Subject: COVID 19 Development Charge Collection Deferral  
Report Number: FIN 20-20  
Author: Dave Rushton, Director of Finance  
Meeting Type: Council Meeting  
Meeting Date: Monday, May 25, 2020

RECOMMENDATION
THAT Council receives report FIN 20-20 COVID 19 Development Charge Collection Deferral for information;

AND THAT council authorizes the Chief Building Official to enter into agreements with developers to defer the payment of the Town’s portion of the Development Charges for permits issued & released between May 26 and July 31, 2020;

AND THAT during this period the date of collection for the Town’s portion of Development Charges be changed from the time of Building Permit to the time of Occupancy Permit.

BACKGROUND
Fees are collected on new development in accordance with the Development Charge Act. In setting By-Law 4315, in 2019 a study was conducted to determine the amounts to be charged by both the County of Oxford and the Town of Tillsonburg. The By-Law in Section 5 TIMING OF CALCULATION FOR DEVELOPMENT CHARGES establishes; “Where a Development Charge applies to and in relation to which a building permit is required, the building permit shall not be issued until the development charge has been paid in full”. The Development Charge Act requires an agreement between the Developer and the Municipality to change the collection date.

DISCUSSION
At the May 11, 2020 Council meeting, the following resolution was adopted:

THAT Council receives Report CLK 20-19 COVID-19 Taskforce Recommendations, as information;  
AND THAT Council supports the Task Force recommendations and that staff be directed to bring back a report for Council’s consideration;  
AND FURTHER THAT to clarify the development charge motion refers to a deferral of payment.
In the attached chart it is noted that on a single detached home the total development charge is currently $16,432 of which Oxford County charges $9,998 and Tillsonburg charges $6,434. The Town has no control over the County portion and any deferral of the County share would require the County to approve. That leaves the Tillsonburg portion available to defer of $6,434. A key time after the initial permit to collect development charges is when the developer requires an occupancy permit prior to a sale. This is what the building department recommends for setting as a collection time. The committee has recommended that this program is open until the end of July. Currently there are 7 single detached permits that have permitting pending. A similar deferral was in place from 2012 to 2019 for Model Homes that changed the collection date from permit to occupancy.

CONSULTATION

The Chief Building Official was consulted in the preparation of this report.

FINANCIAL IMPACT/FUNDING SOURCE

If 100 permits for detached homes were issued in this period, the Town’s portion of the development charges would be $643,400. The carrying cost for the Town at 2.5% for 6 months would be about $8,000. On the pending units the cost for the same time and term would be $480.

COMMUNITY STRATEGIC PLAN (CSP) LINKAGE

Excellence in Local Government
☒ Demonstrate strong leadership in Town initiatives
☒ Demonstrate accountability

Economic Sustainability
☒ Support new and existing businesses and provide a variety of employment opportunities

Demographic Balance
☒ Provide opportunities for families to thrive

Culture and Community
☒ Promote Tillsonburg as a unique and welcoming community

ATTACHMENTS

Appendix A –
TILLSONBURG SCHEDULE OF DEVELOPMENT CHARGES
Effective April 1, 2020 to March 31, 2021
Report Approval Details

<table>
<thead>
<tr>
<th>Document Title:</th>
<th>FIN 20-20 COVID 19 Development Charge Collection Deferral.docx</th>
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<tbody>
<tr>
<td>Attachments:</td>
<td>- FIN 20-20 Appendix A – DC Rates April 1 2020 to March 31 2021.pdf</td>
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<tr>
<td>Final Approval Date:</td>
<td>May 20, 2020</td>
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This report and all of its attachments were approved and signed as outlined below:

Kyle Pratt - May 20, 2020 - 7:40 AM