

**CITY OF BELLEVILLE**  
**Rod Bovay MCIP RPP**  
**Director, Engineering & Development**  
**Services**  
**Report No. DE DS 2018-08**  
**October 9, 2018**

**To: Mayor and Members of Council**

**Subject: Development Charges – 135 Station St.**  
**Proposed 103 unit apartment building**

**Recommendation:**

**“That City staff be directed to prepare an amendment to Development Charges By-law 2016-16, to expand the boundaries of the “Central Business District”, as shown on Schedule “D”, to include 135 Station Street.”**

**Background:**

At the August 27, 2018 Council meeting, an application was approved to permit the development of a 103 unit apartment building at 135 Station St. The owner’s agent, RFA Planning Consultant Inc., has inquired about a potential reduction in the development charges payable for the proposed building (copy attached). The proposed building is intended to provide affordable accommodation and any reduction in the amount of development charges payable would assist in keeping the costs of construction down. The location is just east of the “Central Business District” (CBD) boundary established in Development Charges By-law 2016-16, which provides for a 50% reduction in development charges payable for new residential construction. For the subject development this would amount to a reduction of approximately \$300,000.00 in development charges, depending on the breakdown of the number of 2 bedroom and 1 bedroom units.

The establishment of the 50% reduction in the “CBD” was intended to assist with encouraging new residential development in and around the city’s downtown. Although not specifically established for the purpose of assisting with the creation of affordable housing, the 50% reduction in development charges is obviously a useful tool for that purpose. There is also a corresponding 100% reduction of development charges payable for new commercial development

within the boundaries of the downtown BIA. It is important to note the establishment of the "CBD" boundary was not intended to match the City Centre boundary as established in the Official Plan. They are two distinct boundaries established for different purposes.

In their submission, RFA Planning raises the possibility of using the provincial Development Charges Rebate Program, established within the past year, to promote the construction of affordable rental accommodation through a provincially funded rebate of development charges payable on new rental construction. Unfortunately the City did not qualify for the first phase of the program, which has been started in 13 larger municipalities. As well, it appears the program has been discontinued by the new provincial government and will not be expanded beyond the initial funding commitments to the first 13 municipalities.

### **Analysis:**

The City, through the establishment of the 50% development charges reduction in the CBD, has made a commitment to assist in the creation of new residential development within, and in close proximity to, the downtown. Although the subject property does not fall within the boundaries of the CBD it is very close and will obviously have the effect of creating a significant increase in the number of residential units in proximity to the downtown. In addition, the proposed units have been identified by the proponent as being developed to be considered affordable in the Belleville rental market.

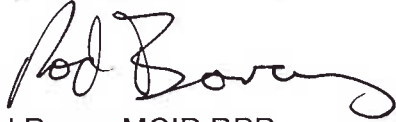
### **Financial:**

The 50% reduction of development charges for new residential development in the CBD, and the 100% reduction for new commercial development in the DBIA, are intended to promote investment in and around the City's downtown. However, these programs do come with a cost. The loss of the development charges payable for new development is forgone revenue that is not available to pay for projects identified within the background study completed when the current DC By-law 2016-16 was established. The loss of this revenue must then be compensated for by the general tax base going forward.

### **Conclusion:**

There has been very limited construction of rental accommodations in the city over the last many years. The proposed development is significant for the city given its location and the fact the owner is intending to make the units affordable. Given that the site is adjacent to the boundary of the CBD and any reduction in the amount of development charges payable will have a positive effect on helping make the subject units affordable, staff are supportive of amending By-law 2016-16 to include the subject property within the CBD boundary.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rod Bovay". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Rod Bovay MCIP RPP  
Director, Engineering & Development Services

Attachment



August 24, 2018

Mr. Rod Bovay  
Director, Engineering and Development Services  
City of Belleville  
169 Front Street,  
Belleville, ON K8N 2Y8

Dear Rod:

**Re: Request for an Amendment to the City's Development Charge (DC) By-law #2016-16, Application of the Ontario Development Charges Rebate Program and Municipal Programs / Policies in Place to Help Reduce the Cost of Developing Housing and Improve Housing Affordability – 135 Station Street, Belleville**

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I am writing to you regarding the City's Development Charge (DC) By-law #2016-16, Application of the Ontario Development Charges Rebate Program and Municipal Programs / Policies in Place to Help Reduce the Cost of Developing Housing and Improve Housing Affordability and how we could apply these incentives to the proposed affordable rental housing project located at 135 Station Street, Belleville.



City's Development Charge (DC) By-law #2016-16

There is a discrepancy between the City's Development Charge (DC) By-law #2016-16 and Official Plan Amendment 23. Currently, Schedule 'D' in the DC By-law (Attachment 1), approved in 2016, does not reflect the boundary in Schedule 'D1' (Attachment 2) of the City of Belleville's Official Plan Amendment 23, adopted in 2014.

The purpose of OPA 23 was to promote intensification within the City Centre boundary. The purpose of Schedule 'D' in By-law 2016-16 is to apply to a 50%

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reduction in Development Charges within the City Centre in order to promote intensification. The OP City Centre boundary should be reflected in By-law 2016-16.

We have prepared an updated version of Schedule 'D' of the Development Charge By-Law with the City Centre Districts & Neighbourhood boundaries as they were approved on Schedule 'D1' OPA 23 (Attachment 3).

As the boundaries in Schedule 'D1' of OPA 23 form part of the City's Official Plan, a change of the boundaries in Schedule "D" of By-law #2016-16 is warranted.

In view of the above, we are requesting an amendment to the City's Development Charge (DC) By-law #2016-16 to mirror Schedule 'D1' Belleville's Official Plan Amendment 23, adopted in 2014. This would provide a 50% reduction in Development Charges for the affordable housing project planned for 135 Station Street.

#### Ontario's Development Charges Rebate Program

We are aware of the Ontario Development Charges (DC) Rebate program, an initiative under Ontario's Fair Housing Plan to increase the supply of purpose-built market rental housing. Through the program, up to a total of \$125 million over five years is available to support municipalities, starting with \$25 million in 2018-19.

In April, 2017, the province introduced the Fair Housing Plan as a set of 16 measures to help advance affordable housing, increase the supply of available affordable housing, and provide increased stability to the Ontario housing market. The Fair Housing Plan included an action item to increase housing supply by

“introducing a targeted \$125-million, five-year program to further encourage the construction of new rental apartment buildings by rebating a portion of development charges. Working with municipalities, the government would target projects in those communities that are most in need of new purpose-built rental housing.”

The program targets purpose-built market rental developments and units in municipalities with low vacancy rates and high tenant populations.



The intent of the program is to encourage and help to build complete communities that are accessible, livable, walkable, and close to services through offsetting of development charges for residential rental units that are not otherwise directly incented. This can include market units in affordable developments, or units in full-market developments that are not able to take advantage of other DC related programs. It is our understanding that municipalities had to submit an expression of interest to the province by March 2, 2018 and are therefore asking if this rebate program is available to developers in the Belleville area. If so, we request this rebate apply to the subject site, located at 135 Station Street since the proposed use is purpose built affordable rental housing project.

Municipal Programs / Policies in Place to Help Reduce the Cost of Developing Housing and Improve Housing Affordability

It is a provincial interest to have an appropriate mix and range of housing options, including purpose-built rental housing. A number of municipalities including Toronto, Kitchener, Brantford and Essex have programs or policies in place to help reduce the cost of developing housing and improve housing affordability through financial contributions and incentives including the exemption of application fees, development charges and building permits. A summary of Affordable Housing Fee Exemption Program/Policies for these cities is appended to this letter for your reference. (Attachment 4)

If the City is not agreeable to providing this relief, we request that Section 2.2(b) of the DC By-law apply to the subject lands, which states:

*Notwithstanding subsection (a), the development charge for residential development located within the boundary of the Central Business District (City Core) as set out in Schedule "D" will be equal to 50% of the total amount otherwise calculated in subsection (a);*

The site, located within the City Centre limits of Belleville, and more specifically, within Riverview District, is proposed as a purpose-built affordable rental housing residential building with 100+ units. Therefore, if the City did not submit an expression of interest or qualify for in the Ontario Development Charges Rebate program, we request the proposed affordable housing development at 135 Station Street be subjected to the development charges policies that any residential building

project would be subject to within the City Centre (CBD) designation. Providing more affordable housing within the City of Belleville will not only help to create more opportunities for residents but will also help to build a more complete community.

In conclusion, we believe the boundaries in Schedule 'D' of the DC By-law should reflect the boundary of the City Centre as approved on Schedule 'D1' of OPA 23 and as a result, the development charges for the proposed development at 135 Station Street should be credited at 50% reduction for affordable residential development.

As another option, the owners would like to take advantage of the Ontario Development Charges (DC) Rebate program, if this option is available to them. If it is, we request that consideration be given to 50% relief as per the intensification plan and to utilize the DC Rebate program for the remaining 50% for a reduction to 0% development fees, similar to Toronto and Brantford for similar developments.

We look forward to a favourable response to our request. If you have any questions, please do not hesitate to contact me.

Yours truly,

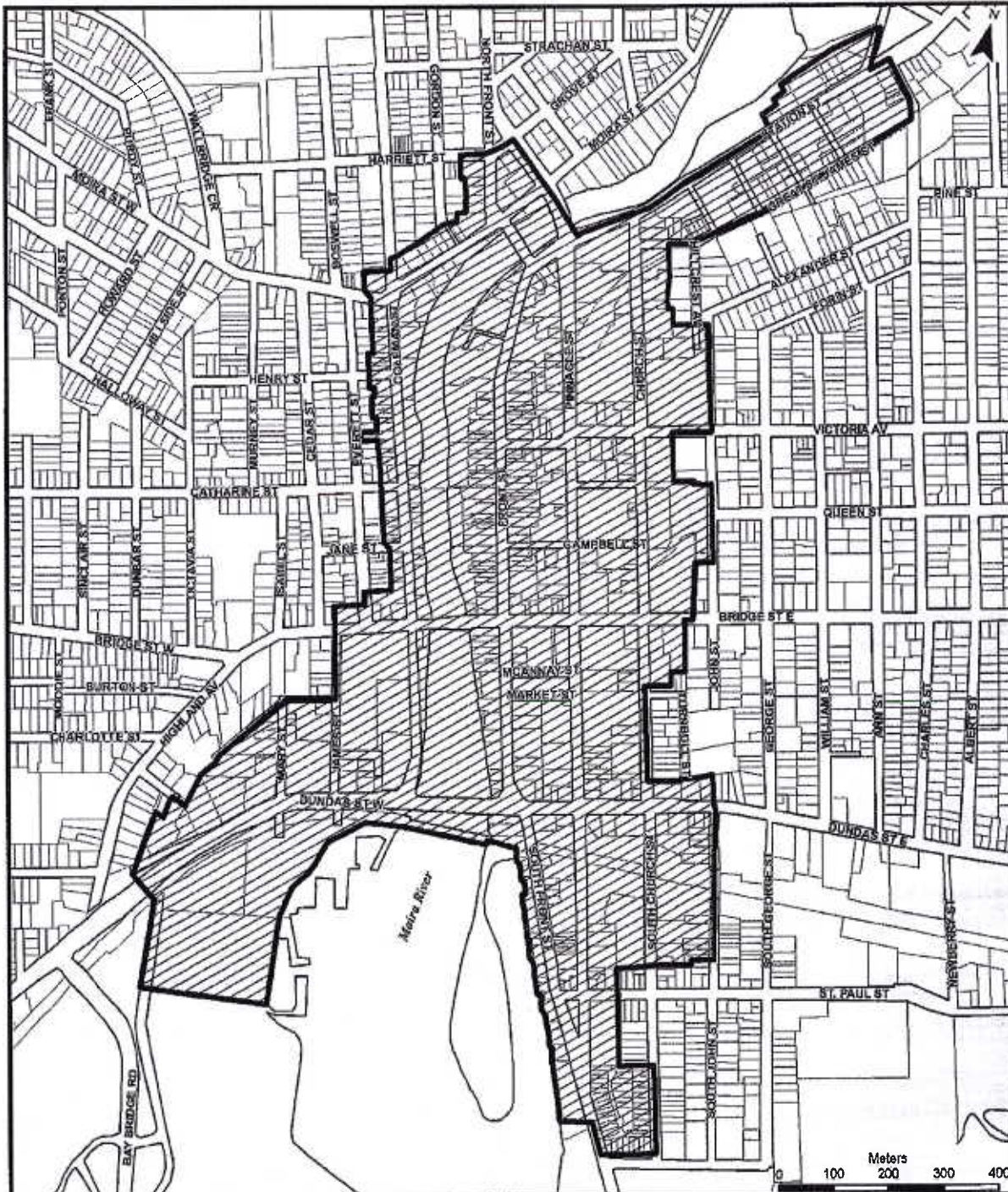


Ruth Ferguson Aulhouse, MCIP, RPP  
President  
RFA Planning Consultant Inc.


/Attachments  
c.c. KGF Capital Realty

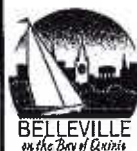


**SCHEDULE "D" TO BY-LAW NUMBER 2016-16**  
**DESIGNATION OF THE CENTRAL BUSINESS DISTRICT (CBD)**



**SCHEDULE "D"**  
**TO BY-LAW NO. 2016-16, AS AMENDED**  
**DESIGNATION OF THE**  
**CENTRAL BUSINESS DISTRICT**

 Central Business District (C.B.D.)

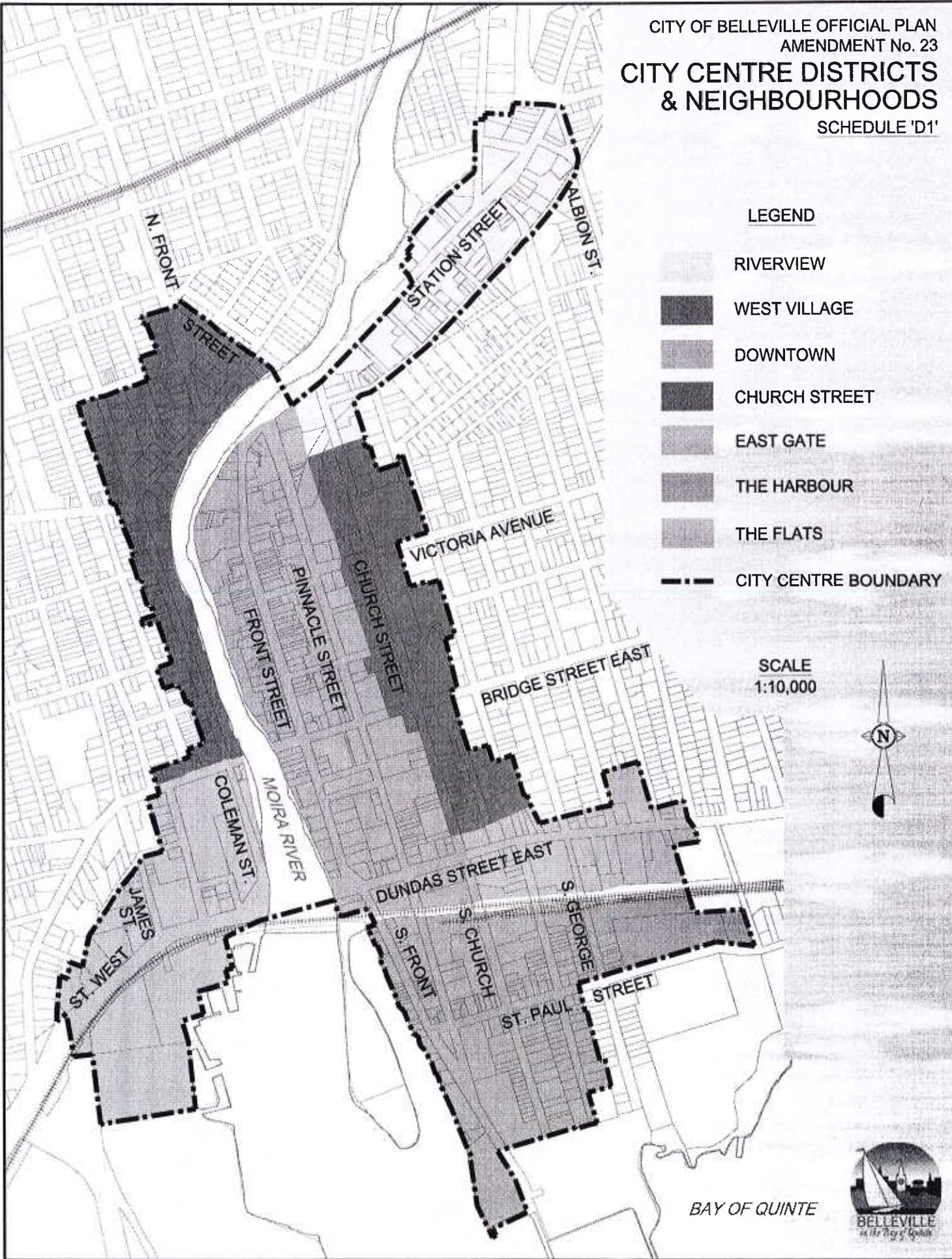


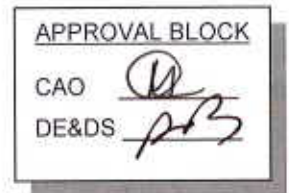
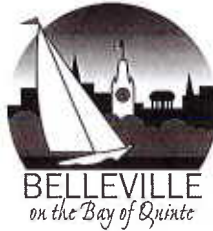
**CITY OF BELLEVILLE**

ENGINEERING & DEVELOPMENT  
SERVICES DEPARTMENT



CITY OF BELLEVILLE OFFICIAL PLAN  
AMENDMENT No. 23  
**CITY CENTRE DISTRICTS  
& NEIGHBOURHOODS**  
SCHEDULE 'D1'





**CITY OF BELLEVILLE**

Greg Pinchin

Manager of Approvals

Engineering and Development Services Department

Report No. APS-2018-28

October 9, 2018

**To:** Mayor and Members of Council

**Subject:** Proposed Minutes of Settlement  
Appeal of Amendment to Zoning By-Law Number 3014, as amended –  
970 Highway 37, City of Belleville, County of Hastings  
Owner: 734317 Ontario Inc. (Glen Jarrell)  
File: B-77-1003  
OMB/LPAT File: PL170508

**Recommendation:**

"THAT the Minutes of Settlement for 970 Highway 37, included as 'APPENDIX 1' to this Report APS-2018-28, be APPROVED; and

THAT the Mayor and Clerk be authorized to sign the Minutes of Settlement with 734317 Ontario Inc. on behalf of The Corporation of the City of Belleville for submission to the Local Planning Appeal Tribunal, in support of Case Number PL170508."

**Strategic Plan Alignment:**

The City of Belleville's Strategic Plan identifies nine (9) strategic themes which include "Industrial and Commercial Development".

**Background:**

On April 11, 2017, Council approved a zoning by-law amendment for the northern part of subject property to permit a commercial storage facility that comprises a maximum of 76 traditional site built storage buildings. The Applicant appealed Council's decision to regulate the built form in a way that would not permit the use of shipping containers as storage buildings.

Subsequent to the appeal, Council directed Staff and Legal Counsel to prepare Minutes of Settlement whereby aesthetic issues relating to the use of shipping containers could instead be regulated through Site Plan Control.