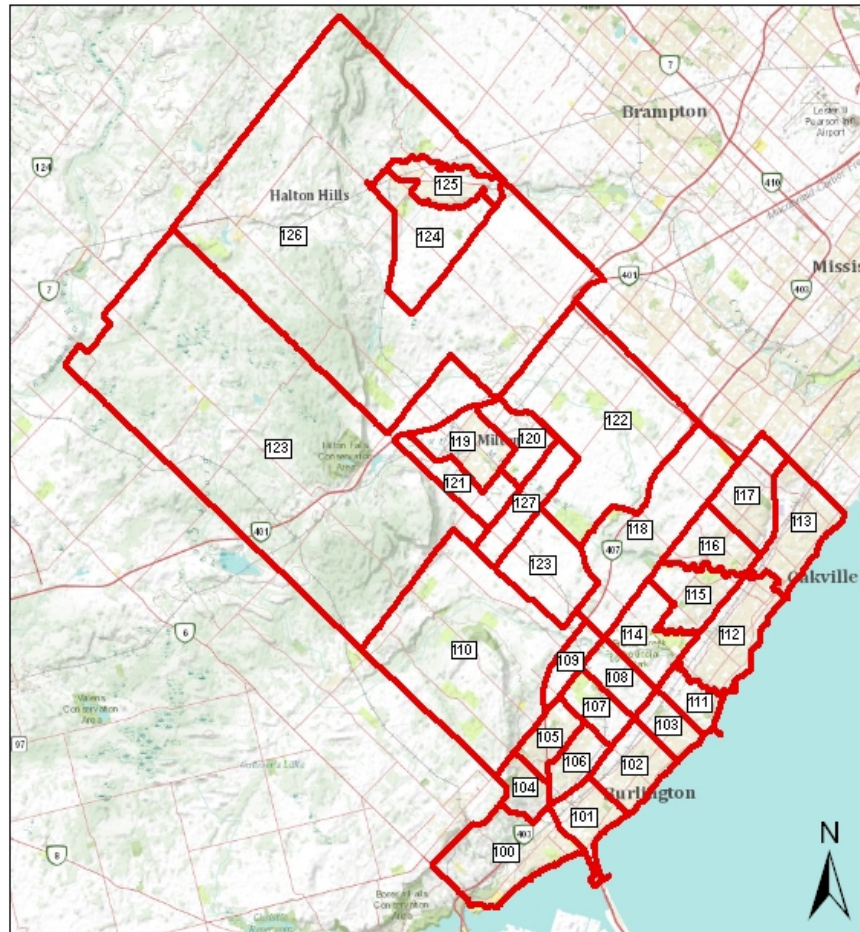
15% non-residential allocation meaning that 85% of the education land costs are collected through residential development and 15% through non-residential development.

A table outlining the Board's existing EDC rates can be found below. Note that the existing EDC rates are based on the Board's 2017 EDC Amendment. Maps for each School Board's areas to which the existing EDC by-laws apply as well as elementary and secondary review areas can be found on the following pages. The maps are based on the review areas used for the 2013 EDC study.

School Board	Residential/Non-Residential	EDC
HDSB	85% Residential/15% Non-Residential	\$4,364 per dwelling unit/\$1.11 per Sq.Ft.
HCDSB	85% Residential/15% Non-Residential	\$2,269 per dwelling unit/\$0.58 per Sq.Ft.

2013 EDC REVIEW AREAS

Halton District School Board Elementary Review Areas for Education Development Charges

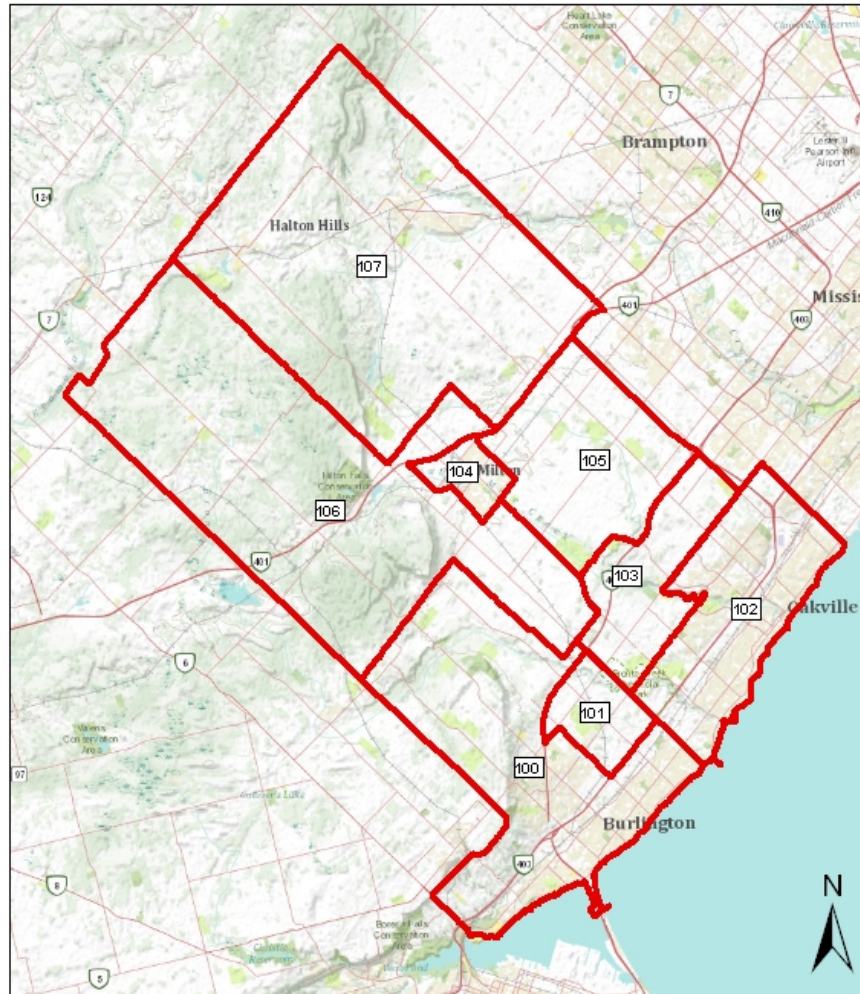


ERA 100: Aldershot & Parkway Belt
 ERA 101: Downtown Burlington
 ERA 102: S QEW Between Guelph & Appleby
 ERA 103: S QEW between Appleby & Burloak
 ERA 104: Tyandaga
 ERA 105: Brant Hills & Headon Forest
 ERA 106: Mountainside & Palmer
 ERA 107: Milcroft
 ERA 108: Orchard
 ERA 109: Alton
 ERA 110: Rural Burlington
 ERA 111: S QEW between Burloak & Bronte Creek
 ERA 112: S QEW between Bronte Creek & 16 Mile Creek
 ERA 113: SE Oakville & Clearview

ERA 114: West Oak Trails & Palermo
 ERA 115: S Dundas & East Third Line
 ERA 116: Ward 5 S Dundas
 ERA 117: Ward 6 Dundas
 ERA 118: North Oakville
 ERA 119: Old Milton
 ERA 120: Bristol Survey
 ERA 121: Aherwood Survey Phase II
 ERA 122: Rural Milton East
 ERA 123: Rural Milton W
 ERA 124: Silver Creek W
 ERA 125: Silver Creek East
 ERA 126: Rural Halton Hills & Acton
 ERA 127: Boyne

2013 EDC REVIEW AREAS

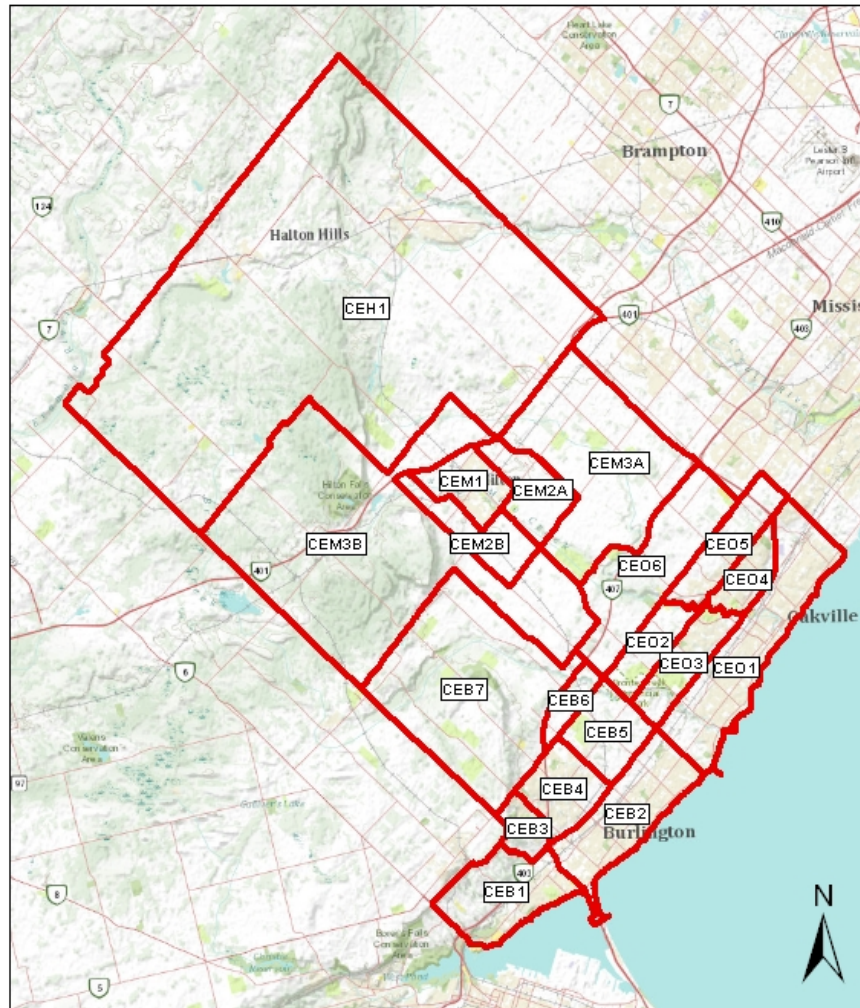
Halton District School Board Secondary Review Areas for Education Development Charges



SRA 100: Northwest, South, Rural Burlington
 SRA 101: Northeast Burlington, Alton
 SRA 102: Northeast, South Oakville
 SRA 103: Northwest, North Oakville
 SRA 104: Old Milton
 SRA 105: Rural Milton East
 SRA 106: Rural Milton West
 SRA 107: Halton Hills

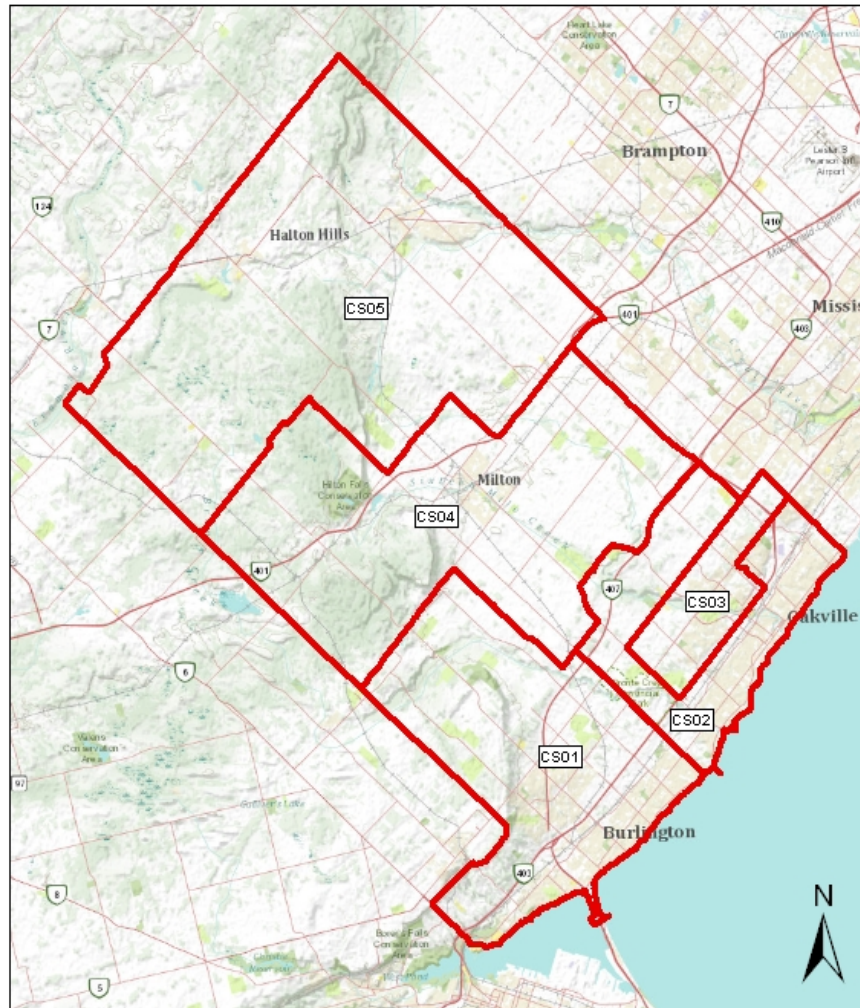
2013 EDC REVIEW AREAS

Halton Catholic District School Board Elementary Review Areas for Education Development Charges



CEB1: Aldershot
 CEB2: South of the QEW
 CEB3: Tyandaga
 CEB4: Burlington, Mountainside, Palmer, Headon
 CEB5: Millcroft, Orchard, Tansley, Uptown
 CEB6: Alton
 CEB7: Rural Burlington
 CEH1: Halton Hills
 CEM1: Existing Urban Area
 CEM2A: Rural East (Milton)

CEM2B: Rural West (Milton)
 CEM3A: Urban Expansion West of Bronte Road
 CEM3B: Urban Expansion East of Bronte Road
 CEO1: Souther of the QEW
 CEO2: North of Dundas Street
 CEO3: Northwest Oakville North of QEW
 CEO4: Southwest Oakville North of QEW
 CEO5: Northeast Oakville North of QEW
 CEO6: Southeast Oakville North of QEW

2013 EDC REVIEW AREAS**Halton Catholic District School Board
Secondary Review Areas for Education Development Charges**

CS01: Burlington
CS02: Oakville - South of QEW, NW Oakville & North of Dundas St.
CS03: Oakville - North Oakville East of 16 Mile Creek
CS04 - Milton
CS05 - Halton Hills

1.3 Public Meetings

Before a school board can pass an EDC by-law, the legislation requires that the board hold at least one public meeting. The purpose of the meeting is to advise any interested stakeholders and the public at large of the board's intentions and address the new proposed EDC by-law. The public meeting also gives the community and stakeholders the opportunity to voice any issues or concerns they have with regard to the proposed by-law.

The board is required to provide at least 20 days notice of the meeting and must make the background study as well as the new proposed by-law available to the public at least two weeks in advance of said meeting. O.Reg. 20/98 states that notice of a public meeting can be given in two ways:

- To every owner of land in the area to which the proposed by-law would apply by personal service, fax or mail.
- By publication in a newspaper that is, in the secretary of the Board's opinion, of sufficiently general circulation in the area to which the proposed by-law would apply to give the public reasonable notice of the meeting.

If a school board already has an existing in-force EDC by-law in place, the Board must hold an additional meeting to review the existing policies of the current EDC by-law. This part of the process is necessary in order to fulfil the necessary requirements of the policy review process. It should be noted that this policy review meeting can be addressed by the Board during its EDC public meeting. Both Boards intend to hold their policy review meeting on the same night as the EDC public meeting.

The HDSB and HCDSB intend to hold both their policy review public meeting and the new proposed EDC by-law public meeting on the same night. The HDSB will hold their public meeting at the Board offices in Burlington, Ontario on Wednesday April 18, 2018. The HCDSB will hold their public meeting at the Board office in Burlington, Ontario on Tuesday April 17, 2018. Official notices can be found on the following pages.



Education Development Charges

Region of Halton

Notice of Public Meetings

PUBLIC MEETINGS FOR EDC BY-LAW

All meetings held at J.W. Singleton Centre, 2050 Guelph Line, Burlington

First Meeting

POLICY REVIEW PUBLIC MEETING

Wednesday April 18, 2018 @ 7 p.m.

TAKE NOTICE that on April 18, 2018, the Halton District School Board will hold a public meeting pursuant to Section 257.60 of the Education Act. The purpose of the meeting will be to review the current education development charge policies of the Board and to solicit public input. Any person who attends the meeting may make a representation to the Board in respect of the policies.

The Board will also consider any written submissions. A Policy Review Document setting out the Board's policies for the current education development charge by-law will be available on or before April 4, 2018, at the Board's administration offices during regular office hours and on the Board's website at www.hdsb.ca

Immediately followed by Second Meeting

SUCCESSOR BY-LAW PUBLIC MEETING

Wednesday April 18, 2018 @ 7:30 p.m.

TAKE NOTICE that on April 18, 2018, the Halton District School Board will hold a second public meeting pursuant to Section 257.63 of the Education Act. The purpose of the second public meeting is to consider the continued imposition of education development charges and a successor by-law and to inform the public generally about the Board's education development charge proposal. Any person who attends the meeting may make a representation to the Board in respect of the proposal. The Board will also consider any written submissions. All submissions received in writing and those expressed at the public meeting will be considered prior to the enactment of an education development charge by-law. On Wednesday May 16, 2018, the Board will consider the adoption of a by-law that will impose education development charges in the Region of Halton. The education development charge background study required under Section 257.61 of the Education Act (including the proposed EDC by-law) setting out the Board's education development charge proposal will be available on or before April 4, 2018, at the Board's administrative offices during regular office hours and on the Board's website at www.hdsb.ca.

Third Public Meeting

IN CONSIDERATION OF BY-LAW ADOPTION

Wednesday May 16, 2018 @ 7 p.m.

TAKE NOTICE that on May 16, 2018, the Halton District School Board will hold a third public meeting. The purpose of this meeting is to consider the enactment of a successor education development charges by-law that will apply in the Region of Halton. Any person who attends the meeting may make representations to the Board in respect of this matter. Written submissions, filed in advance of the meeting, will also be considered. All interested parties are invited to attend the public meeting.

The Board would appreciate receiving written submissions one week prior to the Public Meetings, so they may be distributed to Trustees prior to the meetings. Submissions and requests to address the Board as a delegation should be submitted online at www.hdsb.ca (search "delegation by-law").

Any comments or requests for further information regarding this matter may be directed to Domenico Renzella, General Manager of Planning, Halton District School Board, at (905) 335-3663, ext. 3375 or renzellad@hdsb.ca.

Andréa Grebenc,
Chair of the Board

Stuart Miller,
Director of Education

PUBLIC MEETINGS FOR EDC BY-LAW

All meetings held at the Catholic Education Centre, 802 Drury Lane, Burlington

First Meeting POLICY REVIEW PUBLIC MEETING Tuesday, April 17, 2018 @ 7:30 p.m.

TAKE NOTICE that on April 17, 2018, the Halton Catholic District School Board will hold a public meeting pursuant to Section 257.60 of the Education Act. The purpose of the meeting will be to review the current education development charge policies of the Board and to solicit public input. Any person who attends the meeting may make a representation to the Board in respect of the policies. The Board will also consider any written submissions. A Policy Review Document setting out the Board's policies for the current education development charge by-law will be available on or before April 3, 2018, at the Board's administration offices during regular office hours and on the Board's website at www.hcdsb.org.

Immediately Followed By Second Meeting SUCCESSOR BY-LAW PUBLIC MEETING Tuesday, April 17, 2018 @ 8:00 p.m.

TAKE NOTICE that on April 17, 2018, the Halton Catholic District School Board will hold a second public meeting pursuant to Section 257.63 of the Education Act. The purpose of the second public meeting is to consider the continued imposition of education development charges and a successor by-law and to inform the public generally about the Board's education development charge proposal. Any person who attends the meeting may make a representation to the Board in respect of the proposal. The Board will also consider any written submissions. All submissions received in writing and those expressed at the public meeting will be considered prior to the enactment of an education development charge by-law. On Tuesday, May 15, 2018, the Board will consider the adoption of a by-law that will impose education development charges in the Region of Halton. The education development charge background study required under Section 257.61 of the Education Act (including the proposed EDC by-law) setting out the Board's education development charge proposal will be available on or before April 3, 2018, at the Board's administrative offices during regular office hours and on the Board's website at www.hcdsb.org.

Third Public Meeting IN CONSIDERATION OF BY-LAW ADOPTION Tuesday, May 15, 2018 @ 7:30 p.m.

TAKE NOTICE that on May 15, 2018, the Halton Catholic District School Board will hold a third public meeting. The purpose of this meeting is to consider the enactment of a successor education development charges by-law that will apply in the Region of Halton. Any person who attends the meeting may make representations to the Board in respect of this matter. Written submissions, filed in advance of the meeting, will also be considered. All interested parties are invited to attend the public meeting.

The Board would appreciate receiving written submissions one week prior to the Public Meetings, so that they may be distributed to Trustees prior to the meetings. Submissions and requests to address the Board as a delegation should be submitted to the Office of the Director of Education by email at director@hcdsb.org.

Any comments or requests for further information regarding this matter may be directed to Frederick Thibeault, Senior Administrator of Planning Services, Halton Catholic District School Board, at (905) 632-6314, ext. 107, or ThibeaultF@hcdsb.org.

1.4 Appeals and Complaints

Once an Education Development Charge is passed and put into effect there are avenues available to the public to either appeal the by-law itself or to argue payment or application of the charge.

APPEALS

The Education Development Charge by-law can be appealed by any individual or organization in accordance with the provisions in the *Education Act*. Sections 257.64 to 257.69 of the Act outline the legislation dealing with the appeal of the EDC by-law. The by-law is subject to appeal for a maximum of 40 days after the by-law has been passed. The school boards must provide a written notice that an EDC by-law has been passed (within 20 days of passage) and this notice must include information on how to file an appeal.

The requirements that must be included in a by-law notice are outlined in O.Reg 20/98 S.12 (5):

1. A statement that the board has passed an education development charge by-law.
2. A statement setting out when the by-law was passed and what its number is.
3. ***A statement that any person or organization may appeal the by-law to the Ontario Municipal Board under section 257.65 of the Act by filing with the secretary of the board a notice of appeal setting out the objection to the by-law and the reasons supporting the objection.***
4. ***A statement setting out what the last day for appealing the by-law is.***
5. An explanation of the education development charges imposed by the by-law on residential development and non-residential development.
6. A description of the land to which the by-law applies.
7. A key map showing the lands to which the by-law applies or an explanation of why a key map is not provided.
8. An explanation of where and when persons may examine the copy of the by-law.
9. A statement that notice of a proposed by-law amending the education development charge by-law or the passage of such an amending by-law is not required to be given to any person or organization, other than to certain clerks of municipalities or secretaries of school boards, unless the person or organization gives the secretary of the board a written request for notice of any amendments to the education development charge by-law and has provided a return address.

According to S.257.64 (4) of the Act, "A notice required under this section shall be deemed to have been given,

- (a) If the notice is by publication in a newspaper, on the day that the publication occurs;
- (b) If the notice is given by mail, on the day that the notice is mailed.

An appeal of the EDC by-law goes to the Ontario Municipal Board (OMB) to be decided. All appeals must be filed in writing with the secretary of the school board within the allotted time allowed. The reasons for the appeal must be included in the notice. It is the responsibility of the secretary of the board to forward a copy of the Notice of Appeal to the OMB within 30 days after the last day of the appeal period. In addition to the Notice, the secretary must provide:

- A copy of the by-law certified by the secretary.
- A copy of the background study.
- An affidavit or declaration certifying that notice of the passing of the by-law was provided in accordance with the *Education Act*.
- The original or true copy of all written submissions and material relevant to the by-law.

After hearing an appeal the OMB may decide to:

- Dismiss the appeal in whole or in part.
- Order the board to repeal or amend the by-law.
- Repeal or amend the by-law itself.

If the by-law is repealed then the EDCs that have already been paid must be refunded. If the by-law is amended and the amended charge is lower than the original charge, the difference must be refunded. All refunds are due within 30 days of the by-law being repealed or amended. While the OMB does have the power to repeal or amend the by-law, they are not able to increase the quantum of the charge, remove or reduce the scope of discretionary exemptions or change the expiration date of the by-law.

An amended EDC by-law can also be appealed and is subject to the same requirements as discussed with regular appeals. One important difference, however, is that in an appeal to an amended by-law, the scope of the appeal is limited to only the provisions that have been amended.

The HDSB and HCDSB incurred appeals of their 2015 Amended EDC by-laws. The 2015 amending bylaw was appealed to the Ontario Municipal Board by a developer organization (BILD) and a revised EDC was settled upon through OMB mediation. The focus of the appeal was a methodological and technical issue dealing with application of updated forecasts in an amendment analysis.

COMPLAINTS

Once the EDC by-law has been imposed and the appeal period has passed, the public still has the ability to argue the application of the by-law. The *Education Act*, specifically S.257.85 allows land owners to make formal complaints to the Municipality which collects the charge in the area of the EDC by-law.

s.257.85 (1):

An owner, the owner's agent or a board, may complain to the council of the municipality to which an education development charge is payable that,

- (a) The amount of the education development charge was incorrectly determined;
- (b) A credit is or is not available to be used against the education development charge, or that the amount of a credit was incorrectly determined; or
- (c) There was an error in the application of the education development charge by-law.

A complaint must be made in writing and must be made no later than 90 days after the education development charge (in whole or in part) is payable. The complaint must include;

- The name of the complainant.
- Address where notice can be given.
- The reason for the complaint.

Once a complaint is filed with Council, a hearing date is set and the complainant must be notified at least 14 days in advance of said hearing. Each party (the complainant and the school board) is provided with the opportunity to make representations. The municipal council is able to make certain decisions regarding the complaint – they can dismiss the complaint or can rectify any determinations or errors that were the subject of the complaint.

If Council's decision increases the EDC, the amount is immediately payable by the person who originally paid the EDC. If the EDC decreases, the overpayment must be immediately refunded by the school board (including interest) to the complainant.

Within 20 days of Council's decision the clerk of the municipality must give the parties written notice of the decision including the last day (40 days from the decision date) for appealing the decision.

Appeals regarding municipal decisions are filed by submitting a Notice of Appeal to the clerk of the municipality. Within 30 days of the Notice of Appeal being filed, the clerk must provide the OMB with:

- A copy of the EDC by-law certified by the clerk.
- An original or true copy of the complaint and all materials submitted by the parties.
- A certified copy of the decision of the municipal council.
- An affidavit or declaration certifying that the notification of the council's decision was rendered in accordance with the *Education Act*.

In addition to appealing the decision of the municipal council regarding EDC complaints, an appeal may also be filed if the municipality does not deal with the complaint within 60 days of being made.

According to s.257.89 (3) of the Act, in appeals dealing with municipal decisions, the Ontario Municipal Board, "may do anything that could have been done by the council of the municipality under subsection 257.85 (7)."

There have been no formal complaints filed with regard to the existing EDC by-laws of the HDSB and HCDSB.

2. EDUCATION DEVELOPMENT CHARGE POLICIES

2. EDUCATION DEVELOPMENT CHARGE POLICIES

The purpose of the policy review is to examine the current policies of the Boards' existing EDC by-laws (which can be found in appendix A). The examination includes an analysis of the by-laws and any appeals or complaints related to the by-law and related policies. It also allows school boards an opportunity to discuss their policies, both internally and with the public, to determine if changes to their existing policies are necessary for future by-laws. This section of the report explains the key EDC policies which shape the existing by-laws of the School Boards.

The policy decisions of the HDSB and HCDSB are largely consistent with each other which is common amongst coterminous school boards with consistent EDC jurisdictions.

2.1 Percentage of Growth-Related Net Education Land Costs to be Borne Through EDCs

This policy determines the percentage of a board's net education land costs that can be collected through the imposition of Education Development Charges. A board can decide to collect anywhere from 0%-100% of its costs through EDCs.

Typically most school boards calculate their EDCs to recover 100% of their net education land costs. However, the granting of non-statutory exemptions would limit boards from actually collecting 100%. Most school boards with existing EDC by-laws collect less than 100% of net education land costs because they have granted some form of non-statutory exemptions through negotiations with development community interests or in response to positions by local governments or other interested stakeholders. Non-statutory exemptions are more common on the non-residential component of EDCs.

It is important to note that EDCs are a major source of funding for new school sites for boards that qualify. School boards no longer have the ability to collect taxes as a funding source and thus have limited ability to make up shortfalls if full cost recovery of land costs is not borne by EDCs. Non-statutory exemptions granted by a school board result in a loss of revenue which must be absorbed by the board.

Both Boards have granted some non-residential exemptions which can be found in each Board's existing EDC bylaw.

2.2 Non-Statutory Residential Exemptions

This policy directly relates to the percentage of net education land costs that are borne through EDCs. If less than 100% of land costs are collected it is primarily because of some form of non-statutory exemption. Non-statutory residential exemptions are decided by the Board and would exempt a type or form of residential housing from EDCs.

The legislation sets out certain statutory residential exemptions – these exemptions are factored into the calculation of the EDCs and do not result in a revenue loss to the Board's. The residential exemptions in the legislation deal with the intensification of units and the replacement of units.

If an existing dwelling unit is enlarged or the density is increased (single detached converted into a duplex) the development would be exempt from EDCs. The Act does not allow EDCs to be charged if the action:

- Permits the enlargement of an existing dwelling unit; or
- Permits the creation of one or two additional dwelling units as prescribed, subject to the prescribed restrictions, in prescribed classes of existing residential buildings.

O.Reg. 20/98 S.3 provides a table with the name and description of classes of residential buildings and the maximum number of units that can be added under the intensification exemption.

Class Of Building	Description	Maximum # Of Units	Restrictions
Single Detached	Single dwelling units not attached to another unit.	TWO	Gross floor area of new units must be less than or equal to gross floor area of existing dwelling.
Semi-Detached	Single dwelling units that have only one or two vertical walls attached to other buildings.	ONE	Gross floor area of new units must be less than or equal to gross floor area of existing dwelling.
Other	Dwelling units not described in other parts of this table.	ONE	Gross floor area of new units must be less than or equal to gross floor area of the smallest existing unit in the building.

The legislation ensures that estimates are made with regard to the number of units in the residential forecast that would be exempt under this requirement. Part 3, s.7.1 of O.Reg. 20/98 S.7, paragraph 1 states, "The board shall estimate the number of new dwelling units in the area

in which the charges are to be imposed for each of the 15 years immediately following the day the board intends to have the by-law come into force. ***The board's estimate shall include only new dwelling units in respect of which education development charges may be imposed.***

Additionally, if an existing dwelling unit has been demolished or destroyed by fire it is also exempt from EDCs subject to certain provisions. O.Reg 20/98 s.4 describes when a replacement unit is exempt.

- The replacement dwelling must be on the same site as the original dwelling unit that was destroyed or rendered uninhabitable by fire, demolition or otherwise. For the exemption to apply the building permit for the replacement dwelling must be issued two years or less after the date on which the former dwelling unit was destroyed or became uninhabitable, or a demolition permit was issued.

Non-statutory residential exemptions can include certain types of developments like those catered to seniors or adult lifestyles. These units may generate lower numbers of school aged children than typical developments. It should be noted, however, that there is no ability under the *Building Code Act* to limit the number of occupants in a dwelling. This means that regardless of how a development may be marketed there are no guarantees of long term occupancy and thus no guarantees of the resultant number of school aged children. Other forms of residential non-statutory exemptions could relate to affordable housing developments, municipal building initiatives etc. As of the writing of this report, no school board has granted any non-statutory residential exemptions.

The HDSB and HCDSB do not have any non-statutory residential exemptions in their existing EDC by-laws.

2.3 Non-Statutory Non-Residential Exemptions

School boards which have a non-residential component to their EDC by-laws can elect to impose non-statutory non-residential exemptions. A non-statutory non-residential exemption would exempt certain determined types of non-residential development that would ordinarily be subject to the EDC. A non-statutory exemption would result in a school board collecting less than 100% of their net education land costs through EDCs.

As with residential development, the legislation classifies certain types of non-residential developments which are statutorily exempt from paying EDCs. There are three primary types of statutory exemptions dealing with non-residential developments:

- Land owned by school boards or municipalities.
- Enlargement of industrial developments.
- Replacement developments (subject to certain provisions).

Section 257.54 (5) of the Act states, “No land, **except land owned by and used for the purposes of a board or a municipality**, is exempt from an education development charge under a by-law passed under subsection (1) by reason only that it is exempt from taxation under section 3 of the Assessment Act.”

With regard to industrial development additions/enlargements the Act goes on to say in Section 257.55 (1-3);

“If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the education development charge that is payable in respect of the enlargement is determined in accordance with this section.”

Enlargement 50% or less:

“If the gross floor area is enlarged by 50% or less, the amount of the EDC in respect of the enlargement is zero.”

Enlargement more than 50%:

“If the gross floor area is enlarged by more than 50%, the amount of the EDC in respect of the enlargement is the amount of the EDC that would otherwise be payable multiplied by the fraction determined as follows:

1. Determine the amount by which the enlargement exceeds 50% of the gross floor area before the enlargement.
2. Divide the amount determined under paragraph 1 by the amount of the enlargement.

Non-residential exemptions related to the replacement of units are similar to the residential replacement exemption with two notable exceptions. In the residential exemption a unit deemed to be exempt because of replacement must have a permit issued within two years of the date the unit was destroyed. With non-residential buildings the permit must be issued within **5** years of the date the building was destroyed for the exemption to apply. The second difference with non-residential replacement exemptions applies when a replacement building is built larger than the original building. O.Reg 20/98, S.5 (2) states;

“If the board determined GFA of the non-residential part of the replacement building exceeds the board determined GFA of the non-residential building being replaced, the board is only required to exempt the owner with respect to the portion of the EDC calculated in accordance with the following formula:

$$\text{Exempted Portion} = [\text{GFA (old)} / \text{GFA (new)}] \times \text{EDC}$$

All statutory non-residential exemptions are factored into the EDC calculation. Estimates of institutional space (school boards/municipalities) and industrial expansions are made and the

non-residential forecast is adjusted accordingly to ensure this space is excluded from the projection.

Examples of a non-statutory non-residential exemptions can include, public hospitals, places of worship, farm buildings etc. There have been a variety of non-statutory non-residential exemptions granted in EDC by-laws around the Province.

The HDSB and HCDSB have both granted non-residential exemptions which can be found in each Board's existing EDC bylaws.

2.4 Jurisdiction-Wide or Area-Specific EDCs

An EDC by-law can apply to the entire region of a school board's jurisdiction or can apply to specific areas of the jurisdiction. The policy allows school boards to determine whether they charge one rate for all units in their jurisdiction, one rate for a specific area in their jurisdiction or various rates for different areas in their jurisdiction.

Section 257.54 (4) of the Act states, "An education development charge by-law may apply to the entire area of jurisdiction of a board or only part of it." It is important to note that some board's jurisdictions are divided into regions and s.257.57 of the Act describes the necessary requirements if a board's jurisdiction is divided into regions:

"If the regulations divide the area of the jurisdiction of a board into prescribed regions for the purposes of this section the following apply:

1. Despite subsection 257.54 (4), an education development charge by-law of the board shall not apply with respect to land in more than one region.
2. The EDCs collected under an EDC by-law that applies to land in a region shall not, except with prior written approval of the Minister, be used in relation to land that is outside that region."

Each EDC by-law in a board's jurisdiction must establish its own separate EDC reserve fund. Section 257.82 (1) of the Act states, "A board that has passed an education development charge by-law shall establish reserve funds in accordance with the regulations." O.Reg 20/98, S.16 (1 and 2) goes on to say:

"A board shall, under section 257.82 of the Act, establish an EDC reserve fund for the area to which an EDC by-law applies."

"Money from an EDC charge reserve fund established under subsection (1) may be used only,

- (a) For growth-related net education land costs attributed to or resulting from development in the area to which the education development charge by-law applies.”

The majority of existing EDC by-laws across the Province are applied on a jurisdiction wide basis. The area specific by-laws that are in-force occur in jurisdictions where there is a clear and specific area of growth with little development opportunities elsewhere in the board's jurisdiction. Boards typically elect to impose jurisdiction wide by-laws because:

- A jurisdiction-wide approach is more consistent with the way in which education services are provided by boards;
- A jurisdiction-wide charge affords more flexibility for boards to meet their long-term accommodation needs;
- Uniform application of education development charges is more congruent with the education funding model as a whole.

The HDSB and HCDSB's existing EDC by-laws are applied on a jurisdiction wide basis to the geographic area of the Region of Halton.

2.5 Percentage of Net Education Land Costs to be Borne by Residential and Non-Residential Development

The total net education land costs that a board is eligible to collect through EDCs can be allocated between residential and non-residential development. A school board can decide to allocate anywhere from 0%-40% of their land costs to be borne by non-residential development.

O.Reg 20/98 s.7, paragraph 8 says, “The board shall choose the percentage of the growth-related net education land cost that is to be funded by charges on residential development and the percentage, if any, to be funded by charges on non-residential development. The percentage that is to be funded by charges on non-residential development shall not exceed 40%.”

Existing EDC by-laws in the Province vary between 0% to about 25% non-residential components - the average is approximately 10-15%.

The HDSB and HCDSB have existing EDC By-laws which are allocated 85% to residential development and 15% to non-residential development. This means that 85% of the net education land costs are currently collected through residential building permits and 15% from non-residential building permits.

2.6 Uniform EDC Rate or Differentiated EDC Rate

This policy deals with the application of the EDC rate either uniformly for all types of developments or differentiated by prescribed types of development. The school board can decide to apply one EDC rate regardless of the type or density of dwelling unit. The board can also choose to apply different EDC rates to different types or densities of developments – for example, single family units could have one rate, townhomes could have one rate etc.

Initially the legislation permitted school boards to only charge a uniform rate across all types of developments. Changes to the EDC regulations in 2002 gave boards the ability to impose EDCs with different charges based on the type of residential development (i.e. single family vs. apartments). O. Reg 20/98, S.7, paragraph 9.1 (as amended) states, “Despite paragraph 9, if the board intends to impose different charges on different types of residential development, the board shall determine,

- i. The percentage of the growth-related net education land cost to be funded by charges on residential development that is to be funded by each type of residential development,
- ii. The charges on each type of residential development, subject to the rules in subparagraphs 9 i, ii, iii.

The differentiated rate is premised on the basis that different units produce school aged pupils at different rates and the land costs are apportioned relative to the distribution of pupils by unit type. The Ministry’s EDC Guidelines suggest that boards may define dwelling types based on the nature of developments and criteria that are relevant to the board (e.g. low, medium, high or singles, townhomes, apartments, etc.). The Guidelines encourage the boards to be as consistent as possible with municipalities impacted by the EDCs when determining categories of development if considering a differentiated rate.

The determination of a uniform or differentiated charge does not necessarily impact the revenue collected by the Board. Typically input is sought from the development community and local governments during the public consultation process to determine the ideal by-law structure for the board and its jurisdiction. There are currently no existing by-laws in the Province that have a differentiated EDC rate.

The HDSB and HCDSB’s existing EDC by-laws have a uniform rate that is applied across all types of residential development.

2.7 Conversion Credits

There are provisions in the legislation dealing with the payment of EDCs and the replacement of residential and non-residential space. However, there is no specific legislation dealing with the conversion of space from residential to non-residential or vice versa.

The Ministry's EDC Guidelines state that:

“Board by-laws may include provisions for credits for land use conversion. Typically, this situation would arise if an EDC is paid for one type of development (i.e. residential) and shortly thereafter (the period defined in the board's by-law), the land is rezoned and a new building permit is issued for redevelopment (i.e. non-residential). EDC by-laws may include provisions for providing credits to take into account the EDC amount paid on the original development (generally offsetting the EDC amount payable on the redevelopment).”

The existing by-laws of the HDSB and HCDSB do not have provisions for conversion credits.

2.8 Alternative Accommodation Arrangements and Operating Budget Surpluses

The majority of policies discussed in this report deal with policies that require certain decisions and determinations to be made by the school board. The final two policies that will be outlined are policies that the legislation specifically requires the boards to include before it can pass an EDC by-law. The first policy requires boards to examine possible alternative accommodation arrangements and the second policy requires boards to allocate any operating budget surpluses to offset EDCs.

The first policy that a statement must be provided for is the alternative accommodation arrangement policy. The statement must include information on the board's policy with regard to how it deals with alternative accommodation arrangements to provide pupil accommodation and how it could reduce or eliminate the need for EDCs. If the board has had a previous by-law then information respecting how alternative accommodation arrangements were implemented (or not implemented) must also be provided.

The second policy statement deals with the policy on operating budget surpluses. The EDC must include a board policy that states if savings are achieved in the operating budget they must be used to defray any eligible EDC expenditures. The statement included in the background study must state that the board has reviewed its current operating budget for potential savings that could

be applied to the EDC. The statement must also include the amount of potential savings that would be applied to the EDC, if any.

O.Reg. 20/98, S.9 (1), paragraph 6-8 state that the EDC Background Study must include,

- A statement of the board's policy concerning possible arrangements with municipalities, school boards or other persons or bodies in the public or private sector, including arrangements of a long-term or co-operative nature, which would provide accommodation for the new elementary school pupils and new secondary school pupils estimated under paragraph 3 of section 7, without imposing education development charges, or with a reduction in such charges.
- If a previous education development charge background study completed by the board included a statement under paragraph 6, a statement of how the policy referred to in the statement was implemented and, if it was not implemented, an explanation of why it was not implemented.
- A statement from the board stating that it has reviewed its operating budget for savings that could be applied to reduce growth-related net education land costs, and the amount of any savings which it proposes to apply, if any.

The existing EDC by-laws of the HDSB and HCDSB include policies on alternative accommodation arrangements and operating budget surpluses. The Boards did not undertake any alternative accommodation arrangements that had the effect of reducing or eliminating the land costs of the existing EDC. In addition, both Board's did not have any surplus funds in the examination of their operating budgets that could be applied to EDC's. A copy of the Board's existing policies can be found in appendix B of this report.

APPENDIX A

EDUCATION DEVELOPMENT CHARGE EXISTING BY-LAWS

HDSB

HALTON DISTRICT SCHOOL BOARD
EDUCATION DEVELOPMENT CHARGES
BY-LAW, 2013

A by-law for the imposition of education development charges

WHEREAS section 257.54 (1) of the *Education Act* provides that a district school board may pass by-laws for the imposition of education development charges against land in its area of jurisdiction undergoing residential or non-residential development if there is residential development in the area of jurisdiction of the district school board that would increase education land costs and the residential or non-residential development require one or more of the actions identified in section 257.54(2) of the *Education Act*;

AND WHEREAS the Halton District School Board has referred to the Minister of Education the following estimates for approval:

- (i) the total number of new elementary school pupils and new secondary school pupils; and
- (ii) the number of elementary school sites and secondary school sites used to determine the net education land costs;

which estimates the Minister of Education approved on June 19, 2013 in accordance with section 10 of Ontario Regulation 20/98;

AND WHEREAS the estimated average number of elementary school pupils of the Halton District School Board over the five years immediately following the day this by-law comes into force will exceed the total capacity of the Halton District School Board to accommodate the elementary school pupils throughout its jurisdiction on the day this by-law is passed;

AND WHEREAS the Halton District School Board has conducted a review of its education development charge policies and held a public meeting on May 22, 2013, in accordance with section 257.60 of the *Education Act*;

AND WHEREAS the Halton District School Board has given a copy of the education development charge background study relating to this by-law to the Minister of Education and to each school board having jurisdiction within the area to which this by-law applies;

AND WHEREAS the Halton District School Board has given notice and held public meetings on May 22, 2013 and June 19, 2013, in accordance with section 257.63(1) of the *Education Act* and permitted any person who attended the public meetings to make representations in respect of the proposed education development charges;

AND WHEREAS the Halton District School Board has determined in accordance with section 257.63(3) of the *Education Act* that no additional public meeting is necessary in respect of this by-law;

NOW THEREFORE THE HALTON DISTRICT SCHOOL BOARD HEREBY ENACTS AS FOLLOWS:

PART I

APPLICATION

Defined Terms

1. In this by-law,
 - (a) “Act” means the *Education Act*, R.S.O. 1990, c.E.2, as amended, or a successor statute;
 - (b) “agricultural building or structure” means a building or structure used, or designed or intended for use for the purpose of a bona fide farming operation including, but not limited to, animal husbandry, dairying, fallow, field crops, removal of sod, forestry, fruit farming, horticulture, market gardening, pasturage, poultry keeping and any other activities customarily carried on in the field of agriculture, but shall not include a dwelling unit or other structure used for residential accommodation or any building or structure or parts thereof used for other commercial, industrial or institutional purposes qualifying as non-residential development;
 - (c) “Board” means the Halton District School Board;
 - (d) “development” includes redevelopment;
 - (e) “dwelling unit” means a room or suite of rooms used, or designed or intended for use by one person or persons living together in which culinary and sanitary facilities are provided for the exclusive use of such person or persons, and shall include, but is not limited to, a dwelling unit or units in an apartment, group home, mobile home, duplex, triplex, semi-detached dwelling, single detached dwelling, stacked townhouse and townhouse;
 - (f) “education land costs” means costs incurred or proposed to be incurred by the Board,
 - (i) to acquire land or an interest in land, including a leasehold interest, to be used by the Board to provide pupil accommodation;
 - (ii) to provide services to the land or otherwise prepare the site so that a building or buildings may be built on the land to provide pupil accommodation;

- (iii) to prepare and distribute education development charge background studies as required under the Act;
 - (iv) as interest on money borrowed to pay for costs described in paragraphs (i) and (ii); and
 - (v) to undertake studies in connection with an acquisition referred to in paragraph (i).
- (g) “education development charge” means charges imposed pursuant to this by-law in accordance with the Act;
- (h) “existing industrial building” means a building used for or in connection with,
- (i) manufacturing, producing, processing, storing or distributing something,
 - (ii) research or development in connection with manufacturing, producing or processing something,
 - (iii) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production or processing takes place,
 - (iv) office or administrative purposes, if they are,
 - A. carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
 - B. in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;
- (i) “gross floor area of non-residential development” means in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors at or above the average level of finished ground adjoining the building at its exterior walls, and, for the purpose of this definition, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure; and for greater certainty, “gross floor area of non-residential development” includes any part of a building or structure used for the parking or loading of motor vehicles;
- (j) “local board” means a local board as defined in the *Municipal Affairs Act*, other than a board defined in section 257.53(1) of the Act;

- (k) “mixed use” means land, buildings or structures used, or designed or intended for use, for a combination of non-residential and residential uses;
 - (l) “non-residential building or structure” means a building or structure or portions thereof used, or designed or intended for use for other than residential use, and includes, but is not limited to, an office, retail, industrial or institutional building or structure;
 - (m) “non-residential development” means a development other than a residential development, and includes, but is not limited to, an office, retail, industrial or institutional development;
 - (n) “non-residential use” means lands, buildings or structures or portions thereof used, or designed or intended for use for other than residential use, and includes, but is not limited to, an office, retail, industrial or institutional use;
 - (o) “*Planning Act*” means the *Planning Act*, R.S.O. 1990, c. P.13, as amended;
 - (p) “Region” means the Regional Municipality of Halton;
 - (q) “Regulation” means Ontario Regulation 20/98, as amended, made under the Act;
 - (r) “residential development” means lands, buildings or structures developed or to be developed for residential use;
 - (s) “residential use” means lands, buildings or structures used, or designed or intended for use as a dwelling unit or units, and shall include a residential use accessory to a non-residential use and the residential component of a mixed use or of an agricultural use.
2. In this by-law where reference is made to a statute or a section of a statute such reference is deemed to be a reference to any successor statute or section.

Lands Affected

3. (1) Subject to sections 3(2) and 3(3), this by-law applies to all lands in the Region.
- (2) This by-law shall not apply to lands that are owned by and are used for the purposes of:
- (a) the Region or a local board thereof;
 - (b) a municipality or a local board thereof;
 - (c) a board as defined in section 257.53(1) of the Act;
-

- (d) a public hospital receiving aid under the *Public Hospitals Act*, R.S.O. 1990, c. P.40;
 - (e) a publicly-funded university, community college or a college of applied arts and technology established under the *Ontario Colleges of Applied Art and Technology Act, 2002*, S.O. 2002, c. 8, Schedule F, as amended;
 - (f) a seminary of learning maintained for educational purposes that offers courses accredited by the Ministry of Education, which is exempt from taxation under the *Assessment Act*, the whole profits from which are devoted or applied to such purposes;
 - (g) a place of worship owned by a religious organization that is exempt from taxation under the *Assessment Act* that is used primarily as a place of public worship;
 - (h) a cemetery or burying ground that is exempt from taxation under the *Assessment Act*; and
 - (i) Metrolinx.
- (3) This by-law shall not apply to non-residential agricultural buildings or structures that are owned by and are used for the purposes of a bona fide farming operation.

Approvals for Development

4. (1) Education development charges shall be imposed against all lands, buildings or structures undergoing residential development if the development requires one or more of the following:
- a) the passing of a zoning by-law or of an amendment thereto under section 34 of the *Planning Act*;
 - b) the approval of a minor variance under section 45 of the *Planning Act*;
 - c) a conveyance of land to which a by-law passed under subsection 50(7) of the *Planning Act* applies;
 - d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
 - e) a consent under section 53 of the *Planning Act*;
 - f) the approval of a description under section 9 of the *Condominium Act, 1998*, S.O. 1998, c. 19; or
 - g) the issuing of a permit under the *Building Code Act, 1992*, S.O. 1992, c. 23 in relation to a building or structure.

- (2) In respect of a particular development an education development charge will be collected once, but this does not prevent the application of this by-law to future development on the same property.
5.
 - (1) Education development charges shall be imposed against all lands, buildings or structures undergoing non-residential development which has the effect of creating gross floor area of non-residential development or of increasing existing gross floor area of non-residential development if the development requires one or more of the following:
 - a) the passing of a zoning by-law or of an amendment thereto under section 34 of the *Planning Act*;
 - b) the approval of a minor variance under section 45 of the *Planning Act*;
 - c) a conveyance of land to which a by-law passed under subsection 50(7) of the *Planning Act* applies;
 - d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
 - e) a consent under section 53 of the *Planning Act*;
 - f) the approval of a description under section 9 of the *Condominium Act, 1998*, S.O. 1998, c. 19; or
 - g) the issuing of a permit under the *Building Code Act, 1992*, S.O. 1992, c. 23 in relation to a building or structure.
 - (2) In respect of a particular development an education development charge will be collected once, but this does not prevent the application of this by-law to future development on the same property.
6. The Board has determined that the residential development of land to which this by-law applies increases education land costs.

Categories of Development and Uses of Land Subject to Education Development Charges

7. Subject to the provisions of this by-law, education development charges shall be imposed upon all categories of residential development and non-residential development.
8. Subject to the provisions of this by-law, education development charges shall be imposed upon all uses of land, buildings or structures.

PART II

EDUCATION DEVELOPMENT CHARGES

Residential Education Development Charges

9. Subject to the provisions of this by-law, an education development charge of \$2,691.00 per dwelling unit shall be imposed upon the designated categories of residential development and the designated residential uses of land, buildings or structures, including a dwelling unit accessory to a non-residential use, and, in the case of a mixed-use building or structure, upon the dwelling units in the mixed-use building or structure.

Exemptions from Residential Education Development Charges

10. (1) In this section,
- (a) “gross floor area” means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls;
 - (b) “other residential building” means a residential building not in another class of residential building described in this section;
 - (c) “semi-detached or row dwelling” means a residential building consisting of one dwelling unit having one or two vertical walls, but no other parts, attached to another structure;
 - (d) “single detached dwelling” means a residential building consisting of one dwelling unit that is not attached to another building.
- (2) Subject to sections 10(3) and (4), education development charges shall not be imposed with respect to,
- (a) the enlargement of an existing dwelling unit that does not create an additional dwelling unit;
 - (b) the creation of one or two additional dwelling units in an existing single detached dwelling; or
 - (c) the creation of one additional dwelling unit in a semi-detached dwelling, a row dwelling, or any other residential building.
- (3) Notwithstanding section 10(2)(b), education development charges shall be imposed in accordance with section 9 if the total gross floor area of the additional unit or two

additional dwelling units exceeds the gross floor area of the existing single detached dwelling.

- (4) Notwithstanding section 10(2)(c), education development charges shall be imposed in accordance with section 9 if the additional dwelling unit has a gross floor area greater than,
 - (a) in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; or
 - (b) in the case of any other residential building, the gross floor area of the smallest dwelling unit already contained in the residential building.
- 11. (1) Education development charges under section 9 shall not be imposed with respect to the replacement, on the same site, of a dwelling unit that was destroyed by fire, demolition or otherwise, or that was so damaged by fire, demolition or otherwise as to render it uninhabitable.
- (2) Notwithstanding section 11(1), education development charges shall be imposed in accordance with section 9 if the building permit for the replacement dwelling unit is issued more than 2 years after,
 - (a) the date the former dwelling unit was destroyed or became uninhabitable; or
 - (b) if the former dwelling unit was demolished pursuant to a demolition permit issued before the former dwelling unit was destroyed or became uninhabitable, the date the demolition permit was issued.
- (3) Notwithstanding section 11(1), education development charges shall be imposed in accordance with section 9 against any dwelling unit or units on the same site in addition to the dwelling unit or units being replaced. The onus is on the applicant to produce evidence to the satisfaction of the Board, acting reasonably, to establish the number of dwelling units being replaced.
- (4) Education development charges shall be imposed in accordance with section 12 where the dwelling unit described in section 11(1) is replaced by or converted to, in whole or in part, non-residential development.

Non-Residential Education Development Charges

- 12. Subject to the provisions of this by-law, an education development charge of \$0.69 per square foot of gross floor area of non-residential development shall be imposed upon the designated categories of non-residential development and the designated non-residential uses

of land, buildings or structures and, in the case of a mixed use building or structure, upon the non-residential uses in the mixed-use building or structure.

Exemptions from Non-Residential Education Development Charges

13. Notwithstanding section 12 of this by-law, education development charges shall not be imposed upon a non-residential development if the development does not have the effect of creating gross floor area of non-residential development or of increasing existing gross floor area of non-residential development.
14.
 - (1) Education development charges under section 12 shall not be imposed with respect to the replacement, on the same site, of a non-residential building or structure that was destroyed by fire, demolition or otherwise, or that was so damaged by fire, demolition or otherwise as to render it unusable.
 - (2) Notwithstanding section 14(1), education development charges shall be imposed in accordance with section 12 if the building permit for the replacement non-residential building or structure is issued more than 5 years after,
 - (a) the date the former building or structure was destroyed or became unusable; or
 - (b) if the former building or structure was demolished pursuant to a demolition permit issued before the former building or structure was destroyed or became unusable, the date the demolition permit was issued.
 - (3) Notwithstanding section 14(1), if the gross floor area of the non-residential part of the replacement building or structure exceeds the gross floor area of the non-residential part of the building or structure being replaced, education development charges shall be imposed in accordance with section 12 against the additional gross floor area. The onus is on the applicant to produce evidence to the satisfaction of the Board, acting reasonably, to establish the gross floor area of the non-residential building or structure being replaced.
 - (4) Education development charges shall be imposed in accordance with section 9 if the non-residential building or structure described in section 14(1) is replaced by or converted to, in whole or in part, a dwelling unit or units.
 - (5) Education development charges under section 12 shall not be imposed in regard to a non-residential development with a gross floor area of 100 square feet or less.
15.
 - (1) If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the education development charge that is payable in respect of the enlargement shall be determined in accordance with the following rules:

- (a) if the gross floor area is enlarged by 50 per cent or less, the amount of the education development charge in respect of the enlargement is zero;
 - (b) if the gross floor area is enlarged by more than 50 per cent the amount of the education development charge in respect of the enlargement is the amount of the education development charge that would otherwise be payable multiplied by the fraction determined as follows:
 - (i) determine the amount by which the enlargement exceeds 50 per cent of the gross floor area before the enlargement;
 - (ii) divide the amount determined under paragraph (i) by the amount of the enlargement.
- (2) For the purposes of section 15(1) the following provisions apply:
- (a) the gross floor area of an existing industrial building shall be calculated as it existed prior to the first enlargement of such building for which an exemption under section 15(1) was sought;
 - (b) the enlargement of the gross floor area of the existing industrial building must be attached to such building;
 - (c) the enlargement must not be attached to the existing industrial building by means only of a tunnel, bridge, passageway, shared below grade connection, foundation, footing or parking facility, but must share a common wall with such building.

PART III

ADMINISTRATION

Payment of Education Development Charges

- 16. Education development charges are payable in full to the municipality in which the development takes place on the date a building permit is issued in relation to a building or structure on land to which this education development charge by-law applies.
- 17. The treasurer of the Board shall establish and maintain an educational development charge reserve fund in accordance with the Act, the Regulation and this by-law.

Payment by Services

- 18. Notwithstanding the payments required under section 16, and subject to section 257.84 of the Act, the Board may, by agreement, permit an owner to provide land for pupil accommodation in lieu of the payment of all or a part of the education development charges.

Collection of Unpaid Education Development Charges

19. Section 349 of the *Municipal Act, 2001* applies with necessary modifications with respect to an education development charge or any part of it that remains unpaid after it is payable.

Date By-law In Force

20. This by-law shall come into force on June 24, 2013.

Date By-law Expires

21. This by-law shall expire five years after the date it comes into force, unless it is repealed at an earlier date.

Repeal

22. The Halton District School Board Education Development Charges By-law, 2009, is hereby repealed effective June 24, 2013.

Severability

23. In the event any provision, or part thereof, of this by-law is found by a court of competent jurisdiction to be ultra vires, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

Interpretation

24. Nothing in this by-law shall be construed so as to commit or require the Board to authorize or proceed with any capital project at any time.

Short Title

25. This by-law may be cited as the Halton District School Board Education Development Charges By-Law, 2013.

ENACTED AND PASSED this 19th day of June, 2013.

Chairperson

Director of Education
and Secretary

HCDSB

HALTON CATHOLIC DISTRICT SCHOOL BOARD

EDUCATION DEVELOPMENT CHARGES

BY-LAW, 2013

A by-law for the imposition of education development charges

WHEREAS section 257.54 (1) of the *Education Act* provides that a district school board may pass by-laws for the imposition of education development charges against land in its area of jurisdiction undergoing residential or non-residential development if there is residential development in the area of jurisdiction of the district school board that would increase education land costs and the residential or non-residential development require one or more of the actions identified in section 257.54(2) of the *Education Act*;

AND WHEREAS the Halton Catholic District School Board has referred to the Minister of Education the following estimates for approval:

- (i) the total number of new elementary school pupils and new secondary school pupils; and
- (ii) the number of elementary school sites and secondary school sites used to determine the net education land costs;

which estimates the Minister of Education approved on June 18, 2013 in accordance with section 10 of Ontario Regulation 20/98;

AND WHEREAS the estimated average number of elementary school pupils and secondary school pupils of the Halton Catholic District School Board over the five years immediately following the day this by-law comes into force will exceed the total capacity of the Halton Catholic District School Board to accommodate the elementary school pupils and the secondary school pupils throughout its jurisdiction on the day this by-law is passed;

AND WHEREAS the Halton Catholic District School Board has conducted a review of its education development charge policies and held a public meeting on May 21, 2013, in accordance with section 257.60 of the *Education Act*;

AND WHEREAS the Halton Catholic District School Board has given a copy of the education development charge background study relating to this by-law to the Minister of Education and to each school board having jurisdiction within the area to which this by-law applies;

AND WHEREAS the Halton Catholic District School Board has given notice and held public meetings on May 21, 2013 and June 18, 2013, in accordance with section 257.63(1) of the

Education Act and permitted any person who attended the public meetings to make representations in respect of the proposed education development charges;

AND WHEREAS the Halton Catholic District School Board has determined in accordance with section 257.63(3) of the *Education Act* that no additional public meeting is necessary in respect of this by-law;

NOW THEREFORE THE HALTON CATHOLIC DISTRICT SCHOOL BOARD HEREBY ENACTS AS FOLLOWS:

PART I

APPLICATION

Defined Terms

1. In this by-law,
 - (a) “Act” means the *Education Act*, R.S.O. 1990, c.E.2, as amended, or a successor statute;
 - (b) “agricultural building or structure” means a building or structure used, or designed or intended for use for the purpose of a bona fide farming operation including, but not limited to, animal husbandry, dairying, fallow, field crops, removal of sod, forestry, fruit farming, horticulture, market gardening, pasturage, poultry keeping and any other activities customarily carried on in the field of agriculture, but shall not include a dwelling unit or other structure used for residential accommodation or any building or structure or parts thereof used for other commercial, industrial or institutional purposes qualifying as non-residential development;
 - (c) “Board” means the Halton Catholic District School Board;
 - (d) “development” includes redevelopment;
 - (e) “dwelling unit” means a room or suite of rooms used, or designed or intended for use by one person or persons living together in which culinary and sanitary facilities are provided for the exclusive use of such person or persons, and shall include, but is not limited to, a dwelling unit or units in an apartment, group home, mobile home, duplex, triplex, semi-detached dwelling, single detached dwelling, stacked townhouse and townhouse;
 - (f) “education land costs” means costs incurred or proposed to be incurred by the Board,
 - (i) to acquire land or an interest in land, including a leasehold interest, to be used by the Board to provide pupil accommodation;

- (ii) to provide services to the land or otherwise prepare the site so that a building or buildings may be built on the land to provide pupil accommodation;
 - (iii) to prepare and distribute education development charge background studies as required under the Act;
 - (iv) as interest on money borrowed to pay for costs described in paragraphs (i) and (ii); and
 - (v) to undertake studies in connection with an acquisition referred to in paragraph (i).
- (g) “education development charge” means charges imposed pursuant to this by-law in accordance with the Act;
- (h) “existing industrial building” means a building used for or in connection with,
- (i) manufacturing, producing, processing, storing or distributing something,
 - (ii) research or development in connection with manufacturing, producing or processing something,
 - (iii) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production or processing takes place,
 - (iv) office or administrative purposes, if they are,
 - A. carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
 - B. in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;
- (i) “gross floor area of non-residential development” means in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors at or above the average level of finished ground adjoining the building at its exterior walls, and, for the purpose of this definition, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure; and for greater certainty, “gross floor area of non-residential development” includes any part of a building or structure used for the parking or loading of motor vehicles;

- (j) “local board” means a local board as defined in the *Municipal Affairs Act*, other than a board defined in section 257.53(1) of the Act;
 - (k) “mixed use” means land, buildings or structures used, or designed or intended for use, for a combination of non-residential and residential uses;
 - (l) “non-residential building or structure” means a building or structure or portions thereof used, or designed or intended for use for other than residential use, and includes, but is not limited to, an office, retail, industrial or institutional building or structure;
 - (m) “non-residential development” means a development other than a residential development, and includes, but is not limited to, an office, retail, industrial or institutional development;
 - (n) “non-residential use” means lands, buildings or structures or portions thereof used, or designed or intended for use for other than residential use, and includes, but is not limited to, an office, retail, industrial or institutional use;
 - (o) “*Planning Act*” means the *Planning Act*, R.S.O. 1990, c. P.13, as amended;
 - (p) “Region” means the Regional Municipality of Halton;
 - (q) “Regulation” means Ontario Regulation 20/98, as amended, made under the Act;
 - (r) “residential development” means lands, buildings or structures developed or to be developed for residential use;
 - (s) “residential use” means lands, buildings or structures used, or designed or intended for use as a dwelling unit or units, and shall include a residential use accessory to a non-residential use and the residential component of a mixed use or of an agricultural use.
2. In this by-law where reference is made to a statute or a section of a statute such reference is deemed to be a reference to any successor statute or section.

Lands Affected

3. (1) Subject to sections 3(2) and 3(3), this by-law applies to all lands in the Region.
- (2) This by-law shall not apply to lands that are owned by and are used for the purposes of:
- (a) the Region or a local board thereof;

- (b) a municipality or a local board thereof;
 - (c) a board as defined in section 257.53(1) of the Act;
 - (d) a public hospital receiving aid under the *Public Hospitals Act*, R.S.O. 1990, c. P.40;
 - (e) a publicly-funded university, community college or a college of applied arts and technology established under the *Ontario Colleges of Applied Art and Technology Act, 2002*, S.O. 2002, c. 8, Schedule F, as amended;
 - (f) a seminary of learning maintained for educational purposes that offers courses accredited by the Ministry of Education, which is exempt from taxation under the *Assessment Act*, the whole profits from which are devoted or applied to such purposes;
 - (g) a place of worship owned by a religious organization that is exempt from taxation under the *Assessment Act* that is used primarily as a place of public worship;
 - (h) a cemetery or burying ground that is exempt from taxation under the *Assessment Act*; and
 - (i) Metrolinx.
- (3) This by-law shall not apply to non-residential agricultural buildings or structures that are owned by and are used for the purposes of a bona fide farming operation.

Approvals for Development

4. (1) Education development charges shall be imposed against all lands, buildings or structures undergoing residential development if the development requires one or more of the following:
- a) the passing of a zoning by-law or of an amendment thereto under section 34 of the *Planning Act*;
 - b) the approval of a minor variance under section 45 of the *Planning Act*;
 - c) a conveyance of land to which a by-law passed under subsection 50(7) of the *Planning Act* applies;
 - d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
 - e) a consent under section 53 of the *Planning Act*;

- f) the approval of a description under section 9 of the *Condominium Act, 1998*, S.O. 1998, c. 19; or
 - g) the issuing of a permit under the *Building Code Act, 1992*, S.O. 1992, c. 23 in relation to a building or structure.
 - (2) In respect of a particular development an education development charge will be collected once, but this does not prevent the application of this by-law to future development on the same property.
5. (1) Education development charges shall be imposed against all lands, buildings or structures undergoing non-residential development which has the effect of creating gross floor area of non-residential development or of increasing existing gross floor area of non-residential development if the development requires one or more of the following:
- a) the passing of a zoning by-law or of an amendment thereto under section 34 of the *Planning Act*;
 - b) the approval of a minor variance under section 45 of the *Planning Act*;
 - c) a conveyance of land to which a by-law passed under subsection 50(7) of the *Planning Act* applies;
 - d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
 - e) a consent under section 53 of the *Planning Act*;
 - f) the approval of a description under section 9 of the *Condominium Act, 1998*, S.O. 1998, c. 19; or
 - g) the issuing of a permit under the *Building Code Act, 1992*, S.O. 1992, c. 23 in relation to a building or structure.
- (2) In respect of a particular development an education development charge will be collected once, but this does not prevent the application of this by-law to future development on the same property.
6. The Board has determined that the residential development of land to which this by-law applies increases education land costs.

Categories of Development and Uses of Land Subject to Education Development Charges

7. Subject to the provisions of this by-law, education development charges shall be imposed upon all categories of residential development and non-residential development.

8. Subject to the provisions of this by-law, education development charges shall be imposed upon all uses of land, buildings or structures.

PART II

EDUCATION DEVELOPMENT CHARGES

Residential Education Development Charges

9. Subject to the provisions of this by-law, an education development charge of \$1,484.00 per dwelling unit shall be imposed upon the designated categories of residential development and the designated residential uses of land, buildings or structures, including a dwelling unit accessory to a non-residential use, and, in the case of a mixed-use building or structure, upon the dwelling units in the mixed-use building or structure.

Exemptions from Residential Education Development Charges

10. (1) In this section,
 - (a) “gross floor area” means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls;
 - (b) “other residential building” means a residential building not in another class of residential building described in this section;
 - (c) “semi-detached or row dwelling” means a residential building consisting of one dwelling unit having one or two vertical walls, but no other parts, attached to another structure;
 - (d) “single detached dwelling” means a residential building consisting of one dwelling unit that is not attached to another building.
- (2) Subject to sections 10(3) and (4), education development charges shall not be imposed with respect to,
 - (a) the enlargement of an existing dwelling unit that does not create an additional dwelling unit;
 - (b) the creation of one or two additional dwelling units in an existing single detached dwelling; or

- (c) the creation of one additional dwelling unit in a semi-detached dwelling, a row dwelling, or any other residential building.
- (3) Notwithstanding section 10(2)(b), education development charges shall be imposed in accordance with section 9 if the total gross floor area of the additional unit or two additional dwelling units exceeds the gross floor area of the existing single detached dwelling.
- (4) Notwithstanding section 10(2)(c), education development charges shall be imposed in accordance with section 9 if the additional dwelling unit has a gross floor area greater than,
 - (a) in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; or
 - (b) in the case of any other residential building, the gross floor area of the smallest dwelling unit already contained in the residential building.
- 11.
 - (1) Education development charges under section 9 shall not be imposed with respect to the replacement, on the same site, of a dwelling unit that was destroyed by fire, demolition or otherwise, or that was so damaged by fire, demolition or otherwise as to render it uninhabitable.
 - (2) Notwithstanding section 11(1), education development charges shall be imposed in accordance with section 9 if the building permit for the replacement dwelling unit is issued more than 2 years after,
 - (a) the date the former dwelling unit was destroyed or became uninhabitable; or
 - (b) if the former dwelling unit was demolished pursuant to a demolition permit issued before the former dwelling unit was destroyed or became uninhabitable, the date the demolition permit was issued.
 - (3) Notwithstanding section 11(1), education development charges shall be imposed in accordance with section 9 against any dwelling unit or units on the same site in addition to the dwelling unit or units being replaced. The onus is on the applicant to produce evidence to the satisfaction of the Board, acting reasonably, to establish the number of dwelling units being replaced.
 - (4) Education development charges shall be imposed in accordance with section 12 where the dwelling unit described in section 11(1) is replaced by or converted to, in whole or in part, non-residential development.

Non-Residential Education Development Charges

12. Subject to the provisions of this by-law, an education development charge of \$0.38 per square foot of gross floor area of non-residential development shall be imposed upon the designated categories of non-residential development and the designated non-residential uses of land, buildings or structures and, in the case of a mixed use building or structure, upon the non-residential uses in the mixed-use building or structure.

Exemptions from Non-Residential Education Development Charges

13. Notwithstanding section 12 of this by-law, education development charges shall not be imposed upon a non-residential development if the development does not have the effect of creating gross floor area of non-residential development or of increasing existing gross floor area of non-residential development.
14.
 - (1) Education development charges under section 12 shall not be imposed with respect to the replacement, on the same site, of a non-residential building or structure that was destroyed by fire, demolition or otherwise, or that was so damaged by fire, demolition or otherwise as to render it unusable.
 - (2) Notwithstanding section 14(1), education development charges shall be imposed in accordance with section 12 if the building permit for the replacement non-residential building or structure is issued more than 5 years after,
 - (a) the date the former building or structure was destroyed or became unusable; or
 - (b) if the former building or structure was demolished pursuant to a demolition permit issued before the former building or structure was destroyed or became unusable, the date the demolition permit was issued.
 - (3) Notwithstanding section 14(1), if the gross floor area of the non-residential part of the replacement building or structure exceeds the gross floor area of the non-residential part of the building or structure being replaced, education development charges shall be imposed in accordance with section 12 against the additional gross floor area. The onus is on the applicant to produce evidence to the satisfaction of the Board, acting reasonably, to establish the gross floor area of the non-residential building or structure being replaced.
 - (4) Education development charges shall be imposed in accordance with section 9 if the non-residential building or structure described in section 14(1) is replaced by or converted to, in whole or in part, a dwelling unit or units.
 - (5) Education development charges under section 12 shall not be imposed in regard to a non-residential development with a gross floor area of 100 square feet or less.

15. (1) If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the education development charge that is payable in respect of the enlargement shall be determined in accordance with the following rules:
- (a) if the gross floor area is enlarged by 50 per cent or less, the amount of the education development charge in respect of the enlargement is zero;
 - (b) if the gross floor area is enlarged by more than 50 per cent the amount of the education development charge in respect of the enlargement is the amount of the education development charge that would otherwise be payable multiplied by the fraction determined as follows:
 - (i) determine the amount by which the enlargement exceeds 50 per cent of the gross floor area before the enlargement;
 - (ii) divide the amount determined under paragraph (i) by the amount of the enlargement.
- (2) For the purposes of section 15(1) the following provisions apply:
- (a) the gross floor area of an existing industrial building shall be calculated as it existed prior to the first enlargement of such building for which an exemption under section 15(1) was sought;
 - (b) the enlargement of the gross floor area of the existing industrial building must be attached to such building;
 - (c) the enlargement must not be attached to the existing industrial building by means only of a tunnel, bridge, passageway, shared below grade connection, foundation, footing or parking facility, but must share a common wall with such building.

PART III

ADMINISTRATION

Payment of Education Development Charges

16. Education development charges are payable in full to the municipality in which the development takes place on the date a building permit is issued in relation to a building or structure on land to which this education development charge by-law applies.
17. The treasurer of the Board shall establish and maintain an educational development charge reserve fund in accordance with the Act, the Regulation and this by-law.

Payment by Services

18. Notwithstanding the payments required under section 16, and subject to section 257.84 of the Act, the Board may, by agreement, permit an owner to provide land for pupil accommodation in lieu of the payment of all or a part of the education development charges.

Collection of Unpaid Education Development Charges

19. Section 349 of the *Municipal Act, 2001* applies with necessary modifications with respect to an education development charge or any part of it that remains unpaid after it is payable.

Date By-law In Force

20. This by-law shall come into force on June 24, 2013.

Date By-law Expires

21. This by-law shall expire five years after the date it comes into force, unless it is repealed at an earlier date.

Repeal

22. The Halton Catholic District School Board Education Development Charges By-law, 2009, is hereby repealed effective June 24, 2013.

Severability

23. In the event any provision, or part thereof, of this by-law is found by a court of competent jurisdiction to be ultra vires, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

Interpretation

24. Nothing in this by-law shall be construed so as to commit or require the Board to authorize or proceed with any capital project at any time.

Short Title

25. This by-law may be cited as the Halton Catholic District School Board Education Development Charges By-Law, 2013.

ENACTED AND PASSED this 18th day of June, 2013.

Chairperson

Director of Education
and Secretary

APPENDIX B

**EDUCATION DEVELOPMENT CHARGE POLICIES ON
ALTERNATIVE ACCOMMODATION ARRANGEMENTS AND
OPERATING BUDGET SURPLUS**

HDSB



Halton District School Board

Report Number: 180XX

Date: March 15, 2018

INFORMATION FOR DECISION

TO: The Chair and Members of the
Halton District School Board

FROM: Lucy Veerman, Superintendent of Business Services

RE: Education Development Charge Policies on Application
of Operating Surpluses and Alternative Accommodation Arrangements

RECOMMENDATION

Be it resolved that the Halton District School Board hereby approves the statement that there is not an operating surplus available in the non-classroom portion of the budget that can be applied to reduce growth-related net education land costs; and,

THAT the Board approves the statement that there have been no opportunities to implement alternative accommodation arrangements.

Background:

The Board is currently in the process of replacing its current Education Development Charge By-law. Ontario Regulation 20/98 made under the Education Act, which governs various aspects of Education Development Charges (“EDCs”), requires that a school board evaluate certain EDC related policies as part of the process of adopting a new EDC By-law. The policies in question concern: (i) the application of an operating surplus to capital needs, and (ii) alternative accommodation arrangements.

Discussion:

i. Statement on Operating Budget Surplus

Paragraph 8 of Section 9(1) of Ontario Regulation 20/98 requires that the Board include a statement in the EDC Background Study stating that it has reviewed its operating budget for savings that could be applied to reduce growth-related net education land costs, and the amount of any savings that it proposes to apply, if any.

It is necessary that the review of operating budgets for surpluses be conducted annually as part of the process of establishing the Board’s budget for the following year. A Board policy is in place to accommodate this requirement (refer to Appendix A).

Under the General Legislative Grant Regulation, only a surplus from the non-classroom part of the estimates is eligible to be used to acquire school sites, and thereby reduce the growth-related net education land costs and the EDC that may be levied by the Board.

Where there has been, or appears that there will be, a surplus in the non-classroom part of the estimates in a fiscal year, the Board must determine whether all, part or none of the surplus will be designated for the purpose of acquiring school sites by purchase, lease or otherwise.

A review of the 2017/18 operating budget discloses that there will not be a surplus of operating funds available to allocate to capital needs. Moreover, it is projected that there will not be a surplus of operating funds available in the next year’s forecasted operating budget. Based on the foregoing, the Board is unable to designate surplus funds for the purpose of acquiring school sites. The Board also approves a resolution to this effect when the budget is approved in June each year.

The Board's reasons for stating that there will be no operating budget surplus available to reduce growth-related net education land costs and the resulting EDC are as follows:

- lack of operating surplus;
- shortfalls in other areas of the operating budget; and
- significant backlog of facility renewal.

ii. Alternative Accommodation Arrangements

Paragraph 6 of Section 9(1) of Ontario Regulation 20/98 requires that the Board adopt a policy concerning possible arrangements with municipalities, school boards or other persons or bodies in the public or private sector, including arrangements of a long-term or co-operative nature, which would provide accommodation for new elementary school pupils and new secondary school pupils, without imposing EDCs, or with a reduction in such a charge.

The Board has adopted a policy on alternative accommodation arrangements. The policy is attached as Appendix B.

The alternative accommodation arrangements that the Board may wish to consider include purchases, lease/buy backs, site exchanges and joint-venture partnerships. These alternative arrangements, if properly structured, have the potential to reduce site size requirements, improve service delivery, reduce duplication of public facilities and maximize the use of available funds.

Paragraph 7 of Section 9(1) of Ontario Regulation 20/98 requires that the Board include in the EDC Background Study a statement of how the policy concerning alternative accommodation arrangements was implemented, and if it was not implemented, an explanation of why it was not implemented.

To date, there have not been any proposals for alternative accommodation arrangements presented to the Board. It is important to note that neither Ontario Regulation 20/98 nor the policy require the Board to independently pursue such opportunities.

In summary, there were no opportunities or proposals for alternative accommodation arrangements advanced by the development industry, municipalities or the general public; nor did the Board identify any proposals which were considered appropriate having regard to its short term and long term needs.

Conclusion:

In concluding, Board approved statements are required under Ontario Regulation 20/98 in regard to the application of an operating budget surplus and alternative accommodation arrangement policy. These Board approved statements must be incorporated into the background study.

As discussed, the Board is unable to designate surplus funds for the purpose of acquiring school sites. Furthermore, there were no opportunities or proposals for alternative accommodation arrangements advanced by the development industry, municipalities or the general public, nor did the Board identify any proposals that were considered appropriate having regard to its short term and long term needs.

Respectfully submitted,

(signed)

Lucy Veerman
Superintendent of Business, and Treasurer

HALTON DISTRICT SCHOOL BOARD

7000-30

POLICY STATEMENT

OPERATING BUDGET SURPLUS

WHEREAS the Halton District School Board

recognizes that legislative provisions encourage school boards to review their operating budget for savings that could be applied to reduce growth-related net education land costs, and the amount of any savings which it proposes to apply (if any), and

recognizes that under the General Legislative Grant Regulation, only a surplus from the non-classroom part of the estimates is eligible to be used to acquire school sites, thereby reducing the “growth related net education land cost” and the education development charge that may be levied by the board

THEREFORE

Where there has been or it appears that there will be surplus in the non-classroom part of the estimates of the school board in a fiscal year, the Halton District School Board shall determine whether all, part, or none of the surplus will be designated as available for the purpose of acquiring school sites by purchase, lease or otherwise.

Motion	- #M99-0188	May 19, 1999
Review Date	- May 2003	
Responsibility	- Superintendent of Education (Transportation and Planning)	
Administrative Procedures Reference	- N/A	

HALTON DISTRICT SCHOOL BOARD

7000-40

POLICY STATEMENT

ALTERNATE ACCOMMODATION ARRANGEMENTS FOR PUPILS

WHEREAS the Halton District School Board recognizes that legislative provisions encourage school boards to consider alternate arrangements for the accommodation of elementary and secondary school pupils to the usual arrangement under which a school site is acquired and a stand-alone school is built on it

THEREFORE

The Halton District School Board will consider possible arrangements with municipalities, school boards or other persons or bodies in the public or private sector, including arrangements of a long-term or cooperative nature, which would provide accommodation for the new elementary school pupils and new secondary school pupils who are resident pupils of the board, subject to the following conditions:

1. The arrangement must be cost effective and advantageous for the board compared to other possible arrangements including an acquisition of a school site and the construction of a freestanding building.
2. The arrangement shall comply with any guidelines issued by the Ministry of Education and Training.
3. The Board may enter into lease arrangements respecting school facilities intended to be used to accommodate peak enrolment, but shall not enter into such arrangements respecting school facilities that are necessary to accommodate long-term enrolment unless such arrangements could result in ownership at the board's discretion.
4. The board shall retain sufficient governance authority over such a facility to ensure that it is able to deliver the appropriate educational program to its pupils, and to ensure that its identity, ambiance and integrity are preserved.
5. Such a facility shall have a separate entrance with the school name on the exterior of the school easily visible from the street.

Motion	- #M99-0188	May 19, 1999
Review Date	- May 2003	
Responsibility	- Superintendent of Education (Transportation and Planning)	
Administrative Procedures Reference -	- N/A	

HCDSB

STAFF REPORT

ITEM 10.X

2018 EDUCATION DEVELOPMENT CHARGES (EDC) BY-LAW: APPLICATION OF OPERATING SURPLUSES AND ALTERNATIVE ACCOMMODATION ARRANGEMENTS

PURPOSE:

The purpose of this report is to evaluate certain Education Development Charge (EDC) related policies as part of adopting a new EDC By-law.

BACKGROUND INFORMATION:

- 1) Trustee Presentation, "A Review of Education Development Charges", held at the Board offices on November 8, 2017.
- 2) Information Report Item 10.4, "2017-2018 Planning Services Work Plan: 2018 Education Development Charges (EDC) By-Law and 2018 Long-Term Capital Plan (LTCP) from the October 3, 2017 Regular Board Meeting.

BACKGROUND & COMMENTARY:

The Board is currently in the process of replacing its current Education Development Charge By-law which expires on June 18, 2018. Ontario Regulation 20/98 of the Education Act, which governs various aspects of EDCs, requires that a school board evaluate certain policies as part of the process of adopting a new EDC By-law. The policies in question concerns the following:

- 1) Alternative accommodation arrangements, and
- 2) Application of an operating surplus to capital needs.

COMMENTS:

1 - Alternative Accommodation Arrangements

Paragraph 6 of Section 9(1) of Ontario Regulation 20/98 requires that the Board adopt a policy concerning possible arrangements with municipalities, school boards or other persons or bodies in the public or private sector, including arrangements of a long-term or co-operative nature, which would provide accommodation for new elementary school pupils and new secondary school pupils, without imposing EDCs, or with a reduction in such a charge.

The Board adopted Operating Policy IV-7 "Alternative Arrangements for School Facilities" in 1999. The policy is attached as Appendix A.

The alternative accommodation arrangements that the Board may wish to consider include purchases, lease/buy backs, site exchanges and joint-venture partnerships. These alternative arrangements, if properly structured, have the potential to reduce site size requirements, improve service delivery, reduce duplication of public facilities and maximize the use of available funds.

Paragraph 7 of Section 9(1) of Ontario Regulation 20/98 requires that the Board include in the EDC Background Study a statement of how the policy concerning alternative accommodation arrangements was implemented, and if it was not implemented, an explanation of why it was not implemented.

To date, there have not been any proposals for alternative accommodation arrangements presented to the Board. It is important to note that neither Ontario Regulation 20/98 nor the policy require the Board to independently pursue such opportunities.

In summary, there were no opportunities or proposals for alternative accommodation arrangements advanced by the development industry, municipalities or the general public. Furthermore, the Board did not identify any proposals which were considered appropriate having regard to its short term and long-term needs.

2 - Statement on Operating Budget Surplus

Paragraph 8 of Section 9(1) of Ontario Regulation 20/98 requires that the Board include a statement in the EDC Background Study stating that it has reviewed its operating budget for savings that could be applied to reduce growth-related net education land costs, and the amount of any savings which it proposes to apply, if any.

It is necessary that the review of operating budgets for surpluses be conducted annually as part of the process of establishing the Board's budget for the following year.

The Board adopted Policy IV-8 "School Sites and Operating Budget" in 1999. The policy is attached as Appendix B.

Under the General Legislative Grant Regulation, only a surplus from the non-classroom part of the estimates is eligible to be used to acquire school sites, and thereby reduce the growth-related net education land costs and the EDC that may be levied by the Board.

Where there has been, or appears that there will be a surplus in the non-classroom part of the estimates in a fiscal year, the Board must determine whether all, part or none of the surplus will be designated for the purpose of acquiring school sites by purchase, lease or otherwise.

A review of the 2017/18 operating budget discloses that there will not be a surplus of operating funds available to allocate to capital needs. Moreover, it is projected that there will not be a surplus of operating funds available in the next year's forecasted operating budget. Based on the foregoing, the Board is unable to designate surplus funds for the purpose of acquiring school sites.

The Board's reasons for stating that there will be no operating budget surplus available to reduce growth-related net education land costs and the resulting EDC are as follows:

- 1) Lack of operating surplus;
- 2) Shortfalls in other areas of the operating budget; and
- 3) Maintenance, repair and renewal needs in our schools.

CONCLUSION:

The Board is required, under Ontario Regulation 20/98, to approve statements and incorporate the same into the EDC Background Study regarding the Board's policies on:

- 1) Alternative accommodation arrangements; and
- 2) Application of an operating surplus to capital needs.

These statements must be incorporated into the EDC background study.

As stated above, the Board is unable to designate surplus funds for the purpose of acquiring school sites. Furthermore, there were no opportunities or proposals for alternative accommodation arrangements advanced by the development industry, municipalities or the general public, nor did the Board identify any proposals that were considered appropriate having regard to its short term and long term needs.

Please see below for the draft recommendation that will go forward to the Board of Trustees for approval on April 17, 2018.

DRAFT RECOMMENDATION:

RESOLUTION:

Moved by:
Seconded by:

WHEREAS, the Board is unable to designate surplus funds for the purpose of acquiring school sites and is unable to identify feasible opportunities or proposals for alternative accommodation arrangements.

BE IT RESOLVED THAT, the Halton Catholic District School Board approves the statement that there have been no opportunities to implement alternative accommodation arrangements.

AND, that the Halton Catholic District School Board approves the statement that there is not an operating surplus available in the non-classroom portion of the budget that can be applied to reduce growth-related net education land costs.

REPORT PREPARED BY: F. THIBEAULT, SENIOR ADMINISTRATOR OF PLANNING SERVICES

REPORT SUBMITTED BY: R. NEGOTI, SUPERINTENDENT OF BUSINESS SERVICES AND TREASURER OF THE BOARD

REPORT APPROVED BY: P. DAWSON, DIRECTOR OF EDUCATION AND SECRETARY OF THE BOARD

PURPOSE

To set out the Board's intention to conduct an annual review of operating budget savings that could be applied to reduce the growth related net education land costs.

APPLICATION & SCOPE

The process set out under this policy will be conducted annually as part of the preparations leading to setting of the annual budget estimates for the Board.

PRINCIPLES

- Under the General Legislative Grant Regulation, only a surplus from the non-classroom part of the estimates is eligible to be used to acquire school sites.
- If a review of the estimates has identified an operating budget saving that could be available to reduce education land costs, the Board will consider applying this saving to implement a reduction in the "growth related net education land cost" and the education development charge that may be levied by the Board.
- Where there has been or it appears that there will be surplus in the non-classroom part of the estimates of the Board in a fiscal year, a clear record will be kept of the Board's decision as it relates to this surplus.
- The application of this policy shall comply with any guidelines issued by the Ministry of Education.
- The application of this policy shall take into consideration any changes in Legislation or Regulation that may affect its implementation.
- Prior to finalizing the annual budget estimates, the Board shall review the operating budget for savings that could be applied to growth related net education land costs.
- Where there has been or it appears that there will be surplus in the non-classroom part of the estimates of the Board in the fiscal year, the Board shall determine whether all, part, or none of the surplus will be designated as available for the purpose of acquiring school sites by purchase, lease, or otherwise.
- Where there has been or it appears that there will be surplus in the non-classroom part of the estimates of the Board in a fiscal year, the Board shall pass a motion substantially in the form attached as *Appendix "A"* to this policy.
- Where there has been or it appears that there will be surplus in the non-classroom part of the estimates of the Board in a fiscal year, reasons for the decision related to this surplus shall be included in the motion or as part of the public record related to the motion.

APPROVED: Regular Meeting of the Board

Authorized by:

Chair of the Board

APPENDIX “A”

Halton Catholic District School Board

Board Motion Pursuant to the Policy entitled “School Sites – Operating Budget Surplus” Concerning the Use of Operating Budget Surpluses for the Acquisition of School Sites

Whereas it appears that there will be a surplus in the non-classroom part of the budget in the amount of \$X;

Moved that:

1. The Board will designate \$Y as available for the purpose of acquiring school sites by purchase, lease or otherwise;
2. The Board’s reason for so deciding are as follows:

OPERATING POLICY**HALTON CATHOLIC DISTRICT SCHOOL BOARD****ALTERNATIVE ARRANGEMENTS FOR SCHOOL FACILITIES****POLICY No.: IV - 7****DATE : MAY 18, 1999****AMENDED : OCTOBER 6, 2009****PURPOSE**

To set out the Halton Catholic District School Board's intention to consider possible alternate arrangements for the accommodation of elementary and secondary school pupils to the conventional process under which a school site is acquired and a stand-alone school is built on it.

APPLICATION & SCOPE

This policy applies to all new elementary and secondary schools being contemplated by the Board.

PRINCIPLES

- A number of legislative provisions encourage school boards to consider alternative arrangements for the accommodation of students and the Board has determined that these possibilities should be explored.
- The Board recognizes that alternative arrangements can provide an opportunity to improve service delivery and peak enrolment capacity, reduce duplication of public facilities, maximize the effective use of available dollars, and reduce site size requirements. These may include a variety of acquisition strategies such as forward buying, options, purchases, lease buy-back, sites exchanges and joint venture partnerships.
- The Board shall retain sufficient governance authority over the facility to ensure that it is able to deliver the appropriate educational program to its pupils and to ensure that its identity, ambience and integrity are preserved. All arrangements must be consistent with the Mission and set of Governing Values of the Board.
- The Board must be responsive to the needs of the system as perceived by the extended educational community.
- Prior to approving any new school accommodation, the Board will ensure that it has reviewed a full report setting out the possible arrangements that have been considered.
- The Board will consider possible arrangements with municipalities, school boards or other persons or bodies in the public or private sector, including arrangements of a long-term or cooperative nature, which would provide accommodation for the new elementary school pupils and new secondary school pupils who are resident pupils of the Board, subject to the principles and requirements as set out in this and other Board policy.
- The arrangements must be cost effective and advantageous for the Board compared to other possible arrangements including an acquisition of a school site and the construction of a free-standing building.

OPERATING POLICY**HALTON CATHOLIC DISTRICT SCHOOL BOARD****ALTERNATIVE ARRANGEMENTS FOR SCHOOL FACILITIES****POLICY No.: IV - 7****DATE : MAY 18, 1999****AMENDED : OCTOBER 6, 2009**

- The arrangement shall comply with any guidelines issued by the Ministry of Education.
- The Board may enter into lease arrangements respecting school facilities intended to be used to accommodate peak enrolment, but shall not enter into such arrangements respecting school facilities that are necessary to accommodate long-term enrolment unless the arrangements could result in ownership at the Board's discretion.

APPROVED: Regular Meeting of the Board

Authorized by:

Chair of the Board