

***IMPLEMENTATION  
GUIDE:***

***SCHOOL SITE  
ACQUISITION CHARGE***

# CONTENTS

## 1. INTRODUCTION

1.1	Summary	1
1.2	Limited Objective	1
1.3	Principles of the New Legislation	1
1.4	Exceptions	4
1.5	Setting the School Site Acquisition Charge	5
1.6	Timeframe	7

## 2. PROCESS

2.1	Eligible Development Units	9
2.2	Students From Eligible Development Units	10
2.3	Eligible School Sites Proposal	11
2.4	Local Government Consultation	15
2.5	Stakeholder Consultation	15
2.6	Board Resolution	16
2.7	Review Resolution	16
2.8	Dispute Resolution	16
2.9	Capital Plan Submission	17
2.10	Review Capital Plan	18
2.11	Approved Capital Projects	18
2.12	School Site Acquisition Charge	18
2.13	SSAC Bylaw	19
2.14	Administering SSAC	19

## 3. BACKGROUND

3.1	SSAC Calculator	23
3.2	Checklist of Tasks	25
3.3	Outline of Eligible School Sites Proposal	27
3.4	Yield Factors	27
3.5	Resources	28
3.6	Samples and Attachments	28
	◆ Yield Factors for Selected Dwelling Unit Types	
	◆ School Age Population by Dwelling Type	
	◆ Dwelling Units by School District	
	◆ Sample School Board Resolution	
	◆ Sample Letter to Local Government	
	◆ Explanatory Notes, Education Statutes Amendment Act, 1998	
	◆ SSAC Regulations, BC Reg 17/00	

# 1. INTRODUCTION

## 1.1 SUMMARY

The purpose of this document is to guide school districts, local government, and others through the process of implementing the School Sites Acquisition Charge (SSAC). SSAC is a charge per dwelling unit to be paid by residential developers. The charge will be collected by local government and transferred to school boards. The money collected will be used to help pay for new school sites needed as a result of new residential development.

This guide is divided into three sections:

- ◆ Section 1 outlines the principles underlying the SSAC legislation, highlights those developments that are exempt from the charge, and provides a framework for the process to be followed by school boards and their local governments.
- ◆ Section 2 describes the fourteen steps to follow in the process of setting SSAC. This is the body of the guide.
- ◆ Section 3 is a compendium of material that supports and extends the process outlined in Section 2. Attachments include *Bill 35, the Education Statutes Amendment Act, 1998* and the *School Site Acquisition Charge Regulation*.

The guide is not a substitute for the legislation and regulations. Rather, it is a companion to the more formal legislation and regulations. The main goal of the guide is to assist those who are responsible for implementing SSAC. If there is a discrepancy, the legislation and regulations will rule. This guide should be read in conjunction with the Ministry of Municipal Affairs' *Best Practice Guide for Development Cost Charges*. The web site for this publication is listed in Section 3.5.

## 1.2 LIMITED OBJECTIVE

The intent of the *Education Statutes Amendment Act* is to assist school districts to acquire school sites earlier. This will enable school districts to obtain choice sites at affordable prices.

The implementation of SSAC will *not* deal with all of the issues related to the provision of adequate school facilities across British Columbia. The funds raised from the application of SSAC will not, for example, address the need to intensify the utilization of existing school sites. However, the proceeds from SSAC will contribute to the total available capital resources for schools. As a result, funds that would otherwise be required for acquiring new school sites will be available for building new schools, as well as renovating and adding to existing facilities.

## 1.3 PRINCIPLES OF THE NEW LEGISLATION

The following five principles form a conceptual framework for the implementation of SSAC:

- ◆ Integrated planning.
- ◆ Fairness and equity.
- ◆ Accountability.
- ◆ Certainty.
- ◆ Consultation.

### **Integrated Planning**

The process followed to establish school site acquisition charges requires school districts to work with local governments. The collaborative planning of school sites will support broader

community goals and should be consistent with broad regional and community plans, including school district capital plans, regional growth strategies, and Official Community Plans. The legislation addresses this principle by:

- ◆ Providing for a per unit charge that can vary between school districts to meet local conditions.
- ◆ Linking school district and local government planning.
- ◆ Providing a clear local government role in the determination of the charge.

School districts and local governments will consult with each other on future development, school enrolment, school site requirements and locations. The two parties will be encouraged to agree. If local government and school districts cannot agree, a dispute resolution mechanism is activated.

Future forecasts for each community should be consistent with the long-term plans of the regional district.

### **Fairness and Equity**

The principle of fairness and equity is addressed in the SSAC legislation through measures that:

- ◆ Specifically target funds raised by the charge towards the cost of those new school sites needed as a result of new development.
- ◆ Indicate that the charge will not apply to school sites that are required to deal with backlogs resulting from earlier growth in the school population.
- ◆ Provide for provincial and school district assistance in the funding of new school sites.

Only sites required as a result of new development are included in the calculation of the charge.

Since local government are responsible for collecting SSAC, local government are allowed to recover administration costs. A regulation under the *Municipal Act* outlines the formula for local government cost recovery.

Like any infrastructure financed through impact fees, the cost of school sites financed through SSAC must be shared among benefiting parties and needs to be fairly distributed between existing users and new development. Those costs attributable to new development need to be equitably distributed between different types of development. Consistent with this principle, the new legislation:

- ◆ Creates a per unit charge that will apply in all school districts that require school sites as the result of new development.
- ◆ Applies the new charge to new residential construction, including strata titled developments, within the applicable school districts.
- ◆ Provides for regulations to address special situations where it may appropriate for different charges to be applied in different local governments within a school district.
- ◆ Allows for higher charges on low-density development and lower charges on higher density development within rules set by provincial regulation.

Developers may provide land in lieu of cash payment only if agreed to by the municipality, developer, and school district. Similarly, if a developer previously provided land for a school site or paid for a school site, the legislation enables the local government and school board to deduct the value of that land or the amount paid from the charge that is to be paid.

Multiple charges cannot be levied on the same property at different stages in the development process. See Section 2.13 for more detail about this ‘no double charging’ principle.

Funds from the school site acquisition charge will pay for up to 35 percent of site acquisition costs. The provincial government will pay the remaining 65 percent of site acquisition costs — this is referred to as the *provincial assist factor*.

In addition, the regulations establish a maximum amount that can be charged for each new residential dwelling unit.

### **Accountability**

The establishment of the SSAC should be a transparent, open process. Details of the charge will be available to the public through normal disclosure of annual school district capital budgets. All information on which the charges are based should be accessible and understandable by stakeholders. SSAC must be justified by the school district, and a direct relationship must be demonstrated between new development, population growth, school enrolments, school site requirements, land costs, and the SSAC.

To support this principle, the new legislation:

- ◆ Outlines a defined process of consultation between school districts and local governments that is to be used in determining the charge. A key part of this process is clear, thorough consideration of the basis for the charge and review of the proposal by the school board at an open public meeting.
- ◆ Provides a formula for calculating SSAC.
- ◆ Requires that funds collected be deposited into a land capital reserve trust fund and kept separate from other school district accounts. The funds only can be used for the acquisition of eligible school sites, associated administration fees, and fees related to site acquisition.

The following should be fully accounted for and published at least annually:

- ◆ Money collected and spent (provided in the annual audited financial statements for each school district).
- ◆ Financial information on projects involving new school sites.
- ◆ Enrolment levels and projected demand.

Adoption of the SSAC bylaw by the school board follows only after a formal and public process involving all local governments within the school district has been undertaken.

### **Certainty**

The charges must be stable and the acquisition of sites must be orderly. Stable charges assist the development industry in the planning of their projects. Orderly site acquisition allows for schools to be provided in newly developed areas when they are needed and at the lowest price. The legislation addresses this principle through:

- ◆ Linking the determination of SSAC to the school district annual capital planning process that uses a ten-year planning horizon — the depth of analysis required will depend on several factors including the complexity and size of the school district.
- ◆ Provision for a 60-day grace period between adoption of a school board SSAC bylaw and it's coming into force.

- ◆ Grandparenting of in-progress developments — these provisions specify that, if an application for a building permit or subdivision has been submitted to a local government prior to the coming into force of a bylaw establishing or increasing SSAC, the applicant has twelve months to complete the requirements for the building permit or subdivision before being subject to the bylaw establishing or increasing the charge, with respect to that development.

### Consultation

The development of SSAC should provide adequate opportunities for meaningful and informed input from all stakeholders. The legislation provides for collaboration between school districts and local governments in the determination of the charge. A focal point for consultation is the requirement for consideration of the proposal by the school board at an open public meeting.

Prior to the public meeting, the school district should structure a consultation process that allows stakeholders to express their ideas and concerns related to the definition of SSAC. The following are some points to consider when formulating the consultation process:

- ◆ Public participation should be limited to issues directly related to SSAC.
- ◆ Stakeholders should be identified before a public participation strategy is developed.
- ◆ Stakeholders are all persons, groups or organizations with a perceived, actual or potential interest in the results of the process.
- ◆ A range of public participation activities should be considered including opportunities for comment, public meetings, and advisory committees.

For further guidance on the design of such a process, refer to Section 2 of the Ministry of Municipal Affairs' *DCC Best Practices Guide for Development Cost Charges*.

## 1.4 EXCEPTIONS

### Multi-jurisdiction School Districts

In general, calculation of SSAC should be kept simple and apply uniformly across the school district, even where there are more than one municipality in the school district. Such an approach is most appropriate in urban school districts that:

- ◆ Are quite compact.
- ◆ Are part of one essentially continuous urban region.
- ◆ Have secondary school catchment areas that cross local government boundaries.

However, it may be appropriate to establish a different charge for each community within a geographically large school district, especially where one community is growing faster than others in the district. The *Municipal Act* provides for the creation of a regulation that would allow different charges for one or more local governments within a school district.

Where school districts are considering separate charges for each municipality within a school district, the Ministry of Education must be advised so that consideration can be given to the creation of an appropriate regulation. The Ministry will expect the school district to provide a clear rationale and evidence to support such a request. The Provincial Cabinet must approve regulations.

The factors that might be considered in enacting a regulation enabling a school district to calculate different SSAC for one or more local governments within a school district could include the following:

- ◆ The communities have separate local governments.

- ◆ The communities are physically distinct.
- ◆ Substantial distances separate one community from the next.
- ◆ The communities being considered for separate SSAC rates meet the school needs for all of their students (for example, students are not bused to another community to attend secondary school).

### **Non-municipal Areas**

In non-municipal areas, the local government is the regional district. In these instances, the regional district is responsible for levying and collecting development cost charges.

However, subdivision approvals in non-municipal areas are the responsibility of the Ministry of Transportation and Highways, unless responsibility has been delegated to the local government, as outlined in the *Land Titles Act*. As of February 2000, no regional district has assumed responsibility for subdivision approvals.

In non-incorporated areas, the school district should consult with the relevant regional district and the Ministry of Transportation and Highways to insure that roles and responsibilities related to SSAC collection are understood.

### **Exemptions**

There are both legislative and regulatory exemptions from the charge. The legislative exemptions match those in place for development cost charges and include:

- ◆ An eligible development for which a SSAC has been paid previously, unless as a result of a further subdivision or issuance of a building permit, more eligible development units are authorized for construction in the future.
- ◆ A development authorized by building permit that will, after construction, alteration or extension, contain fewer than four self-contained dwelling units. Where there is redevelopment of existing properties, the basis of SSAC is the net increase of dwelling units on the parcel.

Other types of developments that are exempt from SSAC are listed in the attached SSAC regulation.

## **1.5 SETTING THE SCHOOL SITE ACQUISITION CHARGE**

### **Flow of Tasks**

The flowchart presented on the next page illustrates the process to follow in setting the *School Site Acquisition Charge (SSAC)*. The fourteen steps outlined in the flowchart are described in Section 2.

### **Roles and Responsibilities**

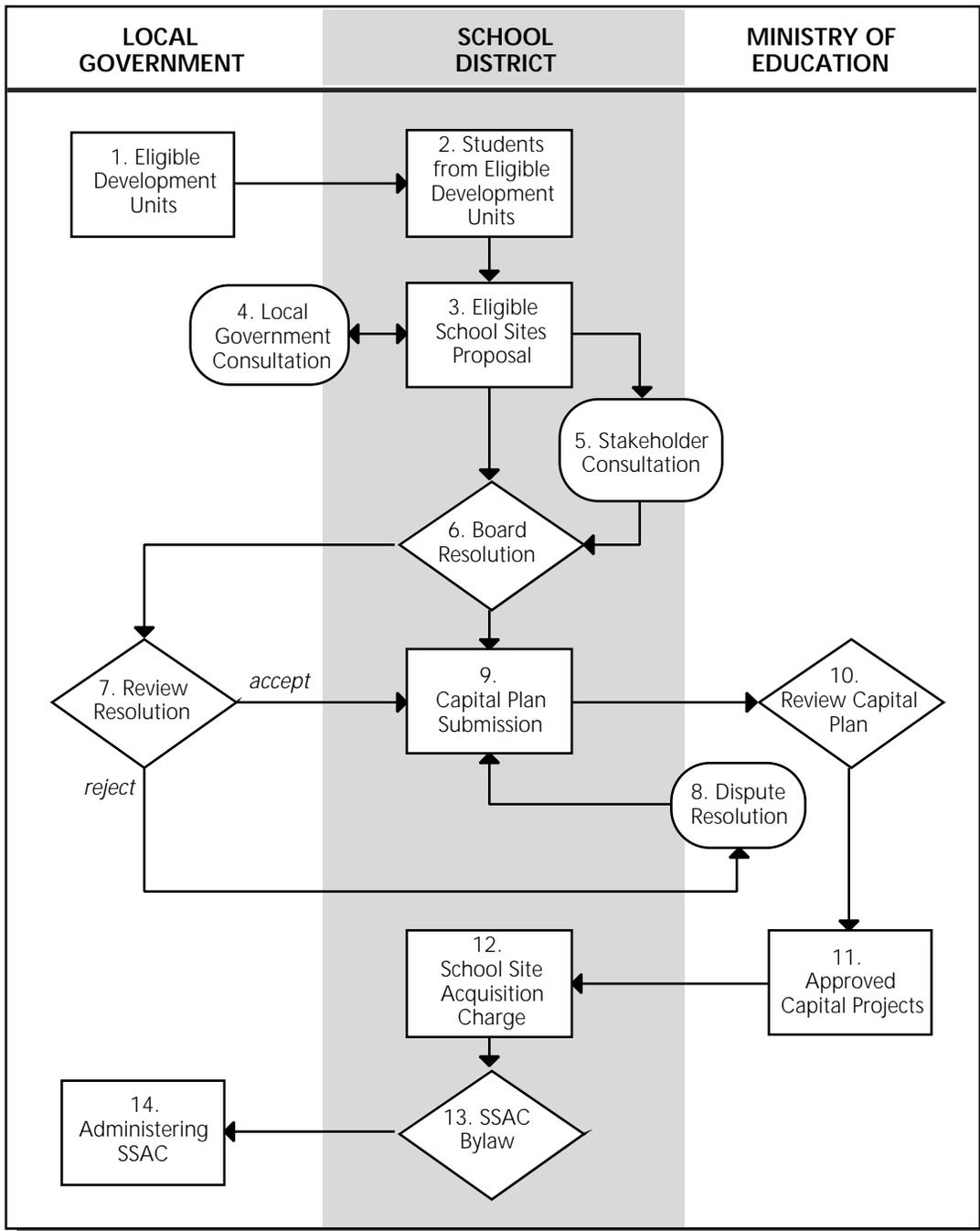
Each of the steps in process flowchart is placed in the zone of the organization that has prime responsibility for completing that step.

School boards are responsible for the provision of schools and, as such, will play the lead role in determining SSAC. Local governments also have significant interests with respect to setting and administering SSAC:

- ◆ The school site is a part of the community for which they are responsible for overall governance, service provision, and land use planning.
- ◆ The charge is closely related to development cost charges and forms a part of the local business climate with respect to new development and the community capacity to service new growth.

The legislation makes it clear that setting SSAC is to be done in consultation between the school board and each local government in the school district. Informal consultation is encouraged throughout the process to reduce the possibility of disagreement at the points where school boards and local government must agree. Where informal consultation identifies substantial differences between local governments and school boards, it may be useful for local governments and the school board to engage in *interest based negotiation* to attempt to arrive at a common proposal. The Ministry of Municipal Affairs publication, *Reaching Agreement on Regional Growth Strategies* contains useful information in this regard.

**Process Flowchart for Setting SSAC**



## SSAC Formula and Calculator

The formula for calculating SSAC as established Section 937.5 of the *Municipal Act* is as follows:  $SSAC = [(A \times B) / C] \times D$ .

Each of the terms in the formula are defined as follows:

- ◆ 'SSAC' is the school site acquisition charge applicable to each prescribed category of eligible development.
- ◆ Component 'A' is the value of land required to meet the school board's eligible school site requirements.
- ◆ Component 'B' is 35 percent (or other percentage subsequently set by regulation).
- ◆ Component 'C' is the number of eligible development units established by school board resolution.
- ◆ Component 'D' is a factor set by regulation for each density level of eligible development.

The components of this formula have been incorporated into a series of linked worksheets that together constitute the *SSAC Calculator*. The following six tables illustrate how the SSAC Calculator works using data from a hypothetical school district:

- ◆ Table 1: Example of Estimating Eligible Development Units and Students — this table addresses Formula Component 'C'.
- ◆ Table 2: Example of Capital Projects Requiring New Sites.
- ◆ Table 3: Example of Basic Method to Estimate Pent-up Demand
- ◆ Table 4: Example of Enrolment Forecast for School District
- ◆ Table 5: Example of New Development Share of New School Facilities — this table addresses Formula Components 'A' and 'B'.
- ◆ Table 6: Example of Calculating School Site Acquisition Charge — this table addresses Formula Component 'D'.

Section 2 describes how to complete the computations necessary to establish SSAC for a school district. All six tables that are part of the SSAC Calculator are presented as a package in Section 3.1.

## 1.6 TIMEFRAME

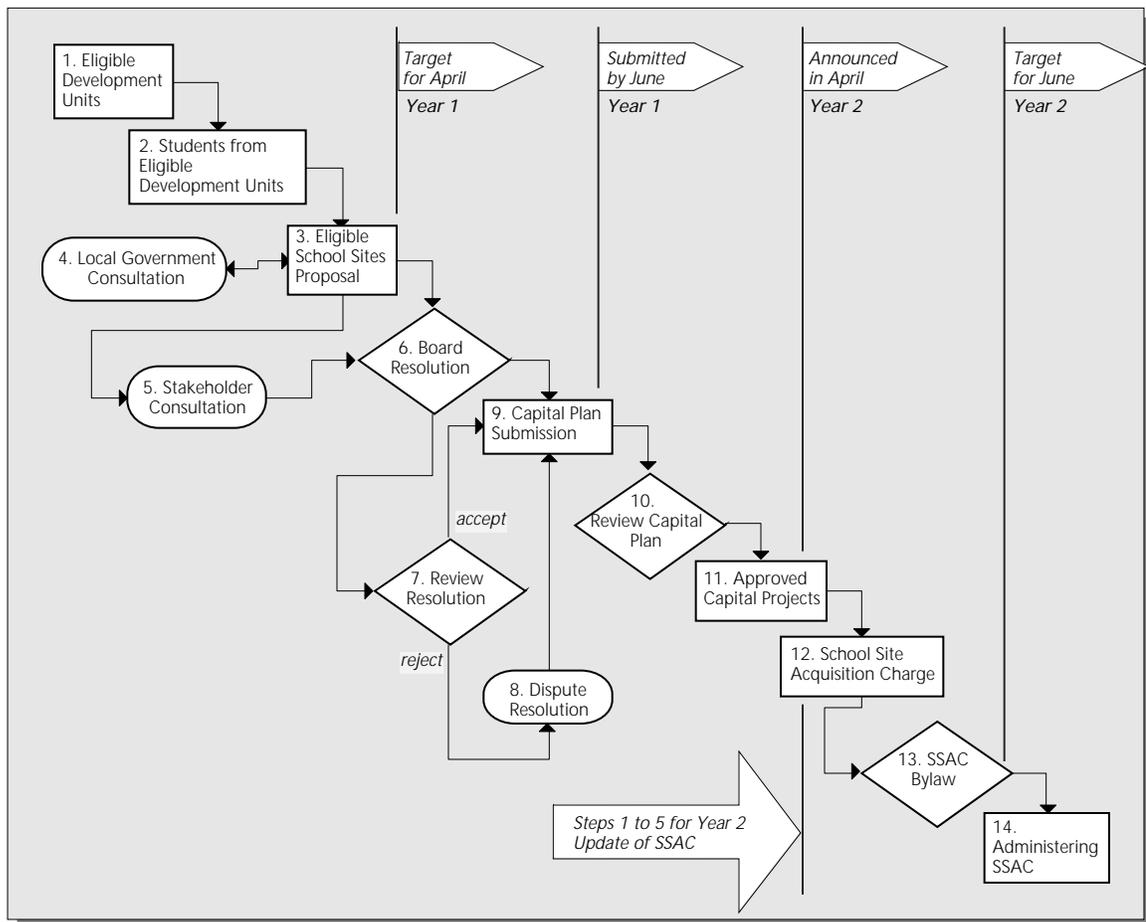
### Annual Cycle

The Illustrative Timeframe on the next page flags key times in the linear sequence of steps for setting SSAC. The pivotal point is the school board's submission of their long-term capital plan to the Ministry of Education. Currently, the Five-Year Capital Plans must be submitted by the end of June, although this deadline may change from year to year.

All of the information in the *Eligible School Sites Proposal* should be incorporated in the school district's capital plan. Furthermore, since the draft *Eligible School Sites Proposal* needs to be accepted by local government, it should be available weeks earlier than the deadline for capital plan submissions — April is shown as the target in the Timeframe diagram.

The timing of announcements for the approved capital plan can vary from year to year. Typically, announcements are expected early in the new calendar year — for illustrative purposes, April is indicated in the Timeframe diagram. After the approved capital projects are announced, the school board must establish the amount of the charge for each category of development and adopt the SSAC bylaw.

### Illustrative Timeframe for Setting SSAC



### Updates

The amount of time required to prepare the draft *Eligible School Sites Proposal* will depend on the school district. Less time will be necessary if:

- ◆ The school district has a long-term capital plan in place.
- ◆ There is an established and positive working relationship between the school district and local government.
- ◆ The number and scale of future residential developments are limited.

The key variable, however, is whether the *Eligible School Sites Proposal* is a major or minor update. The first time a school district prepares an *Eligible School Sites Proposal*, of course, will require the most attention. The analysis will be substantial and could be dealing with largely new information. Furthermore, working with local government and the various stakeholders may require a significant investment of time and energy.

Subsequent annual minor updates may be straightforward requiring little analysis and eliciting minimal interest from local government and the stakeholders. Each part of the SSAC Calculator will have to be updated, but, unless there are significant changes in forecast enrolment, housing units, or the need for new sites, the impact on SSAC will be minimal.

The Ministry of Education instructions for preparing the Five-Year Capital Plan require major updates of the *Eligible School Sites Proposal* every five years or if there is a significant change in the school district, such as a proposed large housing development.

## 2. PROCESS

### 2.1 ELIGIBLE DEVELOPMENT UNITS

School districts begin the process of setting SSAC by asking local government to estimate the number of *eligible development units* to be built over the next ten years. It is acknowledged that there are many variables to be considered in making these estimates and that the process is not an exact science. The expectation is for best efforts, not infallibility.

*Eligible development units* are defined as any new construction, alteration or extension of a building that increases the number of self-contained dwelling units on the particular parcel of land. *Eligible development units* include self-contained dwelling units on new subdivided lots as well as the net increase of units on existing lots. Only developments with four or more dwelling units will be included as eligible development units. Development units where SSAC has already been paid will not be included.

As illustrated in Table 1 on the next page, the numbers in the *Units* column are those that need to be provided by local government or by the school district in consultation with local government. The classification of housing types will vary from school district to school district. If the data is available, it can be useful to distinguishing between owned and rented dwelling units since there are often differences in the numbers of children in rented units compared with owned units.

The housing types in Table 1 are drawn from the following list of Statistics Canada categories:

- ◆ Single detached house.
- ◆ Semi-detached house.
- ◆ Row house.
- ◆ Apartment in detached duplex.
- ◆ Apartment in tall building.
- ◆ Apartment in low building.
- ◆ Other single attached house.
- ◆ Mobile home.
- ◆ Other movable dwelling.

According to Statistic Canada definitions, 'low buildings' are under five storeys and 'tall buildings' are five or more storeys.

The use of these categories will make it easier to use yield factors based on data from Statistics Canada.

Many local government officials will have estimates of the number of development units anticipated, as these are required for the preparation of Development Cost Charge bylaws. However, not every local government uses Development Cost Charges. Furthermore, some of the forecasts may not provide all the required information. In these instances, the school district must work with the local government to develop the best estimates of *eligible development units* over a ten-year planning horizon. Where regional growth strategies have been adopted, the estimates of development units should be consistent with the forecasts associates with the regional growth strategy.

For purposes of aiding in the preparation of long-range capital plans by school districts, it is useful to estimate the number of dwelling units for each geographic area within the school district. Reference to each local government Official Community Plan can be helpful in determining the distribution of future growth. However, for purposes of calculating the SSAC, it is best to stay at the level of the entire school district. Exceptions to addressing the whole school district may be granted. The conditions for such exceptions were outlined in Section 1.2.

**Table 1: Example of Estimating Eligible Development Units and EDU Students**

Eligible Development Units (EDU)			Yield Factors	EDU Students
Type of Housing	Ownership	Units		
Single detached house	Both	2,050	0.70	1435.0
Row house	Rented	275	0.64	176.0
Row house	Owned	600	0.40	240.0
Apartment in low building	Rented	175	0.30	52.5
Apartment in low building	Owned	100	0.09	9.0
Apartment in tall building	Both	300	0.07	21.0
Mobile home	Both	100	0.20	20.0
Total			0.54	1,954

## 2.2 STUDENTS FROM ELIGIBLE DEVELOPMENT UNITS

The school district assumes prime responsibility for determining the number of students expected to live in the *Eligible Development Units (EDU)*. Table 1 illustrates how the estimated development units are used to calculate estimates of the number of students. The key is the *yield factors* that are applied to each housing type. *Yield Factors* are the estimated average number of school age children expected to live in a dwelling unit of each housing type.

There are several sources of information that can help to determine the most appropriate yield factors:

- ◆ Historical yield factors from data supplied by Statistics Canada (reference Section 3.4).
- ◆ Yield factors are often used as part of long-term enrolment forecasting models employed by the school district.
- ◆ Consult with local government planners who may have addressed such matters as part of official community plans and other planning studies.

Historic yield factors may need to be adjusted to allow for future trends such as:

- ◆ Housing developments that cater to older residents without children.
- ◆ New suburban developments in rural areas where the number of children per household may be greater than before.
- ◆ Developments where a higher proportion of the children may attend independent schools.

If there is insufficient data or time to complete the estimate of students using yield factors for each housing type, the following table presents a simplified method for estimating the number of students that will come from Eligible Development Units over the ten year planning horizon. As with the more detailed method presented in Table 1, the average yield factor must be based on the best available information from Statistics Canada or other sources.

### **Example of Simplified Method of Estimating EDU Students**

Estimate of Eligible Development Units	3,600
Average Yield Factor	0.54
Estimate of EDU Students	1,944

## 2.3 ELIGIBLE SCHOOL SITES PROPOSAL

### Ten Year Facilities Plan

The *Eligible School Sites Proposal* is based on the school district's long-term facilities plan. The long-term facilities plan should extend for at least ten years. For guidance on how to prepare a capital plan refer to the Ministry of Education's *Five-Year Capital Plan Instructions* for the current fiscal year. The website for this publication is listed in Section 3.5. As the name suggests, the *Five-Year Capital Plan* presents proposed building projects over the next five years. However, since it is based on ten-year enrolment forecasts and identifies projects also expected during the Year 6 to Year 10 period, the *Five-Year Capital Plan* must reflect the district's long-term facilities plan. Since the *Eligible School Sites Proposal* must be updated at least every five years, the school district's ten-year facilities plan must be updated every five years as well.

Table 2 illustrates the type of information that must be extracted from the school district's ten-year facilities plan and the *Five-Year Capital Plan*. As indicated, the only capital projects that are relevant to the *Eligible School Sites Proposal* are new or expanded schools that include the need to acquire new property. Expanded facilities on existing sites or new facilities on properties already owned by the school district are not included. In addition to the information presented in Table 2, the school district should indicate the approximate location of each proposed new school site.

**Table 2: Example of Capital Projects Requiring New Sites**

Name of School	Glendale	Orchard	Mountain	Oceanside	Totals
Basis of Cost	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>	
Type of Project	New	New	Expansion	New	
Grade Level	Elementary	Elementary	Middle	Secondary	
Existing Capacity			<b>500</b>		500
Long Term Capacity	<b>350</b>	<b>500</b>	<b>700</b>	<b>1,200</b>	2,750
Increase in Capacity	350	500	200	1,200	2,250
Standard Site Size (ha)	1.90	2.70	3.70	5.60	13.90
Existing Site Area (ha)			<b>3.11</b>		3.11
Size of New Site (ha)	1.90	2.70	0.59	5.60	10.79
Cost per hectare	<b>400,000</b>	<b>350,000</b>	<b>500,000</b>	<b>450,000</b>	418,906
Cost of New Property	760,000	945,000	295,000	2,520,000	<b>4,520,000</b>

Table 2 presents the following information for each project:

- ◆ Name of School  
The name of the project or school. Some of these names will be 'working titles' and may change when the school is completed.
- ◆ Basis of Cost  
This can be either 'estimate' where the site has yet to be purchased or 'actual' where the site has been purchased.
- ◆ Type of Project  
This can be either 'new' for a new school on a new site, or 'expansion' where additional property is required to expand an existing school.

- ◆ **Grade Level**  
Elementary, middle or secondary school. Primary schools are considered elementary schools. Junior and senior secondary schools are secondary schools. Middle schools (Grades 6 to 8 or Grades 7 to 9) are a combination of elementary and secondary grades. K to 12 schools and other unusual grade configurations require special consideration.
- ◆ **Existing Capacity**  
This only applies to expansion projects.
- ◆ **Long Term Capacity**  
The planned maximum size of the school including possible future expansion. The ten-year facility plan must present a credible rationale for providing for future expansion.
- ◆ **Increase in Capacity**  
For new schools, this is the size of the school to be built initially. For expansion projects, this is the scale of the expansion.
- ◆ **Standard Site Size**  
The required school site area in hectares as outlined in Section 2.10.3 of the Ministry of Education's *Area Standards* document. The website for this publication is listed in Section 3.5.
- ◆ **Existing Site Area**  
This information must be provided by the school district for those sites that are being expanded.
- ◆ **Size of New Site**  
Table 2 shows the size of the new site as a calculation — Standard Site Size less Existing Site Area. This calculation will suffice unless the school district has a specific site in mind, in which case the actual area of the proposed site will be inserted in place of the calculated area.
- ◆ **Cost per hectare**  
The school district will estimate the cost of land serviced to the level required to support a school in the area where the school is to be built based on the best available information, including consultation with local government. Sources of land cost information could include BC Assessment Authority, real estate agents, and property appraisals. Cost estimates will be based on current values for serviced land.
- ◆ **Cost of New Property**  
The estimated cost to purchase the required property is calculated by multiplying the area of the site by the estimated cost per hectare. If a particular site is proposed, then a more specific cost estimate could be inserted. Costs associated with acquisition, such as appraisals, legal costs, transfer taxes, and GST, are eligible costs. Inflation is not an eligible cost.

For purposes of calculating the SSAC, estimated total cost of land for schools is the key result of the analysis presented in Table 2. In the example, the total cost of new property is estimated as \$4.52 million.

### **Integrity of the Capital Planning Process**

The checks and balances inherent in the process of receiving government approval for capital expenditures ensures the only projects that are supported are those that are absolutely necessary.

The Province provides all of the funding for the construction of schools. To make sure that public funds are used effectively, the Ministry of Education has established strict rules for

school districts when submitting requests for capital funding. The school districts must demonstrate that the new facilities being proposed are needed and that all other ways to accommodate the demand have been explored.

One of the key considerations is that existing school facilities are used to their full potential. To accomplish this objective, long-term capital plans must address school utilization, as well as possible adjustments to school catchment area boundaries.

### **Pent-up Demand**

One of the principles of the *Education Statutes Amendment Act* of 1998 is that the builders of new dwelling units will not pay for *pent-up demand* — the provision of new facilities to address the shortage of school spaces in existing schools.

Table 3 illustrates how to estimate this *pent-up demand*. The school district supplies data on the current enrolment throughout the district, as well as the total operational capacity of the schools throughout the district. If the enrolment is greater than the capacity, the difference is the pent-up demand. Pent-up demand can never be a negative number; it is either a positive number or zero.

**Table 3: Example of Basic Method to Estimate Pent-up Demand**

Current Enrolment	<b>12,550</b>
Current Capacity	<b>11,975</b>
Pent-up Demand	<b>575</b>

There may be instances where the pent-up demand is greater than indicated in the district-wide method outlined in Table 3. These exceptions would be addressed and justified in the school district's long-term facility plan. There could be at least two circumstances that may warrant a different estimate of pent-up demand:

- ◆ Where a school district comprises distinct and geographically distant communities, the pent-up demand could be estimated for the schools in each community, then added together to yield a district total. In this situation it would be impractical for a surplus in one community to offset a shortfall in another distant community.
- ◆ It may be that there is a shortfall in the elementary schools but a surplus in the secondary schools. In this instance, the school district could estimate pent-up demand separately for elementary and secondary schools and then calculate the district total.

### **Enrolment Forecast**

As outlined in the *Five-Year Capital Plan Instructions*, establishing a ten-year enrolment forecast is an iterative process involving the Ministry of Education and the school district. The Ministry begins by issuing an *Enrolment Report – Projection Report for Public School Aged Headcount Enrolments: Historical and Forecast Grade Information* each year. Using the *Enrolment Report* as a base, the school district then develops more detailed enrolment estimates and submits a *CP-3 – School District Summary of Capacity and Projected Enrolments Form* to the Ministry as part of the capital plan submission.

As illustrated in Table 4, only the most basic enrolment information is required for the *Eligible School Sites Proposal*. The school district must insert the current year and the total estimated enrolment in the district at the end of the ten-year planning horizon. The key number for purposes of estimating SSAC is the anticipated increase in enrolment over the ten-year period.

**Table 4: Example of Enrolment Forecast for School District**

Current Year	2000
Current Enrolment	12,550
Year Ten	2010
Year Ten Enrolment	14,800
Ten-Year Increase	2,250

### New Development Share of New Site Costs

As illustrated in Table 5, the first step to determining the share of new school site costs that should be paid by new housing developments is to estimate what proportion of the total need for new school spaces is attributable to the *Eligible Development Units*. All of the data in Table 5 are either calculated or from previous parts of the SSAC Calculator:

- ◆ *Ten-Year Enrolment Increase* (Line 1) is from Table 4.
- ◆ *Pent-up Demand* (Line 2) is from Table 3.
- ◆ *Net Increase Requiring New Facilities* (Line 3) is the sum of Lines 1 and 2.
- ◆ *Students from Eligible Development Units* (Line 4) is from Table 1.
- ◆ *Enrolment Increase Proportion* (Line 5) divides *Ten-Year Enrolment Increase* (Line 1) by *Net Increase Requiring New Facilities* (Line 3).
- ◆ *New Development Proportion* (Line 6) divides *Students from Eligible Development Units* (Line 4) by *Net Increase Requiring New Facilities* (Line 3) to a maximum of *Enrolment Increase Proportion* (Line 5).

You could expect that the proportion *Attributable to Eligible Development Units* (Line 8) would be less than 100 percent since it excludes developments of three or fewer units.

As mentioned, the *New Development Proportion* (Line 6) can be no greater than the *Enrolment Increase Proportion* (Line 5) to discount for *Pent-up Demand* (Line 2).

The *Proportion to be Paid through SSAC* (Line 9) is 35 percent — the inverse of the *provincial assist factor* of 65 percent.

**Table 5: Example of New Development Share of New School Facilities**

Factor	Estimate
1 Ten-Year Enrolment Increase	2,250
2 Plus Pent-up Demand	575
3 Net Increase Requiring New Facilities	2,825
4 Students from Eligible Development Units	1,954
5 Enrolment Increase Proportion	80%
6 New Development Proportion	69%
7 Estimated Net Cost of New Property	4,520,000
8 Attributable to Eligible Development Units	3,126,400
9 Proportion to be Paid through SSAC	35%
10 Estimated Share to be Paid through SSAC	1,094,240
11 Total Eligible Development Units	3,600
12 Average Charge per Unit	304

The calculation of the *Average Charge per Unit* (Line 12) has been rounded to the nearest dollar.

## 2.4 LOCAL GOVERNMENT CONSULTATION

School districts must collaborate with local government throughout the process of establishing the *School Site Acquisition Charge*. Active informal cooperation between the school district and local government officials will provide the foundation for the formal agreement required before the charge can be implemented. It is best for local governments and school districts to resolve differences regarding SSAC informally, since formal processes take more time and are less flexible.

The first step in the process, estimating the number of future *Eligible Development Units*, is the prime responsibility of the local government. In Steps 2 and 3, determining students from eligible development and drafting the *Eligible School Sites Proposal*, school district officials must make many judgements that would benefit from consultation with local government staff, including:

- ◆ Population growth and age profile of communities.
- ◆ Geographic distribution of the future school age population.
- ◆ Definition of appropriate yield factors for various housing types.
- ◆ Best general location for new school sites.
- ◆ Approximate cost of land where new school sites are being considered.
- ◆ Information from the municipality's Official Community Plan.

School district officials should ask local government officials to review a draft of the *Eligible School Sites Proposal* prior to its submission to the School Board for formal approval. Where appropriate, comments and suggestions from local government will be incorporated into the final *Eligible School Sites Proposal*. School district and local government officials should make every effort to resolve any differences they may have regarding the contents of the *Eligible School Sites Proposal*.

## 2.5 STAKEHOLDER CONSULTATION

The legislation requires that as part of the formal adoption process, a resolution setting out the determination of eligible schools sites must be approved at a public meeting of the school board. It also requires that local governments be given notice of this meeting.

In preparation for this public meeting, it is recommended that a school board undertake informal consultations with the public — in particular, those persons or groups who may be directly affected by SSAC. Relevant stakeholders may include:

- ◆ Residents groups from areas where new school sites are contemplated or where changes in catchment area boundaries or school expansion are identified as an alternative approaches.
- ◆ Affected business groups, such as local development industry associations (Canadian Home Builders and Urban Development Institute) and local representatives of Real Estate Association.

Public participation should be limited to issues directly related to SSAC. Several approaches can be used in this consultation, such as:

- ◆ Requesting written comments on draft *Eligible School Sites Proposal*.
- ◆ A public forum or meeting on the proposal.
- ◆ The creation of stakeholder committee to advise on the development of the proposal.

For further guidance on the design of such a process, refer to Section 2 of the *Best Practices Guide for Development Cost Charges*.

## 2.6 BOARD RESOLUTION

Once the consultation process is completed, the school board is required to formally adopt the *Eligible School Sites Proposal* at a public meeting of the board. Prior to the meeting, the school board must provide each local government in the school district with written notice of the date, time and place of the meeting. After considering the proposal, the school board must:

- ◆ Pass a resolution setting out its decisions respecting the matters in the proposal.
- ◆ Forward a copy of the resolution to each local government in the school district and request that the local government consider the proposed eligible school site requirements.

## 2.7 REVIEW RESOLUTION

Local governments that receive the school board resolution must consider it at a regular council or board meeting. Local government must respond within sixty days. If the council or board approves of the proposal, it must pass a formal resolution accepting the proposed eligible school site requirements for the school district. If the council or regional board does not approve of the proposal, it must write to the school board indicating that the council or regional board rejects the *Eligible School Sites Proposal*, and identify each proposed eligible school site requirement to which it objects and the reasons for each objection. Reasons for objections may pertain to the proposed sites including the proposed number, size, location and value of proposed eligible school site requirements, as well as the projections that form the basis of the school board's decisions on those matters.

Under the *Municipal Act*, failure to respond within sixty days results in deemed acceptance of the proposal. This provision recognizes that it is the school board's responsibility to prepare a capital plan, and ensures that the implementation of SSAC proceeds in a timely fashion.

## 2.8 DISPUTE RESOLUTION

The consequence of local government rejection of the *Eligible School Sites Proposal* is the triggering of a requirement for the Minister of Education to appoint a facilitator to assist the local government and school board in resolving differences.

The legislation sets out a relatively quick and informal method of resolving disputes, as follows:

- ◆ The school board advises the Minister of Education of the need for dispute resolution, the nature of the dispute and the parties to the dispute.
- ◆ The Minister of Education appoints a facilitator.
- ◆ The facilitator advises each local government in the school district to the dispute of his or her appointment.
- ◆ The facilitator assists the parties to reach agreement on the proposed eligible school site requirements.
- ◆ If the facilitator brings about an agreement, the school board must amend the resolution or pass a new resolution to reflect the agreement, and provide a copy of the new or amended resolution to each local government in the school district. No further action is required by local governments at this time.

- ◆ If agreement is not achieved between the disputing parties, the facilitator must make a recommendation regarding the eligible school sites requirement to the Ministers of Municipal Affairs and Education, and provide copies of the facilitator's report to the disputing parties. In addition, the school board must provide a copy with its five-year capital plan submissions to the Ministry of Education.

At this point, the Ministers of Municipal Affairs and Education will consult regarding the facilitator's recommendation, with respect to the five-year capital plan. A determination will be made regarding the school sites to be approved by the Minister of Education as part of that plan, thereby determining the eligible school site requirement.

## 2.9 CAPITAL PLAN SUBMISSION

### Checks and Balances

Each year school boards are required to submit five-year capital plans to the Ministry of Education. These plans provide details on projects the districts wish to undertake in the coming years. The Ministry of Education assesses these requests using established criteria and assigns priority rankings on a provincial basis. The Ministry then prepares a provincial capital plan for review by the Minister.

The long-term capital plan for Education is submitted to Treasury Board along with similar plans from other social capital ministries. Treasury Board then determines appropriate allocations to the social capital sectors in accordance with the strategic priorities of government.

For school districts, this process means demonstrating real needs, optimizing capital and operating costs, and ensuring that capital spending is within established budgets. The Ministry of Education challenges each school district to do as much as possible to extend the life of existing facilities, maximize the utilization of existing schools, manage demand for new space, and reduce the cost of new school sites.

This process of reviewing requested capital projects is rigorous and disciplined. One outcome is that the projects that are approved have been thoroughly examined and met all capital funding criteria. The new sites that are approved are absolutely necessary and of the highest priority for the public education system.

### Eligible School Sites Proposal

The content of the *Eligible School Sites Proposal* will be incorporated into the proposed five-year capital plan submitted by a school board. The request for new sites will be outlined in the school district's list of proposed capital expenditures over the next ten years.

The school districts should include in their capital plan proposals, estimates of the proceeds expected from the application of SSAC. These funds would offset the cost of new school sites. Cashflow estimates would, of course, be very preliminary since it is usually difficult to predict when proposed residential developments will proceed and SSAC collected.

If local government has not accepted the *Eligible School Sites Proposal* and the dispute resolution process has not been completed, this information will be included in the facilitator's report, which must be attached as part of the school board's five-year capital plan submission. In this situation, it is possible that the portion of the capital plan dealing with new school sites may need to be modified after the capital plan has been submitted.

## 2.10 REVIEW CAPITAL PLAN

As outlined in Section 2.8, school districts submit their proposed capital plans and await government review and approval of the highest priority projects.

As illustrated in the diagram *Timeframe for Setting SSAC*, the current requirement is for the Five-Year Capital Plans to be submitted in June of Year 1 with an expectation that announcements of approved projects will be made on or before April of Year 2.

## 2.11 APPROVED CAPITAL PROJECTS

The Ministry of Education will inform the school boards of their approved capital projects. Once the approved projects are known, the school district will have the information necessary to calculate SSAC.

## 2.12 SCHOOL SITE ACQUISITION CHARGE

SSAC is a charge applied to each proposed new dwelling unit. SSAC is set by the school board under Section 937.4 of the *Municipal Act*. This section outlines the formula the board must follow to calculate the charge and establishes a limitation on the amount of the charge.

The information presented in Table 2, Capital Projects Requiring New Sites, must be revised based on the approved capital plan. For purposes of our example, it is assumed that the Ministry of Education approved all the projects identified over the ten-year planning horizon. The key number for determining the actual charges was identified in Table 5 on page 14 — the average charge per unit. In the example provided, the average charge was \$304.

Table 6 illustrates how to calculate the actual charges for each type of dwelling unit. It shows that the charge per dwelling unit varies depending on the density of the residential development. The density factors are intended to encourage higher density, more affordable housing and compact urban development.

**Table 6: Example of Calculating School Site Acquisition Charge**

Density	Factor	Unit Charge	Maximum Charge
Low	1.250	<b>\$380</b>	\$1,000
Medium low	1.125	<b>\$342</b>	\$900
Medium	1.000	<b>\$304</b>	\$800
Medium high	0.875	<b>\$266</b>	\$700
High	0.750	<b>\$228</b>	\$600
Base Rate		\$304	

For administrative convenience, all charges have been rounded to the nearest dollar. Maximum charges for each density level have been set by the *School Site Acquisition Regulation*, under provision of the *Municipal Act*.

The following table presents the density designations as defined in the regulation. The units are 'self-contained dwelling units per gross hectare' and have been converted to the equivalent for acres.

Unit	hectares		acres	
Density Level	Low	High	Low	High
Low	up to	21	up to	8.5
Medium/Low	21	50	8.5	20.2
Medium	51	125	20.6	50.6
Medium/High	126	200	51.0	81.0
High	200	plus	81.0	plus

### 2.13 SSAC BYLAW

The school board must draft and adopt a bylaw that applies the charges to each eligible development within sixty days of receiving approval of its five-year capital plan.

Following school board adoption of the SSAC bylaw, the legislation mandates a sixty-day grace period before the bylaw will come into force. This allows applicants to receive notice and to submit subdivision or building permit applications that concern mature proposals.

The bylaw is also subject to grandparenting provisions. These provisions specify that, if an application for a building permit or subdivision has been submitted prior to the coming into force of a bylaw establishing or increasing SSAC, the applicant has twelve months to complete the requirements for the building permit or subdivision before being subject to the bylaw establishing or increasing the charge, with respect to that development.

### 2.14 ADMINISTERING SSAC

#### Collection

The legislation envisages the on-going collection of SSAC to be done by local governments in conjunction with their development cost charges. As a result, SSAC is closely harmonized with development cost charge system.

SSAC is payable at the same time as a local government DCC — upon approval of a subdivision or issuance of a building permit. The issuance of a building permit is included to ensure that strata-titled development is subject to the charge. SSAC must be collected at either of these two points even where local government does not have a DCC bylaw in place. Local governments have the authority to withhold subdivision or building permit approval until the developer pays SSAC, transfers land, or makes some other arrangement for payment or provision of security that is acceptable to the local government.

In rural, unincorporated areas, SSAC will be collected by:

- ◆ The regional district if the charge is levied at the building permit stage.
- ◆ The Ministry of Transportation and Highways if the charge is levied at subdivision approval.

#### Non-payment and Instalments

The mechanism for non-payment is a prohibition on the issuing of a subdivision approval or a building permit until the charge is paid. No provision is made for late payment.

Instalment payments are permitted under regulations made under Section 937.3(5) of the *Municipal Act*. Specifically, where a development cost charge exceeds \$50,000 or where a

local government has provided that all development cost charges may be paid by instalment, the charge may be paid in three instalments over a two-year period. The developer must provide acceptable security for the last two instalments when the first instalment is paid. This provision is intended to assist developers plan financing arrangements for large developments.

### **Credit for Previous Contributions**

'*No double charging*' is a fundamental principle underlying legislation for both the school sites acquisition charge and local government development cost charges — a developer must only pay only once for a single development. In some cases, a developer may have provided a school site or cash to a school district or local government for a school site prior to the adoption of the school sites acquisition legislation. This may have occurred as a part of the development of a large subdivision or multipurpose urban site where a multi-party agreement governs the development of the site.

In such cases, Section 937.8 of the *Municipal Act* provides that " the local government may, with the agreement of the school board, deduct the value of that land or the amount paid or a portion of either from the school site acquisition charge that is payable in respect of an eligible development" . While the legislation requires agreement from the school board, it does not authorize double charging. The consultation requirement enables discussion with the school district on the facts of the deduction, but it does not absolve local government from making the deduction. The intent is to have the school district and, where appropriate, local government meet with the developer to determine a fair solution.

To this end, school district SSAC bylaws must contain a clause that indicates that historic contributions will be deductible from the amount payable pursuant to the bylaw.

The legislation goes on to describe two situations where a deduction may not be made:

- ◆ The developer has paid a school site acquisition charge.
- ◆ The developer has made a contribution of land or cash pursuant to *Bill 43, the School Sites Acquisition Statutes Amendment Act, 1995*.

Payments made under the previous school site acquisition legislation are not deductible from a SSAC that is payable under the current legislation.

School boards and local governments should make best efforts to achieve an early agreement with a developer on whether a claimed past contribution can be deducted from the amount of a SSAC that is payable on an eligible development. Discussions also should address the value of any past contribution.

### **Provision of Land for School Sites**

Section 937.6 of the *Municipal Act* provides that a developer who is obligated to pay a SSAC may, in place of the charge or in partial payment of a charge, provide land to the local government or the school board. This option is possible only if the local government, school district, and developer agree to land being provided in lieu of cash, as well as to the choice of that land. Factors that the local government and school district should consider in these situations could include whether the land to be provided for a school:

- ◆ Leaves the developer with a reasonable property for development.
- ◆ Works as a school site from the school district's perspective.
- ◆ Works from a community planning point of view.

It is expected that this provision will be used to facilitate the development of large urban development sites.

### **Point of Payment**

Where a local government development cost charge is in place, SSAC will be payable at the same time as the development cost charge.

Where no development cost charge is in place the school site charge will be paid at the time of subdivision where approval for subdivision is required for the development, or at the time of building permit, where no subdivision approval is required for a development to proceed.

### **Remission**

The legislation requires that local government must transfer SSAC money to the school board promptly. A best practice in this regard would be to have the transfer of funds occur prior to the last business day of the month in which the money was received.

Similarly, local government must transfer any property it has received in lieu of SSAC to the school board promptly. Where possible, land provided instead of SSAC should be transferred from the developer to the school board directly to save the cost of two transfers. Such land would first be transferred to the local government only where further subdivision is required because the land is intended to provide land for both school sites and parks.

### **Administration Fees**

Local government may charge a fee for administering SSAC on behalf of the school district. Guidelines for the amount of these fees are outlined in the *School Site Acquisition Regulation*.

### **Use of Funds**

All proceeds received as school site acquisition charges or from the sale of land transferred in lieu of such charges must be placed in a land capital reserve trust fund in the school board's name. These funds must be kept separate from other school board accounts and used only for costs directly related to school site acquisitions by the school district.

Under the *School Act*, all school boards are required to prepare and publish annual audited financial statements, including a balance sheet and statements of revenues and expenditures for the preceding fiscal year. The fiscal year for school districts end on June 30th. Financial statements, along with a copy of an auditor's report, must be submitted to the Ministry of Education by September. Copies of the financial statements and auditor's report must be made available to the public by December. As audited financial statements are the responsibility of school boards, any questions on land capital reserve trust fund financial information should be addressed to the individual school board.

Accounting policies generally accepted for school districts allow some local discretion as to the choice of the most appropriate accounting policy to be used, as long as revenues and expenses are recorded consistently, and the method of recording is disclosed in the financial statements. Therefore, financial data for one school district may not always be directly comparable with similar financial data from other school districts. Notes to each school district's published financial statements will disclose accounting policies used.

### **Expiry of SSAC**

The amount of SSAC could change over time as the various variables are modified to match current growth expectations. The application of SSAC will expire when an amount equal to 35 percent of the cost of all new school sites has been collected.

To determine when the SSAC can be eliminated, the school district must maintain an account of the amounts paid into the land capital reserve trust fund. The SSAC will be discontinued the year after the amount remaining to be collected reaches zero. The following table

illustrates the calculations required using data from a hypothetical school district over a twelve-year period.

**Illustration of SSAC Account Calculations**

Key Information	Year 1	Year 2	Year 10	Year 11	Year 12
1 Calendar Year	2000	2001	2009	2010	2011
2 Estimated Eligible Development Units over 10 Years	3,600	3,600	1,500	1,500	1,500
3 Estimated Cost of Required School Properties	4,520,000	4,528,850	4,550,000	4,550,000	5,180,000
4 Maximum to be paid through SSAC	1,582,000	1,585,098	1,592,500	1,592,500	1,813,000
5 Actual Units with SSAC paid during year	<b>370</b>	<b>390</b>	<b>160</b>	<b>150</b>	<b>150</b>
6 Actual SSAC collected during year	<b>130,000</b>	<b>140,000</b>	<b>140,000</b>	<b>130,000</b>	<b>0</b>
7 Cumulative amount collected	130,000	270,000	1,490,000	1,620,000	1,620,000
8 Amount Remaining to be collected	1,452,000	1,315,098	102,500	-27,500	193,000
9 Suspend SSAC next year? (amount to be zero or less)	No	No	No	Yes	No

Year 1 of the example is based on the data and calculations shown in the tables from the SSAC Calculator. Years 2 to 12 follow the same pattern. To simplify the illustration, Years 3 to 9 are not shown in the above table. The following points explain the illustration:

- ◆ The *Maximum to be paid through SSAC* (Line 4) is 35 percent of the *Estimated Cost of Required School Properties* (Line 3). This amount may change from year to year as sites are purchased and actual costs are known, as well as from modifications to the school district’s plans to acquire new properties.
- ◆ The cost of sites will remain as part of the calculation even after the sites have been purchased and schools constructed.
- ◆ In Year 1 there were 370 dwelling units constructed and a total of \$130,000 was collected in SSAC. Information from the shaded area (Lines 5 and 6) will be provided each year.
- ◆ As SSAC is collected each year, the amounts are recorded and the cumulative amount collected grows.
- ◆ In the illustration, the *Amount Remaining to be collected* (Line 8) reached zero in Year 11. As a result, there was no SSAC in Year 12.

SSAC would be re-instituted when the school district planned to purchase another new site and the *Estimated Cost of Required School Properties* (Line 3) again exceeded *Maximum to be paid through SSAC* (Line 4).

## 3. BACKGROUND

### 3.1 SSAC CALCULATOR

The School Site Acquisition Charge Calculator (SSAC Calculator) is a series of linked worksheets that are used to determine the amount of the charge to be applied to each dwelling unit in a school district. Each of the seven tables in the SSAC Calculator is presented with data from a hypothetical school district. The data that must be provided for a specific school district is shown in bold Italics and shaded.

The six tables of the SSAC Calculator are discussed in previous sections of the Implementation Guide:

Table 1	Estimating Eligible Development Units and Students	Sections 2.1 and 2.2
Table 2	Capital Projects Requiring New Sites	Section 2.3
Table 3	Basic Method to Estimate Pent-up Demand	Section 2.3
Table 4	Enrolment Forecast for School District	Section 2.3
Table 5	New Development Share of New School Facilities	Section 2.3
Table 6	Calculating School Site Acquisition Charge	Section 2.12

**Table 1: Example of Estimating Eligible Development Units and EDU Students**

Eligible Development Units (EDU)			Yield Factors	EDU Students
Type of Housing	Ownership	Units		
Single detached house	Both	<b>2,050</b>	<b>0.70</b>	1435.0
Row house	Rented	<b>275</b>	<b>0.64</b>	176.0
Row house	Owned	<b>600</b>	<b>0.40</b>	240.0
Apartment in low building	Rented	<b>175</b>	<b>0.30</b>	52.5
Apartment in low building	Owned	<b>100</b>	<b>0.09</b>	9.0
Apartment in tall building	Both	<b>300</b>	<b>0.07</b>	21.0
Mobile home	Both	<b>100</b>	<b>0.20</b>	20.0
Total		<b>3,600</b>	<b>0.54</b>	<b>1,954</b>

**Table 2: Example of Capital Projects Requiring New Sites**

Name of School	Glendale	Orchard	Mountain	Oceanside	Totals
Basis of Cost	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	
Type of Project	New	New	Expansion	New	
Grade Level	Elementary	Elementary	Middle	Secondary	
Existing Capacity			<b>500</b>		500
Long Term Capacity	<b>350</b>	<b>500</b>	<b>700</b>	<b>1,200</b>	2,750
Increase in Capacity	350	500	200	1,200	2,250
Standard Site Size (ha)	1.90	2.70	3.70	5.60	13.90
Existing Site Area (ha)			<b>3.11</b>		3.11
Size of New Site (ha)	1.90	2.70	0.59	5.60	10.79
Cost per hectare	<b>400,000</b>	<b>350,000</b>	<b>500,000</b>	<b>450,000</b>	418,906
Cost of New Property	760,000	945,000	295,000	2,520,000	<b>4,520,000</b>

**Table 3: Example of Basic Method to Estimate Pent-up Demand**

Current Enrolment	<b>12,550</b>
Current Capacity	<b>11,975</b>
Pent-up Demand	<b>575</b>

**Table 4: Example of Enrolment Forecast for School District**

Current Year	<b>2000</b>
Current Enrolment	12,550
Year Ten	2010
Year Ten Enrolment	<b>14,800</b>
Ten-Year Increase	<b>2,250</b>

**Table 5: Example of New Development Share of New School Facilities**

Factor	Estimate
1 Ten-Year Enrolment Increase	2,250
2 Plus Pent-up Demand	575
3 Net Increase Requiring New Facilities	2,825
4 Students from Eligible Development Units	1,954
5 Enrolment Increase Proportion	80%
6 New Development Proportion	<b>69%</b>
7 Estimated Net Cost of New Property	4,520,000
8 Attributable to Eligible Development Units	3,126,400
9 Proportion to be Paid through SSAC	35%
10 Estimated Share to be Paid through SSAC	<b>1,094,240</b>
11 Total Eligible Development Units	3,600
12 Average Charge per Unit	<b>304</b>

**Table 6: Example of Calculating School Site Acquisition Charge**

Density	Factor	Unit Charge	Maximum Charge
Low	1.250	<b>\$380</b>	\$1,000
Medium low	1.125	<b>\$342</b>	\$900
Medium	1.000	<b>\$304</b>	\$800
Medium high	0.875	<b>\$266</b>	\$700
High	0.750	<b>\$228</b>	\$600
Base Rate		\$304	

### 3.2 CHECKLIST OF TASKS

The table below provides a summary of the fourteen steps of the process to follow in setting the SSAC, as previously described in Section 2.

Step	School District	Local Government	Ministry of Education
Step 1. Eligible Development Units	Ask local government to estimate eligible development units.	Estimate eligible development units over ten years.	
Step 2. Students from Eligible Development Units	Estimate number of students from eligible development units using yield factors.	Assist school district to estimate students from eligible development units.	
Step 3. Eligible School Sites Proposal	Forecast enrolment for ten-year horizon and harmonize with estimate of students from eligible development units. Estimate current pent-up demand. Formulate a long-term facilities plan. If appropriate, consult with stakeholders, including the development community, regarding the long-term facilities plan. Summarize the capital projects requiring new sites and estimate the cost of new land. Estimate share of school site costs to be paid through SSAC. Prepare draft of Eligible School Sites Proposal document.	Provide advice to school district regarding growth patterns and best locations for new or expanded schools. Provide advice to school district regarding the pace of residential development and the cost of land. Review and accept proposals for new school sites, including site location and land cost estimates.	Review and approve ten-year enrolment forecast.
Step 4. Consult Local Government	Consult with local government throughout the process of preparing the Eligible School Sites Proposal. Provide local government with a draft Eligible School Sites Proposal. Incorporate local government comments, finalize Eligible School Sites Proposal, and submit to School Board.	Provide advice to school district throughout the process of preparing the Eligible School Sites Proposal. Review and comment on a draft Eligible School Sites Proposal.	
Step 5. Stakeholder Consultation	Consult with stakeholders regarding Eligible School Sites Proposal.		
Step 6. Board Resolution	Hold a public meeting of the School Board and formally adopt (by resolution) the Eligible School Sites Proposal.		

Step	School District	Local Government	Ministry of Education
Step 7. Review Resolution	Provide a copy of the Eligible School Sites Proposal to local government.	Consider the Eligible School Sites Proposal at a regular council or board meeting.  Within sixty days either pass a resolution to accept the Eligible School Sites Proposal, or write to the school board rejecting the proposal.	
Step 8. Dispute Resolution	If local government rejects the Eligible School Sites Proposal, inform the Ministry of Education.  Participate in the dispute resolution process.	Participate in the dispute resolution process.	If local government rejects the Eligible School Sites Proposal, the Minister appoints a facilitator.  If the facilitator cannot achieve agreement, determine the eligible school site requirement based on the facilitator's recommendation.
Step 9. Capital Plan Submission	Use the long-term facilities plan and the Eligible School Sites Proposal to provide a framework for the development of the Five-Year Capital Plan.  Include the estimates of SSAC proceeds as part of capital plan submission.		Work with school district in the development of their Five-Year Capital Plan submission.
Step 10. Review Capital Plan			Review submission and assign priority rank to each requested project.  Determine projects to be approved from Ministry's total capital funding allocation.
Step 11. Approved Capital Plan	If indicated by the projects not approved, modify the long-term facilities plan and the Eligible School Sites Proposal.	If necessary, provide advice to the school district regarding modifications to their long-term facilities plan and Eligible School Sites Proposal.	Inform the school district regarding the projects that have been approved.
Step 12. School Site Acquisition Charge	If necessary, revise the SSAC calculations — projects requiring new sites, cost of new land, SSAC share of school site costs, and SSAC proceeds.  Calculate SSAC for each density category based on the approved proposal.		
Step 13. SSAC Bylaw	Draft and adopt a bylaw outlining the school site acquisition charges for each type of residential development.		

Step	School District	Local Government	Ministry of Education
Step 14. Administering SSAC	<p>Inform local government that the SSAC Bylaw has been passed.</p> <p>Place the funds collected in a land capital reserve trust account.</p> <p>Track the cumulative amount collected in relation to the maximum to be collected through SSAC.</p>	<p>Collect SSAC.</p> <p>Provide the funds collected to the school district.</p>	

### 3.3 OUTLINE OF ELIGIBLE SCHOOL SITES PROPOSAL

The following is an outline of an *Eligible School Sites Proposal* document with emphasis on the process for calculating SSAC (reference Section 3.1 – SSAC Calculator):

#### ◆ Introduction

A description of the process followed to determine the *Eligible School Sites Proposal* with emphasis on consultation.

#### ◆ Enrolment Forecast

The best estimate of student enrolment over the next ten years. This analysis incorporates *Table 1 - Estimating Eligible Development Units and Students*; *Table 3 - Basic Method to Estimate Pent-up Demand*; and *Table 4 - Enrolment Forecast for School District*. The sources for yield factors and other key data should be quoted.

#### ◆ Existing Facilities and Sites

An assessment of the capacity and suitability of all school sites in the school district, as well as a summary of the physical condition and expected lifespan for each school facility.

#### ◆ Program Directions

An examination of grade configuration and other service delivery alternatives as well as a discussion of program objectives.

#### ◆ Development Scenarios

Definition and evaluation of various ways to meet anticipated future demand, as well as pursue program directions. One objective will be to maximize the utilization of all existing facilities and sites before considering new facilities or sites.

#### ◆ The Long-Term Facilities Plan

A summary of the plan for school facilities over at least a ten-year horizon. This would explain why the plan was chosen over other development scenarios that were considered. The plan would include *Table 2 - Capital Projects Requiring New Sites*, together with citing sources for land costs and other relevant data.

#### ◆ Preliminary Calculation of SSAC

A calculation of the school site acquisition charge based on the sites identified. This would include the completion of *Table 5 - New Development Share of New School Facilities*.

### 3.4 YIELD FACTORS

The worksheet entitled *Yield Factors for Selected Dwelling Unit Types* is provided in Section 3.6 – Samples and Attachments. It is a set of Yield Factors based on the number of persons aged 5 to 18 years living in each housing type.

The two additional worksheets entitled *School Age Population by Dwelling Type* and *Dwelling Units by School District* provide the population and dwelling unit data to calculate the ratios presented in the *Yield Factors for Selected Dwelling Unit Types* worksheet.

The tall building in 'Apartment in tall building' is defined as having five or more storeys. 'Movable dwelling' includes mobile home and other movable dwellings. 'Other dwelling types' encompasses the following categories:

- ◆ Semi-detached house.
- ◆ Row house.
- ◆ Apartment in detached duplex.
- ◆ Apartment in low building (four or fewer storeys).
- ◆ Other single attached house.

The data presented in the worksheets is from Statistics Canada and is based on a 20 percent sample from the 1996 Census. Statistics Canada rounds all of the population and dwelling data to the nearest five to protect the privacy of those sampled. As a result, caution should be taken when using the yield factor ratios derived from the division of small numbers. For example, in a small school district there were 20 school age children in ten apartments in tall buildings resulting in a ratio of 200 percent. In this instance, the sample is very small and the rounding practice could distort the results significantly — it could be 18 children in 12 apartments for a ratio of 150 percent instead of the 200 percent shown.

### 3.5 RESOURCES

The following is information on how to contact organizations that may be helpful in the process of implementing SSAC:

- ◆ Urban Development Institute, telephone (604) 669-9585.
- ◆ Canadian Home Builders, telephone (604) 432-7112.
- ◆ Ministry of Education, Capital Planning Branch, telephone (250) 356-2586.
- ◆ Ministry of Municipal Affairs, Growth Strategies Office, telephone (250) 387-3394.

The following are web site addresses for documents referenced in this Guide:

- ◆ The Ministry of Municipal Affairs publication *Best Practices Guide for Development Cost Charges*: <http://www.marh.gov.bc.ca/GROWTH/PUBLICATIONS/DCCGUIDE/>
- ◆ The Ministry of Municipal Affairs publication *Reaching Agreement on Regional Growth Strategies*: <http://www.marh.gov.bc.ca/GROWTH/PUBLICATIONS/REACHAGR/>
- ◆ The Ministry of Education's *Five-Year Capital Budget Instructions*: <http://www.bced.gov.bc.ca/capitalplanning/resources.htm>
- ◆ The Ministry of Education's *Area Standards*: <http://www.bced.gov.bc.ca/capitalplanning/resources.htm>

### 3.6 SAMPLES AND ATTACHMENTS

As outlined in Section 3. 4, the following three worksheets provide data related to yield factors:

- ◆ Yield Factors for Selected Dwelling Unit Types.
- ◆ School Age Population by Dwelling Type.
- ◆ Dwelling Units by School District.

Drafts of the following have been provided as samples:

- ◆ *Sample School Board Resolution*  
A draft of the resolution to be made at Step 5 of the Process for Setting SSAC.
- ◆ *Sample Letter to Local Government*  
A draft of the letter to be sent from a school district to a local government signalling the transition from Step 5 to Step 6 where the local government formally reviews the *Eligible School Sites Proposal* from the school district.

Also attached are:

- ◆ Explanatory Notes for the *Education Statutes Amendment Act, 1998*.
- ◆ *SSAC Regulations, BC Reg 17/00*.