

**Kawartha Pine Ridge District School Board (KPRDSB) and  
Peterborough Victoria Northumberland and Clarington  
Catholic District School Board (PVNCCDSB)**

**Education Development Charge Policy Review**

**Consideration of Education Development Charge B y-laws for:**

**The Municipality of Clarington**

# EDC Policy Review

## Background:

- The Kawartha Pine Ridge District School Board (KPRDSB) and the Peterborough Victoria Northumberland and Clarington Catholic District School Board (PVNCCDSB) currently have Education Development Charge (EDC) By-laws in the Municipality of Clarington.
  - The EDC By-laws fall under the authority of the *Education Act* and the associated Ontario Regulation
- EDCs are charges imposed by school boards on new residential and non-residential development (where applicable) at the building permit issuance stage.
- The funds collected may only be used by the Boards to acquire land needed to address growth-related accommodation pressures in areas of new development. Eligible costs include the acquisition and the preparation of the land to make the site “building ready”.
- An EDC By-law has a maximum term of 5 years. The KPRDSB’s and the PVNCCDSB’s 2 By-laws, imposed in 2010 will expire on July 5, 2015.
- A new joint EDC Background Study in preparation for proposed new EDC By-laws has been developed and is available on the Boards’ websites:
  - **KPRDSB** – <http://www.kprschoools.ca/>
  - **PVNCCDSB** -- <http://www.pvnccdsb.on.ca/>

# EDC Policy Review

## 1. By-law Structure

### Considerations:

- Boards may adopt jurisdiction-wide (i.e. one set of charges through all of the Municipality of Clarington), or;
- One or more area specific by-laws (i.e. different rates in portions of the Municipality (i.e., Bowmanville, Courtice, Newcastle, etc. – multiple by-laws require multiple studies);
- Monies collected in one by-law area cannot be spent in another.

## 2. Recovery of Net Education Land Costs

### Considerations:

- All EDC by-laws in Ontario are applied on the basis of 100% recovery of net education land costs over the long term (no more-no less than needs);
- No tax-based funding source to make up for shortfalls;
- Capital allocations for land may not be available from the Province where a school board is EDC eligible.

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## 3. Non-Statutory Exemptions

### Considerations:

- The legislation exempts lands owned by school boards and municipalities from EDCs – any other exemptions in an EDC by-law is considered to be a non-statutory exemption
- While the number of residential units and/or amount of sq. ft. of non-residential GFA is included in the calculation of the EDC, an EDC is not applied to any by-law-recognized non-statutory exemption
- As such, potential revenue loss must be found outside of the EDC collections
- Both KPRDSB and PVNCCDSB exempt publicly funded universities and colleges of applied arts and technology as well as non-residential agricultural buildings or structures owned by and used for bona fide farming operations
- KPRDSB also exempts publicly funded hospitals.

## 4. Portion of Net Education Land Costs to be Recovered from Residential versus Non-residential Development

### Considerations:

- Non-residential share can range from 0% to 40% of total costs;
- For most EDC by-laws 10-15% of costs are recovered from non-residential development, with the remainder from residential development;
- Economic downturns in either sector can be problematic, depending upon weighting;
- Both the KPRDSB and the PVNCCDSB have a 90% residential and a 10% non-residential split on the recovery of the net education land costs to be recovered through their existing EDC By-laws.

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## 5. Differentiated EDC

### Considerations:

- EDC boards are required to determine differentiated residential rates based on pupils per unit type;
- Ability to incorporate variations in the residential rates based pupils per household by dwelling unit type;
- In areas where the majority of the units are low density, variation in rate may be greater than development community stakeholders are looking for.

## 6. Demolition Credits

### Considerations:

- Legislative provisions require Boards to provide demolition credits for a period of 2 years for residential development and 5 years for non-residential development:
  - The Boards' By-laws recognize the 2-year residential and 5-year non-residential exemptions.

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## 7. Conversion Credits

Considerations:

- No legislative provisions specifically dealing with conversion of use;
- Some boards offer limited EDC conversion credits;
- Both KPRDSB and PVNCCDSB by-laws do not have conversion credits recognized in their by-laws.

## 8. By-law term

Considerations:

- Five-year term provides flexibility;
- Board can amend the by-law or pass a new one earlier, if necessary (ongoing monitoring to account for land cost increase);
- Consistency with Board's capital plan is a consideration.

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## 9. Operating Surpluses

Considerations:

- Regulation requires the Boards to address this issue through policy adoption and then a subsequent review of availability of surplus to offset the future charge;
- Funding model does not allow funds to be moved from classroom to non-classroom budgets.

## 10. Alternative Accommodation Arrangements

Considerations:

- Requirement that the Boards contemplate “arrangements” for both land and buildings, where feasible.

## 11. Need to Conduct Further Public Meeting

Boards must determine through resolution whether any additional public meetings are required.

# KPRDSB and PVNCCDSB EDC By-law Adoption Process – Next Steps

## Stakeholder Sessions

- Both Boards met with industry stakeholders on April 1, 2015 to share information regarding the proposed EDCs and underlying approach.

## KPR and PVNCC Joint Policy Review Public Meeting #1 – May 4, 2015

## KPR and PVNCC Joint 1<sup>st</sup> Successor By-law Public Meeting – May 4, 2015

- presentation of EDC Background study approach and recommendations and EDC by-law;
- proposed EDC rates for Board consideration;
- inviting stakeholder input.

## KPRDSB By-law Adoption Public Meeting #3– June 18, 2015

## PVNCCDSB By-law Adoption Public Meeting #3– June 23, 2015

- Presentation of recommendations re: policy decisions and proposed EDC rates;
- Trustees to consider adoption of by-law, following invitation for stakeholder input.