



Education Development Charges By-law Amendment 2021

Halton Catholic District School Board

June 1, 2021



The Existing Education Development Charge (EDC)

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

The Board passed its existing EDC By-law on June 30, 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:

- \$2,269 per residential unit and \$0.58 per square foot on non-residential gross floor area.

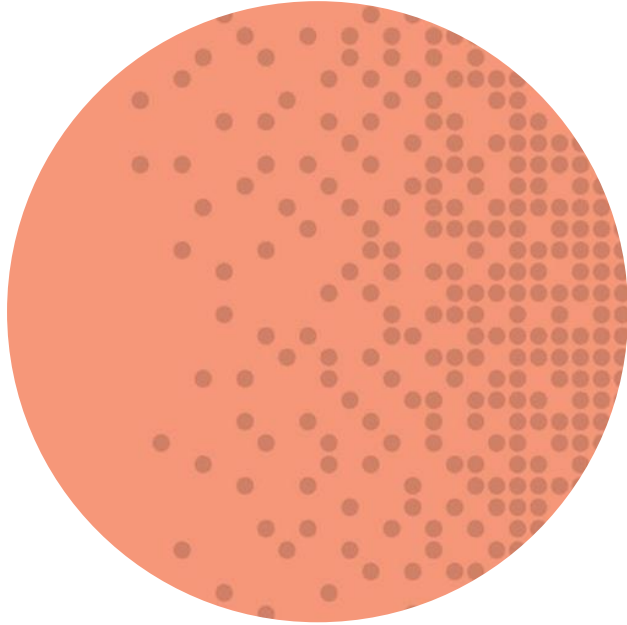
The charge is allocated 85% to residential and 15% to non-residential.



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 HCDSB EDC Amendment



- Under the new legislation, the HCDSB 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 14, 2019.
- The amending by-law updated the 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.

Current Phase-In Of EDC Rates



EDC Phase-In Rates							
	2018 EDC Rate	Year 1	Year 2	Year 3	Year 4	Year 5	2018 Proposed Maximum EDC Rate
Residential Rate	\$ 2,269	\$ 2,569	\$ 2,869	\$ 3,169	\$ 3,469	\$ 3,648	\$ 3,648
Non-Residential Rate	\$ 0.58	\$ 0.61	\$ 0.64	\$ 0.67	\$ 0.70	\$ 0.74	\$ 0.83

Proposed 2021 EDC Amendment: Non-Residential Legislation Change



- After the Board amended their bylaw in 2019, another legislative change was made that permitted school boards to increase their non-residential EDC rates by \$0.10 per year **OR** the already permitted 5% (Similar to the residential, whichever is greater).

5% Annual Increase

Existing
Phased-In Non-
Res EDC Rate
Is \$0.67

Maximum
Phase-In Of
Non-Res EDC
Rate Would Be
\$0.74

\$0.10 Annual Increase

Amendment
Allows Board
To Increase
Non-Res Rate
Immediately
To \$0.74

The New
Maximum
Phase-In Would
Be \$0.94



Proposed 2021 EDC Amendment: Land Values

Consistent with annual practices, staff also asked an appraiser 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.

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

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.

School Board	2018 Proposed Maximum EDC Rates	2021 Proposed Maximum EDC Amended Rates
HCDSB Residential	\$3,648	\$5,215
HCDSB Non-Residential	\$0.83	\$1.21

Proposed Phase-In Of HCDSB Amended EDC Rates



HCDSB							
Proposed EDC Phase-In Rates							
	Rate	Year 1	Year 2	Year 3	Year 4	Year 5	
	2020/21			2021 - July 3, 2021	2021 - July 3, 2022	2022 - July 3, 2023	Proposed Maximum
Residential	\$ 3,169			\$ 3,169	\$ 3,469	\$ 3,769	\$ 5,215
Non-Residential	\$ 0.67			\$ 0.74	\$ 0.84	\$ 0.94	\$ 1.21

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 1, 2021.

- If an amending by-law is passed on June 1, 2021, it would come into force 5 days later and collection would begin on June 7, 2021.