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**Subject:** Repealing C-F-014 Residential Development Letter of Credit Agreement Policy

**Report to:** Corporate Services Committee

**Report date:** Wednesday, September 9, 2020

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## Recommendations

That Policy C-F-014 Residential Development Letter of Credit Agreement Policy **BE REPEALED.**

## Key Facts

- The purpose of this report is to seek Council's approval to repeal C-F-014 Residential Development Letter of Credit Agreement Policy (included as Appendix 1 to this report) which was approved in 2012.
- This policy was created as a result of research conducted in preparation of the 2012 Regional Development Charge (RDC) By-law to ensure that residential development was committed to water and wastewater servicing by providing a letter of credit and entering an agreement with the Region for the amount of Water and Wastewater RDC payable for their development at the time of planning approvals.
- The practice of securing the water and wastewater RDC in advance of building permit issuance via a letter of credit was a practice that was not implemented with the policy as new procedures were put in place to mitigate risk and respond to the development community concerns (most notably discounting the practice of allocating servicing until final registration of plans).
- Repealing policy C-F-014 is a housekeeping item and will not impact current RDC administrative practices.

## Financial Considerations

There are no direct financial implications to repealing policy C-F-014. Practices relating to this Policy were not fully implemented and was not contemplated during the inception of the 2017 Regional Development Charge (RDC) by-law 2017-98. The 2017 RDC By-law specifies that RDC are payable at time of first building permit issuance and no security for the water and wastewater amounts in advance of permit issuance is required.

## **Analysis**

The Policy, included as Appendix 1, was prepared based on Background Study research conducted for the preparation of the 2012 RDC By-law 62-2012. This policy was created to ensure that residential development was committed to water and wastewater servicing and to ensure the Regional commitment to allocation of servicing was matched by developer commitment in moving a development forward with the design and construction of services in a timely manner. To achieve this, the Policy required residential development to provide the Region with a Letter of Credit in the amount of the water and wastewater RDC payable for their project at the time of planning approvals.

The residential development industry expressed concerns about the conditions in the policy and stated that they had experienced difficulty complying with the policy as a result of the timing/phasing of their developments and financial constraints. As such, the Policy was placed under review in 2015 by Planning and Public Works staff. As a result of the review, the practice of the Region committing servicing allocations at time of subdivision draft approval was discontinued. Consideration for repealing the Policy should have occurred at that time. There were also a number of other changes initiated by the Regional Policy Planning Team at that time that had provided new information and tools with respect to the long term growth strategy for Niagara and the phasing of development. As such, the practice of securing the water and wastewater RDC at the time of subdivision draft approval was not a practice that was carried forward in the 2017 RDC by-law. As such, the requested repealing of this policy is recommended as a housekeeping matter as it is no longer relevant to the current DC bylaw. This recommendation was reviewed and is supported by Region Planning staff.

## **Alternatives Reviewed**

No alternatives reviewed as the Policy is not utilized.

## **Relationship to Council Strategic Priorities**

Not applicable.

## **Other Pertinent Reports**

None.

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*This report was prepared in consultation with Phill Lambert, Director, Infrastructure Planning & Development Engineering and Margaret Murphy, Associate Director, Budget Planning & Strategy, and reviewed by Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer.*

**Appendices**

Appendix 1 C-F-014 Residential Development Letter of Credit Agreement Policy