



# Off-site Levy Payment Relief Program

## Frequently asked questions – June 2020

### What is an off-site Levy?

Off-site levies are financial tools that enable development in Calgary by providing certainty of costs to the land development industry. They pay for all or part of the capital cost of new or expanded infrastructure, and support the economic sustainability of The City. Levy charges are placed on a development to fund major off-site growth-related capital infrastructure such as:

- Water and wastewater treatment/pipes
- storm water infrastructure
- major interchanges and expressways
- fire stations
- recreation facilities
- libraries

Off-site levies and the off-site levy bylaw are governed by the Municipal Government Act (MGA) and the Off-Site Levies Regulation (Alta Reg 187/2017), as amended by the City of Calgary Charter, 2018 Regulation (Alta Reg 40/2018).

### What is the Off-site Levy Payment Relief Program?

The Off-site Levy Payment Relief Program will provide those who make off-site levy payments with short-term payment relief. The details of the program are still to be developed, but will provide a short-term credit to their invoice that reduces the current 18% late payment charges.

### Why is the City developing an Off-site Levy Payment Relief Program?

The rapidly emerging impacts of COVID-19 have left developers facing financial strains, including cash-flow challenges. It has also impacted the home building and construction industry, and indirectly the many businesses that are supported by these industries.

Planning & Development has focused its pandemic response on supporting businesses and the development and building industry (an essential service). This includes exploring short-term relief of developers' off-site levy payments.

### Will I need to apply to be considered for the program?

Yes, you will need to apply to be considered for the program.

### What if I choose to not apply to the payment relief program?

If you do not apply to the payment relief program you are expected to make your off-site levy payments as per the existing payment terms.

### Will I have to pay to apply to the payment relief program?

Further analysis needs to be undertaken before determining if there will be a fee required to apply to the program. More information will be available in July, as we are planning to share the program details with Council for their consideration.



# Off-site Levy Payment Relief Program

## Who can apply to the payment relief program?

All developers that have a development agreement (DA) with an outstanding off-site levy bylaw payment due in the remainder of 2020 will be able to apply to the program, if it is approved by Council.

The payment relief program is still under development and the qualifications to apply to the program may change.

## Who cannot apply to the payment relief program?

The relief credit only applies to Off-site levies and does not apply to Established Area or Centre City levies. An existing deferral process currently exists for these levies. Customers or businesses with a Development Permit (DP) that those levies apply to have the option of deferring payment to the Development Completion Permit (DCP) by entering in an agreement with The City.

## When will the payment relief program begin?

The specific start date is currently unknown.

The payment relief program will begin after it is presented to Council, and if the program is approved. It is anticipated that the program will be presented at a 2020 July meeting of Council.

## How long will the payment relief program last?

Further exploration and stakeholder engagement is required to determine the details of the payment relief program. More information will be available in July, as we are planning to share the program details with Council for their consideration..

## Will the relief program be retroactive?

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## Will applying for the payment relief affect my tiering status?

No, but after the six month relief period the regular payment terms and conditions will apply, i.e. tiering status will be determined as outlined in your development agreement.

## What are the current payment terms for off-site levies?

Currently 30% of total levies owing is due within one year, a second payment of 30% is due within two years, and the final 40% payment is due within three years of the date of execution of a development agreement.

Payment is due in full 30 days from invoice date, after which interest is charged at 1.5% per month (18% per annum). These payment terms were arrived at through consultation with stakeholders in developing the 2016 Off-Site Levy Bylaw.

## What are the current payment terms for Development Permits in the Established Area?



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There are two options to pay the levy for a development permit. The applicant can either pay the levy prior to the release of the development permit or the applicant must enter into an agreement prior to the release of the development permit. In the latter case the levy must be paid prior to the release of a development completion permit.

## What is the potential impact to City of Calgary capital infrastructure projects should a levy payment relief program be approved?

Specific impacts to capital infrastructure investment will be explored and evaluated through the development of the payment relief program.

## Will there be a cost to The City associated with this program?

There will be no direct costs to The City associated with this program. However, staff resources will be required to develop and facilitate the program.

## How is The City of Calgary supporting businesses during the pandemic?

The City of Calgary has created a Business Sector Support task force to work with City Councillors, partners and business stakeholders from various industries. We are working to:

- Serve as a conduit to the business community to share their immediate needs.
- Make recommendations on short- and medium-term solutions to support businesses and advocacy to provincial and federal governments.
- Advise on, and implement, ongoing communications to various types of businesses; marketing strategies to immediately support businesses; and communications to Calgarians regarding business support.

## What changes have already been made, in response to the COVID-19 pandemic in benefit of the development and building industry?

Below is a summary of the changes that have been made to support the building and development industry with challenges due to the COVID-19 pandemic. This list will continue to be updated.

- Waive the business license renewal fee for one year to reduce the financial burden on businesses.
- Six-month relief efforts effective May 1, 2020 include:
  - Waived Planning & Development fees for change of use and home occupation (class 2) development permits, residential certificates of compliance and pre-application fees, to support businesses adapting to COVID-19.
  - Deferred Planning & Development fees for commercial and multi-family building permits, development permits, subdivisions, land use amendments, outline plans and road closures. 75% of the payment will be deferred to the final stages of approval, offering financial flexibility of better cash flow management throughout projects.
  - Fee simplification through elimination of the upfront deposit, simplifying by applying one common fee schedule rate to all outline plans and land use amendments, and applying the deferral relief above.
- Extensions on development and building permits offered to ensure existing approvals will not expire while businesses deal with the impacts of COVID-19.



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- Changes made corporately:
  - Property Tax relief measures for citizens and business taxpayers facing financial hardship (C2020-0382, approved by Council on 2020 April 6)
  - Utility payment deferrals for three months without penalty or interest for residential and some small business customers. This program is now finished.