



# Off-site Levy Payment Relief Program

## Frequently asked questions – July 2020

### When will the payment relief program be open for applications?

If Council approves the payment relief program, it will come into effect on July 31 and run until December 31, 2020. This will include any outstanding invoices that have been issued and not paid from March 15, 2020, when the State of Local Emergency was declared, to the effective date of the program, July 31, 2020. More information on how to submit an application will be provided in the coming weeks.

### How long will the payment relief program be in place?

The payment relief program will be in place until December 31, 2020. The final day to apply for relief on Development Agreement invoices issued December 31, 2020 will be January 29, 2021 (last business day of the month). The last day to apply for relief on Development Permit applications is 2020 December 31.

The payment relief program will be retroactive to March 15, 2020, when the State of Local Emergency due to COVID-19 was declared.

### If I have an Off-site levy payment due can I apply to the program from July until the end of the year?

If you have an outstanding Off-site levy invoice issued from March 15 until December 31, 2020, you will be able to apply to the program for payment relief. Your application must be received within 30 days of the date your invoice is issued, or within 30 days of the program effective date for invoices currently outstanding.

If you have unpaid Centre City Levy charges from March 15 until December 31, 2020, you will be able to apply to the program for payment relief. Your application must be received, and an agreement finalized, prior to release of your Development Permit.

### How will the payment relief program work for those who contribute to the off-site levies in Established Areas (Centre City Levy and treatment plant levies)?

The relief credit only applies to Off-site levies in greenfield areas and the Centre City Levy in established areas. It does not apply to treatment plant levies in established areas.

For the Centre City Levy, we are introducing an agreement and process to allow Centre City Levy payments to be delayed from the release of a Development Permit to the issuance of a Development Completion Permit. This is in alignment with the process and agreement already in place for treatment plant levies in the established areas, whereby customers can apply to The City to delay their treatment plant levy payment from the Development Permit (DP) stage to the Development Completion Permit (DCP) stage

### If I paid my levy invoice already, can my payment be refunded so that I can apply for the payment relief program?



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No, The City cannot refund or credit any levy or interest payments previously made. Refunds were considered in relation to the requirements of the Off-Site Levy Bylaw, ability for The City to manage liquidity and cash flow and mitigate risk of non-payment of levies should they be refunded. Additionally, financial and legal risk associated with offering refunds, the ability of these customers to pay at the time of levies being due, and alignment with other City of Calgary pandemic relief measures (including Property Tax relief (C2020-0382) and Utility payment deferrals) have been weighed in making this determination.

## Will you be securing against default on payments?

We have considered options to secure against potential developer default beyond what is currently collected, for those who access The Program. The City is not fully secured in all cases, against the cost of levies and cost to complete City Infrastructure associated with Development Agreements. To balance stakeholder concerns and manage City risk, we will require applicants for off-site levies in greenfield areas to acknowledge and agree that should payment not be made in full at the end of the payment relief term (i.e. net 30 days, plus six months), The City will pursue registration on title where legally possible. This will be done for applicable lands that have been invoiced and for which a payment has not been received. No additional securities will be required at the time of application.

## Can late payment charges be reduced to zero?

Late payment charges are collected in accordance with the Off-Site Levy Bylaw. The proposed program aims to reduce the penalty for late payment (currently 18%) of off-site levy charges through an invoice credit, while covering costs incurred by The City and managing cash flow and financial risk.

## What City costs are being covered by the payment relief program?

The City costs that are being covered by the late payment fee are:

- Utility principal and interest payments paid by the levy
- Foregone interest from investment of levies
- Costs to administer the program were considered and determined to be minimal and therefore absorbed within existing budgets

## Can levy payments be deferred?

Payment terms for all types of off-site levies are set out in the provisions of their respective bylaws. They cannot be adjusted without extensive stakeholder consultation, advertising, public hearing and bylaw amendments.

## Why can't you use the off-site levy balance to off-site the payment relief program?

The off-site levy funds are governed by the Municipal Government Act. The City must use the funds to build the growth-related infrastructure they were collected for, so they cannot be used to off-set a payment relief program. A large portion of the balance has also been allocated to infrastructure projects in this budget cycle.

## 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.



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- 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.
  - Waived the development permit fees for outdoor patios on private land, along with a new process to support approvals of temporary outdoor patios on public lands (sidewalks, roads, right-of-ways).
  - 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.
- 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.

## 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.