

REPORT
2000 MAY 01

CITY OF BURNABY
COMMUNITY PLANNING & HOUSING COMMITTEE

HIS WORSHIP, THE MAYOR
AND COUNCILLORS

RE: SCHOOL SITE ACQUISITION CHARGE

RECOMMENDATION:

1. THAT Council authorize staff to forward a copy of this report to Chair, Board of School Trustees, Burnaby School District 41, 5325 Kincaid Street, Burnaby, B.C. V5G 1W2.

REPORT

The Community Planning & Housing Committee, at its 'Open' meeting held on 2000 April 18, received and adopted the attached report outlining a new provincial legislative requirement for the creation of a School Site Acquisition Charge. The legislation requires school districts and local governments to undertake a joint process to establish the charge. The purpose of the charge is to recover a portion of the costs associated with the future acquisition of land for new school sites required as a result of new residential development. The Committee advised that by mid June 2000 a preliminary proposal for the School Site Acquisition Charge will be presented to Council and the School Board for endorsement as a basis for community review at a public open house event.

Respectfully submitted,

Councillor C. Redman,
Chairman

Councillor G. Begin,
Member

Councillor D. Johnston,
Member

CC: -CITY MANAGER -DIRECTOR FINANCE -DIR. PLNG & BLDG -CHIEF BLDG INSPECTOR -CITY SOLICITOR
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TO: CHAIR AND MEMBERS
COMMUNITY PLANNING AND HOUSING COMMITTEE
2000 April 13

FROM: DIRECTOR PLANNING AND BUILDING
OUR FILE: 10.101.3

SUBJECT: SCHOOL SITE ACQUISITION CHARGE

PURPOSE: To outline a new legislative requirement for school districts and local municipal governments to establish a school site acquisition charge.

RECOMMENDATION:

1. **THAT** this report be forwarded to the Chair, Board of School Trustees, Burnaby School District 41, 5325 Kincaid Street, Burnaby, B.C. V5G 1W2.

REPORT

1.0 INTRODUCTION

At its meeting of 2000 February 22, the Committee requested information regarding the school site acquisition charge legislation recently proclaimed by the Provincial government. The subject legislation is contained in the Education Statutes Amendment Act of Bill 35 which was brought into force by the Province on January 28, 2000. The Act establishes a requirement for the creation of a School Site Acquisition Charge (development cost charge) for new residential development. The Act requires school districts and local governments to undertake a joint process to establish the charge. The purpose of the charge is to recover a portion of the costs associated with the future acquisition of land for new schools sites required as a result of new residential development.

As requested by the Committee, this report provides a summary of the new legislation, and outlines the required joint City and School Board process to establish a School Site Acquisition Charge.

2.0 SCHOOL SITE ACQUISITION CHARGE

The Education Statutes Amendment Act establishes the requirement for the creation of a School Site Acquisition Charge to be applied to new residential development. The purpose of the charge is to provide for the collection of a portion of the funds required for the future acquisition of school sites needed as a result of new residential development. The balance of the funds required for future school site acquisitions and facility development will continued to be provided by the Province.

The basic provisions of the School Site Acquisition Charge (SSAC) legislation are as follows:

Limited Application

The creation of a School Site Acquisition Charge is only required where sufficient new enrolment is expected to be generated by new residential development over a ten year planning period so as to require the acquisition of new school sites. The value of those school sites, as approved by the Minister of Education as part of a school board's five year capital plan submission, is then used to calculate the charge on new residential units subject to the charge.

The legislation specifically limits the amount that can be collected from new residential development through measures that:

- require that the calculation of the charge exclude the proportion of school site acquisition costs that are attributable to existing school site demands (backlogs) resulting from earlier growth in the school population.
- require the calculation of the charge to only include the share of new school site costs that are the result of the types of new residential development that are subject to the charge (i.e. eligible development units).
- limits the total amount that can be collected by the charge to 35 percent of the total site acquisition costs attributable to the new residential development units subject to the charge.
- establish a maximum dollar charge that can be assessed per eligible development unit.
- limit the calculation of the charge to a 10 year planning period.

Eligible Development Units

New residential units authorized through the subdivision of land or new construction authorized by building permit are subject to the School Site Acquisition Charge. New single and two-family lots created through subdivision are subject to the charge for each new (additional) lot created. Multiple family developments are assessed on a per unit basis. Similar to existing development cost charge legislation, new residential units authorized by a building permit for construction of fewer than 4 self-contained dwelling units on an existing lot are exempt from the charge. As well, the legislation exempts the following classes of residential development:

- non-profit, cooperative and government funded housing
- community care facilities, public and private hospitals, and hotels

Collection of the Charge

The charge is paid by residential developers to the City for *eligible development* at the time other applicable development cost charges are paid, at the time of subdivision approval, or on the issuance of a building permit. The legislation requires that the local government transfer the funds collected to the School Board for deposit in a land capital reserve trust fund in the School Board's name. The City is permitted to retain an administration fee of \$2,000 per school year plus 0.1% of the school site acquisition charges collected.

Eligible School Sites

The legislation requires that the School District and the City consult and reach agreement on the basic components of the charge, including future residential development projections, projected school enrolment, school site requirements and the approximate value and location of school sites to be acquired to meet future demands over a ten year planning horizon. The school site acquisition plans for the School District are then submitted to the Ministry of Education for review and approval. The approved school site acquisition capital program then forms the basis for the calculation of the School Site Acquisition Charge.

Use of the Funds

The charge is collected on a City wide basis, and can be used to fund school site acquisitions consistent with the School Board approved capital program. The School Board may only use the funds received from the School Site Acquisition Charge for the purchase of land to meet the School Board's eligible school site requirements, to pay the administration fees for collection of the charge by the City, and for disbursements related to the sale, transfer or subdivision of land accepted in lieu for payment of the charge.

Calculation of the Charge

As outlined above, the legislation establishes a prescribed formula for the SSAC, weighting factors based on the density of development, maximum per unit charges, and the total amount of money that can be collected by the charge. The basic formula for the SSAC is as follows:

$SSAC = [(A \times B)/C] \times D$; where

SSAC – is the dollar charge applicable to each unit of eligible residential development at the time of subdivision approval or the issuance of a building permit.

Factor A – is the dollar value of the land required to meet the School Board’s school enrolment needs attributable to new residential development subject to the charge over a ten year planning horizon. The SSAC would be reviewed, and adjusted as needed, on an annual basis following Ministry approval of the School District’s five year capital program.

Factor B – is the maximum proportion of eligible school site acquisition costs that are permitted to be collected through the SSAC. The legislation has set this at 35% of eligible site acquisition costs. The remaining proportion would be provided by the Province under the established capital funding provisions for schools.

Factor C – is the number of eligible residential dwelling units projected to contribute to future school enrolment and site acquisition needs.

Factor D – is the weighting factor set by regulation for various densities of residential development. The weighting factors, shown below, assign a higher SSAC to lower density development, and a lower per unit charge to higher density development. This weighting factor attempts to compensate for the varying number of students expected to be generated from different forms of residential development. The weighting factors and the maximum permitted charge for eligible development is listed below:

<i>Category of Residential Development</i>	<i>Factor Applied to Basic Charge</i>	<i>Maximum Charge Per Unit</i>
Low Density	1.25	\$1,000
Medium Low Density	1.125	\$900
Medium Density	1.00	\$800
Medium High Density	0.875	\$700
High Density	0.75	\$600

3.0 PROCESS FOR SETTING THE CHARGE

Under the legislation, the School Board has the lead role in establishing the SSAC. The City assists in setting the charge, and is responsible for its collection. The legislation provides for a formal consultation process for the School Board and the City to follow in establishing the charge, and a dispute resolution mechanism should the local government and the school board fail to reach agreement on the components of the charge. A chart showing the typical process for setting the SSAC is shown as *Attachment 1*.

The City and the School District are well positioned to meet the requirements of the legislation to establish the SSAC given the work completed in 1998 for the updated Official Community Plan (OCP) and the Future School Needs Study undertaken by the Burnaby School District and the City. This work provides a sound basis from which to develop the required estimates of future residential development, school enrolment, and school site needs.

City and School District staff have initiated discussions on the development of the SSAC, with the intent of meeting following milestones:

- ***School Needs Forecasts*** – City and School Board staff will be developing updated forecasts of residential growth, school enrolment, school site needs and resulting acquisition costs in line with Ministry of Education capital budget planning guidelines and the ten-year planning horizon for development of the SSAC.
- ***Preliminary SSAC Proposal*** – a preliminary proposal for the SSAC would be presented to Council and the School Board as a basis for community and stakeholder consultation.
- ***School Board Resolution and Council Endorsement*** – following the consultation process, the School Board must formally adopt proposals for the future school site acquisition charge at a public meeting sponsored by the Board. The School Board's resolution is then forwarded to Council for consideration and endorsement. With Council endorsement, the school site acquisition proposals, and the preliminary estimates of revenues to be generated from the SSAC are submitted to the Ministry of Education for review and approval.

The Ministry is expected to require that this submission be made by 2000 October. It may be difficult for the City and the School District to meet the current time lines of the Ministry given the established practice of not holding important public meetings during the summer months.

- **Ministry of Education Approval** – Ministry of Education approval of the proposals for school site acquisitions required to meet future school enrolment projections are expected to be received by the School District in early 2001.
- **SSAC Bylaw Implementation** – within 60 days for Ministry approval, the School District is required to enact a School Sites Acquisition Charge Bylaw. Following a required 60 day grace period, the City must then commence the collection of the charge from eligible development on behalf of the School Board.

4.0 NEXT STEPS

With Committee and Council concurrence with the basic process outlined in this report, staff will continue to work with Burnaby School Board staff to complete the review of residential development projections, school enrolment forecasts, and future school site acquisition needs, as required by the legislation.

The resulting preliminary proposal for the School Site Acquisition Charge (SSAC) would then be presented to Council and the School Board for endorsement as a basis for community review at a public open house event. It is expected that the report outlining the preliminary School Site Acquisition Charge would be prepared for submission to Council and the School Board by mid 2000 June. Depending on the finalized Ministry of Education schedule for submission of school site acquisition plans, the public open house event to receive input on the preliminary SSAC would likely be held in the fall of this year.

This report is submitted for information purposes.


D.G. Stenson, Director
PLANNING AND BUILDING

LP/sa

Attachment (1)

cc: City Manager
Director Finance
Chief Building Inspector
City Solicitor

Mr. Henry M. Kojima,
Superintendent of Schools,
Burnaby School District 41

Process Flowchart for Setting SSAC

