



# Education Development Charges By-law Amendment 2021

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Halton District School Board

June 2, 2021



## The Existing Education Development Charge (EDC)

The Halton District School Board (HDSB) has an existing EDC by-law that covers the Region of Halton.

The Board passed its existing EDC By-law on June 29, 2018 and it came into force July 4, 2018. The new by-law was enacted with a term of one year at the pre-existing 2013 EDC rate of:

- \$4,364 per residential unit and \$1.11 per square foot on non-residential gross floor area.

The charge is allocated 85% to residential and 15% to non-residential.

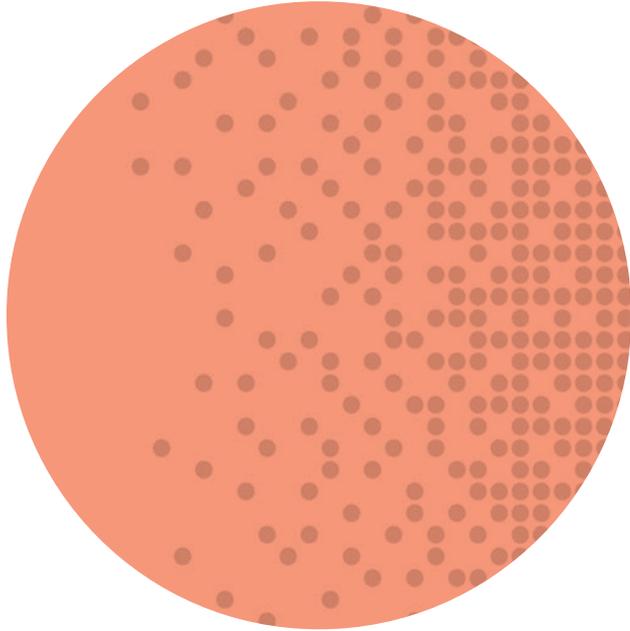
# Legislative Changes: Historical Context



## EDC Rate “Freeze” & Phase-In

- During 2017/18 EDC renewal process, certain changes were made to the legislation pertaining to EDCs. In particular, the Minister of Education enacted Ontario Regulation 438/18, which effectively froze EDCs at the rates that were in effect on August 31, 2018.
- In the Spring of 2019, further EDC legislative changes were made with the removal of the EDC rate freeze and the inclusion of a provisional phase-in of proposed EDC rates. School boards could increase existing residential EDC rates by \$300 or by 5% of the existing rate, whichever is greater, and the non-residential rates could increase by 5%.
  - In the second year of the by-law and in each subsequent year, the rate could be increased by another \$300 or 5% of the previous year’s EDC rate, whichever is greater. The non-residential rate could be increased by 5% of the previous year’s rate.

# 2019 HDSB EDC Amendment



- Under the new legislation, the HDSB was permitted to increase the existing EDC rates by \$300 for residential and 5% for non-residential.
- The Board amended the 2018 EDC by-law on May 15, 2019.
- The amending by-law updated the residential rates and extended the term of the EDC by-law from one year to the maximum five years.
- The amended by-law also provided a phase-in rate table that outlined EDC rates and phase-in dates and terms for the remainder of the by-law term.





# Proposed 2021 EDC Amendment: Land Values

Consistent with annual practice, Board staff engaged an appraiser (Cushman & Wakefield) to review the price of land in the Region. The appraiser identified that the price of land had exceeded estimates and escalation rates from the 2018 EDC Background Study and provided the Board with new land values for their EDC eligible sites.

<b>Municipality</b>	<b>2018 EDC By-law</b>	<b>2021 EDC Amendment</b>	<b>2018-21 % Difference</b>
<b>Oakville</b>	<b>\$ 2,370,000</b>	<b>\$ 2,830,000</b>	<b>19%</b>
<b>Milton</b>	<b>\$ 1,810,000</b>	<b>\$ 2,320,000</b>	<b>28%</b>
<b>Halton Hills</b>	<b>\$ 1,590,000</b>	<b>\$ 2,020,000</b>	<b>27%</b>

# Proposed 2021 EDC Amendment: New Proposed Maximum Rates



As a result of the increase in land values, the maximum rates for both the residential and non-residential rates are proposed to be increased.

<b>School Board</b>	<b>2018 Proposed Maximum EDC Rates</b>	<b>2021 Proposed Maximum EDC Amended Rates</b>
<b>HDSB Residential</b>	<b>\$4,892</b>	<b>\$6,539</b>
<b>HDSB Non-Residential</b>	<b>\$1.11</b>	<b>\$1.52</b>

# Proposed Phase-In Of HDSB Amended EDC Rates



HDSB							
Proposed EDC Phase-In Rates							
		Year 1	Year 2	Year 3	Year 4	Year 5	
	2018 EDC RATE			June 7, 2021 - July 3, 2021	July 4, 2021 - July 3, 2022	July 4, 2022 - July 3, 2023	New Proposed Maximum Rate
Residential	\$ 4,364			\$ 5,192	\$ 5,492	\$ 5,792	\$ 6,539
Non-Residential	\$ 1.11			\$ 1.21	\$ 1.31	\$ 1.41	\$ 1.52

# Additional Items and Next Steps



- In addition to amending the permitted annual increases to non-residential EDCs, Ontario Regulation 371/19 also implemented several mandatory exemptions from EDCs. The new exemptions can be found in the proposed amending by-law.
  - The Board proposes to further amend the 2018 EDC By-law to incorporate these exemptions into the By-law.
  
- Recommend enactment of an amending EDC by-law on June 2, 2021.
  
- If an amending by-law is passed on June 2, 2021, it would come into force 5 days later and collection would begin on June 7, 2021.