



MEMORANDUM

Memo No. 19-139

TO: Trustees
Student Trustees

FROM: Camille Williams-Taylor, Director of Education and Secretary of the Board
Michael Carson, Chief Financial Officer

DATE: 15 November 2019

Re: **Education Development Charge Policy Framework Update**

Attached please find Memorandum 2019:B20, Education Development Charge (EDC) Policy Framework Update, providing information on the recent Ministry review of the EDC framework and the amendments made to the *Education Act*, Ontario Regulation 20/98 (Education Development Charges-General) and Ontario Regulation 444/98 (Disposal of Surplus Real Property).

In June 2019, the *Education Act* was amended, through Bill 108 – *More Homes, More Choice Act, 2019*, to update the Education Development Charges (EDC) policy framework. This memorandum will provide a summary of the Ministry of Education's review of the EDC framework and the subsequent amendments made to the *Education Act*, effective 8 November 2019. It should be noted that the OCDSB has a current by-law in effect until 31 March 2024 and no changes to this by-law are anticipated at this point in time.

EDC rate restrictions previously announced will remain in-force with a minor adjustment (highlighted below) to the non-residential rate as follows:

- i. A maximum yearly increase of the greatest of 5% or \$300 per residential unit; and
- ii. A maximum yearly increase of the greatest of 5% or \$0.10 per square foot for non-residential development.

The amendments to the *Education Act* allow for the application of EDC revenue for project costs that address pupil accommodation needs and ensure school boards are better able to align the needs of students to the collection of EDCs.

The above will be accomplished by allowing school boards to use EDC revenues to support lower-cost alternatives (Alternative Projects) to site acquisition, and by allowing school boards to enter into Localized Education Development Agreements (LEDAs).

LEDAs would exempt land from EDCs for specific developments in exchange for direct alternatives to site acquisition to address student accommodation needs.

Minister approval is required for a school board to enter into a LEDA or implement an Alternative Project, and approval can be requested at any time. A LEDA needs to be incorporated into the existing by-law with amendments passed, and with all of the standard notifications and input required. The LEDA will not come into effect until the Board passes a new by-law.

A change to a previously approved alternative project can be made provided the Minister is provided at least 60 days' notice prior to implementing the change. The Minister may notify the Board within the 60 days from the day the notice was provided that the proposed changes shall not be made.

School boards are required to provide the Minister with advance notification of their intent to acquire, lease, or expropriate sites supported by EDC revenue. Notification is to be submitted to the Minister at least 60 days prior to the close of transaction. The Minister may notify the Board within the 60 days from the day the notice was provided that the proposed changes shall not be made. This requirement will come into effect for transactions expected to close after 10 January 2020, in order to allow boards a full 60-day period to provide notification.

The following institutional developments are now exempt from paying EDCs:

- i. Long-term care homes;
- ii. Retirement homes;
- iii. Private schools;
- iv. Publicly-assisted universities and colleges;
- v. Indigenous Institutes;
- vi. Memorial homes, clubhouses or athletic grounds of the Royal Canadian Legion;
- vii. Hospices; and
- viii. Child care centres.

The numbers of school spaces that can be used to accommodate new pupils from new residential development are now subject to Minister's approval, and school boards are no longer able to calculate a non-residential EDC rate using the percentage of the developments' declared value. The OCDSB has typically calculated a non-residential EDC rate through Gross Floor Area (GFA) or square footage.

School boards are now only required to post information on the district websites regarding a development charge by-law, and are now permitted to make changes to geographic boundaries of their by-laws subject to existing requirements. Notice of a board's meeting regarding the passage of an EDC by-law (location, time, and date) must be provided.

The amended statutes can be using the following link:
<https://www.ontario.ca/laws/statute/90302>

Should you have any questions, please contact Karyn Ostafichuk, Manager of Planning at karyn.ostafichuk@ocdsb.ca or at extension 8634.

Attach.

cc. Senior Staff
 Manager Board Services (Acting)
 Manager Planning
 Corporate Records