



COMMITTEE OF THE WHOLE (PUBLIC)
Report No. 23-083

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Education Development Charges Policy Statement – Efficiencies in Taking Land for School Sites

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PURPOSE:

1. To apprise Trustees of recent legislative initiatives respecting efficiencies in taking land for school sites within a new 2024 Education Development Charges By-law.

STRATEGIC LINKS:

2. Responsible resource use is one of the Board's four key value statements within the 2023-2027 Strategic Plan. Education Development Charges play a role in student accommodation and the effective management of enrolment pressures. Managing these issues properly contributes to student success and staff well-being.

CONTEXT:

3. On 26 March 2019, the Ottawa-Carleton District School Board (OCDSB) adopted EDC By-law 01-2019. This by-law served to implement the collection of Education Development Charges (EDC) across the District on 1 April 2019.

On 29 March 2019, the OCDSB received a memorandum from the Ministry of Education regarding amendments made to Ontario Regulation 20/98, Educational Development Charges, which governs the implementation of EDCs within the province. Essentially, regardless of background studies or intended charges, the Ministry of Education capped the increases boards could charge with the implementation of new by-laws.

Board, at its meeting of 24 June 2019 amended Education Development Charges By-law 01-2019. The Board's by-law was amended pursuant to O.Reg.55/19 enacted by the Province of Ontario on 29 March 2019 and allowed for annual increases in EDC rates for qualified school boards.

The by-law is currently in force but is scheduled to expire on 31 March 2024. Under current legislation EDC By-laws are in place for a maximum period of five years.

Under the Ministry's education funding formula the collection of EDCs is the main source of funding for net education land costs. These are costs incurred by the District to acquire land and/or prepare sites as a result of the need to build new pupil places to house students in areas of new development.

On 8 November 2019, the province enacted additional changes to the education development charge legislation, including the provision of Alternative Projects, designed to support provincial housing affordability initiatives. This policy addresses the Alternative Projects initiative.

Staff is currently in the process of examining the possible implementation of a new Education Development Charges By-law for April 2024. This new by-law would continue to provide the District with the ability to fund the purchase of school sites in areas where new development will result in a need for growth-related pupil places.

KEY CONSIDERATIONS:

4. Alternative Projects

Starting in 2019, the *Education Act* was amended to provide school boards with flexibility to allocate EDC revenue to other means of pupil accommodation beyond the traditional purchase and preparation of land. Thus, school boards may allocate revenue raised by charges imposed by EDCs towards a lower cost alternative to site acquisition (Alternative Project).

An Alternative Project allows for the application of EDC revenue that would support project costs that addresses the needs of the board for pupil accommodation, specifically, school construction costs. Alternative projects are expected to lower EDC rates.

An Alternative Project must have an associated cost that is less than the cost to acquire a site. Alternative Projects are not to replace costs that are supported by ministry funding (e.g. Capital Priorities, School Renewal Grant or School Condition Improvement Grant) and thus, do not include:

- Construction of new pupil places (e.g. additions to existing schools); and
- Repair of existing schools.

Examples of Alternative Projects a school board could consider as a solution to pupil accommodation needs include the following:

- Alternative parking arrangements such as underground parking garages or off-site parking;
- Additional construction costs attributed to vertical construction and the demising of high-rise developments to accommodate a school facility, along with interior fit outs;

- Purpose built space within a larger development;
- Alternative play area enhancements; and
- Pedestrian access improvements.

Under the *Education Act* school boards are required to seek Minister approval before implementing an Alternative Project.

There are currently no Alternative Projects being pursued by the OCDSB which would serve to reduce the quantum of a proposed education development charge at this time.

5. New EDC By-law Adoption Process

A memorandum was provided to trustees on 19 May 2023 which outlined the steps involved in renewing the Board's existing EDC by-law. In conjunction with our coterminous Ottawa-area school boards, staff is planning an implementation date of 1 April 2024.

In June 2023 the school boards retained the services of the Quadrant Advisory Group Limited in order to assist staff in the preparation of an EDC Background Study and any other necessary work in support of a new by-law.

An EDC Background Study is a legislatively required document which includes estimates of new development, the number of new pupil places and schools required to accommodate students generated from that development, and the cost to acquire and prepare the land needed for those schools. The document also provides an assessment of a board's eligibility to implement a new by-law and analysis related to what the potential charge might look like under various scenarios.

With respect to the process, it is tentatively planned that two special public meetings of the Board will take place on the same evening in January 2024. These meetings are required by legislation in order to consider the adoption of a new by-law.

The first special meeting will be convened to review existing EDC policies under the current by-law and the second will be to receive input and hear delegations regarding a proposed new By-law. An EDC Background Study will be made available to the public two weeks prior and would be presented at the second meeting that evening.

Further to receiving input from trustees, stakeholders, and the public at large, a report regarding the adoption of a new EDC By-law for the OCDSB would be brought forward to a March meeting of Committee of the Whole for consideration. Should the proposed by-law be adopted by the Board, it would be implemented on 1 April 2024.

6. Summary

Two public meetings are scheduled for 16 January 2024 to present, discuss and receive feedback regarding EDC-related information. A recommendation report regarding the adoption of a new EDC By-law will be brought forward on 5 March

2024. If adoption of a new By-law is approved, it will come into effect on 1 April 2024.

Following approval of a new EDC By-law, staff will hold on-going conversations with developers regarding potential Alternative Projects. Any proposed Alternative Projects will be communicated to the Ministry early in their development. Staff will also work to develop policies to consider Alternative Projects and will assess the viability of these Alternative Projects based upon these policies.

RESOURCE IMPLICATIONS:

7. The collection of EDCs is the main source of funding for costs incurred by the Board to acquire land and/or prepare sites as a result of the need to build new pupil places due to growth. Upon its expiration, the current in force EDC By-law is expected to have funded the purchase of seven elementary school sites and two secondary school sites to serve students in areas of new development.

Without the implementation of education development charges the above costs would have to be funded via operating reserves and/or proceeds of disposition.

COMMUNICATION/CONSULTATION ISSUES:

8. In order to consider the adoption and implementation of a new EDC By-law the Board is required to follow a legislatively governed consultative process. This process includes the holding of a minimum of two public meetings and the provision of formal notice for each.

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