

Educational Development Charges Update

Special Board

June 17, 2024

HWDSB
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May 27, 2024 Motion

RESOLUTION #24-85: *That staff calculate a differentiated rate model with two categories:*

- 1. bachelor and 1-bedroom affordable housing units in high-density apartment developments constructed by non-profit or charitable organizations, and*
- 2. all other housing types.*

If staff cannot complete the calculation, that they report back to the Board with an explanation for the associated barriers with any applicable recommendations for next steps.

Staff next steps regarding the Motion

- Differentiated rates must be calculated based on pupil yields by density type. To be able to calculate a differentiated rate it is critical to have a sufficient sample size to determine a pupil yield. A statistically relevant sample size would require a minimum of 500 new units for each.
- To collect that data, staff will continue discussions with Hamilton is Home, City Housing Hamilton, and the Development Charges, Programs and Policies Division of Corporate Services for the City of Hamilton to understand projected developments. The City of Hamilton is the only source for data that will be able to provide a comprehensive set of data to calculate a differentiated rate.

Staff Recommendation: Extension of Demolition Credit

- The current Education Development Charge By-law provides a residential development credit when a new residential development permit is taken out within two years of a residential development demolition permit. The City of Hamilton provides a 5-year window for this credit in its development charge calculation. The EDC legislation requires a minimum of a 2-year window.
- Larger development projects are often broken into multiple phases. Currently, Education Development Charge demolition credits expire within two years and do not carry forward into subsequent phases of a development if it is past the two-year window from demolition permit issuance. An extension of this timeframe allows phased projects a longer time to make use of demolition credits before they expire.

Extension of Demolition Credit Example (Appendix A)

A 300 residential unit redevelopment project split into multiple phases.

Note each phase of development is treated as a separate application and therefore date of building permit application impacts the ability to receive demolition credits.

Current By-law (2-year window for demolition credits)

- July 2024 Demolition permit issued for 90 existing residential units
- July 2024 Phase 1 – building permit for 30 units – No EDCs charged
- July 2025 Phase 2 – building permit for 30 units – No EDCs charged
- August 2026 Phase 3 – building permit for 100 units – current bylaw – EDCs charged on 100 units.

Extension of Demolition Credit Example (Appendix A)

A 300 residential unit redevelopment project split into multiple phases.

Note each phase of development is treated as a separate application and therefore date of building permit application impacts the ability to receive demolition credits.

Proposed By-law (5-year window for demolition credits)

- July 2024 Demolition permit issued for 90 existing residential units
- July 2024 Phase 1 – building permit for 30 units – No EDCs charged
- July 2025 Phase 2 – building permit for 30 units – No EDCs charged
- August 2026 Phase 3 – building permit for 100 units – 30 units would be exempt (all 90 demolition credits claimed), and all remaining units would be charged EDC fees.

Recommended Action

- 1. That the Education Development Charges by-law section 9 be modified from a 2 year to a 5-year credit window for demolition of existing residential units.*
- 2. That staff be directed to engage the City of Hamilton Development Charges, Programs and Policies Division of Corporate Services to collect the necessary data to allow HWDSB staff to calculate, for the consideration of Trustees, a differentiated rate for bachelor and 1-bedroom affordable housing units in high-density apartment developments constructed by non-profit or charitable organizations at the next by-law renewal (2029).*