

Date: December 9, 2022

To: Mayor Dan Carter and Members of Council

From: Stephanie Sinnott, Commissioner, Corporate & Finance Services

Re: 2023 Capital Budget Overview

Capital budgeting is a process used for strategic decision making when evaluating potential expenditures or investments that are significant in amount. It involves the decision to invest funds for addition, disposition, modification or replacement of fixed assets.

Capital investment is an important contributor to economic growth and the service delivery capabilities of the City. The capital budgeting process is an important determinant of the quality of investment projects and their implementation. A number of important results flow from an effective capital plan including an examination of goals and needs capabilities, resource waste avoidance, improved community awareness and facilitation of sound financial management. Investment in capital assets is also required to mitigate future risks of failure and/or liability exposure to the City.

A Capital Budget is prepared annually which outlines all proposed capital projects for the upcoming budget year plus a forecast of capital projects for the following nine years. Not only is a ten-year budget a best practice, the information is also required to satisfy the requirements of Asset Management legislation.

All capital projects submitted for consideration are scored and ranked using the prioritization model as approved by Council on October 15, 2013. Funding allocations are then determined based on priority score, tax levy funding envelopes and available reserve funds. The prioritization model utilizes a methodology that takes into account alignment with Oshawa Strategic Plan, Operating Budget impact, Risk Assessment, Cost/Benefit, Financing, Community impact and other factors.

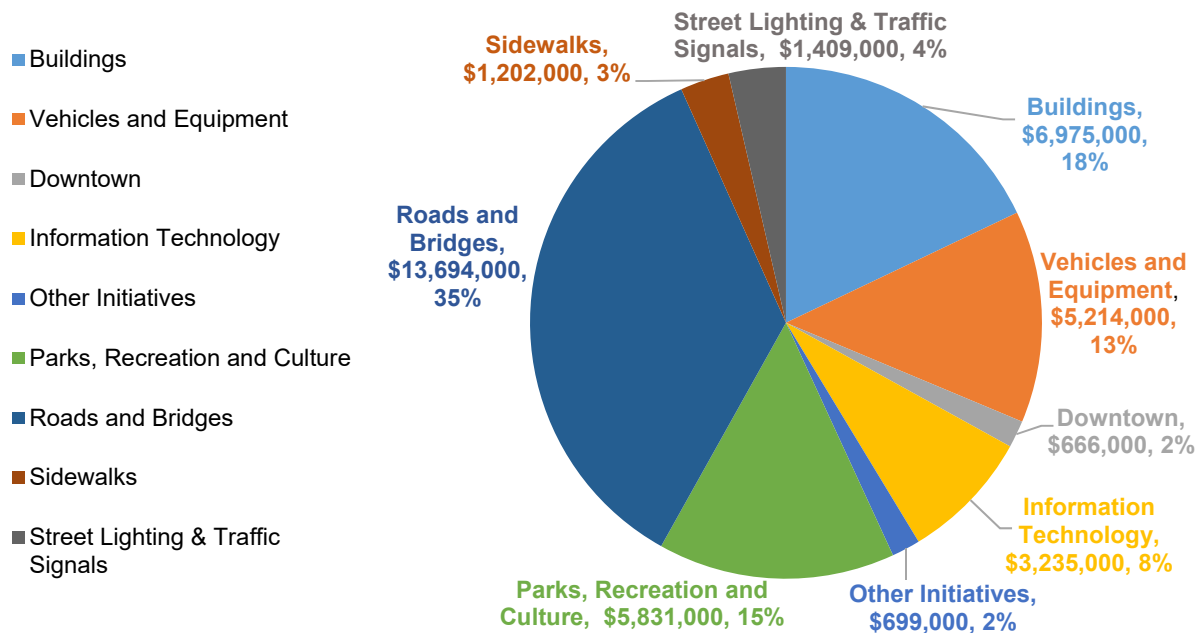
Capital projects are also considered in the context of the City's capacity to deliver approved projects. If it is not feasible to deliver a project in conjunction with other proposed capital projects during the year then projects may be deferred into a future year and captured in the 9 year forecast.

All departments and the Corporate Leadership Team worked collaboratively to prepare the 2023 capital budget submission and 2024 – 2032 capital forecast. Departments prepared their project submission lists based on identified need. Needs were based on minimum standards as they relate to provincial legislation and to reflect any Council directed service standards.

2023 Proposed Capital Projects

The total gross cost of the 2023 proposed capital budget is \$38,925,000 and allocated to the following categories:

Category	Amount
Building and Equipment	12,189,000
Downtown	666,000
Information Technology	3,235,000
Other Initiatives	699,000
Parks, Recreation and Culture	5,831,000
Transportation	16,305,000



The proposed 2023 capital project list is approximately \$5.2 million higher than the capital projects approved in 2022.

Also included in the capital summary report is a list of deferred capital projects. These were proposed projects for 2023 but were deferred due to the lack of funding or capacity to deliver the projects in 2023. The total of the deferred projects in 2023 is \$33.6M. These projects will be added to the capital forecast and delivered in a future year.

Throughout 2022, outside of the budget process, a significant number of capital projects were approved. The projects approved throughout the year total \$1,485,300 million and are summarized as follows:

Project	Amount	Report	Comments
Sod Replacement	\$ 101,760	DS-22-10	Replacement of sod along Carswell, Eastwood, Herbert, Verdun and Oshawa Blvd S
Laval Park Clubhouse	\$ 90,000	DS-22-33	To address critical building requirements
Decorative Lighting Program	\$ 525,000	FIN-22-48	To implement a lighting program for the downtown core
Outdoor Ice Rinks	\$ 129,700	CS-22-56 and CS-22-68	To create natural outdoor skating areas at Delpark Homes Centre and Stone Street Park Tennis Court
Parkette 4 - Kendron Part II	\$ 350,000	DS-22-138	To provide the City's share of the development of the parkette
Computer Equipment Rollout	\$ 30,000	FIN-22-70	Miscellaneous components associated with the Computer Rollout
P.G.1. Emergency Elevator Repairs	\$ 158,840	FIN-22-81	To address critical elevator repairs at Parking Garage 1
Dundee Hall Septic System	\$ 100,000	FIN-22-84	To address environmental, health and safety issues requiring immediate attention
Total	\$1,485,300		

2024 – 2032 Capital Forecast

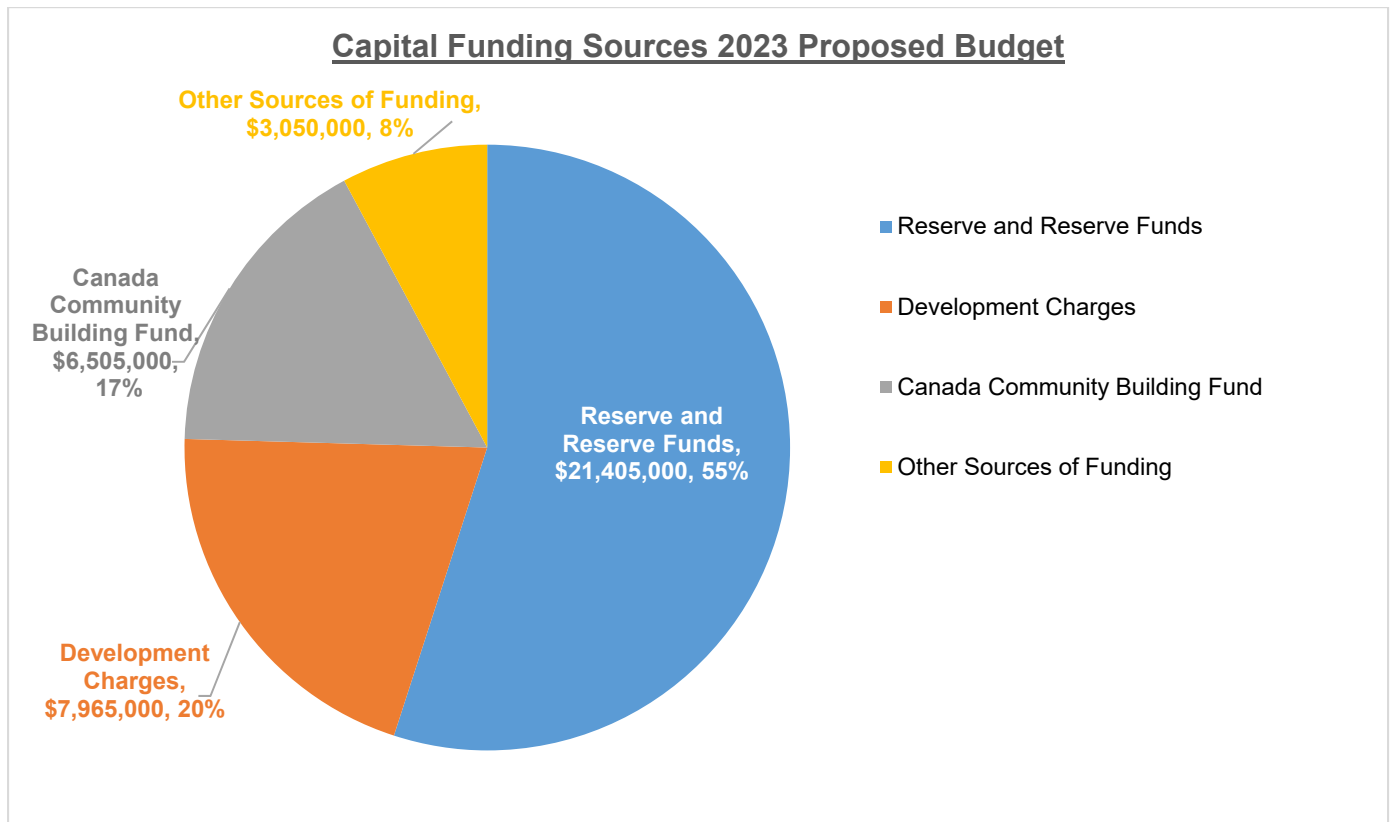
Oshawa, similar to other municipalities, has not had the capacity to invest in infrastructure resulting in an infrastructure deficit. The capital forecast helps to identify future financial requirements however the specific projects are likely to change over time as priorities change. The development of the 2024-2032 capital budget forecast identified infrastructure projects of approximately \$817.8 million that are required throughout the forecast period.

Excluded from this forecast estimate are the capital infrastructure requirements at the Tribute Communities Centre (TCC). Over the forecast period of 2024-2032, the total capital projects at the TCC are approximately \$7.480 million. These projects are predominately for HVAC units, elevators, arena and food & beverage equipment replacements and contributions to the fleet reserve for the future replacement of the ice resurfacers.

Capital Infrastructure Funding

Financing for the City's capital program is derived from a variety of sources including Reserve & Reserve Funds, Development Charges, Canada Community-Building Fund allocations, the issuance of Interfund Notes (internal debt) and other sources such as cost sharing agreements for the delivery of specific projects. The chart below outlines the funding sources for the 2023 capital budget.

Reserve and Reserve Funds	21,405,000
Development Charges	7,965,000
Canada Community-Building Fund	6,505,000
Other Sources of Funding	3,050,000



Canada Community-Building Fund

The Canada Community-Building Fund (formerly Federal Gas Tax) provides permanent and stable federal funding for local infrastructure projects. Funds can be invested in the construction, enhancement or renewal of local infrastructure used to improve long-term plans and asset management systems or banked, up to 5 years, to support future projects. Local governments decide how funds can be best directed to address specific priorities. Municipalities can spread investments of the fund over several project categories to boost productivity and economic growth, create a cleaner environment and build stronger communities.

Municipal infrastructure projects may fall within 17 categories: local roads and bridges (including active transportation), short-sea shipping, short-line rail, regional and local airports, broadband connectivity, public transit, drinking water, wastewater, solid waste, community energy systems, brownfield redevelopment, sport, recreation, culture, tourism, disaster mitigation and capacity building.

Municipalities are required to demonstrate how investment in infrastructure projects is supporting progress towards achieving the national objectives of increased productivity and economic growth, cleaner environment, and stronger cities and communities. Municipalities must report at least one outcome indicator for each project that best illustrates progress towards achieving beneficial impacts on communities and enhanced impact of Funds as predictable source of funding. The three Objectives of the fund are:

- Helping Move Ontarians
- Helping Protect the Environment
- Helping Communities Thrive

In 2022, the City received a scheduled allocation of \$5,057,235 in Canada Community-Building Funding that was directed toward the 2022 Capital budget.

In 2023, the City will receive \$5,277,115 in Canada Community-Building Funding that has been included as a funding source for the 2023 proposed capital budget. Projects proposed include work related to culverts, asphalt preservation and rehabilitation, pedestrian structure replacement and the replacement of the HVAC system at Fire Hall 4.

The Canada Community-Building Fund is governed through a 5-year municipal funding agreement. The current agreement concludes in 2023. A new municipal funding agreement is expected to be finalized by September 2023, which will outline federal funding for 2024 through 2028.

Development Charges

Development Charges assist the City to recover the increase in the need for services arising from growth. The recoveries only apply to the capital costs associated with growth.

In May 2021, the City updated the Development Charge Background Study and in October 2021 adopted a new Development Charge By-law following public consultation.

The Province of Ontario introduced Bill 108, the More Homes, More Choice Act, in June 2019. The Bill included a number of legislative changes to the Development Charges Act including new Community Benefits Charges. The Community Benefits Charges is a charge that can be used to fund a range of capital infrastructure projects.

In April 2022 through Report FIN-22-39, Council approved the Community Benefit Charge Feasibility Assessment, and approved the development of a Community Benefit Charges Strategy. Watson and Associates was engaged to prepare the Community Benefit Charge Strategy. It is anticipated that the strategy will be presented to Council in Q1 2023 and be implemented in Q2 2023.

Also in April 2022, the City amended the Development Charges by-law to remove the ineligible services of parking and animal control, to align with changes made through Bill 108.

The 2023 budget includes \$7.965 million in funding related to capital projects for Development Charge eligible projects including construction work on Britannia Avenue West, Harmony Creek Watercourse Improvements, design for a New Recreation Centre and Urban Park, and construction of the Rose Valley Community Park.

There are a number of significant capital projects in the Development Charge Background Study in the 9-year capital forecast including but not limited to Fire Station #7, North Depot, construction of a New Recreation Centre, various Parks and road construction projects.

Bill 23 - More Homes Built Faster Act

In November 2022, Bill 23 – More Homes Built Faster, was passed by the Provincial legislature and received royal assent with the objective of supporting the Province's plan that is to address the housing crisis by targeting the creation of 1.5 million homes over the next 10 years. Bill 23 includes numerous changes to the Planning Act, Development Charges Act and Ontario Heritage Act.

A report was provided to Council for the November 21, 2022 meeting, which provided staff comments on Bill 23. Attachment 1 to this memo is a copy of CNCL-22-78 that provides more detail on the changes to various Acts and the potential impacts.

The changes to the Development Charges Act are estimated to cost municipalities approximately \$1 billion annually in revenue according to the Association of Municipalities Ontario (AMO).

Municipalities are able to set and collect Development Charges in order to cover the costs of providing the infrastructure necessary to support new growth in communities and to ensure that taxpayers are not subsidizing that growth. However, many of the proposed amendments

to the Development Charges Act will result in the taxpayers paying for growth, rather than growth paying for growth.

Removing or restricting a municipality's ability to collect and use Development Charges to fund capital costs will result in the need to fund these costs from the tax levy (i.e. through the taxpayer). Ultimately, taxpayers will be subsidizing new development in the City. This can also force municipalities to reduce service levels, potentially affecting the health, including mental health, and safety of residents.

The Province will need to provide financial support to municipalities to offset the losses that municipalities will face as a result of these changes.

A conservative high-level estimate calculated the approximate impact to the City over a 5-year period at \$74.3 million.

Other Funding

One of the City's operating reserves is set up as the Building Permit Reserve in order to be compliant with the Building Code Act.

The Building Code Act states that fees must not exceed the anticipated reasonable costs and excess revenue must be transferred to the Building Permit Reserve to support the building permit program during periods of decline. If building permit costs exceed revenue, a transfer from the Building Permit Reserve is required to cover this amount. Best practice indicates that the Building Permit Reserve should have a target balance of approximately two times the total costs of the building permit function. This will ensure that the building permit function is self-sustaining.

As noted in Report INFO-22-79, the cost to operate the building permit function was \$3.485 million in the fiscal year ending December 31, 2021. The forecasted balance in the Building Permit Reserve as of December 31, 2022 is \$11.887 million, approximately three and a half times the cost to operate the building permit function.

The Municipal Act permits temporary borrowing from a reserve to cover a short-term deficit, temporarily finance capital fund expenditures or operating cash flow deficiencies to avoid external temporary borrowing cost subject to the following considerations:

- a) Borrowing must not adversely affect the intended purpose of the reserve
- b) A plan to repay the reserve within a reasonable timeframe is required
- c) Interest, equivalent to the Municipality's interest of reserve fund bank accounts, be applied to outstanding amounts borrowed
- d) Where applicable, legislative requirement may apply

The 2023 proposed capital budget is recommending a loan from the building permit reserve in the amount of \$3.0 million. This loan would be structured as a callable revolving loan borrowing from the Building Permit Reserve that is callable each December when all revenues are collected for that fiscal year. The loan would be based on a 10-year amortization with one-year terms coming into effect on January 1, 2023. The rate of interest on the loan is the same rate as used for the 2023 investment interest revenue budget for non-discretionary reserves allocation, which is the Bank of Canada overnight rate less 1.5%.

Repayment of the loan would commence in 2023 and therefore the proposed 2023 Operating Budget includes the first payment in the amount of \$335,300.

This is a prudent measure to utilize idle funds in the Building Permit Reserve while structuring the financial instrument such that the funds are available to support the building permit function should the need arise during the term of the loan.

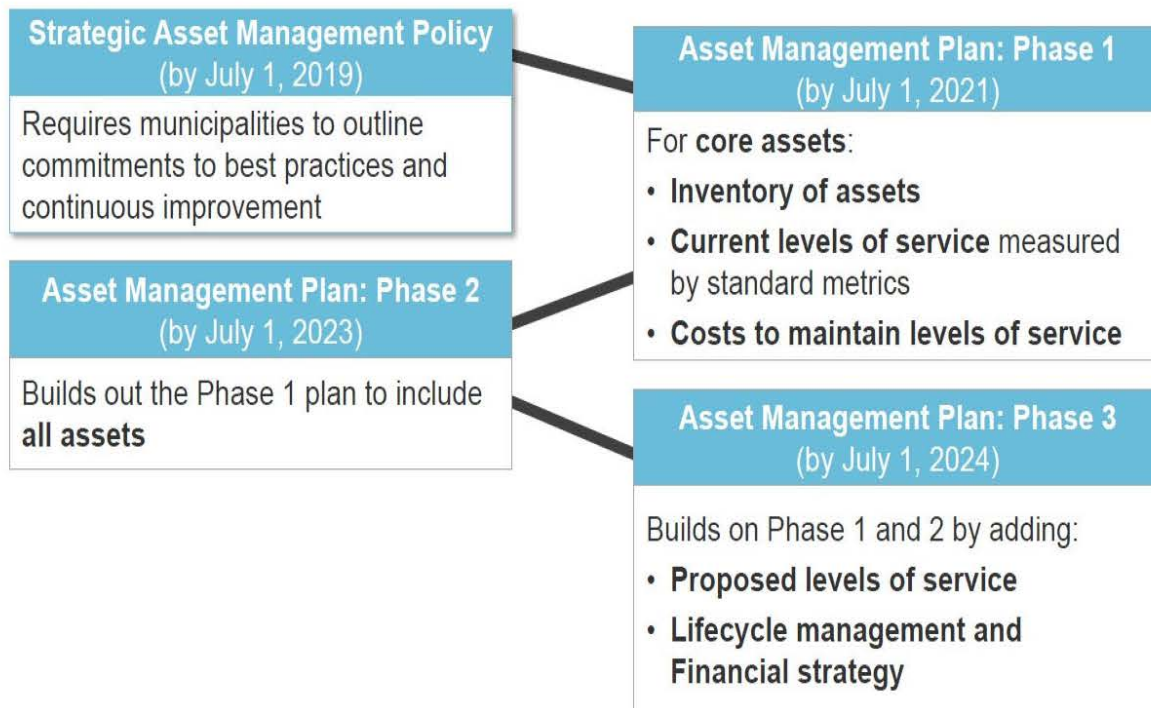
Asset Management Plan Update

Asset Management is a process used in decision-making related to capital infrastructure. It helps municipalities plan for the infrastructure that is needed to deliver services to the community in a way that considers the services needed by the community, manages risks and opportunities, and helps use resources wisely. The adoption of an asset management plan is not only a recognized best practice but is also fulfills the Provincial requirement for all Ontario municipalities to have an asset management plan to remain eligible for Canada Community-Building Fund funding and to meet the requirements of the Development Charges Act.

Asset management is closely linked to the City's Financial Strategy and the annual budgeting process. A key component of an asset management plan is the identification of sustainable financing strategies. More robust asset management practices developed through the plan will provide better data over time that will support Council in making decisions on the capital budget.

The Asset Management Plan is a living document to evolve and be refined over time as better information becomes available. Committing the necessary resources to the Asset Management Plan is vital to meeting the deliverables in the Provincial regulation as well as having a well-founded, fully integrated, fiscally responsible asset management plan.

On January 1, 2018, Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure came into effect. The regulation sets out requirements for municipal asset management planning to help municipalities better understand their infrastructure needs and inform infrastructure planning and investment decisions. The Regulation prescribed key milestone dates for the completion of various plan development phases as shown below.



A number of initiatives related to the Asset Management Plan (A.M.P) are underway to comply with the Provincial regulation. These initiatives include activities related to the determination of service levels, replacement cost valuations, establishing a change management framework, identification of resource requirements and alignment with the Financial Strategy.

The Strategic Asset Management Policy (S.A.M.P.) was developed and includes asset management principles to be considered in planning and day-to-day operations, a governance and accountability framework, commitment to continuous improvement and scope of practices and procedures as required by the Provincial Regulation. The S.A.M.P. was adopted by City Council on May 21, 2019 through report FIN-19-35.

Through advocacy work the Municipal Finance Officers' Association of Ontario (M.F.O.A.) was instrumental in requesting the Minister of Infrastructure to grant a one-year extension of all upcoming deadlines in O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure under the Infrastructure for Jobs and Prosperity Act 2015.

Through Ontario Regulation 193/21, the next three deadlines, referenced in Ontario Regulation 588/17, requiring municipalities to develop enhanced asset management plans were extended by one year. Therefore the deadline for Phase 1 of the Asset Management Plan related to core infrastructure assets (roads, bridges, culverts and storm water) was extended to July 1, 2022 from the original date of July 1, 2021.

In October 2021, the 2021 Asset Management Plan covering the City's core infrastructure assets was approved by Council, meeting the requirements of Phase 1 of the Provincial Regulations. This plan includes the state of the infrastructure of core assets, the current levels of services and the costs to maintain the current levels of service.

Below is a summary of the key statistics identified in the report, as of 2021:

Key Statistic	Total Assets	Core Assets
Estimated Replacement Cost of Assets	\$2.6 billion	\$1.8 billion
Estimated Replacement Cost of Assets per household	\$38,762 per household	\$27,071 per household
Percentage of Assets in Good or Better Condition	T.B.D.	51.5%
Percentage of Assets with Observed Condition Data	T.B.D.	84.7%
Annual Capital Funding Gap Estimate	\$25.0 million	\$15.4 million

A copy of the 2021 Asset Management Plan forms Attachment 2 to this memo for additional information. Work for the next iteration of the A.M.P. is currently underway and will include a detailed analysis of all the non-core assets. The A.M.P. will be completed prior to the July 1, 2024 statutory deadline.

To: Council in Committee of the Whole

From: Warren Munro, HBA, RPP, Commissioner,
Development Services Department

Report Number: CNCL-22-78

Date of Report: November 16, 2022

Date of Meeting: November 21, 2022

Subject: City Comments on Bill 23, "More Homes Built Faster Act, 2022"

Ward: All Wards

File: 12-03-3531

1.0 Purpose

The purpose of this Report is to obtain Council endorsement of City comments on:

1. The Province's proposed amendments under Bill 23 "More Homes Built Faster Act, 2022" ("Bill 23" – see Attachment 1) to:
 - The Planning Act, R.S.O. 1990, c. P.13 (the "Planning Act") including proposed amendments to Ontario Regulation 232/18 regarding Inclusionary Zoning ("O. Reg. 232/18") and Ontario Regulation 299/19 regarding Additional Residential Units ("O. Reg. 299/19"), which are regulations under the Planning Act;
 - The Development Charges Act, 1997, S.O. 1997, c. 27 (the "Development Charges Act");
 - The Ontario Heritage Act, R.S.O. 1990, c. O.18 (the "Ontario Heritage Act"); and,
 - The Conservation Authorities Act, R.S.O. 1990 (the "Conservation Authorities Act").
2. The Province's review of the Provincial Policy Statement, 2020 (the "P.P.S.") and "A Place to Grow: Growth Plan for the Greater Golden Horseshoe" (the "Growth Plan") under Bill 23 (see Attachment 2).

Bill 23 consists of proposed amendments to the following legislation:

- Planning Act, including both O. Reg. 232/18 and O. Reg. 299/19;
- City of Toronto Act, 2006, S.O. 2006, C. 11, Sched. A ("City of Toronto Act");
- Development Charges Act;
- Ontario Heritage Act;

- Conservation Authorities Act;
- Municipal Act, 2001, S.O. 2001, C.25;
- Ontario Land Tribunal Act, 2021, S.O. 2021, C.4, Sched. 6;
- Ontario Underground Infrastructure Notification System Act, 2012, S.O. 2012, c.4;
- New Home Construction Licensing Act, 2017 S.O. 2017, c.33, Sched. 1; and,
- Ontario Building Code (under the Building Code Act, 1992, S.O. 1992, c. 23).

Bill 23 also consists of the following new proposed legislation:

- Supporting Growth and Housing in York and Durham Regions Act, 2022

Bill 23 also includes a review of various Provincial housing and land use policies, consisting of the following:

- The P.P.S. and the Growth Plan;
- The Parkway Belt West Plan;
- The Central Pickering Development Plan;
- Conserving Ontario's Natural Heritage;
- Ontario Wetland Evaluation System Proposal; and,
- Potential measures to support "Rent-to-Own" arrangements.

Additional information on Bill 23 and the proposed amendments to the various Acts and regulations and the review of various Provincial housing and land use policies can be found at the following link: <https://ero.ontario.ca/notice/019-6162>.

For the purposes of this Report, staff are only providing comments on the following:

- The Province's proposed amendments under Bill 23 to the Planning Act (including two Regulations under this Act), the Development Charges Act, the Ontario Heritage Act and the Conservation Authorities Act; and,
- The Province's review of the P.P.S. and the Growth Plan under Bill 23, as well as general comments on Bill 23.

The Province's proposed amendments to the various Acts and Regulations and the review of various Provincial housing and land use policies were posted on the Environmental Registry of Ontario's ("E.R.O.") website and Ontario's Regulatory Registry website on October 25, 2022, with comments due on various dates. Attachment 3 provides a list of the E.R.O. postings under Bill 23 for which staff have prepared comments for Council's endorsement through this Report.

Attachment 1 is a copy of Bill 23, which was introduced into the Ontario Legislature with first reading on October 25, 2022. Owing to the size of the document, it is not attached to this Report but a copy of Bill 23 can be viewed at the following link:

https://www.ola.org/sites/default/files/node-files/bill/document/pdf/2022/2022-10/b023_e.pdf.

Attachment 2 is a copy of the information related to the review of the Growth Plan and P.P.S., which was introduced on October 25, 2022. The information can be viewed at the following link: <https://ero.ontario.ca/notice/019-6177>.

Attachment 3 is a list of the E.R.O. postings under Bill 23 for which staff have prepared comments for Council's endorsement through this Report.

Attachment 4 presents staff comments on the proposed amendments to the Planning Act, including comments on O. Reg. 232/18 and O. Reg. 299/19 under the Planning Act.

Attachment 5 presents staff comments on the proposed amendments to the Development Charges Act.

Attachment 6 presents staff comments on the proposed amendments to the Ontario Heritage Act.

Attachment 7 presents staff comments on the proposed amendments to the Conservation Authorities Act.

Attachment 8 presents staff comments on the review of the P.P.S. and the Growth Plan.

Attachment 9 presents general staff comments on Bill 23.

2.0 Recommendation

1. That Report CNCL-22-78 dated November 16, 2022, including Attachments 4 to 9, be endorsed as the City's comments on the Province's proposed amendments under Bill 23, "More Homes Built Faster Act, 2022" to the Planning Act, to Ontario Regulations 232/18 and 299/19 under the Planning Act, the Development Charges Act, the Ontario Heritage Act and the Conservation Authorities Act, as well as the Province's review of the Provincial Policy Statement, 2020 and "A Place to Grow: Growth Plan for the Greater Golden Horseshoe."
2. That staff be authorized to submit the comments contained in Report CNCL-22-78 dated November 16, 2022 relating to the proposed amendments under Bill 23 to the Planning Act (including two regulations under this Act), the Development Charges Act, the Ontario Heritage Act and the Conservation Authorities Act, as well as the review of the Provincial Policy Statement, 2020 and the Growth Plan in response to the associated proposals posted on the Environmental Registry of Ontario website.
3. That staff be authorized to forward a copy of Report CNCL-22-78 dated November 16, 2022 and the related Council resolution to the Association of Municipalities of Ontario, Ontario Big City Mayors, the Region of Durham, Durham area municipalities, Durham area M.P.P.s and the City's Building Industry Liaison Team, which includes the Durham Chapter of the Building Industry and Land Development Association and the Durham Region Home Builders' Association.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

The following have been consulted in the preparation of this Report:

- Chief Administrative Officer
- Commissioner, Finance Services
- Commissioner, Community Services
- City Solicitor

5.0 Analysis

5.1 More Homes Built Faster: Ontario's Housing Supply Action Plan: 2022-2023

On October 25, 2022, the Ministry of Municipal Affairs and Housing released a bulletin on the E.R.O. website entitled "Consultations on More Homes Built Faster: Ontario's Housing Supply Action Plan 2022-2023". The bulletin can be viewed at the following link: <https://ero.ontario.ca/notice/019-6162>.

To support More Homes Built Faster: Ontario's Housing Supply Action Plan: 2022-2023 (the "Action Plan"), the government introduced the More Homes Built Faster Act, 2022 under Bill 23 (see Attachment 1). If passed, Bill 23 aims to ensure that cities, towns, and rural communities grow with a mix of ownership and rental housing types that meet the needs of all Ontarians.

Over the past decade, the price of a home has risen at more than double the rate of household income. As a result, rent and home prices continue to be out of reach for many. Experts have advised that this is due to a structural undersupply of housing. As well, housing construction has not kept up pace with Ontario's growing population. Ontario's housing stock has to both catch up and keep up with population growth projections. As a result, the Province is committed to building 1.5 million homes over the next ten years.

The proposed Action Plan and Bill 23 are intended to provide the groundwork for growth and to achieve the goal of 1.5 million new homes over the next ten years in Ontario by:

- Reducing the bureaucratic costs and red tape that are delaying construction and pushing home prices even higher;
- Promoting construction near transit and reforming zoning to create more "gentle density"; and,
- Protecting homebuyers and utilizing Provincial lands to build more attainable homes.

A high-level overview of the Action Plan includes the following actions:

1. Building more homes by:
 - Addressing the “missing middle”
 - Building more homes near transit
 - Implementing municipal housing targets
2. Reducing costs, fees, and taxes by:
 - Freezing, reducing and exempting fees
 - Reducing taxes on affordable housing
 - Implementing inclusionary zoning and rental replacement rules
3. Streamlining development approvals by:
 - Streamlining processes
 - Improving the Ontario Land Tribunal (“O.L.T.”)
 - Reviewing heritage planning
4. Helping homebuyers and renters by:
 - Offering new attainable housing program
 - Addressing vacant homes
 - Protecting homebuyers
5. Better planning by:
 - Reviewing planning policy
 - Identifying more land for housing
 - Focusing schools in urban growth areas

Ultimately, the Action Plan attempts to address the housing crisis by reducing government fees and fixing development approval delays that slow housing construction and increase costs. The Province intends to reform these processes at the Provincial and municipal levels to ensure that all Ontarians can find a home that meets their needs and budgets.

5.1.1 Municipal Housing Targets

One of the actions identified in the Action Plan is to implement new municipal housing targets for 29 of Ontario’s largest and fastest-growing municipalities to accelerate growth to meet Ontario’s goal of building 1.5 million homes by 2032. These targets are being implemented with the hope that they help to kick start development by highlighting the need for municipal infrastructure, such as roads and sewers.

The Province will assign housing targets based on population size and growth to each municipality and require them to develop pledges outlining how they will help kick start development to meet the target. The pledges are not intended to replace existing municipal plans. Rather, they are to be a concise set of actions and process improvements to accelerate plans to meet the need for housing head on.

The proposed target for the City of Oshawa assigned by the Province is to build 23,000 units by 2032.

5.2 Planning Act Changes resulting from Bill 23, More Homes Built Faster Act, 2022

The following sections outline the proposed changes to the Planning Act, including amendments to O. Reg. 232/18 and O. Reg. 299/19 under the Planning Act, resulting from Bill 23.

5.2.1 Proposed Changes to the Planning Act under Schedule 9 of Bill 23

The proposed amendments to the Planning Act under Schedule 9 of Bill 23, if passed, would, among other matters, address:

- The missing middle by:
 - Permitting “as-of-right” zoning (i.e. without the need to apply for a zoning by-law amendment) to permit up to three residential units per lot in most existing residential areas (e.g. two units in the main building and one in an accessory building). This would supersede local official plans and zoning to automatically apply Province-wide to any parcel of land where residential uses are permitted in settlement areas with full municipal water and sewage services. These units would be exempt from development charges, parkland dedication or cash-in-lieu requirements. Municipalities will be restricted from applying minimum unit sizes or requiring more than one parking space per unit in respect of any additional unit (i.e. a second or third unit) in a primary building and any unit in an ancillary structure.
- Support for higher density around transit by:
 - Implementing “as-of-right” zoning for transit supportive densities in specified areas around transit stations, known as “Major Transit Station Areas” (M.T.S.A.s) and “Protected Major Transit Station Areas (P.M.T.S.A.s).
 - Municipalities would be required to update their zoning by-laws to permit transit-supportive densities as-of-right within one year of M.T.S.A. or P.M.T.S.A. approval.
- Streamlining municipal planning responsibilities by:
 - Removing the planning policy and approval responsibility from all upper-tier municipalities in the Greater Toronto Area (including Durham Region), as well as in the Region of Waterloo and the County of Simcoe.
 - Identifying through future regulations which official plans and amendments would be exempt from approval by the Minister of Municipal Affairs and Housing (i.e. which lower-tier plans and amendments of the lower-tier municipality would need no further approval). All official plans and amendments not identified through future regulations as being exempt from approval would need to go to the Minister for approval (i.e. the Minister would become the approval authority for all non-exempt lower-tier official plans and official plan amendments), and the Minister’s decisions are not subject to appeal.

- Limiting third party appeals by:
 - Clarifying that no one other than the applicant, the municipality, certain public bodies and the Province would be allowed to appeal municipal decisions to the O.L.T. This would apply for all planning matters (e.g. official plans, official plan amendments, zoning by-laws, zoning by-law amendments, consents and minor variances).
- Reducing public meetings (plans of subdivision) by:
 - Removing the public meeting requirements for draft plans of subdivision.
- Changes to site plan control by:
 - Exempting all aspects of site plan control for residential development up to 10 units.
 - Limiting the scope of site plan control by removing the ability for municipalities to regulate architectural details and landscape design.
- Streamlining the approval process for Land Lease Communities by:
 - Allowing Land Lease Communities to be approved through site plan control instead of plans of subdivision so that they can leverage a maximum lease period of up to 49 years (up from the maximum permitted 21 years without a land division approval).
- Facilitating aggregate applications by:
 - Removing the two-year freeze on applications to amend new official plans, secondary plans and zoning by-laws in respect of mineral aggregate operations.
- Conservation Authorities by:
 - Limiting Conservation Authority appeals of land use planning decisions (to keep their focus on natural hazards and flooding).
 - Broadening the ability of Conservation Authorities to use an existing streamlined process to sever and dispose of land.
- Parkland by:
 - Updating the maximum alternative parkland dedication rate to:
 - One hectare for each 600 dwelling units for the purposes of land conveyed (from the existing rate of one hectare for each 300 dwelling units); and,
 - One hectare for each 1,000 dwelling units for the purposes of cash payment in-lieu of land (from the existing rate of one hectare for each 500 dwelling units).

- Requiring that no more than 15% of the amount of developable land could be required for parks or other recreational purposes for sites greater than five hectares, and no more than 10% for sites five hectares or less.
- Freezing parkland dedication rates for two years from the date that the relevant application is approved.
- Clarifying that parkland dedication would only apply to new units.
- Clarifying that developers would be able to identify land, including encumbered land and privately owned public spaces, that would count towards municipal parkland dedication requirements.
- Clarifying that, in cases where disputes arise about the suitability of land for parks and recreational purposes, the matter could be appealed to the O.L.T.
- Exempting affordable housing units in a development subject to inclusionary zoning and non-profit housing developments from the parkland dedication requirements. The exemption would be implemented by discounting the maximum parkland rate of 5% of land or its value based on the number of affordable housing units to be built as a proportion of total units in a particular development.
- Requiring municipalities to develop a parks plan before passing a parkland dedication by-law.
- Requiring municipalities to allocate or spend at least 60% of their parkland reserve balance at the start of each year.
- Changes to Community Benefits Charges (“C.B.C.”) by:
 - Clarifying that the maximum C.B.C. payable is based only on the value of land proposed for new development and not the entire parcel that may be already developed.
 - Clarifying that the maximum C.B.C. is discounted by 4% of land value divided by the existing building size, as a proportion of total building square footage.

Attachment 4 provides staff comments on the proposed amendments to the Planning Act under Bill 23.

5.2.2 Proposed Amendments Under Bill 23 to O. Reg. 232/18: Inclusionary Zoning

Inclusionary zoning is a land use planning tool, authorized under the Planning Act, that municipalities may use to require affordable housing units to be included in residential developments of 10 or more units in identified P.M.T.S.A.s or in Community Planning Permit System areas ordered by the Minister. Inclusionary zoning can be a useful tool to facilitate the supply of affordable housing in areas that generally have characteristics such as growth pressures, high housing demand and availability of higher order transit.

The proposed amendments to O. Reg. 232/18 under Bill 23, if passed, would:

- Establish an upper limit on the number of units that would be required to be set aside as affordable, set at 5% of the total number of units (or 5% of the total gross floor area of the total residential units, not including common areas);
- Establish a maximum period of twenty-five years over which the affordable housing units would be required to remain affordable; and,
- Prescribe the approach to determining the lowest purchase price/market rent that can be required for inclusionary zoning units, set at 80% of the average purchase price of ownership units or 80% of the average market rent for rental units. The average purchase price and average market rent will be defined in a new bulletin published by the Ministry of Municipal Affairs and Housing.

Attachment 4 provides staff comments on the proposed amendments to O. Reg. 232/18 under the Planning Act, under Bill 23.

5.2.3 Proposed Amendments to O. Reg. 299/19: Additional Residential Units under Bill 23

The proposed amendments to O. Reg. 299/19 under Bill 23, if passed, would:

- Allow “as-of-right” up to three units per lot in most existing residential areas (e.g. up to three units allowed in the primary building, or up to two units allowed in the primary building and one unit allowed in an ancillary building);
- Supersede local official plans and zoning to automatically apply a Province-wide policy to any parcel of land where residential uses are permitted in settlement areas with full municipal water and sewage services (excepting for legal non-conforming uses such as existing houses on hazard lands); and,
- Prohibit municipalities from imposing development charges, parkland dedication or cash-in-lieu requirements, and from applying minimum unit sizes or requiring more than one parking space per additional unit.

Attachment 4 provides staff comments on the proposed amendments to O. Reg. 299/19 under the Planning Act, under Bill 23.

5.3 Proposed Changes to the Development Charges Act Under Bill 23

The proposed amendments to the Development Charges Act under Bill 23, if passed, would, among other matters, support:

- Setting maximum interest rates for development charge (“D.C.”) freezes and deferrals by:
 - Providing for more consistent municipal interest rate charges that apply during the period that D.C.s are frozen and/or deferred, a maximum interest rate of Canadian

Banks prime rate plus 1% per annum would be set for these periods as of June 1, 2022.

- Clarifying that the municipal interest rate charge would apply to the freeze and deferral period from the date the applicable application is received to the date the development charge is payable.
- Reducing development costs to enable more housing to be built faster by:
 - Applying a discount to required D.C. payments over a five-year period commencing from when rates in a new D.C. by-law come into effect, with the size of the discount decreasing year-by-year. Specifically, in year one (1), all D.C. rates would be discounted by 20%, meaning that a developer would only have to pay 80% of the charge specified in the new D.C. by-law. In year two (2), the size of the discount would decrease to 15%. In year three (3), the size of the discount would decrease to 10%. In year four (4), the size of the discount would decrease to 5%. By year five (5), there would no longer be a discount available, and a developer would be required to pay the full D.C. amount.
 - Updating a D.C. by-law at least once every ten (10) years [currently they are updated every five (5) years].
 - Using a historical service level of fifteen (15) years compared to the current ten (10) years to calculate capital costs that are eligible to be recovered through D.C.s. This would not apply to transit.
 - Removing housing services from the list of eligible services (i.e. D.C.s could no longer be collected for housing services).
 - Removing studies as an eligible capital cost that could be recovered through D.C.s.
 - Requiring a regulation-making authority to prescribe specific services for which the cost of land would not be an eligible capital cost that could be recovered through D.C.s.
- Increasing transparency and accountability in the use of D.C. funds by:
 - Requiring municipalities to allocate or spend at least 60% of their D.C. reserve balance for water, wastewater and roads at the start of each year. A regulation-making authority would be provided to prescribe additional priority services, for which this would apply, in the future.
- Encouraging the supply of rental housing by:
 - Requiring a tiered discount to be provided on D.C.s levied on purpose-built rental units. The discount would be deeper depending on the unit type (i.e. 15% for a 1-bedroom unit or smaller, 20% for a 2-bedroom unit, and 25% for a 3+ bedroom unit).

- Encouraging the supply of affordable housing by:
 - Exempting affordable housing units in a development subject to inclusionary zoning and non-profit housing developments from the payment of D.C.s and C.B.C.s.
 - Requiring a developer to enter into an agreement with a municipality, which may be registered on title, to enforce an affordability period of 25 years and any other applicable terms set out by the municipality.

Attachment 5 provides staff comments on the proposed amendments to the Development Charges Act under Bill 23.

5.4 Proposed Changes to the Ontario Heritage Act Under Bill 23

The goal of the proposed changes to the Ontario Heritage Act is to renew and update heritage policies, some of which have not been reviewed in over a decade. This is in an effort to reduce red tape and remove barriers that are slowing down housing construction and other priority projects while continuing to conserve and commemorate key heritage properties that matter most to local communities.

The proposed amendments to the Ontario Heritage Act under Bill 23, if passed, would, among other matters, support:

- Changes affecting the Standards and Guidelines for Conservation of Provincial Heritage Properties (“S and G.s”) by:
 - Introducing an enabling legislative authority that provides that the process for identifying Provincial heritage properties under the S and G.s may permit the Minister to review, confirm and review the determination of cultural heritage value or interest by a ministry or prescribed public body respecting a Provincial heritage property.
- New requirements for municipal registers and the inclusion of non-designated properties on the municipal register by:
 - Requiring municipalities to make an up-to-date version of the information on their municipal register available on a publicly-accessible municipal website.
 - Allowing for property owners to use the existing process under the Ontario Heritage Act for objecting to the inclusion of their non-designated property on the municipal register regardless of when it was added to the municipal register.
 - Increasing the criteria for including a non-designated property on a municipal register by requiring that the property meet prescribed criteria.
 - Providing opportunities for properties to be removed from the register (e.g. non-designated properties currently listed on a municipal register would have to be removed if council does not issue a notice of intention to designate within two years of the amendments coming into force). Non-designated properties added to the register after the proposed amendment comes into force would have to be removed

if Council does not issue a notice of intention to designate within two years of the property being included. If removed from the register, a property cannot be relisted for a period of five years.

- An increase in the threshold for designation of individual properties and new limitations on designation for properties subject to proposed development by:
 - Increasing the threshold for designation consideration from one criterion to two criteria.
 - Clarifying that municipalities would not be permitted to issue a notice of intention to designate a property under the Ontario Heritage Act unless the property is already on the heritage register when the current 90-day requirement for Planning Act applications is triggered. If a prescribed event occurs with respect to a property, a notice of intent to designate may only be issued if the property was already included in the municipal register as a non-designated property on the date of the prescribed event.
- Changes to Heritage Conservation Districts (“H.C.D.”) by:
 - Requiring municipalities to apply prescribed criteria to determine an H.C.D.’s cultural heritage value or interest, including a requirement for H.C.D. plans to explain how the H.C.D. meets the prescribed criteria.
 - Introducing a regulatory authority to prescribe processes for municipalities to amend or repeal existing H.C.D. designation and H.C.D. plan by-laws.

Attachment 6 provides staff comments on the proposed amendments to the Ontario Heritage Act under Bill 23.

5.5 Proposed Changes to the Conservation Authorities Act Under Bill 23

The Province is proposing a series of legislative and regulatory changes affecting Conservation Authorities to support the Action Plan. The proposed changes would further focus Conservation Authorities on their core mandate, support faster and less costly approvals, streamline Conservation Authority processes and help make land suitable for housing available for development.

The proposed amendments to the Conservation Authorities Act under Bill 23, if passed, would among other matters, address:

- Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario by:
 - Enabling the exemption of development authorized under the Planning Act from requiring a permit under the Conservation Authorities Act in municipalities set out in regulation, where certain conditions are met as set out in regulation.
 - Requiring Conservation Authorities to issue permits for projects subject to a Community Infrastructure and Housing Accelerator order under the Planning Act

and allowing the Minister to review and amend any conditions attached to those permits.

- Conservation Authorities' role in review of development related proposals and applications by:
 - Scoping Conservation Authorities' review and commenting role with respect to development applications and land use planning policies to matters within their core mandate.
- Freezing Conservation Authority fees by:
 - Maintaining Conservation Authority fees charged for programs and services at current levels.
- Identifying Conservation Authority land suitable for housing and streamlining Conservation Authority severance and disposition processes that facilitate faster development by:
 - Requiring Conservation Authorities to prepare a land inventory that identifies Conservation Authority owned or controlled lands that could support housing development.
 - Streamlining processes associated with the disposition of Conservation Authority owned land.
- Certain Regulations by:
 - Making a single Provincial regulation to ensure clear and consistent requirements across all Conservation Authorities while still addressing local differences (currently there are 36 individual regulations under the Conservation Authorities Act).

Attachment 7 provides staff comments on the proposed amendments to the Conservation Authorities Act under Bill 23.

5.6 Review of the P.P.S. and the Growth Plan

The Province released the review of the P.P.S. and the Growth Plan on October 25, 2022, and is providing the opportunity for comments on the proposed changes through E.R.O. posting number [019-6177](https://www.ero.on.ca/019-6177), with comments due December 30, 2022.

The P.P.S. and the Growth Plan both provide comprehensive, integrated, whole-of-government policy direction on land use planning matters including:

- Growth management, housing and economic development;
- Infrastructure planning and investment;
- Protection and management of resources, such as aggregates, natural heritage, water, cultural heritage, recreation and prime agricultural areas; and,

- Protection of public health and safety, such as mitigating potential risks due to natural and human-made hazards.

Both policy documents aim to support the achievement of liveable communities, a thriving economy, a clean and healthy environment and social equity, improving the quality of life for all Ontarians.

The P.P.S. is issued under the Planning Act and is the primary Provincial land use planning policy document, applying across Ontario. The Growth Plan is issued under the Places to Grow Act, 2005 and works with the Greenbelt Plan, Oak Ridges Moraine Conservation Plan and the Niagara Escarpment Plan to provide a more detailed framework for where and how growth should be accommodated in the Greater Golden Horseshoe. All Provincial plans are to be read in conjunction with the P.P.S.

The current land use planning policy framework in Ontario has evolved over the last three decades. As new policy requirements and Provincial plans have been added, longstanding requirements have generally not been removed, particularly for policies that apply to the Greater Golden Horseshoe. What remains is a complex system of overlapping policy instruments that can be difficult to navigate and implement.

The Province is proposing to integrate the P.P.S. and the Growth Plan into a new Province-wide planning policy instrument that:

- Leverages the housing-supportive policies of both policy documents;
- Removes or streamlines policies that result in duplication, delays or burden in the development of housing;
- Ensures key growth management and planning tools are available where needed across the Province to increase housing supply and support a range and mix of housing options;
- Continues to protect the environment, cultural heritage and public health and safety; and,
- Ensures that growth is supported with the appropriate amount and type of community infrastructure.

The core elements of this new policy instrument could include the approaches outlined below:

- Residential Land Supply:
 1. Settlement Area Boundary Expansions – streamlined and simplified policy direction that enables municipalities to expand their settlement area boundaries in a coordinated manner with infrastructure planning, in response to changing circumstances, local contexts and market demand to maintain and unlock sufficient supply of land for housing and future growth.

2. Rural Housing – policy direction that responds to local circumstances and provides increased flexibility to enable more residential development in rural areas, including rural settlement areas.
 3. Employment Area Conversions – streamlined and simplified policy direction that enables municipalities to promptly seize opportunities to convert lands within employment areas for new residential and mixed use development, where appropriate.
- Attainable Housing Supply and Mix:
 1. Housing Mix – policy direction that provides greater certainty that an appropriate range and mix of housing options and densities to meet projected market-based demand and affordable housing needs of current and future residents can be developed, including ground-related housing, missing middle housing, and housing to meet demographic and employment-related needs.
 2. Major Transit Station Areas – policy direction that provides greater certainty that major transit station areas would meet minimum density targets to maximize government investments in infrastructure and promote transit supportive densities, where applicable, across Ontario.
 3. Urban Growth Centres – policy direction that enables municipalities to readily identify centres for urban growth (e.g., existing or emerging downtown areas) as focal points for intensification and provides greater certainty that a sufficient amount of development, in particular housing, will occur.
 - Growth Management:
 1. Population and Employment Forecasts – policy direction that enables municipalities to use the most current, reliable information about the current and future population and employment to determine the amount and type of housing needed and the amount and type of land needed for employment.
 2. Intensification – policy direction to increase housing supply through intensification in strategic areas, such as along transit corridors and major transit station areas, in both urban and suburban areas.
 3. Large and Fast-growing Municipalities – growth management policies that extend to large and fast-growing municipalities both inside and outside of the Greater Golden Horseshoe, including the coordination with major Provincial investments in roads, highways and transit.
 - Environment and Natural Resources:
 1. Agriculture – policy direction that provides continued protection of prime agricultural areas and promotes Ontario’s Agricultural System, while creating increased flexibility to enable more residential development in rural areas that minimizes negative impacts to farmland and farm operations.

2. Natural Heritage – streamlined policy direction that applies across the Province for Ontario’s natural heritage, empowering local decision making, and providing more options to reduce development impacts, including offsetting/compensation.
 3. Natural and human-made hazards – streamlined and clarified policy direction for development in hazard areas, while continuing to protect people and property in areas of highest risk.
 4. Aggregates – streamlined and simplified policy direction that ensures access to aggregate resources close to where they are needed.
 5. Cultural heritage – policy direction that provides for the identification and continued conservation of cultural heritage resources while creating flexibility to increase housing supply.
- Community Infrastructure:
 1. Infrastructure Supply and Capacity – policy direction to increase flexibility for servicing new development (e.g. water and wastewater) and encourage municipalities to undertake long-range integrated infrastructure planning.
 2. School Capacity – coordinated policy direction that ensures publicly funded school facilities are part of integrated municipal planning and meet the needs of high growth communities, including the Ministry of Education’s proposal to support the development of an urban schools’ framework for rapidly growing areas.
 - Streamlined Planning Framework:
 1. Outcomes-Focused – streamlined, less prescriptive policy direction requiring fewer studies, including a straightforward approach to assessing land needs, that is focused on outcomes.
 2. Relevance – streamlined policy direction that focuses on the above-noted land use planning matters and other topics not listed that are also key to land use planning and reflect Provincial interests.
 3. Speed and Flexibility – policy direction that reduces the complexity and increases the flexibility of comprehensive reviews, enabling municipalities to implement Provincial policy direction faster and easier.

E.R.O. posting number [019-6177](#) related to the review of the P.P.S. and the Growth Plan poses five questions for consideration. Attachment 8 provides staff comments on the five questions related to the review of the P.P.S. and the Growth Plan.

5.7 Next Steps

Staff are seeking Council’s endorsement of the staff comments contained in Attachments 4 to 9 of this Report as City comments regarding the various E.R.O. postings concerning proposed changes to the various Acts and regulations through Bill 23 and the Province’s review of the P.P.S. and the Growth Plan.

If endorsed by Council, City staff will share the City's comments with the Province through the respective postings on the E.R.O. website.

In the event Bill 23 receives royal assent, Development Services staff would report back to the Development Services Committee and Council with any necessary amendments to City By-laws to implement the Bill 23 changes, including potential amendments to the City's Zoning By-law, Development Charges By-law, and Parkland Dedication By-law.

6.0 Financial Implications

There are no financial implications associated with the recommendations in this Report.

However, it is clear that the proposed amendments under Bill 23 will impact taxpayers and the City's financial resources.

Staff are unable to provide a specific dollar amount but many of the proposed amendments to the Development Charges Act will result in the general taxpayer paying for growth, rather than growth paying for growth. Removing or restricting a municipality's ability to collect and use D.C.s to fund capital costs will result in the need to fund these costs from the tax levy (i.e. through the taxpayer).

Similarly, if the legislation is enacted, the City would be acquiring less parkland and less cash-in-lieu of parkland, resulting in a greater financial burden that would shift from the developer to the taxpayer in order to maintain the amount of parkland required by the Oshawa Official Plan in new communities.

7.0 Relationship to the Oshawa Strategic Plan

The Recommendations advance the Accountable Leadership goal of the Oshawa Strategic Plan.



Tom Goodeve, M.Sc.Pl., MCIP, RPP, Director,
Planning Services



Warren Munro, HBA, RPP, Commissioner,
Development Services Department

Relevant E.R.O. Posting Details under Bill 23

Legislation/Policy Review	E.R.O. Number	Link	Commenting Deadline
Proposed Planning Act and City of Toronto Act Changes (Schedules 9 and 1 of Bill 23, respectively)	019-6163	https://ero.ontario.ca/notice/019-6163	November 24, 2022
Proposed Planning Act and Development Charges Act Changes: Providing Greater Cost Certainty for Municipal Development-related Charges	019-6172	https://ero.ontario.ca/notice/019-6172	November 24, 2022
Proposed Changes to the Ontario Heritage Act and its regulations (Schedule 6 of Bill 23)	019-6196	https://ero.ontario.ca/notice/019-6196	November 24, 2022
Legislative and regulatory proposals affecting conservation authorities to support the Housing Supply Action Plan 3.0 (proposed changes to the Planning Act and Conservation Authorities Act)	019-6141	https://ero.ontario.ca/notice/019-6141	November 24, 2022
Proposed Amendments to O. Reg. 232/18 (under the Planning Act)	019-6173	https://ero.ontario.ca/notice/019-6173	December 9, 2022
Proposed Amendments to O. Reg. 299/19 (under the Planning Act)	019-6197	https://ero.ontario.ca/notice/019-6197	December 9, 2022
Review of the P.P.S. and the Growth Plan	019-6177	https://ero.ontario.ca/notice/019-6177	December 30, 2022
Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario (proposed changes to the Conservation Authorities Act)	019-2927	https://ero.ontario.ca/notice/019-2927	December 30, 2022

Staff Comments on the Proposed Changes to the Planning Act under Schedule 9 of Bill 23, including proposed Amendments to O. Reg. 232/18 and O. Reg. 299/19

	Description	Staff Comments
1.	<p>Permitting “as-of-right” zoning to allow up to three residential units per lot in existing residential areas, either through the conversion of existing buildings or the development of new purpose built duplexes or triplexes.</p> <p>New units built under this as-of-right permission would be exempt from requiring more than one additional parking space and/or minimum unit sizes in respect of any additional unit in a primary building and any unit in an ancillary structure.</p> <p>This proposed change is also captured specifically under the proposed amendments to O. Reg. 299/19.</p>	<p>Staff support the development of a wide range of housing options for residents, which is important for a healthy housing system. A full range and mix of housing, including affordable housing, is necessary to accommodate a range of incomes and household sizes. The promotion of the "missing middle" and “gentle density” forms of residential development (including duplexes, triplexes, accessory detached units and accessory apartments) should be focused on.</p> <p>As well, many of these types of units can provide more housing options for seniors or persons needing semi-independence, including the potential to turn them into accessible units.</p> <p>However, more thought should be given to where “as-of-right” zoning should be permitted such as in strategic growth areas that are transit-supportive and have service capacity to support infill development.</p> <p>Existing low density residential neighbourhoods that are not well-connected to public transit or active transportation networks could theoretically see every single lot intensified to include three units instead of one, which could change the character of many neighbourhoods and may lead to servicing and planning issues (e.g. parking constraints, areas underserved by transit, additional strain on existing regional and city services such as sanitary, water and parks, etc.).</p> <p>Staff are concerned that this amendment could lead to significant parking issues in certain areas of the City. Without requiring more than one parking space for each additional unit, more residents who choose to own a vehicle, or who need to own a vehicle due to lack of access to public transit, may be forced to park on the street and/or in areas where on-street parking is</p>

	Description	Staff Comments
		<p>already constrained. This could result in winter road maintenance issues and enforcement issues due to parking “spillover” in neighboring areas. This may also lead to safety concerns if emergency vehicles do not have enough space to drive through a street that is congested with parked cars.</p> <p>Clarity should be provided as to whether current municipal parking requirements would continue to apply to the existing primary unit, or if just one parking space is required for the existing primary unit. Staff note that if current parking requirements are maintained for existing primary units, and these standards require more than one space, there would be an incentive to demolish existing housing stock and build a new structure, where each unit would require just one parking space. The fact that demolition and rebuilding creates a much larger carbon footprint than adapting existing housing stock should also be considered.</p> <p>Allowing property owners to convert their existing homes to duplexes or triplexes without any required planning approvals may discourage those owners from selling their land to developers seeking to assemble/consolidate lands and redevelop at larger, more efficient and denser scales in strategic growth areas (e.g. Urban Growth Centres, M.T.S.A.s, etc.). As a result, this proposed change could inadvertently prevent these areas from achieving their full development potential over the short and medium term.</p> <p>Finally, the reduction in parking appears to be a 416 solution being applied to the 905. During interviews with members of Council on the City of Oshawa Parking Study, which will also be on the November 21, 2022 Council Agenda, many members of Council expressed concerns with reducing the parking requirements along transit routes and in intensification areas.</p>
2.	Implementing “as-of-right” zoning for transit supportive densities in specified areas around transit stations.	Staff support permitting higher densities in specified areas around transit stations. However, requiring municipalities to update their zoning by-laws to permit transit supportive densities in these areas within one year of M.T.S.A. or P.M.T.S.A. approval is likely not achievable, owing to staffing levels,

	Description	Staff Comments
	<p>Municipalities would be required to update their zoning by-laws to permit transit-supportive densities as-of-right within one year of M.T.S.A. or P.M.T.S.A. approval.</p>	<p>resource constraints and the Province’s own requirements under the Planning Act.</p> <p>It is important to note that the City has already retained a consultant to undertake the Central Oshawa Major Transit Station Area Land Use and Transportation Master Plan, and Municipal Class Environmental Assessment for the Central Oshawa M.T.S.A. (the “Study”). This proposed change to the Planning Act will impact the intended scope of work and work schedule for the completion of the Study. In order to meet the Province’s deadline for bringing forward Zoning By-law Amendments for the Central Oshawa M.T.S.A., the City may need to condense the public consultation component of the Study schedule. It is also important to note that any Zoning By-law Amendments brought forward by the City for the Central Oshawa M.T.S.A. cannot be appealed by impacted landowners or area residents. Rather, only certain public bodies and the Province will have an opportunity to appeal the City-initiated Zoning By-law Amendments for the Central Oshawa M.T.S.A.</p> <p>Staff note that the Region of Durham is awaiting Provincial approval on Regional Official Plan Amendment (R.O.P.A.) 186, which delineates the boundaries of P.M.T.S.A.s in Durham Region (including two in the City of Oshawa). If at all possible, it is requested that the Province provide an estimated timeline for approval of R.O.P.A. 186, in order that City staff may factor this into their annual work plans.</p>
3.	<p>Removing the planning policy and approval responsibility from all upper-tier municipalities in the Greater Toronto Area, as well as in the Region of Waterloo and the County of Simcoe.</p> <p>Future regulations would identify which official plans and amendments would not require approval by the Minister of Municipal Affairs and Housing (i.e. which lower-tier</p>	<p>Staff note that the City of Oshawa already has delegated authority on a number of planning matters in which Regional approval is not required (e.g. subdivisions, rezoning, condominium and part-lot control). However, it is standard practice to consult with the Region even on matters that do not require Regional approval.</p> <p>If Regional approval was no longer required for official plans and official plan amendments, staff would still need to continue the practice of consulting with the Region on growth-related matters, as these are intrinsically linked to</p>

	Description	Staff Comments
	plans and amendments of the lower-tier municipality would need no further approval).	<p>servicing, which is a Regional responsibility and needs to be coordinated on a cross-jurisdictional basis.</p> <p>Further, more clarity is requested regarding how the Province would determine which official plans and official plan amendments would not require approval by the Minister of Municipal Affairs and Housing.</p> <p>Lastly, staff note that extensive work has already been undertaken by the Region of Durham on “Envision Durham”, the Region’s Municipal Comprehensive Review (“M.C.R.”). Rather than waste the time, effort and financial resources such as taxpayer dollars that have already been expended to bring the M.C.R. to its current advanced stage, appropriate transition policies should be implemented. This would allow Durham’s area municipalities to inherit and build off of this work, thereby facilitating the required updates to their own official plans. To do otherwise, is contrary to the Province’s supposed principal of streamlining development.</p>
4.	No one other than the applicant, the municipality, certain public bodies and the Province would be allowed to appeal municipal decisions to the O.L.T.	<p>This proposed amendment removes the appeal rights for residents and community groups. Ultimately, members of the public would not be allowed to appeal a development that they oppose. This could lead to greater public pressure on elected officials to make decisions that do not necessarily reflect the tenets of good planning, and such decisions would more likely be appealed by the applicant. In such instances, it is probable that municipal staff would not be in a position to support council’s decision, resulting in the need to engage external professional witnesses at extra cost to the municipality and the taxpayer.</p> <p>However, limiting appeals would reduce staff’s time spent on O.L.T. matters (e.g., reporting to Council on direction, preparing and attending appeal hearings, etc.), freeing up staff’s time to work on other planning matters. On the other hand, in the short term, it would require staff time to update planning documents and templates to change the references regarding who can appeal planning decisions.</p>

	Description	Staff Comments
		<p>Lastly, it is important to note that existing appeals that have already been submitted to the O.L.T. but which have not yet been scheduled for a hearing are proposed to be automatically dismissed if Bill 23 receives royal assent and comes into effect, unless the appellant is one of the groups identified under Bill 23 as retaining appeal rights.</p>
5.	<p>Removing the public meeting requirements for draft plans of subdivision.</p>	<p>Clarity is requested to determine whether or not a municipality still has the ability to request a public meeting, even if it is not required. As well, clarity is requested to determine whether or not an application for a draft plan of subdivision which is accompanied by a related application still requires a public meeting (e.g., if an application to amend the zoning by-law is submitted together with an application for a proposed draft plan of subdivision).</p>
6.	<p>Exempting all aspects of site plan control for residential development up to 10 units.</p>	<p>A building for residential purposes containing ten units or less will no longer be identified as “development” under the Planning Act, and thus, no longer subject to site plan control. However, it is not clear if this applies to mixed use buildings where the building contains both non-residential and residential uses consisting of ten or less residential units. Accordingly, clarification is requested to determine whether or not this also applies to mixed use buildings containing fewer than eleven (11) residential units.</p> <p>Staff note that this amendment may have unintended consequences by encouraging more development of small apartments (with ten units or less), owing to the fact that they would not be subject to site plan control, and discouraging developers from building larger buildings with more units in an area where higher density is permitted, in order to avoid applying for site plan approval.</p> <p>The City’s zoning by-law may also need to be amended to further regulate residential uses with ten units or less, as they will no longer be regulated through site plan control.</p> <p>This will also impact waste collection. Currently, residential buildings with eight units or less can have curbside waste collection. Buildings with nine or more units cannot have curbside collection and need either municipal on-site</p>

	Description	Staff Comments
		<p>collection or private collection. For municipal collection, a safe waste collection route must be available on site, otherwise a private company will be required to collect the waste (which can be costly). If there is no longer a site plan control requirement for buildings with nine or ten units and thus no one reviewing for adequate waste collection space, a developer may not realize this until it is too late (and then would be responsible for paying for private waste collection).</p> <p>Similarly, this would also have implications for waste storage. Residential buildings must have sufficient space to store their waste and if no one is reviewing this as part of the site plan process, it may get overlooked.</p>
7.	Limiting the scope of site plan control by removing the ability for municipalities to regulate architectural details and landscape design.	<p>Planning staff routinely comment on site plans, which include comments related to building and site aesthetics (e.g., architectural details and landscape design). If staff are no longer able to comment on these features, significant negative ramifications are likely to arise, including, but not necessarily limited to, the following:</p> <ul style="list-style-type: none"> ▪ The public realm could be significantly impacted, including the public/private interface along a street front. Streetscapes, parks and other important components of the public realm may be juxtaposed with development featuring an austere, monolithic and an overall unwelcoming aesthetic. Given that Bill 23 will constrain the ability of municipalities to provide parkland sufficient to meet the needs of ever increasing numbers of residents, particularly in higher density residential developments, the realm streetscapes will become that much more important as areas for residents to be able to enjoy. Appropriate design (through the review of architectural details and landscape design) assist to create a “pride of place” amongst a community, which is essential to maintaining vibrant, healthy neighbourhoods. ▪ It is a well-known fact that the attractiveness of a street or route will dictate to a large extent whether or not people choose to walk or cycle as a mode of travel. Streets or routes fronted by stark, unwelcoming

	Description	Staff Comments
		<p>facades and lacking integrated and planned landscaping will deter people from choosing to walk or cycle.</p> <ul style="list-style-type: none"> ▪ Municipalities would be constrained in their ability to implement green development standards, which are designed to address energy efficiency and climate change in new development. ▪ Without the ability to regulate landscape design, the ability to mitigate urban heat island effects will be constrained, as well the ability to protect, maintain and enhance the urban forest canopy, which provides a critical cooling function. ▪ Buildings could be constructed that are not sensitive to the existing character of the area in which they are situated (such as next to sites designated under Part IV or V of the Ontario Heritage Act). ▪ The review of architectural details and landscape design as part of the overall site plan review does not typically take a long time to complete. Staff see no value or direct impact to increasing housing supply in limiting the scope of site plan control by removing a municipality's ability to regulate architectural details and landscape design.
8.	<p>Limiting conservation authority appeals of land use planning decisions (to keep their focus on natural hazards and flooding).</p> <p>Broadening the ability of conservation authorities to use an existing streamlined process to sever and dispose of land.</p>	<p>Please see comments related to Conservation Authorities in Attachment 7.</p>
9.	<p>Updating the maximum alternative parkland dedication for land conveyed from the current rate of one hectare for each 300 dwelling units to one hectare for each 600 dwelling units.</p>	<p>Staff have significant concerns with this proposed amendment. This cuts the amount of parkland that a City can collect (or money that a City can collect to be used to acquire parkland) in a residential development by 50%. It could lead to a reduction and/or shortage of recreational services and access to park space. This is not appropriate, as the COVID-19 pandemic has shown us that access to recreational services and especially to park</p>

	Description	Staff Comments
	<p>Updating the maximum alternative parkland dedication for cash payment in lieu of land from the current rate of one hectare for each 500 dwelling units to one hectare for each 1,000 dwelling units.</p>	<p>space is essential to the health, including mental health, and well-being of all residents.</p> <p>In addition, the delivery of higher density developments (which typically are unable to provide programmable amenity space, such as sports fields) should be supported by an increase in parkland in order to ensure sufficient parkland is available to match the increased number of residents.</p> <p>It is important to point out that all Ontario municipalities were required to update/replace their parkland dedication by-laws by September 18, 2022, as a result of changes to the Planning Act through Bill 197, COVID-19 Economic Recovery Act, 2020. The time, effort and financial resources committed by each municipality in order to update their respective parkland dedication by-laws in accordance with Bill 197, including consultation with the public, development community and other stakeholders, would be lost, essentially amounting to a wasted effort including a waste of taxpayer dollars. The City will be required to yet again amend its Parkland Dedication By-law to implement the Bill 23 changes to the Planning Act.</p>
10.	<p>No more than 15% of the amount of developable land (or equivalent value) could be required for parks or other recreational purposes for sites greater than five hectares and no more than 10% for sites five hectares or less.</p>	<p>This will limit the City's ability to acquire, plan for and develop parks of all sizes, but especially larger scale Community or City-sized parks.</p> <p>This would also lead to increased costs for the City. If the City does not receive a sufficient amount of parkland due to these imposed limits, and if there are no development lands nearby to consolidate/merge with, the City may need to purchase extra land to ensure adequate parkland is available. However, the City may not have sufficient funds to purchase additional parkland owing to reduced cash-in-lieu requirements as a result of the proposed amendments under Bill 23.</p> <p>The process to assemble lands for parks purposes would also become protracted, resulting in residents having reduced or no opportunities for recreational use of parks in their neighbourhood. This, in turn, would require residents to leave their neighbourhoods to use existing parks elsewhere that are of a size capable of accommodating programmed space such as sports fields.</p>

	Description	Staff Comments
11.	Parkland dedication rates would be frozen for two years from the date the relevant application is approved.	The value of land continues to rise every year and freezing parkland dedication rates for two years from the date that relevant applications are approved may contribute to the City losing out (or getting behind) on parkland dedication in the future.
12.	<p>Developers would be able to identify land, including encumbered land and privately owned public spaces, that would count towards municipal parkland dedication requirements.</p> <p>In cases where disputes arise about the suitability of land for parks and recreational purposes, the matter could be appealed to the O.L.T.</p>	<p>Staff have significant concerns with this proposed amendment. Encumbered lands are not suitable spaces for parks and the recreational services that will be needed to support expanded demand for recreational space, particularly space that can be actively programmed, resulting from intensification and higher density development. Privately-owned public spaces are also typically not truly “public” in nature, and access is often limited to the residents of the particular development having the amenity space. Being privately owned, control and access would not reside with the municipality, and could be altered over time.</p> <p>Staff note that in the event a municipality does not want to accept encumbered lands as part of parkland dedication, the developer can appeal to the O.L.T. This could lead to more staff time and resources being spent on O.L.T. hearings, rather than planning matters. Staff is of the opinion that encumbered land and privately owned public spaces should not become eligible to satisfy parkland dedication requirements.</p>
13.	Establish an upper limit on the number of units that would be required to be set aside as affordable, set at 5% of the total number of units (or 5% of the total gross floor area of the total residential units, not including common areas) (under O. Reg. 232/18)	<p>Staff recommend removing an upper limit on the number of units that would be required to be set aside as affordable, and instead implement a minimum number of units to be required to be set aside as affordable.</p> <p>Staff also note that implementation and monitoring of inclusionary zoning may be a challenge to municipalities as the municipality would have to have in place agreements with the developer and be responsible for monitoring implementation, which could require additional resources.</p>

Staff Comments on the Proposed Changes to the Development Charges Act under Schedule 3 of Bill 23

	Description	Staff Comments
1.	<p>The proposed changes to the Development Charges Act as a whole.</p>	<p>Municipalities are able to set and collect D.C.s in order to cover the costs of providing the infrastructure necessary to support new growth in communities and to ensure that taxpayers are not subsidizing that growth. However, many of the proposed amendments to the Development Charges Act will result in the taxpayers paying for growth, rather than growth paying for growth. Removing or restricting a municipality’s ability to collect and use D.C.s to fund capital costs will result in the need to fund these costs from the tax levy (i.e. through the taxpayer). Ultimately, taxpayers will be subsidizing new development in the City. This can also force municipalities to reduce service levels, potentially impacting the health, including mental health, and safety of residents.</p> <p>If these proposed amendments are implemented, the Province will need to provide financial support to municipalities to offset the losses that municipalities will face as a result of these changes.</p>
2.	<p>For all D.C. by-laws passed after June 1, 2022, development charges must be phased-in annually over the first five (5) years the by-law is in force as follows:</p> <ul style="list-style-type: none"> ▪ Year one (1) – 80% of the maximum charge; ▪ Year two (2) – 85% of the maximum charge; ▪ Year three (3) – 90% of the maximum charge; 	<p>The City’s D.C. By-law does not expire until 2024. However, once a new D.C. by-law is enacted, reduction of D.C.s in the first four years would significantly impact the City’s cash flow and will result in lost revenue over the first four years of the by-law period.</p>

	Description	Staff Comments
	<ul style="list-style-type: none"> ▪ Year four (4) – 95% of the maximum charge; and, ▪ Year five (5) to expiry – 100% of the maximum charge. 	
3.	Updating D.C. by-laws at least once every ten (10) years [instead of once every five (5) years].	Reviewing and updating the City's D.C. by-law every ten (10) years [instead of every five (5) years] could result in cash flow implications, with the potential to collect inadequate D.C.s should growth related projects be required that were not in the original D.C. Background Study. Construction prices are volatile and can rise rapidly in a short period of time.
4.	Use a historical service level of fifteen (15) years compared to the current ten (10) years to calculate capital costs that are eligible to be recovered through D.C.s.	This could result in lower historical service levels, which would ultimately result in a lower cap on the D.C.s collected, in particular for parks related projects.
5.	Studies would no longer be an eligible capital cost that could be recovered through D.C.s.	There are multiple studies included in the City's D.C. Background Study that total approximately \$1 million in D.C. eligible costs (e.g. 2023 D.C. Background Study, Official Plan Review, Asset Management, Transportation Master Plan, Parks, Recreation, Library and Culture Facility Needs Assessment, Mobility Hub Transportation and Land Use Study, and Grade Separation Study). The cost of these vital studies would ultimately become taxpayer obligations and would have to be funded from the tax levy.
6.	Municipalities would be required to allocate or spend at least 60% of their D.C. reserve balance for water, wastewater and roads at the start of each year.	Municipalities have the ability to use their reserves to purchase land or build infrastructure, which can be very expensive. However, if a municipality was required to spend their reserve by 60% ever year, it could be a challenge for many municipalities to save money for a specific, more expensive infrastructure project or study (if eligible). For example, the Britannia Avenue West Bridge is expected to cost \$14.5 million. Staff therefore support the proposal to enable municipalities to allocate rather than have to spend 60% of their D.C. reserve in any given year.

	Description	Staff Comments
		Staff note that a large percentage of the City's reserve balance is already allocated to projects every year and as a result, staff have no concerns with the wording related to allocating reserve balances.
7.	<p>Permitting "as-of-right" zoning to permit up to three residential units per lot in many existing residential areas.</p> <p>New units built under this permission would be exempt from D.C.s, C.B.C.s, and parkland dedication.</p>	Staff note that the City of Oshawa already exempts new units added to an existing house to create two-unit houses, as well as duplexes and triplexes from D.C.s and parkland dedication. More clarity is needed as to whether D.C.s are exempt for new purpose built duplexes and triplexes under the "as-of-right" zoning being implemented through Bill 23.
8.	<p>A tiered discount would be provided on D.C.s levied on purpose-built rental units. The discount would be deeper depending on the unit type (i.e. 15% for a 1-bedroom unit or smaller, 20% for a 2-bedroom unit, and 25% for a 3+ bedroom unit).</p>	Limiting the amount of D.C.s the City can collect will result in lost revenue, which will have to be made up through property taxes. This transfers the burden of paying for infrastructure from the development charge regime to the property tax regime. Although a tiered discount on development charges may encourage the development of more purpose-built rental units, it will not necessarily result in a reduction of rental rates. There is no legislation being proposed through Bill 23 that would require a developer of purpose-built rental units to lower their rental rates where D.C. discounts are offered.
9.	<p>Affordable housing units in a development subject to inclusionary zoning and non-profit housing developments would be exempt from D.C.s and C.B.C.s.</p>	<p>The City currently exempts non-profit housing from D.C.s. However, the exemption of affordable housing units in a development subject to inclusionary zoning will limit the City's ability to collect D.C.s.</p> <p>Exempting units from D.C.s will result in lost revenue, which will have to be made up through property taxes. This transfers the burden of paying for infrastructure from the development charge regime to the property tax regime.</p>
10.	<p>Maximum C.B.C. payable to be based only on the value of land proposed for new development, not the entire parcel that may have existing development.</p>	The City is in the process of developing a C.B.C. As a result of this proposed change, the City may need to review its processes to determine how this might impact the City's C.B.C.

Staff Comments on the Proposed Changes to the Ontario Heritage Act under Schedule 6 of Bill 23

	Description	Staff Comments
1.	Requiring municipalities to make an up-to-date version of the information on their Municipal Register available on a publicly-accessible municipal website.	Staff have no concerns with this, as the City's Municipal Register is already posted on the City's website (located within the City's Heritage Oshawa Inventory of City of Oshawa Heritage Properties).
2.	Increasing the criteria for including a Register, Non-designated property on a Municipal Register by requiring that the subject property meet a prescribed criteria.	Staff do not support this proposed amendment. In order to determine whether or not a Register, Non-designated property meets a prescribed criteria, research would be required. The City would have to either hire a qualified heritage consultant to prepare a heritage research report, or retain a staff member certified by the Canadian Association of Heritage Professionals, both which would result in increased costs to the City. It would also lengthen the process to add a Register, Non-designated property onto the Municipal Register, given conducting research could take between 6 to 12 months, per property.
3.	Register, Non-designated properties currently listed on the Municipal Register must be removed from the Municipal Register if Council does not issue a notice of intention to designate within two years of placement on the Municipal Register. If removed from the Municipal Register, a property cannot be relisted for a period of five years.	<p>Staff do not support this proposed amendment. Two years is not a timeframe of sufficient duration during which to issue a notice of intent to designate all Registered, Non-designated properties currently listed on the Municipal Register. There are many factors that could delay this process, including time needed to undertake heritage research for multiple properties and to have discussions with the various property owners, constraints on the availability of qualified researchers, the need to attend to other planning matters, etc.</p> <p>Staff note that in the event a property does not meet the two-year deadline and is removed from the Municipal Register, the property cannot be relisted for five years. This is also concerning as once the property is removed from the Municipal Register, there will be no heritage protection and the</p>

	Description	Staff Comments
		<p>property would be more susceptible to demolition, leading to a significantly increased risk of heritage loss in the City.</p> <p>The foregoing will also result in additional administrative costs and staff time, owing to the fact that these timelines will need to be monitored, potentially for a high volume of properties.</p>
4.	<p>Municipalities would not be permitted to issue a notice of intention to designate a property under the Ontario Heritage Act unless the property is already on the heritage register when the current 90-day requirement for Planning Act applications is triggered. If a prescribed event occurs with respect to a property, a notice of intent to designate may only be issued if the property was already included in the Municipal Register as a Register, Non-designated property on the date of the prescribed event.</p>	<p>Clarity is requested to determine what is meant by a “prescribed event” (i.e. is it just a Planning Act application or some other trigger, such as an application for demolition)?</p> <p>This proposed amendment could result in a decrease in the amount of properties designated in the City, as well as lead to a greater risk of the demolition of properties with potential for designation. Adding a property to the Municipal Register requires Council approval and heritage research by a qualified individual, which takes significant time and resources. The City has many properties that contain cultural and heritage value, with potential to meet the requirements of heritage designation. There are insufficient staff resources and budget to go through all of these properties to determine whether or not they should be added to the Municipal Register. If a Planning Act application is received and the property is not already listed on the Municipal Register, there would be insufficient time to get it onto the Municipal Register, thus leaving the property susceptible to demolition.</p>
5.	<p>Requiring municipalities to apply prescribed criteria to determine an H.C.D.’s cultural heritage value or interest, including a requirement for H.C.D. plans to explain how the H.C.D. meets the prescribed criteria.</p>	<p>Staff support this proposed amendment. Requiring municipalities to apply prescribed criteria to determine an H.C.D.’s cultural heritage value or interest would be helpful in determining whether or not a proposed H.C.D. merits an H.C.D. designation. This would be consistent with Part VI of the Ontario Heritage Act and the use of Ontario Regulation 9/06.</p> <p>However, more clarity is needed to determine what the prescribed criteria will be.</p>
6.	<p>Introducing a regulatory authority to prescribe processes for municipalities to</p>	<p>There is currently no process to amend or repeal an H.C.D. designation. Staff support introducing a process to amend an H.C.D. designation and</p>

	Description	Staff Comments
	amend or repeal existing H.C.D. designation and H.C.D. plan by-laws.	H.C.D. plan by-law, but do not support introducing a process to repeal an H.C.D. designation and H.C.D. plan by-law. H.C.D. studies and plans can take several years to prepare, require extensive public consultation, and cost tens of thousands of dollars. It would represent a waste of resources to go through the effort of designating an H.C.D. to then repeal it.

Staff Comments on the Proposed Changes to the Conservation Authorities Act under Schedule 2 of Bill 23

	Description	Staff Comments
1.	<p>Enable the exemption of development authorized under the Planning Act from requiring a permit under the Conservation Authorities Act in municipalities set out in regulation, where certain conditions are met as set out in regulation.</p>	<p>This proposed amendment means that permits will not be required within regulated areas (including wetlands) for activity that is part of a development authorized under the Planning Act. By issuing development permits, Conservation Authorities are able to regulate various projects and advise applicants on the best way to complete their projects to minimize impacts on the watershed and protect the safety of people and their property in relation to flooding and erosion.</p> <p>This ultimately prohibits Conservation Authorities' power to protect watersheds and the community. It would leave large swaths of land unprotected and/or vulnerable to flooding and erosion.</p>
2.	<p>Scope Conservation Authorities' review and commenting role with respect to development applications and land use planning policies to matters within their core mandate.</p>	<p>Staff do not support this proposed amendment.</p> <p>The majority of the City of Oshawa falls within the jurisdiction of the Central Lake Ontario Conservation Authority (C.L.O.C.A.), with a very small northern portion of the City falling within the jurisdiction of the Kawartha Region Conservation Authority. C.L.O.C.A.'s mandate crosses across municipal boundaries and provides science-based expertise on watershed management and the natural environment, amongst other matters. Conservation Authorities have developed a highly integrated and effective environmental planning regime in Ontario through partnerships between themselves and municipalities.</p> <p>Restricting a Conservation Authority's ability to comment on development applications and land use planning policies will result in a loss of expertise. Municipalities will be left with no natural heritage expertise when it comes to reviewing planning applications, and will also prevent municipalities from having Conservation Authorities provide consulting and peer review functions. As a result, municipalities may have to hire third-party peer</p>

	Description	Staff Comments
		review consultants on an ad hoc basis or hire in-house ecologists to assist planners with the review of development applications and land use planning policies from an environmental perspective, which would result in additional costs to municipalities and ultimately its taxpayers.
3.	<p>Requiring Conservation Authorities to prepare a land inventory that identifies Conservation Authority owned or controlled lands that could support housing development.</p> <p>Streamline processes associated with the disposition of Conservation Authority owned land.</p>	<p>Staff do not support this amendment.</p> <p>Typically, Conservation Authorities are not permitted to sell off conservation lands for development. However, this proposed amendment would allow for the sale of conservation lands (though a specific disposition process would have to be followed which would include a consultation period). This is extremely problematic and puts conservation lands at risk for destruction and loss. The Province and municipalities should focus its efforts on protecting conservation lands to remain as such. The focus should be on using land elsewhere to accommodate future housing growth, especially given that a lot of future growth will come from adding “gentle density” or infill in existing residential areas.</p>
4.	<p>Making a single Provincial regulation to ensure clear and consistent requirements across all Conservation Authorities while still addressing local differences.</p>	<p>There could be significant impacts if the work done by all of the Conservation Authorities in Ontario shift to municipalities of different sizes and staffing levels, owing to the fact that municipal boundaries aren't necessarily the most effective way to plan for the natural environment. For example, one must look at the larger watershed to determine the impacts of development.</p>

Staff Comments on the Review of the P.P.S. and the Growth Plan under Bill 23

	Question (as posed in E.R.O. Posting Number 019-6177)	Staff Comments
1.	What are your thoughts on the proposed core elements to be included in a streamlined Province-wide land use planning policy instrument?	<ul style="list-style-type: none"> <li data-bbox="877 440 1944 743">▪ Staff note that the current P.P.S. is just over two years old and the current Growth Plan was issued in August 2020 following previous significant revisions in 2019 and 2017. Now both the P.P.S. and Growth Plan are proposed to be replaced by another planning policy instrument. These frequent revisions and issuances of Provincial land use planning policies have created uncertainty regarding land use planning policy direction and require implementing bodies to continually revise their work plans for effective local implementation. The Province should commit to policy certainty for a defined period of time following the issuance of the new planning policy instrument to allow municipalities and others the ability to focus on implementation with certainty. It would also provide time to analyze the implementation of the P.P.S. rather than undertaking what appears to be a knee-jerk reaction. <li data-bbox="877 1003 1944 1284">▪ Subject to the foregoing, staff support the integration of the P.P.S. and the Growth Plan into one new Province-wide planning policy document. However, there needs to be a balance of increasing housing supply and supporting a range and mix of housing options with protecting and managing resources, the natural environment and public health and safety. Increasing the supply of housing and supporting a diversity of housing types is important, but should not come at the expense of the environment. <li data-bbox="877 1312 1944 1414">▪ Staff support the general idea of the six proposed core elements (residential land supply, attainable housing supply and mix, growth management, environment and natural resources, community

	Question (as posed in E.R.O. Posting Number 019-6177)	Staff Comments
		<p>infrastructure and a streamlined planning framework). More specifically, staff support the idea of streamlining and simplifying policy direction, as well as policy direction that allows for flexibility and takes into account local circumstances.</p>
2.	<p>What land use planning policies should the government use to increase the supply of housing and support a diversity of housing types?</p>	<ul style="list-style-type: none"> ▪ The following are some land use policies that the government should use to increase the supply of housing and support a diversity of housing types: <ul style="list-style-type: none"> - Permitting more housing types in certain residential areas and encouraging “gentle density” (while still carefully considering how this will affect neighbourhoods); - Encouraging and planning for growth in strategic growth areas (e.g. Urban Growth Centres, M.T.S.A.s, etc.); - Implementing robust intensification and density targets; - Implementing policies to ensure that development of lower density development in Greenfield areas proceeds in tandem with higher density development within Built-up Areas, and to give municipalities the ability to regulate the issuance of approvals for lower density development in the event such development outpaces the delivery of a certain level of medium and high density development. - Encouraging the development of complete communities; and, - Requiring municipalities to undertake intensification studies to determine where new development opportunities may exist to accommodate future growth. ▪ City staff have initiated an Intensification Study, which will focus on creating new development opportunities through the intensification of already built-up areas and reducing reliance on the development of Greenfield areas to accommodate growth in the City. The purpose of this study is to identify locations in Oshawa that are ideally suited to

	Question (as posed in E.R.O. Posting Number 019-6177)	Staff Comments
		<p>accommodate intensification of varying degrees/scales and to establish criteria to guide the assessment of proposals for intensification projects.</p> <ul style="list-style-type: none"> ▪ Staff note that with an aging population, it is important to also consider the inclusion of policies related to providing accessible and affordable housing for persons with disabilities and for persons who may have mobility challenges, many of whom are seniors. ▪ In addition to land use planning policies, the Province needs to provide financial assistance to municipalities to assist with increasing the supply of housing and supporting a diverse mix of housing types.
3.	How should the government further streamline land use planning policy to increase the supply of housing?	<ul style="list-style-type: none"> ▪ Comprehensive up-to-date implementation guidance with ongoing implementation support would further streamline land use planning policy. If a new Provincial planning policy instrument is issued, comprehensive and precise implementing guidance must be provided concurrently with the issuance of the new policy document, to show how that policy is to be implemented in various contexts.
4.	What policy concepts from the P.P.S. and the Growth Plan are helpful for ensuring there is a sufficient supply and mix of housing and should be included in the new policy document?	<ul style="list-style-type: none"> ▪ The following are some key policy concepts from the P.P.S. and the Growth Plan that are helpful for ensuring there is a sufficient supply and mix of housing and should be included in the new policy document: <ul style="list-style-type: none"> - Identification of strategic growth areas; - Establishment of intensification and density targets; - Developing a standardized methodology for assessing land needs; - The ability for potential settlement area boundary expansions (with proper rationale); - Policies aimed to achieve efficient and resilient development and land use patterns; - Policies that promote intensification; and,

	Question (as posed in E.R.O. Posting Number 019-6177)	Staff Comments
		<ul style="list-style-type: none"> - Policies that promote a diverse range and mix of housing options. ▪ Implementing density targets are helpful as they provide a measurable criterion to assist with growth. However, not all communities are the same and one standard density target across the Greater Golden Horseshoe is not realistic, given differing populations, market conditions, etc. Specific to Greenfields, it is appropriate to consider a lower minimum density target than the existing fifty (50) residents and jobs combined per hectare in areas containing former rural settlements, whose character and built form it is desirable to protect. In this regard, staff note that on March 28, 2022, pursuant to Item DS-22-58, City Council passed a motion to request the Province to allow lower-tier municipalities to implement lower minimum density targets in terms of combined jobs and population in designated Greenfield areas where preservation of the existing characteristics of a former rural settlement, such as the former hamlet of Columbus, is desirable, and to allow the municipality to exclude the area of the former rural settlement for the purposes of calculating the population density targets in the Provincial Growth Plan. ▪ As noted above, targets are helpful in measuring growth. In the existing Growth Plan, the delineated built boundary assists with measuring intensification targets within a municipality. If the built boundary concept is included in a new policy document, it is recommended that municipalities are given the authority to adjust the built boundary as growth occurs, rather than the Province having to approve any changes to the boundary.
5.	What policy concepts in the P.P.S. and the Growth Plan should be streamlined or not included in the new policy document?	Staff have no comments.

General Staff Comments on Bill 23

	Description	Staff Comments
1.	Length of consultation	<p>It is problematic for the Provincial government to provide stakeholders with only 30 days to comment on some of the matters under Bill 23. There are multiple proposed amendments to a number of Acts and regulations, as well as a review of various housing and land use policies, which will have significant impacts on all stakeholders, including municipalities. Not only is there a substantial amount of material to review, but municipalities across Ontario recently held their municipal elections. The consultation period does not make allowances for the fact that every municipality has a new Council that is getting settled, standing committees are being formed, and that staff need enough time to properly respond and prepare a report to their respective Committees and Councils to prepare them for the Province's significant changes to the legislative framework of municipal planning approvals.</p> <p>Staff request that the consultation period be extended until the end of the 1st quarter of 2023.</p>
2.	Municipal housing targets	<p>The draft proposed target for the City of Oshawa is to build 23,000 units by 2032. This would require the City to issue building permits for 2,300 units each year for the next ten years, assuming that the development industry has access to the resources and skills required to deliver new housing at such a level.</p> <p>Staff are concerned that the City may not be able to achieve this target. The City has never achieved a building permit issuance rate of 2,300 units in a year. In 2021, the City issued permits for 1,321 new dwelling units and in the last ten years, the greatest</p>

	Description	Staff Comments
		<p>number of permits issued for new dwelling units was 1,754 units in 2017.</p> <p>This current year (2022) will be the highest year for building permits issued for new dwellings in Oshawa. As of October 1, 2022, the City has issued 1,968 building permits for new dwelling units. However, it is unlikely that the City will reach 2,300 units, despite this being the City's best year to date. To avoid overtime and staff burnout, the City would need to hire more staff with varying levels of experience in order to achieve the Province's target growth rate. The Province should be providing funding to each of the municipalities who are expected to meet their proposed housing targets for the next ten years.</p> <p>Lastly, there will be a need for massive investment in the infrastructure that will be required to support these new homes. The Province needs to provide financial support to assist municipalities in reaching their prescribed municipal housing targets, which could include funding for new roads, trails, recreation centres, parks, fire services, etc.</p>
3.	<p>Vacant homes taxes:</p> <p>The Province has advised that they will release a policy framework this winter setting out the key elements of local vacant home taxes. A provincial-municipal working group will be established to consult on this framework, and to facilitate sharing information and best practices.</p>	<p>City staff would need to investigate the feasibility of implementing this tax in Oshawa.</p> <p>Staff note that there are unique housing markets in Oshawa such as purpose built student housing which needs to be treated differently than standard housing elsewhere in the City. For example, it is not uncommon for student housing operators to offer leases that align with the school's academic year. The Province may want to consider scoping the review of vacancy rates based on the type of unit (e.g. bachelor units, town houses versus apartments, student housing, etc.).</p>

	Description	Staff Comments
4.	<p>Reducing the property tax burdens on apartment buildings:</p> <p>The Province has advised that they will consult with municipalities on potential approaches to reduce the current property tax burden on multi-residential apartment buildings in Ontario. The government sets the same education property tax rate for all residential properties, including apartment buildings. However, municipalities typically tax multi-residential apartment buildings at a higher property tax rate than other residential properties, such as houses and condominiums.</p>	<p>The taxes for apartment buildings are calculated using the tax rates set out by the City of Oshawa and the Region of Durham and the current assessed value as determined by the Municipal Property Assessment Corporation. The City of Oshawa also sets the tax rates using the Region of Durham tax ratios. Should the Region of Durham be required to change the tax ratios based on Bill 23, this will in turn generate tax shifts within all the Realty Tax Classes, resulting in increased property taxes in other tax classes. This would ultimately impact all property owners in Oshawa, not just the apartment building owners.</p>

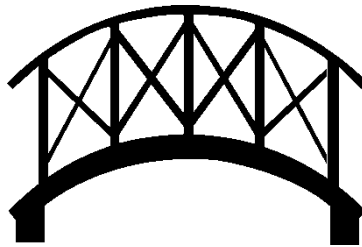


City of Oshawa

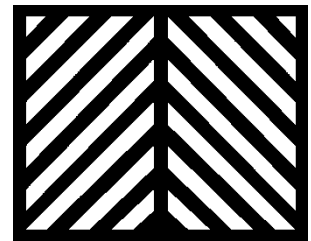
2021 Asset Management Plan



Roads



Structures



Stormwater

October 25, 2021

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Glossary of Terms

A.M. – Asset Management

A.M.P. – Asset Management Plan

B.C.I. – Bridge Condition Index

F.D.C. – Foundation Drainage Collection

G.I.S. – Geographic Information System

K.P.I. – Key Performance Indicator

L.O.S. – Levels of Service

M.F.O.A. – Municipal Finance Officers Association

O. Reg. – Ontario Regulation

O.S.I.M. – Ontario Structure Inspection Manual

N.P.V. – Net Present Value

P.C.I. – Pavement Condition Index

P.S.A.B. – Public Sector Accounting Board

S.W.M.F. – Stormwater Management Facilities

T.B.D. – To Be Determined

T.C.A. – Tangible Capital Assets

Executive Summary

Maintaining existing assets in a state of good repair and building new infrastructure which meets current and future needs is critical to the success of the City of Oshawa. The City's infrastructure is a vital part of delivering the services that the public expects.

The City of Oshawa owns, operates and maintains \$2.6 billion (estimated 2020 replacement cost) for all infrastructure which services the needs of residents, local business and visitors to the City. This Asset Management Plan (A.M.P.) includes all City owned assets, but focuses on the core assets consisting of roads, structures and stormwater assets.

What is Asset Management

Asset management is a process of making the best possible decisions regarding the commissioning, operating, maintaining, renewing, replacing and disposing of infrastructure assets. It is a journey that will be achieved over time.

This A.M.P. supports the City's corporate strategic direction found in the Oshawa Strategic Plan, the Financial Strategy and the Official Plan. It is a key step to put in place a more mature business management framework to:

- collect infrastructure data
- integrate the management of assets across all services and departments
- report on the replacement cost, condition and lifecycle costs of assets
- support a long-term approach to investing in the City's assets
 - operate, maintain, renew, replace and dispose of City assets as effectively and efficiently as possible
- move the City from historical-based budgeting to asset needs budgeting

Utilizing this framework will assist in providing the infrastructure required to help ensure the health and prosperity of the City of Oshawa and its residents, maintain a high quality of life, support evidence-based decision-making, help to manage risk and provide satisfactory levels of service to the public in a sustainable manner.

Although this A.M.P. includes all City owned assets, a detailed analysis and summary of the City's core assets. This includes condition, lifecycle costs and investment needs to support the services delivered today and into the future. The goal is to enable safe and reliable infrastructure in order to provide the current levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost.

Oshawa, like other municipalities, is facing aging infrastructure with an associated increase in operating, maintenance, renewal and replacement costs, along with the physical and financial impacts of climate change. Building a sound knowledge base across the organization in regard to the need for and the complexity of asset management will serve to integrate the required practices into the overall culture of the City. This will position Oshawa for successfully making more informed decisions about managing its assets. This A.M.P. will also allow the City to utilize available Federal and Provincial government funding as an A.M.P. is a requirement to receive infrastructure funding and it is anticipated that the Province will use the A.M.P. to inform the distribution of funding.

Oshawa’s population growth needs to be considered and planned for within operating and capital budgets in a way that is efficient and transparent. Asset management is an efficient tool that can be utilized to achieve this.

O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure came into effect on January 1, 2018 and requires municipalities to have a Council approved Asset Management Plan for core infrastructure assets by July 1, 2022. Core infrastructure assets for the City of Oshawa include roads, structures and stormwater assets and are the main focus of this A.M.P. These core assets represent approximately 70% of all City assets, with an estimated replacement cost of \$1.8 billion. Regulatory compliance status for the City’s core assets, which is due by July 1, 2022, is shown below in Figure 1.

Figure 1 – Regulatory Compliance Status – Phase 1 Core Assets

Asset Class	State of the Infrastructure	Current Levels of Service	Lifecycle Management Strategy	Managing Growth
Roads	Compliant (pg. A-3)	Compliant (pg. A-10)	Compliant (pg. A-15)	Compliant (pg. A-20)
Structures	Compliant (pg. B-3)	Compliant (pg. B-7)	Compliant (pg. B-14))	Compliant (pg. B-16)
Stormwater	Compliant (pg. C-3)	Compliant (pg. C-14)	Compliant (pg. C-19)	Compliant (pg. C-22)

Details of the core assets can be found in Appendix A – Roads, Appendix B – Structures and Appendix C –Stormwater Assets.

There are two other phases required in the regulation. Phase 2 requires the same information to be included in the A.M.P., but includes all other municipal assets, such as buildings, vehicles, sports fields, etc. Staff have begun this process and plan to update the A.M.P. in the next two years to be compliant with the deadline of July 1, 2024.

Phase 3, the final phase of the regulation, builds on Phase 1 and 2 by including proposed levels of service along with a lifecycle management and financial strategy. This portion is due by July 1, 2025 and will require a significant amount of analysis, as well as public consultation to determine what the proposed levels of service will be for all City provided services.

Figure 2 -Summary of Key Statistics

Key Statistic	Total Assets	Core Assets
Estimated Replacement Cost of Assets	\$2.6 billion	\$1.8 billion
Estimated Replacement Cost of Assets per household	\$38,762 per household	\$27,071 per household
Percentage of Assets in Good or Better Condition	T.B.D.	51.5%
Percentage of Assets with Observed Condition Data	T.B.D.	84.7%
Annual Capital Funding Gap Estimate	\$25.0 million	\$15.4 million

1. Introduction

1.1 Purpose

This Asset Management Plan reports on the state of the City’s assets, how the City manages those assets at the current levels of service and what investment is required to maintain the current levels of service. Although the A.M.P. includes all City assets, the focus on this iteration is on the core assets (roads, structures and stormwater assets). It has been prepared under the guidance of Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure and thus will inform the current budget and the nine-year capital forecast.

This document, and the analysis contained within, are dynamic and the quality of the content will continue to improve over time, as the City’s asset management, data, information, and processes mature.

The A.M.P. will be updated regularly, monitored and reported on to Council, as required, but a minimum of every 5 years as per Ontario Regulation 588/17. The result over time will be more comprehensive data, better analysis and, in turn, better decision-making, financial/investment planning and long-term sustainability.

As the City’s asset inventory and condition assessment, and for proposed levels of service and risk management matures, the City’s asset management analysis and decisions will mature and more significantly inform the long-term budget forecast.

Why Are We Doing Asset Management?

Not only does asset management make good business sense but the legislation and regulations require municipalities to create an Asset Management Plan.

Asset management leading practices includes evidence- based decision-making, transparency, risk management and public engagement.

1.2 Importance of Infrastructure

The City of Oshawa is responsible for a diverse array of capital assets essential to the delivery of services to residents, businesses and visitors. The commissioning, operation, maintenance, renewal and eventual replacement of such infrastructure has always been and currently is a very important responsibility essential for any successful community. Asset management is vitally important as municipalities address their infrastructure challenges.

1.3 Link to Strategic Documents

The City of Oshawa Council approved a Strategic Asset Management Policy in May 2019. The policy establishes formal management controls for the responsible stewardship of capital infrastructure. The policy framework is divided into the following key areas:

- Policies and procedures supported by the A.M.P.
- Principles to be followed in the asset management planning process
- Governance and accountability

Both the Oshawa Strategic Plan and the Financial Strategy respond to the Council-endorsed principles of sustainability and financial stewardship. Oshawa's A.M.P. supports the Oshawa Strategic Plan, Our Plan for Success, 2020-2023 and, in particular, the goal of Economic Prosperity and Financial Stewardship, and the theme of Safe and Reliable Infrastructure. It also supports the Oshawa Financial Strategy, 2016-2019, which contains a number of recommendations that support asset management. The A.M.P. will help the City achieve both principles and improve the information necessary to implement both strategic documents.

The A.M.P. also supports the City's Official Plan, which sets out land use policy, by helping to facilitate growth and intensification, and support transportation, storm water

What are the Benefits of Asset Management?

The key benefits of asset management include:

- Defined and cost effective levels of service
- Optimized operations and maintenance for reduced life cycle costs
- Reduced risk
- Avoidance of unexpected problems related to City assets
- Evidence-based financial planning guides investment decisions
- Performance-monitoring system

management and environmental protection.

Finally, the A.M.P. also supports other key documents. For example, the City's departments undertake annual departmental business plans, which align with the Oshawa Strategic Plan and Financial Strategy. Other high-level documents provide context and perspective to help manage and deliver the City's assets and services. Some of these key planning documents are:

- Arts, Culture and Heritage Plan
- Customer Service Strategy
- Development Charge Background Study
- Downtown Oshawa - Plan 20Twenty
- Economic Development - Sector Analysis and Cluster Development Strategy
- Emergency Master Plan
- Fire Master Plan
- Oshawa Executive Airport Business Plan
- Outdoor Sports Facility Study
- Parks, Recreation and Culture Strategy: Vision 2020
- Parks, Recreation, Library, and Culture Facility Needs Assessment
- Information Technology Strategic Plan
- Integrated Transportation Master Plan/Active Transportation Master Plan

1.4 Asset Management Framework

Asset management activities/initiatives are proposed to occur within the context established by an asset management framework. The development of this A.M.P. is premised on the following vision, mission, goal and objectives:

Vision

To proactively manage Oshawa's significant and varied assets over their lifecycle in order to maintain service excellence.

Mission

To have corporate asset management become part of the City's culture through:

- The integration of policy, practices, business processes, data, technology, people and finances

- The preservation of assets while protecting the environment, and promoting health and safety
- Financial stewardship that supports evidence-based decision making for operations, maintenance, renewal and replacement of assets

Goal

To enable safe and reliable infrastructure in order to provide the current level of service in a sustainable way, while managing risk, at the lowest lifecycle cost.

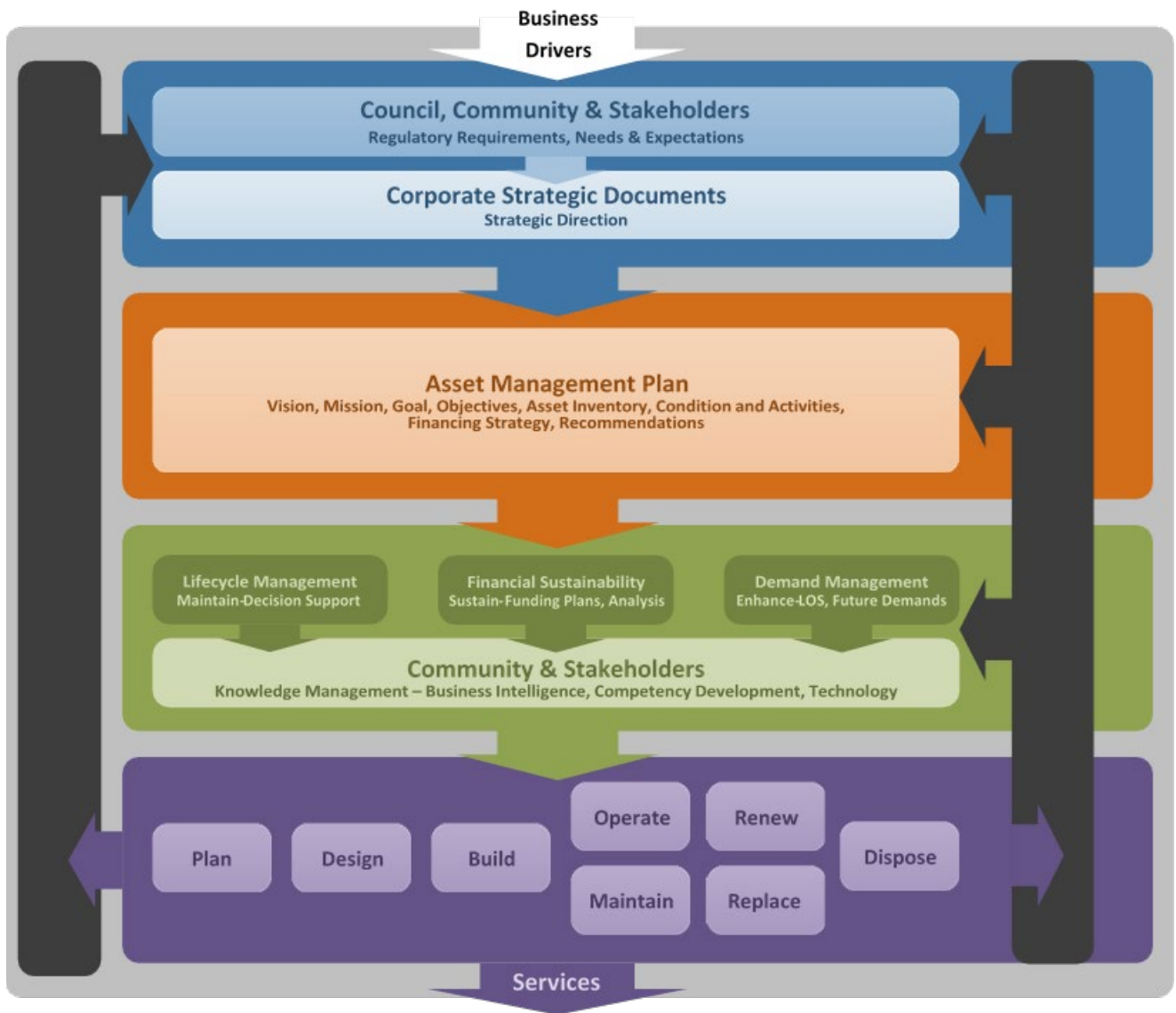
Objectives

- Foster a whole-of-business asset management framework based on achievable leading industry practices, which supports transparent and evidence-based decision making across all asset classes
- Establish appropriate levels of service that respond to community needs and desires while minimizing risk
- Wise application of limited human and financial resources to ensure long-term financial sustainability of the City's capital assets
- Continuous improvement in asset planning and management through performance monitoring

Figure 3 outlines the City's proposed asset management process that involves visioning, strategic, tactical and operational stages. The process includes Council direction and community input, guidance provided by corporate strategic documents, development of an A.M.P., lifecycle management, financial sustainability, demand management, and front-line commissioning, operation, maintenance, renewal, replacement and disposal of assets.

Performance monitoring occurs at all stages of the process which allows for regular reporting.

Figure 3 – Asset Management Process



1.5 Asset Management Roadmap

The City retained Watson & Associates Economists Ltd. (Watson) in the fall of 2020 to assist staff with developing an asset management roadmap. The Asset Management Steering Committee worked with Watson to develop the roadmap as shown in Figure 4 below, based on the original timelines in O. Reg. 588/17. As the timelines in the regulation have now been extended by one year, the estimated completion timelines allows for flexibility for tasks to be moved out, if required.

Figure 4 – Asset Management Roadmap

Task #	Corporate Planning and Decision-making Framework	Estimated Timelines	
1	Review Strategic A.M. Policy	2024-Q2	2024-Q3
2	Define role of A.M.P.	2021-Q2	2021-Q3
Task #	Asset Summary for Non-Core Assets	Estimated Timelines	
3	Determine which assets need to include	2021-Q2	2021-Q3
4	Summary of assets	2021-Q4	2022-Q3
5	Replacement cost	2021-Q4	2022-Q3
6	Average age	2021-Q4	2022-Q3
7	Condition	2021-Q4	2022-Q3
8	Approach to condition assessment	2021-Q4	2022-Q3
Task #	Levels of Service	Estimated Timelines	
9	Define approach – service vs asset	2021-Q2	2021-Q3
10	Develop levels of service statements	2021-Q2	2022-Q4
11	Performance measures (technical L.O.S.)	2021-Q2	2022-Q4
12	Set targets for performance measures	2022-Q2	2023-Q1
Task #	Lifecycle Management Strategy	Estimated Timelines	
13	Define lifecycle activities (generalized models)	2021-Q2	2022-Q2
14	Costing	2021-Q2	2022-Q2
15	Alternative options	2021-Q2	2022-Q2
16	Decision-making process	2022-Q2	2023-Q3
Task #	Financial Strategy	Estimated Timelines	
17	Define role of financial strategy in A.M.P.	2023-Q1	2023-Q1
18	Identify funding needs	2023-Q1	2023-Q4
19	Identify funding sources	2023-Q1	2023-Q4
20	Consider alternative funding sources	2023-Q1	2023-Q4
21	Measure funding needs against funding sources	2023-Q1	2023-Q4
22	Gap identification and mitigation strategy	2023-Q1	2023-Q4
Task #	Asset Management Manual	Estimated Timelines	
23	Systems supporting A.M.	2021-Q3	2022-Q3
24	Data improvement plans	2021-Q3	2022-Q3
25	Data update protocols	2021-Q3	2022-Q3
26	“How Do I?”	2021-Q3	2022-Q3
27	Establish review of progress	2021-Q3	2022-Q3
Task #	Review, Reporting and Audit	Estimated Timelines	
28	Annual review of progress	2025-Q1	2025-Q2

Task #	People	Estimated Timelines	
29	Governance structure	2021-Q3	2022-Q3
30	Capacity	2024-Q1	2024-Q2
31	Training	2021-Q1	2025-Q4
Task #	Stakeholder Engagement	Estimated Timelines	
32	Identify stakeholders	2021-Q2	2021-Q3
33	Development engagement plan	2021-Q2	2021-Q3

2. State of the City's Infrastructure

Ontario Regulation 588/17 requires that each asset category in the asset management plan for Core Assets (roads, structures and stormwater assets) includes the following information:

- Summary of the assets in the category
- Replacement cost of the assets
- Average age of the assets, determined by assessing the average age of the assets
- Information available on the condition of the assets
- Description of the approach to assessing the condition

2.1 Inventory Summary

The City of Oshawa maintains several asset inventories at varying levels of detail, summarized as follows:

1. Tangible Capital Asset (T.C.A.) Inventory listing – this registry is maintained in Microsoft Excel and includes all of the assets owned by the City. This was developed in 2009 to achieve the requirements of the Public Sector Accounting Board (P.S.A.B.) 3150 regulation to include a full accrual accounting of assets. While this register is comprehensive, the level of detail on the linear assets (roads, stormwater, sidewalks, streetlights, etc.) is not ideal to complete the analysis in this report. In order to simplify financial reporting, the linear assets and a few other asset categories have been pooled together based on year, asset category and useful life. Where no other registry was available, the T.C.A. inventory listing was used.
2. G.I.S. (Geographic Information System) – this asset registry includes very detailed information on all of the linear assets, including the active transportation network. There is a significant amount of attributes that is tracked and maintained for each asset, broken out into segments. Staff utilize this information in a database that assists with analyzing the future needs and timing of activities required to maintain the assets. The majority of detail in this A.M.P. is based on the inventory maintained in the G.I.S.
3. V.F.A. Facility Software – this software is used to catalogue both vertical assets, such as buildings, as well as Park's assets within the City's portfolio. Assets are

broken into components that are primarily categorized by function and lifecycle. The V.F.A. facility software is aligned to assist with Capital Planning and Asset Management by recording condition assessments, tracking replacement costs, identifying system lifecycles and anticipated replacements, by utilizing industry standards set by Building Owners and Managers Association.

4. Microsoft Office Applications – various departments maintain inventory listings with additional detail for the assets managed in their respective department. This is typically maintained in Excel, but may also include Word and Access.
5. Maximo – this work management system includes the inventory for the fleet assets and draws information from other software for the other City’s asset. The software went live in 2021 and is anticipated to be utilized in the future to be able to report on the maintenance costs of specific asset classes.

Figure 5 – Inventory of Assets included in this A.M.P.

Asset Class	Type of Assets Included	Source	Inventory
Land Improvements	Airport runways, parking lots, sports fields, splash pads, watercourse improvements	G.I.S. V.F.A. Excel T.C.A.	T.B.D.
Buildings	Fire halls, community centres, administration, buildings, etc.	V.F.A.	92
Machinery & Equipment	Playground equipment, software, fire equipment, parking meters, etc.	T.C.A V.F.A.	T.B.D.
Vehicles	Fire vehicles, dump trucks, garbage trucks, snow plows, operations vehicles, etc.	Excel	303
Furniture	Furniture, other assets	T.C.A.	T.B.D.
Other Assets	Walkways, trails, multi-use paths, shade structures	G.I.S. Excel	T.B.D.
Linear Assets			
Roads	Roads	G.I.S.	1,216.9 lane kms
Structures	Bridges, culverts, pedestrian bridges	G.I.S.	26 road bridges, 50 road culverts and 39 pedestrian structures
Stormwater	Storm sewers, manholes, catch basins, stormwater management facilities	G.I.S.	Storm – 499.1 kms F.D.C. Storm – 103.2 kms S.W.M.F. - 31
Other Linear Assets	Streetlights, lighting, traffic control signals, barriers, geo controls	G.I.S.	T.B.D.

The asset classes used in this A.M.P. are aligned with the financial reporting asset classes, excluding Land Assets. The total replacement cost for the City assets is estimated at \$2.6 billion in 2020 dollars, as identified in Figure 6 below.

Figure 6 – Estimated Replacement Cost by Asset Class

Asset Class	Estimated Replacement Cost
Land Improvements	\$125,081,978
Buildings	\$405,852,373
Machinery & Equipment	\$50,872,021
Vehicles	\$37,053,951
Furniture	\$5,194,712
Other Assets	\$19,067,556
Linear Assets	
Roads	\$1,447,427,063
Structures	\$75,320,161
Stormwater	\$220,064,078
Other Linear Assets	\$189,769,480
Total	\$2,575,703,373

Unless otherwise stated, all financial figures in this A.M.P are described in current year (2020) Present Value dollar values. This includes values associated with the asset replacement costs, and the forecast replacement, renewal, maintenance and growth costs.

With respect to the current replacement costs, if a recently prepared estimate was not provided, the value available was inflated to 2020 dollars using information published by M.F.O.A. (Municipal Finance Officers Association) based on the historical rates for the Consumer Price Index.

It is important to note that historical cost, as presented in the financial statements, does not reflect the true replacement cost of an asset, but is what is required to be reported based upon historical purchase or acquisition cost less depreciation. The estimated replacement cost is the cost the City would incur to completely replace an asset in today’s dollars.

The focus of this iteration on the A.M.P. was on the City’s core assets, such as roads, structures and stormwater. While the City does track and maintain significant data on other assets classes, the specific details on quantity will be included in the next iteration of the A.M.P.

2.2 Asset Condition

Understanding the current condition of the assets can provide the City with a more complete picture of its infrastructure portfolio and can also assist in determining the future needs.

Currently, observed condition data is collected for roads, structures, facilities, and fleet. It is the ideal way to assess condition.

In other areas, condition needs to be assessed using an alternate method as observed condition may not be feasible for other asset classes. Where observed condition is not available, the condition was determined using the age and remaining useful life of the asset.

Figure 7 below shows the City’s asset classes and how they are currently assessed for condition. Condition is further detailed in the attached Appendices A, B and C for the core assets.

Figure 7 – Condition

Asset Class	Methodology	Current Condition
Land Improvements	Aged Based	T.B.D.
Buildings	Observed	T.B.D.
Machinery & Equipment	Observed	T.B.D.
Vehicles	Age Based	T.B.D.
Furniture	Age Based	T.B.D.
Other Assets	Age Based	T.B.D.
Linear Assets		
Roads	Observed	Fair (C)
Bridges & Culverts	Observed	Good (B)
Storm Assets	Aged Based	Fair (C)
Other Linear Assets	Aged Based	T.B.D.

Asset classes are assessed using unique rating scales. For example, roads are assessed using a pavement condition index (P.C.I.) and structures are assessed using a bridge condition index or (B.C.I.). These assessments are then translated into a standard condition rating scale so that the evaluation across asset classes may be compared across the organization. Oshawa follows a standard 5 grade scale that is standard in asset management and is shown in Figure 8 below.

Figure 8 – Condition Scale

Grade	Category	Description
A	Very Good	The assets are functioning as intended. Limited, if any, deterioration observed.
B	Good	The assets are functioning as intended. No major maintenance is anticipated within the next 5 years.
C	Fair	The assets are functioning as intended. Normal deterioration and minor distress observed. Maintenance will be required within the next 5 years to maintain functionality.
D	Poor	The assets are starting to not function as intended. Significant distress observed. Maintenance and some repair required within the next few years to restore functionality.
E	Very Poor	The assets are not functioning as intended. Significant deterioration and major distress observed, with possible damage to the base. Requires immediate attention.

3. Current Levels of Service

The focus of public sector asset management are three fundamental considerations: providing satisfactory levels of service (L.O.S.) to the public, ensuring the sustainability of infrastructure assets over the long term, and managing an acceptable level of risk.

Asset management ultimately has a service-based focus, as the purpose of assets are to be used to deliver services. This focus leads to the discussion of L.O.S., which are a measure of the quality, quantity and/or reliability of a City service from the perspective of residents, businesses and other customers. Council then establishes quality thresholds at which municipal services should be provided to the community. L.O.S. can also be established by legislation and related regulations. L.O.S. should be measurable so they can be tracked and performance can be determined. The levels of service associated with the roads, structures and stormwater assets are contained in the appendices attached. Future iterations of the A.M.P. will report on the levels of service for all assets in the City's portfolio.

The City of Oshawa is in the business of delivering services at certain L.O.S., both internally and externally. The delivery of services is made possible, either directly or indirectly, via the assets owned by the City. L.O.S. provided by the City are affected by several factors including:

- legislated requirements
- affordability and fiscal constraints
- internal strategic documents that establish desired outcomes
- Council direction
- leading municipal practices
- climate change impacts
- expected asset performance
- rate of growth
- customer expectations

For example, Ontario Regulation 239/02, sets out minimum maintenance standards for municipal roads; Ontario Structure Inspection Manual (O.S.I.M.), which sets the standards for detailed bridge inspections; Water Opportunities Act, 2010, which sets the framework for a performance measurement regime and sustainability for stormwater over the lifetime of the infrastructure assets; and the Accessibility for Ontarians with Disabilities Act, 2005, which develops, implements and enforces accessibility standards.

The current legislation O. Reg. 588/17, requires municipalities to link the services it provides and the L.O.S. it delivers to risk-based asset management. Two L.O.S. come into consideration for asset management. The most common is the community L.O.S. provided to residents, businesses and other customers. This L.O.S. is the standard expected of the service being provided. To ensure ease of understanding by taxpayers, such L.O.S. are normally clearly defined, for example:

- Residential street snow clearing - The minimum standard to address snow accumulation on a class 4 road (residential) is to provide a centre bare total lane width of at least (5) five metres within 16 hours while not exceeding a snow depth of 8cm.
- Potholes - If a pothole on class 4 road (residential) exceeds 1,000 square centimetres and a depth of 8cm the pothole must be repaired within 14 days.
- Sidewalks - If a surface discontinuity (trip hazard) on a sidewalk exceeds (2) two centimetres, the minimum standard to treat the surface discontinuity (trip hazard) is within 14 days.
- Street Sweeping - The minimum frequency for street sweeping Arterial and Collector roads is once every (6) six weeks.

The second L.O.S. is the technical L.O.S., which is what an asset is expected to provide in the way of performance. This L.O.S. is of more relevance internally to the City. For example, a stormwater pipe that has the capacity to convey a two-year storm. Technical L.O.S. support the delivery of City services.

L.O.S. standards are typically categorized into service attributes shown in Figure 9, which are the basis for understanding the impact of risk on L.O.S.

Figure 9 – Service Level Attributes

Service Level Attribute	Description
Available	Services provided at a level of acceptable capacity, convenience and accessibility for the whole community
Cost Effective	Services are affordable and provided at the lowest possible cost for both current and future customers

Reliable	Services provided at a predictable and continuous level
Responsive	Opportunities for community involvement in decision-making. Customers are dealt with fairly and consistently within acceptable timeframes with respect, empathy and integrity.
Safe	Services provision that minimizes health, safety and security risks
Suitable	Services are suitable for the intended function (fit with purpose)
Green	Services that take into account the natural environment

4. Lifecycle Management Strategy

The purpose of this section is to establish a set of planned actions to achieve the City's goal of providing L.O.S. in a sustainable way, while managing risk, at the lowest lifecycle cost.

At the City of Oshawa, asset management begins the moment the City plans for an asset. The City's approach has evolved over time and is still evolving. However, not unlike other municipalities, Oshawa's approach remains largely "greatest need first", which is designed to fix or replace assets in a priority sequence based on the condition and age of the asset.

This approach, coupled with aging infrastructure and increasing funding requirements to operate, maintain, renew and replace the City's assets, generally incurs the highest lifecycle costs.

Going forward, the City plans to achieve a more comprehensive and sustainable approach to asset management to improve decision-making, and reduce both risk and cost over the lifecycle of capital assets.

The following is a description of activities and practices currently used to assess asset condition, support lifecycle analysis, decide interventions and prioritization, determine risk and inform the City's capital and operating expenditures, and annual budgeting process.

Understanding Costs in Asset Management

Commissioning Cost – these are incurred at the beginning of the asset lifecycle, to obtain the asset and put it into operation.

Operational Cost – these are incurred during normal business operations of the asset.

Maintenance Cost – these are the result of maintaining the asset in order to keep it functioning and achieve the levels of service. It is a type of recurrent expenditure throughout the entire life cycle of the asset.

Renewal Cost – these are above and beyond every day maintenance including retrofits and upgrades that extend the life of the asset.

Replacement Cost – these are estimates related to the replacement of an asset at the end of its lifecycle.

Disposal Cost – these are for disposing or decommissioning the asset at the end of the asset lifecycle.

4.1 Lifecycle Management

Assets need to be managed over their lifetime. Infrastructure assets typically have a maximum service life after which costly capital renewal or replacement can be expected. As a result, it is possible to anticipate waves of capital renewal needs by reviewing the installation year of different asset classes. In addition to costly capital replacement and renewals, maintenance is also included in the planning for assets.

In the attached appendices, the lifecycle activities and expenditures associated with undertaking those activities, required over the next 10 years are detailed for the core assets. Future iterations of the A.M.P will show lifecycle activities for the entire portfolio of assets.

4.2 Non-Infrastructure Solutions

The following non-infrastructure solutions are in use at the City of Oshawa to help lower costs or extend the life of City assets:

- Oshawa Strategic Plan, Our Focus, Our Future, 2020-2023
- Financial Strategy, 2016-2019
- Official Plan
- Other master plans that provide for the comprehensive future planning of the City's infrastructure (e.g. Integrated Transportation Master Plan and the Active Transportation Master Plan)
- Use of Lean methodologies to improve efficiencies, effectiveness and control costs at the operational level
- Observed condition assessments (e.g. roads, bridges, culverts, and facilities)
- Public consultation on municipal projects, land use developments and budget priorities
- Use of design standards
- Inspections
- Coordination of efforts between governments and agencies regarding timing of construction
- Employee training and education programs
- Ongoing efforts to identify additional funding sources

4.3 Asset Management Activities

Applicable to all asset classes, the City has identified subject matter experts. Finance

staff plays an active role in all aspects of asset management. As well, in an effort to minimize redundancy, the City has identified who is accountable and responsible for the maintenance of assets at the strategic, tactical and operational levels. Figure 10 provides an example of this level of information specific to roads, one of the City’s core assets.

Figure 10 – Asset Managers - Roads

Level	Function	Who	What
Strategic (Long-term)	Set the asset strategy and plans and ensure cost and performance meets the wider business requirements	Director, Engineering Services Director, Planning Services	Big Picture Growth Plans
Tactical (medium-term)	Systematic responders, condition, cost effectiveness, safety, LOS	Engineering Program Technologist	Annual Overlay and Reconstruction
Operational (short-term)	Responds to operational demands of maintenance (primarily reactive and preventative decisions)	Works Supervisor, Road Maintenance	Reactive daily work and preventive maintenance

The City also currently undertakes various activities to manage assets throughout their lifecycle. A registry of activities by asset class is presented in Figure 11.

Figure 11 – Registry of Oshawa Activities by Asset Class

Asset Class	Activities
Land	Official Plan, Master Planning, Environmental Assessments, Central Lake Ontario Conservation Authority (CLOCA) Natural Heritage Mapping, Bylaws, Real Estate Policies, Condition Assessments, Budgeting, Capital Planning, Municipal Consent, Change Management (General Real Estate and Development Transactions)
Land Improvements	Master Plan Update, Connectivity Analysis, Official Plan Review, Active Transportation Master Plan Update, Growth & Development Review, Design Criteria Review, Design, Grading Review, Width Analysis, Amenity Coordination, Candidate Identification, Budgeting/Forecasting, Inspection, Vegetative Studies, Infill, Maintenance, Renewal, Replacement, Expansion, Snow Removal, Brush/Grass Trimming, Line Painting
Buildings	Master Plan Update, Budgeting/Forecasting, Inspection, Maintenance Renewal, Replacement, Aesthetic Upkeep
Machinery & Equipment	Master Planning, Budgeting/Forecasting, Needs Assessment, Condition Assessment, Daily Operations, Testing and Certification, Planned/Unplanned Maintenance, Renewal, Replacement, Expansion, Disposal
Vehicles	Budgeting/Forecasting, Inspection, Maintenance, Renewal, Replacement, Disposal, Periodic Mandatory Commercial Vehicle Inspection
Furniture	Master Planning (space planning), Budgeting/Forecasting, Procurement, Aesthetic Upkeep, Maintenance, Ergonomic Assessment, Accessibility Requirements, Customization

Linear Assets Official Plan Review, Transportation Master Plan Update, Growth & Development Review, Design Criteria Review, Design, Observed Data Collection, Needs Analysis, Budgeting/Forecasting, Inspection, Maintenance, Renewal, Replacement, Expansion Snow/Refuse Removal, Brush/Grass Trimming, Road Occupancy Permits, Line Painting, Brush/Grass Trimming, Animal Control & Removal

Other Assets Master Planning, Budgeting/Forecasting, Needs Assessment, Condition Assessment, Daily Operations, Testing and Certification, Planned/Unplanned Maintenance, Renewal, Replacement, Expansion, Disposal

Additional opportunities also exist, including possible procurement methods. These are presented under the following five categories:

Maintenance

- More inter-municipal bundling of existing contracted maintenance services

Renewal/Rehabilitation

- More inter-municipal bundling of renewal/rehabilitation contracts
- Early tender approval for all capital related projects
- Approval of multi-year projects for renewal/rehabilitation contracts
- Increase the use of renewal and rehabilitative strategies over reactive and replacement strategies using lifecycle cost analysis

Replacement

- More inter-municipal bundling of replacement contracts
- Early tender approval for all capital related projects
- Treatment timing and optimization of the investment and coordination of work among asset classes internally and with external agencies

Expansion

- Comply with legislation to include all Development Charges By-law listed projects into the A.M.P., including whole lifecycle costing

- Continue to align expansion plans to the City's Official Plan, Oshawa Strategic Plan and Financial Strategy

Disposal

- Analyze entire asset registry for surplus/redundant assets

4.4 Procurement

The City's Purchasing By-law 45-2016, which underwent an update and revision in 2020, is publically available on the City's website at <http://www.oshawa.ca/city-hall/Purchasing-Information.asp>.

The By-law provides the authority and guidelines to conduct purchasing transactions to satisfy the needs of the City ensuring fair and open competition and using a variety of source selection methods under varying market conditions. In future, the City should, for example, investigate joint co-operative purchasing with purchasing co-operatives, as well as alternative financing and procurement options with regard to capital purchases.

4.5 Risk Management

The City updated the Corporate Risk Management Policy and process in 2017 including a corporate risk management framework which provides guidance and support for risk-based asset management.

Infrastructure risk management is the process of identifying and mitigating risks for existing infrastructure that may affect the ongoing delivery of services at specified L.O.S. Risk management is an integral part of leading-practice lifecycle asset management as it enables fair and equal analysis of different assets with different needs and priorities.

Risks associated with asset management include, for example:

- A.M.P. is not kept up-to-date or followed
- Infrastructure failure and associated liability
- Inadequate funding
- Inadequate or poor quality asset information
- Incorrect assumptions
- Unaware of regulatory requirements or changes
- Climate change

- Growth projections do not meet expectations

Any approach that the City takes with respect to the management and maintenance of its assets involves the acceptance of a level of risk. Rarely, if ever, can an organization mitigate all risks. Risk management entails understanding the risk profile in the asset portfolio and establishes strategies to manage the risk at acceptable levels. It is common for municipalities to keep costs low or constant and unwittingly assume more and more risk over time. Risk assessment is a valuable tool for asset investment prioritization and informed decision-making.

Asset risk arises from the potential of events or failures to occur, and will vary depending on the location, capacity, age and condition of the asset, and other factors. Risk is managed via processes in place that ensure maintenance and renewal intervention occur in an appropriate and timely manner. The calculation of risk exposure is a combination of two factors – likelihood of asset failure and impact of asset failure.

The likelihood of failure is the probability that an asset may fail within a year. Likelihood of failure can be determined based on capacity, efficiency, age, condition and L.O.S. The City estimates likelihood on a scale of one to five.

The second factor is the impact of failure on the City, which is the direct and indirect consequence if an asset failure were to occur. The City estimates impact using a one to five scale against a number of criteria including legal, environmental, reputation, health and safety, financial, etc. Where more than one criterion is applicable to an asset for a particular failure mode, the City will use the highest consequence of failure. This will take into account the greatest impact to the asset.

The risk score helps to prioritize where and how to focus City resources, including staff time for developing processes, collecting and analyzing data, and/or financial investment in assets and supporting systems. In prioritizing maintenance and renewal projects, generally preventive work should be prioritized over corrective work because preventive action will help delay the need for costly corrective maintenance. This reduces the risk of increased lifecycle costs.

Budgeting constraints must also be taken into consideration when determining what priority projects can be executed in any given year. If funding is limited, the decision regarding which project to undertake should be based on risk of not meeting L.O.S. standards.

5. Funding Requirements

Asset management is closely integrated with the City's Financial Strategy and the annual budgeting process. The Oshawa Financial Strategy 2016-2019 identifies "Infrastructure Investment" as one of five strategic areas.

5.1 Infrastructure Investment

Goal

Ensure long-term planning and commitment of adequate funds to build, maintain and renew City infrastructure including addressing the existing infrastructure funding gap to protect the City's investments and ensure infrastructure continues to meet the needs of the community within the financial capacity of residents and businesses.

It also contains many strategies found within the other four strategic areas dealing with reserve funds, debt management, revenue sources and operating costs that directly or indirectly relate to asset management.

Sustainable financing strategies are a key component of an A.M.P. As such, this section discusses capital expenditures, revenue sources and funding shortfalls.

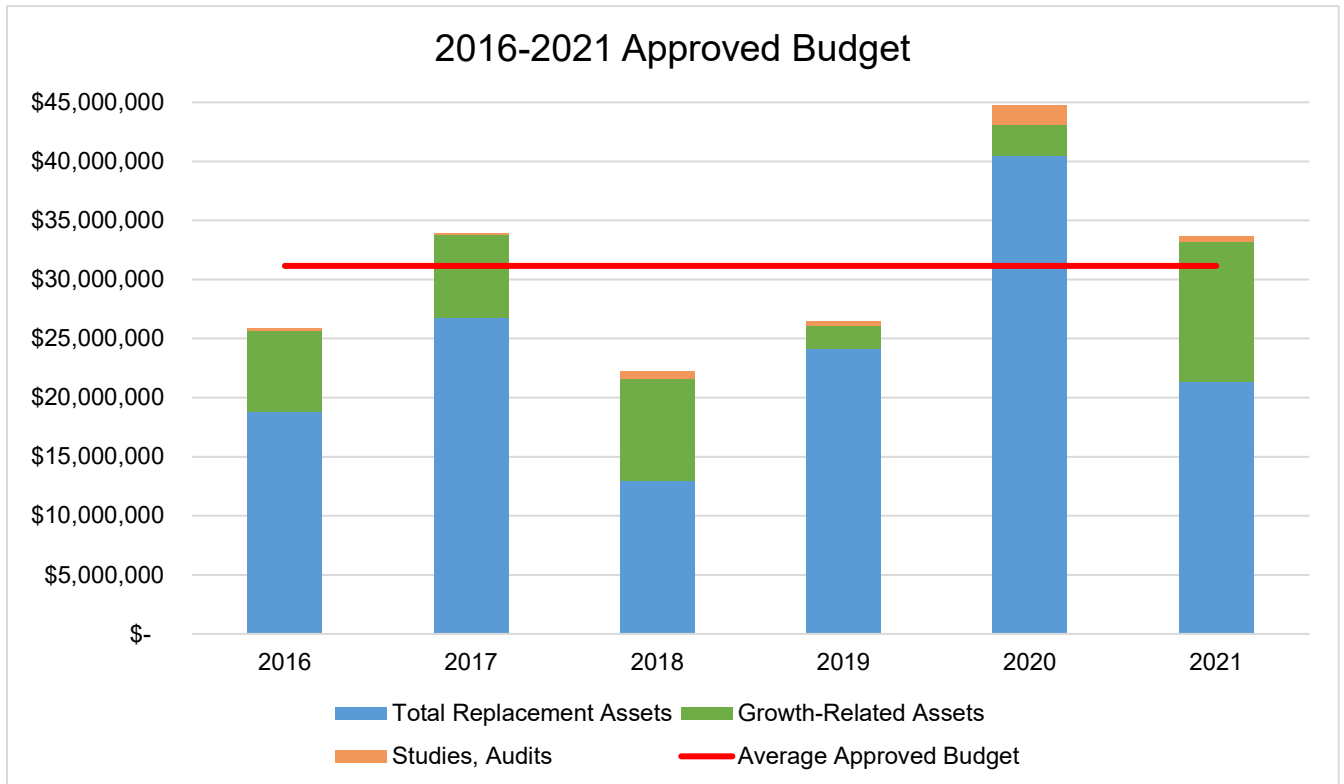
5.1 Expenditures

The annual capital budget submission to Council, including a nine-year expenditure forecast, is created as a result of extensive analysis of capital infrastructure needs. Projects are identified by staff and then are prioritized using the Capital and Major Initiative Prioritization Model within the available funding.

The prioritization model is used to objectively evaluate and prioritize projects to ensure the City's limited financial resources are allocated to the City's highest priority projects. The model aligns with the City's strategic goals, risk management framework and sound financial principles. The model includes the following scoring criteria: project category; alignment with the Oshawa Strategic Plan; operating budget impact; risk assessment; financing; cost/benefit; service levels and community/corporate economic impact. The model will be further revised with the completion of this A.M.P. and utilized to assist in determining future budgets.

The average total approved budget from the past six years is \$31.2 million. This not only includes the costs for replacement assets, but also includes growth-related assets, as well as various studies and condition audits. This may not be indicative of the future investments required, as past approved budgets have included financial and human resource constraints. Figure 12 below represents the approved annual budget for 2016 to 2021.

Figure 12 – 2016 to 2021 Approved Budget Summary



5.2 Revenues

Infrastructure service levels must be balanced against the availability of funding. Presently, Oshawa’s infrastructure investment is funded by internal sources for all asset classes (tax levy dollars, reserves and reserve funds, as well as debt) and external sources (federal and provincial grants, federal gas tax, development charges, as well as user fees). As most funding comes from the community via property taxation, increases must be kept within reasonable levels. For this reason, a long-term outlook is essential, including a clear understanding and further development of financial policies that support long-term planning and sustainable funding of the City’s infrastructure.

This issue has recently been clarified by the Association of Municipalities of Ontario

(AMO), which, as a result of polling, says that 76% of Ontarians are concerned or somewhat concerned property taxes will not cover the cost of infrastructure while maintaining municipal services. In addition, 90% of Ontarians agree maintaining safe infrastructure is an important priority for their communities. AMO goes on to say that a ten-year projection (2016-2025) of municipal expenditures against inflationary property tax and user fee increases shows there to be an unfunded average annual need of \$3.6 billion to fix local infrastructure and provide for municipal operating needs. AMO's goal is to close the fiscal gap so that all municipalities can benefit from predictable and sustainable revenue to finance the pressing infrastructure and municipal service needs faced by all municipal governments.

The Province is encouraging municipalities to be “open to all available revenue and financing tools and to revisit their policies regarding user fees.” In response, the City will need to give consideration to new user-fee based initiatives. For example, some municipalities have successfully transferred the storm water management function from a property tax funded program to a user based funded program. This funding model allows the municipality to fund a service directly that is typically underfunded.

There are several revenue sources that the City's utilizes to fund replacement and rehabilitation of existing capital infrastructure:

5.2.1 - Tax Levy Funding

Tax levy funding for existing capital can be levied in the current budget year to be used directly to fund capital projects. The six year historical average annual contribution from tax levy funding is approximately \$1.4 million (includes D.C. leveraging). It is important to note that the reliance on this funding source has continued to decrease since 2018, with 2021 approved tax levy funding of only \$350,000.

5.2.2 – Tax Levy Funded Reserves

The City of Oshawa does annually contribute to reserves to fund current and future capital investments. The 2021 budget included a contribution to infrastructure reserves in the amount of \$8,146,100. These reserves can be utilized to fund current year capital projects or remain in the reserve for future use. With the process of contributing amounts annually, instead of utilizing tax levy funding for capital directly, this assists with a providing stable amount to be levied in the budget.

5.2.3 – Canada Community-Building Fund

The Canada Community-Building Fund (C.C.B.F.), previously known as the Federal Gas Tax Fund is a permanent source of funding provided to municipalities to support local infrastructure priorities. Municipalities determine how best to direct funds to make strategic investments across several different project categories, such as local roads and bridges, stormwater, sport and recreation, community energy systems, and capacity building. The current agreement with the Government of Canada is up to March 31, 2024 with the average annual payment just above \$5.0 million. Although this has been a stable source of funding historically, it is important to note that the agreement includes a clause that the agreement may be terminated with two years written notice. Therefore, there is an element of risk if the C.C.B.F. funding is included as a funding source to support the sustainable investment of the City's assets.

5.2.4 – Development Charges

In addition to maintaining the City's existing infrastructure, the City needs to build new infrastructure including roads, bridges, parks, trails, recreation facilities and fire halls to service growth related needs. While development charges paid by developers cover a large portion of the City's growth related capital costs there is still a significant portion that municipalities must fund, in addition to the operating costs required to service new growth.

5.2.5 - Grants

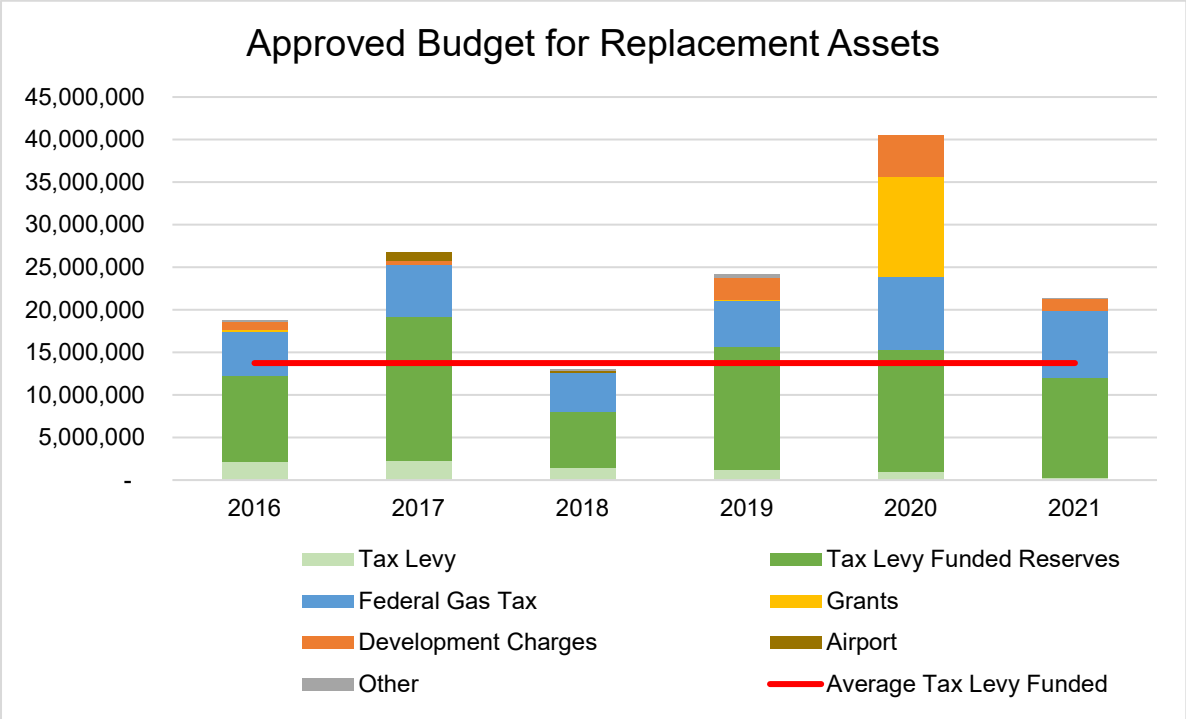
Both the Provincial and Federal Governments have grant programs available to assist local government sustain their infrastructure needs. When opportunities become available, the City will apply to grant programs for specific capital projects that fall within the criteria of the grant program. Although when grant funding is awarded to the City, this does assist with investing in the City's assets, it is considered to be a one-time funding source that cannot be relied upon for future funding.

5.2.6 – Other Funding Sources

There are various other funding sources that can be utilized to assist with funding infrastructure projects. The majority would be contribution from others, such as developers, property owners, partners and the projects delivered jointly with the Region of Durham. These sources are also considered to be one-time funding sources and cannot be used in future planning of funding infrastructure.

Figure 13 shown below provides a summary of the approved budget from 2016-2021 for replacement assets by funding source. The average tax levy funded portion over these six years was \$13.7 million. This includes annual capital tax levy funding, as well as utilizing tax levy funded reserves.

Figure 13 – 2016-2021 Approved Budget for Replacement Assets



5.3 Funding Shortfall

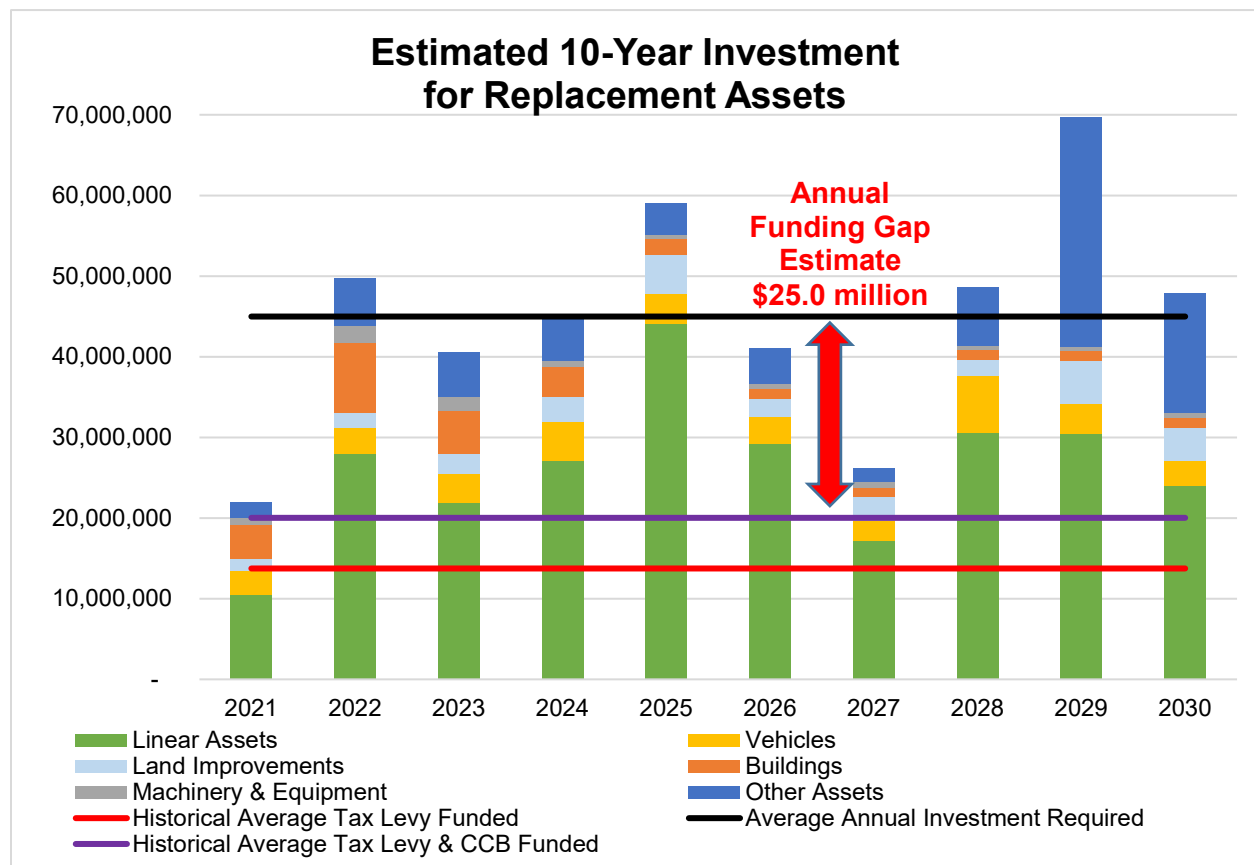
Oshawa has a practice of making annual contributions to the capital program for asset replacement. This contribution only partially satisfies capital infrastructure needs. Further, in accordance with the Development Charges Act 1997, Regulation 82/98 as amended in 2015, the City will need to respond to the requirement to demonstrate that all the assets mentioned in the City’s Development Charge Background Study are financially sustainable over their full lifecycle. This will provide an opportunity to better plan for the City’s long-term infrastructure investments.

Based on the lifecycle activities required for the core assets and including the 2021 10-year capital budget forecast for all other assets, the average annual investment required is \$45.0 million, represented by the black line in Figure 14.

The past six year approved budgets has provided an average annual investment from Tax Levy Funding and Tax Levy Supported Reserves in the amount of \$13.7 million. Canada Community Benefit (C.C.B.F.) funding is also a significant funding source for capital. The City has utilized approximately \$6.3 million per year for a total average annual funding of just over \$20.0 million when C.C.B. is included. This federal funding has been a stable funding source in the past, but it needs to be noted that the C.C.B. funding program could be cancelled at any point in the future. Therefore, caution should be taken if this funding is included with planning for infrastructure sustainability.

The estimated annual funding gap over the 10-year period based on historical funding is \$31.2 million when utilizing City only funds and \$25.0 million when the C.C.B.F. funding is taken into consideration.

Figure 14 – Estimated 10-Year Investment for Replacement Assets



6. Conclusion

The City proudly manages its assets in a responsible manner. This level of responsibility has been enhanced with the new provincial requirement for municipalities to develop A.M.P.s under O. Reg. 588/17 - Asset Management Planning for Municipal Infrastructure. Asset management requires a thorough understanding of the characteristics and condition of infrastructure assets, as well as the service levels expected from them. It also involves setting strategic priorities to optimize decision making about when and how to proceed with investments. Finally, it requires the development of a financing strategy, critical to putting the A.M.P. into action.

This A.M.P. is a living document, which is based on currently available information with improvements expected in future updates. To maintain existing momentum around asset management, a key focus in the short-term will be on improving staff, Council and the community's overall understanding and value of asset management. This will go a long way to incorporating asset management into the City's culture. Attention will be given to sharing and progressing on the detailed asset management roadmap, recognizing and responding to the changes required to processes, policies and procedures, and improving asset management data and information, including observed condition data.

There will also be significant effort engaging the public and City Council on determining the proposed levels of service related performance measures and developing more fulsome A.M.P.s that provide the required analysis for the most efficient decisions per asset class. A full asset management analysis will be completed at least every five years.

As the City's asset management capability improves, the City will gain an enhanced ability to make informed decisions, and be able to support requests for senior government infrastructure funding. Achieving this will go a long way to support Oshawa as a prosperous, collaborative, vibrant, inclusive and green city where people and businesses are proud to live, work, learn and play.

7. Recommended Actions

This is the City's second comprehensive asset management plan covering the City's assets. As the A.M.P. is a living document, it will continually be updated and built upon.

This version is considered to be Phase 1, which focuses on the City's core assets, consisting of roads, structures and stormwater assets. The scope and depth of the A.M.P. will need to increase to include an in-depth report on all of the non-core assets in phase 2. The final and most significant phase builds on the A.M.P. to include the proposed levels of service, which includes a lifecycle management and financial strategy that supports the proposed levels of service.

To ensure that these future phases of the A.M.P. are meaningful documents that support the City's ability to build a strong asset management program, the following items should be considered:

1. Investigate the efficiencies of combining all inventory listings across the City into one central asset repository. The inventory listing and detail for financial reporting purposes should be combined with the detail for A.M.P. to avoid duplication of work. Growth related assets should be added to the central asset repository.
2. The City should investigate options to implement an asset management/decision support software that can be utilized for all City assets.
3. Develop and document reliable replacement values for all assets, as well as a processes to calculate and update estimated replacement costs.

The replacement cost for several groups of assets have been estimated based on historical cost of construction/acquisition and inflated to the current year. This may not be an accurate reflection of current replacement cost due to changes beyond inflation, such as changes in construction costs or technology. Replacement costs should be updated based on current benchmark costs for similar assets. The asset groups required to be updated are: airport runways, watercourse improvements, software, equipment, parking meters, furniture, library collection, streetlights, lighting, traffic control signals, and barriers.

4. Develop a method for assessing the condition of all assets. The condition of some asset groups have been estimated based on age, where direct observation was not available, such as stormwater assets. Future iterations of the A.M.P. will strive to have more observed condition assessments. E.g. use of C.C.T.V. inspections for assessing stormwater mains.

5. Develop a methodology for tracking and reporting on the performance metrics of:
 - Percentage of properties in the City resilient to a 100-year storm, and
 - Percentage of the City stormwater management system resilient to a 5-year storm
6. Investigate best practices of including natural and green infrastructure, such as the major drainage system for overland flow routes within creeks, ditches, open spaces and parkland channels.
7. Further revise the Capital and Major Initiative Prioritization Model as the City's A.M.P. evolves in order to provide more information for scoring and prioritizing capital projects, based on the efficient use of funds.
8. Expand the asset management program to identify the steps being taken to ensure climate change strategies have been considered to assist with the resiliency of the infrastructure.
9. Develop and implement a change management framework for implementation across the organization, inclusive of Council, to further an understanding of the importance of asset management.
10. Establish a process to capture the expenditure break-down of non-infrastructure solutions, maintenance, renewal, replacement, expansion and disposal activities in the A.M.P.
11. Identify legislated and proposed levels of service (LOS) for asset classes and create a central LOS database with appropriate key performance indicators (KPIs).
12. Ensure the importance and value of the City's A.M.P. are communicated to the community on an on-going basis as a direct input to the Financial Strategy and annual budgeting process.
13. Review the alignment of the T.C.A. useful life for financial reporting purposes compared to the asset service life (lifecycle) and make revisions where required.
14. Further the use of net present value analysis of asset renewal options.
15. Continue to ensure asset management is aligned with the implementation of the Financial Strategy.
16. Continue to seek senior government funding for infrastructure projects and develop a list of shovel ready projects in order to be prepared when grant opportunities arise.
17. Continue to develop the asset management program by documenting and

formalizing roles and responsibilities within the various levels of the organization. Begin to incorporate the responsibilities into the job descriptions of the applicable staff.

18. Continue to develop, document and implement lifecycle operations, maintenance and renewal programs and strategies for asset classes to develop a consistent and proactive approach and incorporate into future investment needs forecasts.
19. Continue to align the reporting of assets between the Development Charge Background Study and the A.M.P., as per the Development Charges Act 1997, Regulation 82/98 as amended in 2015.
20. Continue to integrate Asset Management outputs into key planning documents to ensure the documents are used in the preparation of the A.M.P.
21. Continue the staff-based Asset Management Team to further collaboration and communication between departments.
22. Continue to investigate joint co-operative purchasing, as well as alternative financing and procurement options with regard to capital purchases.
23. Continue to improve the accuracy and replicability of the City's asset management data.
24. Review staffing levels required to support Asset Management.