

**Region of Waterloo**  
**Corporate Services**  
**Corporate Finance**

---

**To:** Regional Council  
**Meeting Date:** November 20, 2024  
**Report Title:** Tri-County Mennonite Care Home – Grant Request

---

**1. Recommendation**

That the Regional Municipality of Waterloo take no action on the request of Tri-County Mennonite Homes regarding the grant request for the long-term care home, as described in Report COR-CFN-24-023.

**2. Purpose / Issue:**

The purpose of the report is to provide Council with background information regarding the Tri-County Mennonite Homes request for a grant of \$2,043,875.73 to offset the assessed Regional Development Charges.

**3. Strategic Plan:**

This report supports strategic objectives found in the Corporate Strategic Plan, and particularly Focus Area 1.2 - Plan for and provide the infrastructure and services necessary to create the foundation for economic success.

**4. Report Highlights:**

- Regional Development Charges (RDC) are applicable to all lands within the Regional Municipality of Waterloo.
- Tri-County Mennonite Homes operates the existing long-term care facility at 180 Boullee Street in the Township of Wilmot. The proposed institutional expansion to the facility was assessed a regional development charge of \$2,043,875.73 based on a gross floor area of 101,837.36 sq. ft. at a non residential rate of \$20.07.
- Tri-County Mennonite Homes operate as a not-for-profit entity and as such, they are requesting grant relief from the development charges.
- Grants to cover development charges cannot be funded from the Development Charge Reserve Fund and consequently must be funded from property taxes and user rates.

- Since the first RDC By-law was passed in 1991, the Region has taken no action on grant requests from not-for-profit organizations, private schools, or places of worship to offset development charges.
- On October 23, 2024 council approved amendments to the Grants Administration Policy such that any new grants are administered through the creation of a new grant stream, with appropriate policy analysis and community engagement, pending funding approval as part of the Region's Plan and Budget process, in alignment with the strategic plan.

## **5. Background:**

Regional Development Charges are applicable to all lands within the Regional Municipality of Waterloo. Development Charges are collected to finance a portion of the net growth-related costs of capital works required to service development. Development charges at the Region are assessed and collected under By-law 19-037 (the "RDC By-law") which came into effect on August 1, 2019.

In September of 2024, Tri-County Mennonite Homes applied for a building permit in the Township of Wilmot to construct an addition to the existing long term care facility. Long term care facilities are defined under the Development Charges Act and under the RDC by-law as institutional and non-residential respectively. When calculating the development charges for an institutional facility such as this one, the RDC by-law provides for a non-residential rate per square foot of \$20.07 effective December 1, 2023. The proposed facility was assessed a regional development charge of \$2,043,875.73 based on a gross floor area of 101,837.36 sq. ft.

Tri-County Mennonite Homes operates the existing long-term care facility at 180 Boullee Street in the Township of Wilmot. They operate as a not-for-profit entity and as such, they are requesting grant relief from the development charges.

Since the RDC by-law has no provision to waive development charges, Council would have to provide a grant in an amount equal to the reduction in the development charges payable if the Tri-County Mennonite Homes request was to be approved. Grants to cover development charges cannot be funded from the Development Charge Reserve Fund and consequently must be funded from other sources, i.e. property taxes and user rates.

Since the first RDC By-law was passed in 1991, the Region has taken no action on grant requests from not-for-profit organizations, private schools, or places of worship to offset development charges. Grants have only been provided when there has been a direct link to core Regional programs. Prior to the changes in the Development Charges Act which has exempted not-for-profit residential developments, an RDC grant was provided to Habitat for Humanity for development charges applicable to its projects in continuance of Council's policy of supporting community housing initiatives.

At a council meeting on September 23, 2024, Wilmot Township approved a grant on the Township portion of Development Charges. The Township portion of Development Charges relating to this project, total \$1,529,597.09.

## **6. Communication and Engagement with Area Municipalities and the Public**

Nil.

## **7. Financial Implications:**

The Regional Development Charge is a significant component of the Region's Capital Financing Program. As prescribed by the DC Act, any reductions to the assessed Regional Development Charges would have to be financed from other sources, such as user rates and property taxes. The 2024 Operating Budget does not include a provision for RDC Grants. Approval of a grant to offset the RDC's in full would result in an unbudgeted expenditure of \$2,043,875.73 from property taxes. The repayment could be deferred to match the timing of the payments that would be required under the Act which would be one payment at occupancy and then five subsequent annual payments.

On October 23, 2024 council approved amendments to the Grants Administration Policy such that any new grants are administered through the creation of a new grant stream, with appropriate policy analysis and community engagement, pending funding approval as part of the Region's Plan and Budget process, in alignment with the strategic plan.

## **8. Conclusion / Next Steps:**

That the Regional Municipality of Waterloo take no action on the request of Tri-County Mennonite Homes to provide a tax supported grant.

## **9. Attachments:**

Appendix A RDC – Not-For-Profit Organizations 2013 – 2023.

Appendix B: RDC – Institutional/Commercial Properties 2013 – 2023.

**Prepared By:** Joshua Walsh, Financial Analyst

**Reviewed By:** Erin Gray, Financial Analyst

**Approved By:** Wayne Steffler, Commissioner Corporate Services/Chief Financial Officer