



PLANNING AND BUILDING SERVICES MEMORANDUM

TO: FINANCE AND CORPORATE SERVICES COMMITTEE

FROM: E. TERRY, RPP, PLANNER

NOTED: M. BANFIELD, RPP, DIRECTOR OF PLANNING AND BUILDING SERVICES
C. MILLAR, DIRECTOR OF FINANCE
A. MILLER, RPP, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH
MANAGEMENT
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: REDWOOD PARK AFFORDABLE RENTAL HOUSING PROJECTS – REQUEST
FOR RELIEF FROM PERMIT FEES, APPLICATION FEES AND DEVELOPMENT
CHARGES (WARD 2)

DATE: OCTOBER 2, 2019

OVERVIEW:

The purpose of this Memorandum is to provide members of the Finance and Corporate Services Committee with information concerning the request by Redwood Park Communities and Mr. Mark Rogowski for 100% relief of all application fees, permit fees and development charges. Staff have considered the eligible components of the Redevelopment Grant for the proposed developments of an additional dwelling unit at 40, 42 & 44 Toronto Street.

In January 2019, Redwood Park Communities Inc. was approved for the maximum amount of grant funding under the Renovation Grant CIP program for 40, 42 & 44 Toronto Street (\$25,000 each property) but did not apply at that time for a Redevelopment Grant. Under the Redevelopment Grant program, affordable housing rental units in the three properties would be eligible for a Tax Increment Grant, a development charges grant and partial relief from application fees.

The value of the grants available vary based on the type of affordable housing being proposed. For affordable rental housing as described in the Renovation Grant application, a payment equaling 25% of development charges, 25% of building permit fees applicable to the affordable units, and 25% of the minor variance fees for the projects would apply. The Tax Increment Grant is for the incremental tax increase paid back over a five year period (following MPAC re-assessment).

Through the review of the Development Charges Background Study, Council requested that Planning Staff revise the current CIP programs. That work is underway. The result is a gap in the offering of the CIP program until such time as the new CIP is approved and in place. Redwood Park Communities and Mr. Rogowski wish to complete their projects as soon as possible and have made a direct request for the Finance and Corporate Services Committee to consider relief in advance of the establishment of the new CIP.



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For the Committee's benefit, Staff have prepared the following chart that summarizes the potential eligibility relative to the CIP for the Redevelopment Grant Program:

The Education levies will be increased from \$2,359 to \$2,959 per unit on October 30th, and the City's portion will be increasing from \$35,219 to \$50,544 per unit as of December 1, 2019. The Table below shows the impacts at those time intervals.

Rates Up to October 29, 2019				CIP 25%
Development Fee Calculations	Per Dwelling Unit Charge	Number of Units to be Charged	Total	
Development Charges	\$ 35,219.00	3	\$ 105,657.00	\$ 26,414.25
Education Levies	\$ 2,359.00	3	\$ 7,077.00	
Cash In Lieu of Parkland	\$ 5,418.00	3	\$ 16,254.00	
Finance Administration Fee	\$ 75.00	3	\$ 225.00	
Planning Fees	\$ 654.56	3	\$ 1,963.68	\$ 490.92
Building Fees	\$ 1,058.44	3	\$ 3,175.32	\$ 793.83
Total			\$ 134,352.00	\$ 27,699.00

Rates October 30-November 30, 2019				CIP 25%
Development Fee Calculations	Per Dwelling Unit Charge	Number of Units to be Charged	Total	
Development Charges	\$ 35,219.00	3	\$ 105,657.00	\$ 26,414.25
Education Levies	\$ 2,959.00	3	\$ 8,877.00	
Cash In Lieu of Parkland	\$ 5,418.00	3	\$ 16,254.00	
Finance Administration Fee	\$ 75.00	3	\$ 225.00	
Planning Fees	\$ 654.56	3	\$ 1,963.68	\$ 490.92
Building Fees	\$ 1,058.44	3	\$ 3,175.32	\$ 793.83
Total			\$ 136,152.00	\$ 27,699.00

Rates December 1-December 31, 2019				CIP 25%
Development Fee Calculations	Per Dwelling Unit Charge	Number of Units to be Charged	Total	
Development Charges	\$ 50,544.00	3	\$ 151,632.00	\$ 37,908.00
Education Levies	\$ 2,959.00	3	\$ 8,877.00	
Cash In Lieu of Parkland	\$ 5,418.00	3	\$ 16,254.00	
Finance Administration Fee	\$ 75.00	3	\$ 225.00	
Planning Fees	\$ 654.56	3	\$ 1,963.68	\$ 490.92
Building Fees	\$ 1,058.44	3	\$ 3,175.32	\$ 793.83
Total			\$ 182,127.00	\$ 39,192.75



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In addition, the CIP provides for a tax incremental grant that would need to be calculated post occupancy.

The Development Charges Act requires that all development charges as set out in the City's Development Charges Background Study and By-Law be collected. Where Council provides an exemption or waives development charges, it must replenish the development charges reserves by an equal amount using an alternative funding source. In such cases, the City pays these fees on behalf of the developer.

The City collects the Education levies and remits it to the Province. The City has no ability to waive those fees. Should the City decide to pay the levies on behalf of the requester, it must do so with its own source of funds.

Funding in the amount of \$200,000 per year has been allocated in annual budgets to fund CIP projects. For 2019, these funds have been exhausted. Additional funding, \$2.5 million, was placed in the Community Improvement Reserve to support development charge discounts.

The new CIP is not passed yet, so we have no intake process. It should be noted that the existing and proposed CIP programs would equate to the same value of eligible funding for these projects. We had envisioned a transition process while the CIP was being processed, and therefore the amount in both the existing and proposed CIP criteria today would be a total of \$27,699.00.

Notwithstanding the above, Redwood Park Communities and Mr. Rogowski are requesting 100% relief from all of these fees and development charges. The total value of the request is dependent on the timing of the issuance of the building permits.

Should Committee grant amounts equivalent to development fees for this request, the grants shall be funded by Community Improvement Reserve in the amounts that correlate to the timing of the issuance of the building permit to a maximum of \$182,127.00.