



 **Watson
& Associates**
ECONOMISTS LTD.

Community Benefits Charge Strategy

City of Oshawa

Final Strategy Related to and including the Approved
By-law

May 4, 2023

Watson & Associates Economists Ltd.
905-272-3600
info@watsonecon.ca



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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
B.T.E.	Benefit to Existing
C.B.C.	Community Benefits Charge
C-I-L	Cash-in-lieu
D.C.	Development charge
D.C.A.	Development Charges Act, 1997, as amended
G.R.O.F.N.A.	Growth Related Operations Facility Needs Assessment
N.F.P.O.W.	No fixed place of work
O.L.T.	Ontario Land Tribunal
O. Reg.	Ontario Regulation
P.P.U.	Persons per unit



Report



Chapter 1

Introduction



1. Introduction

1.1 Purpose of this Document

The City of Oshawa (City) retained Watson & Associates Economists Ltd. (Watson), to prepare a Community Benefits Charge (C.B.C.) Strategy and to assist with the by-law adoption process. The Strategy was prepared upon completion of an initial C.B.C. Feasibility Assessment prepared by Watson for the City in April 2022. Watson worked with City staff preparing the C.B.C. Strategy and policy recommendations contained herein.

The Strategy has been prepared pursuant to the requirements of Section 37 of the *Planning Act*. Accordingly, the Strategy recommends the imposition of a C.B.C. and associated policies for administration of the by-law by the City. The C.B.C. Strategy, containing the proposed by-law, will be distributed to members of the public to provide interested parties the background information on the legislation, the recommendations, and the basis for these recommendations.

This Strategy has been prepared, in the first instance, to meet the statutory requirements under the *Planning Act*, as summarized in Chapter 3. In addition, the Strategy is designed to set out sufficient background on the calculation of the charges, and the policies underlying the proposed by-law, to make the exercise understandable to those involved. Chapters 4 and 5 outline the determination of the C.B.C. eligible capital costs and calculation of the charges. The Strategy also provides the rules for administering the by-law, as contained in Chapter 6 herein, and the proposed by-law (included as Appendix B). Finally, the report addresses post-adoption implementation requirements (Chapter 7) which are critical to the successful application of the new by-law.

The chapters in the Strategy are supported by Appendices containing the data required to explain and substantiate the calculation of the charges.



1.2 Legislative Context

1.2.1 Bill 197 - COVID-19 Economic Recovery Act, 2020

The *COVID-19 Economic Recovery Act* received Royal Assent on July 21, 2020. Schedule 17 of the Act amends the *Planning Act* with respect to the provisions of community benefits and parkland dedication. These amendments were proclaimed and came into effect on September 18, 2020. Municipalities with agreements for community benefits have two years after the date of proclamation (i.e., September 18, 2022) to transition to the new rules under s.37 of the *Planning Act*. Eligible municipalities also have the ability to impose a C.B.C. under this authority.

Single-tier and lower-tier municipalities may adopt a by-law to impose a C.B.C. against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies. The capital costs included in a C.B.C. may include:

- land for parks or other public recreational purposes in excess of lands conveyed or funded by cash-in-lieu (C-I-L) of parkland payments under sections 42 and 51 of the *Planning Act*;
- capital costs for services under subsection 2 (4) of the D.C.A. that are ineligible for recovery under a D.C. by-law; and
- capital costs for municipal services ineligible for inclusion in a D.C. by-law.

There are restrictions on the application of the charges. A C.B.C. may be imposed only with respect to development or redevelopment that requires:

- the passing of a zoning by-law or of an amendment to a zoning by-law under section 34;
- the approval of a minor variance under section 45;
- a conveyance of land to which a by-law passed under subsection 50 (7) applies;
- the approval of a plan of subdivision under section 51;
- a consent under section 53;
- the approval of a description under section 9 of the *Condominium Act, 1998*; or
- the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.



As discussed later, the regulations limit the charge relative to the value of land at the time of building permit issuance thus, imposing the charge at the time of development requiring the issuance of a building permit would be prudent.

The *Planning Act* limits the imposition of the C.B.C. on certain types of development. Under s.37(3) a C.B.C. may not be imposed with respect to:

- development or redevelopment of fewer than 10 residential units, and in respect of buildings or structures with fewer than five storeys;
- a building or structure intended for use as a long-term care home;
- a building or structure intended for use as a retirement home;
- a building or structure intended for use by a university, college, or an Indigenous Institute;
- a building or structure intended for use as a memorial home, clubhouse, or athletic grounds by an Ontario branch of the Royal Canadian Legion;
- a building or structure intended for use as a hospice to provide end-of-life care; or
- not-for-profit housing.

Before adopting a C.B.C. by-law a municipality must prepare a C.B.C. Strategy that identifies the facilities, services, and matters that will be funded with the charges. The municipality must consult with such persons and public bodies as the municipality considers appropriate while preparing the Strategy. Furthermore, Ontario Regulation 509/20 specifies the methodology that must be followed in the Strategy. This includes:

1. An estimate of the anticipated amount, type and location of development and redevelopment with respect to which community benefits charges will be imposed;
2. Estimates of the increase in the need for facilities, services and matters attributable to the anticipated development and redevelopment to which the community benefits charge by-law would relate;
3. For the facilities, services and matters included above an identification of excess capacity and estimates of the benefit existing development;
4. Estimates of the capital costs necessary to provide the facilities, services, and matters; and



5. Identification of any capital grants, subsidies and other contributions made to the municipality or that the council of the municipality anticipates will be made in respect of the capital costs.

Once the by-law is passed the municipality must give notice of passage and the by-law may be appealed to the Ontario Land Tribunal (OLT) within 40 days of by-law passage.

The amount of the charge cannot exceed an amount equal to the prescribed percentage of the value of the land on the date of building permit issuance. At present, the prescribed value is set by regulation at 4% of land value. Moreover, if the landowner is of the view that the amount of the C.B.C. exceeds the prescribed value, the landowner may pay the charge under protest. In this circumstance there is an obligation of the landowner and municipality to provide appraisals, and for the municipality to maintain a registry of at least three land appraisers.

A municipality may allow the landowner to provide in-kind contributions towards the facilities, services or matters in lieu of paying a C.B.C.

Revenue collected under a C.B.C. by-law must be maintained in a special account and used for the purposes that the charge was imposed. A municipality must report on the activity of the special account annually.

1.2.2 *Bill 23-More Homes Built Faster Act, 2022*

On November 28, 2022, Bill 23 received Royal Assent. This Act amends a number of pieces of legislation including the Planning Act and the D.C.A. The following provides a summary of the changes to the Planning Act as it pertains to the C.B.C.:

1.2.2.1 *Additional Residential Unit Exemption*

The rules related to residential unit exemptions now provided in the Planning Act are as follows:

- Affordable Residential Units (Rented): Where rent is no more than 80% of the average market rent as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
- Affordable Residential Units (Ownership): Where the price of the unit is no more than 80% of the average purchase price as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.



- Attainable Units: Excludes affordable units and rental units; will be defined as prescribed development or class of development and sold to a person who is at “arm’s length” from the seller.
 - Note: for affordable and attainable units, the municipality shall enter into an agreement that ensures the unit remains affordable or attainable for 25 years.
- Inclusionary Zoning Units: Affordable housing units required under inclusionary zoning by-laws.

Note that the above exemptions will become applicable upon proclamation of Bill 23. Therefore, at the time of authoring this report, they are not currently in effect.

1.3 Summary of the Process

Prior to passing a C.B.C. by-law, the *Planning Act*, subsection 37(10) requires the City to consult with the public and such persons and public bodies as the City considers appropriate. As such, the Strategy’s purpose, approach, and proposed C.B.C. by-law was drafted and presented to City staff in September, 2022. Feedback on the Strategy and proposed by-law was received at the meeting and the Strategy was revised accordingly. With the passage of Bill 23, additional refinements were required to the draft by-laws, they have been included in the final Strategy report, dated December 28, 2022. The Strategy and by-law will be presented to Council and the public on January 9, 2023 with adoption of the by-law anticipated for April 3, 2023.

Figure 1-1 provides an outline of the schedule to be followed with respect to the C.B.C. Strategy and by-law adoption and implementation process.



Figure 1-1
City of Oshawa
Schedule of Key Dates in the C.B.C. Strategy Process

Item	Date
1. Data collection, land valuation analysis, growth forecast development, capital needs assessment.	January 2022 - July 2022
2. Released a C.B.C. Feasibility Assessment to the City	April 8, 2022
3. Preparation of C.B.C. Strategy, including calculations and by-law policies	July 2022 – August 2022
4. Release of C.B.C. Strategy and proposed by-law	December 28, 2022
5. Presentation of C.B.C. Strategy and proposed by-law to the public and Finance Committee	January 9, 2023
6. Council considers adoption of C.B.C. Strategy and passage of by-law	April 3, 2023
7. Effective Date of By-law anticipated for	May 1, 2023
8. Notice given of by-law passage	No later than 20 days after passage
9. Last day for by-law appeal	40 days after passage



Chapter 2

Anticipated Development in the City of Oshawa



2. Anticipated Development

2.1 Requirement of the Act

Chapter 3 provides the methodology for calculating a C.B.C. as per Section 37 of the *Planning Act*. Figure 3-1 presents this methodology schematically. It is noted in the first box of the schematic that in order to determine the C.B.C. that may be imposed, it is a requirement of subsection 37(9) of the *Planning Act* and O. Reg. 509/20 that “the anticipated amount, type and location of development and redevelopment, for which a C.B.C. can be imposed, must be estimated.”

The growth forecast contained in this chapter (with supplemental tables in Appendix A) provides for the anticipated development for which the City will be required to provide services over a 10-year (mid-2022 to mid-2032) time horizon.

2.2 Basis of Population, Household and Employment Forecast

The C.B.C. growth forecast has been derived by Watson. The growth forecast provided herein builds on growth assumptions established in the Durham Region Growth Management Strategy (ongoing) and the Region of Durham Regional Transit Development Charge Background Study (2022). In addition to the Regional Development Charge Background Study, the following information sources were consulted:

- City of Oshawa Official Plan (Approved by the Minister of Municipal Affairs on February 12, 1987);
- Durham Region Growth Management Strategy Technical Reports (2021);
- 2006, 2011 and 2016 population, household, and employment Census data;
- 2021 population and household Census data;
- Historical residential and non-residential building permit data over the 2012 to 2021 period;
- Residential supply opportunities as provided by the City of Oshawa; and
- Discussions with City staff regarding anticipated residential and non-residential development in the City of Oshawa.

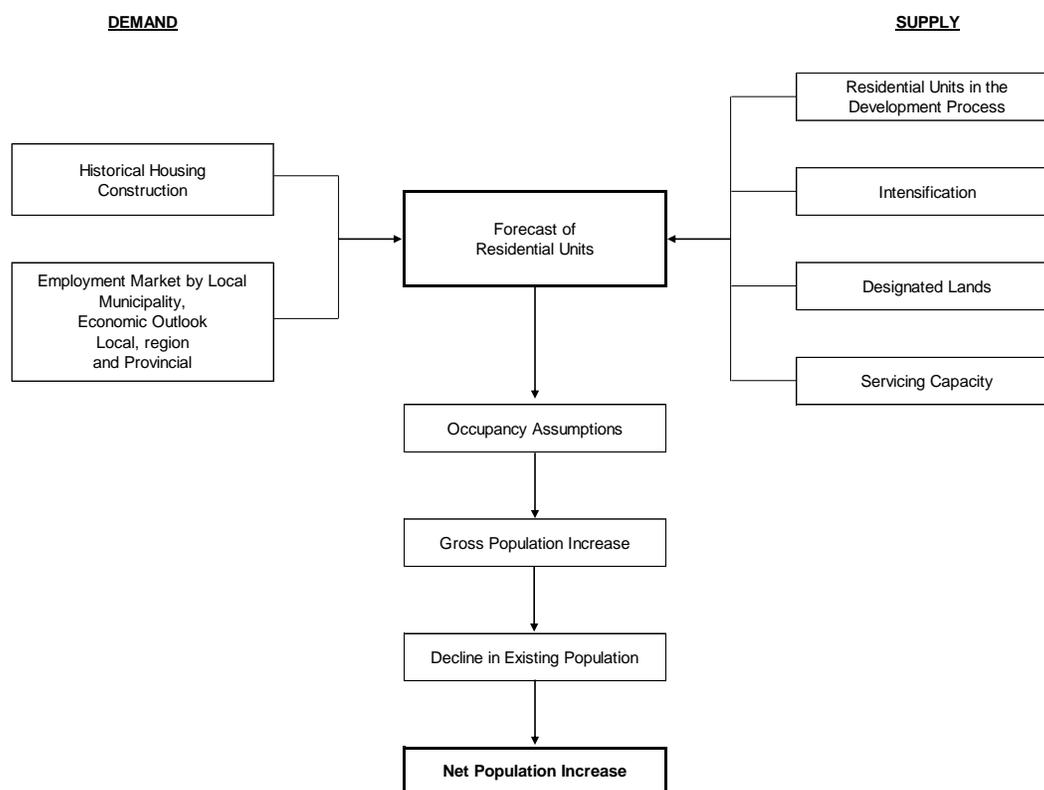


2.3 Summary of Growth Forecast

A detailed analysis of the residential and non-residential growth forecasts is provided in Appendix A and the methodology employed is illustrated in Figure 2-1. The discussion provided herein summarizes the anticipated growth for the City and describes the basis for the forecast. The results of the residential growth forecast analysis are summarized in Table 2-1 below, and Schedule 1 in Appendix A.

As identified in Table 2-1 and Schedule 1, the City's population is anticipated to reach approximately 208,300 by mid-2032, resulting in an increase of approximately 29,800 persons, over the 10-year forecast period.^[1]

Figure 2-1
Approach to Population and Housing Forecast



^[1] The population figures used in the calculation of the 2022 C.B.C. exclude the net Census undercount, which is estimated at approximately 3.8%.



**Table 2-1
City of Oshawa
Residential Growth Forecast Summary**

	Year	Population (Including Census Undercount) ¹	Excluding Census Undercount			Housing Units					Person Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ²	Apartments ³	Other	Total Households	
Historical	<i>Mid 2006</i>	146,950	141,590	1,870	139,720	34,705	7,705	12,375	145	54,930	2.578
	<i>Mid 2011</i>	155,270	149,607	1,932	147,675	38,101	8,190	12,383	123	58,797	2.544
	<i>Mid 2016</i>	165,490	159,458	1,828	157,630	40,085	9,075	13,285	150	62,595	2.547
	<i>Mid 2021</i>	182,020	175,383	2,011	173,372	42,330	10,095	14,065	150	66,640	2.632
Forecast	<i>Mid 2022</i>	185,280	178,519	2,024	176,495	42,679	10,912	14,459	150	68,200	2.618
	<i>Mid 2032</i>	216,230	208,339	2,270	206,069	48,419	14,437	17,582	150	80,588	2.585
Incremental	Mid 2006 - Mid 2011	8,320	8,017	62	7,955	3,396	485	8	-22	3,867	
	Mid 2011 - Mid 2016	10,220	9,851	-104	9,955	1,984	885	902	27	3,798	
	Mid 2016 - Mid 2021	16,530	15,925	183	15,742	2,245	1,020	780	0	4,045	
	Mid 2021 - Mid 2022	3,260	3,136	13	3,123	349	817	394	0	1,560	
	Mid 2022 - Mid 2032	30,950	29,820	246	29,574	5,740	3,525	3,123	0	12,388	

Source: Derived from Durham Region Growth Management Strategy (ongoing) and the Region of Durham Region-Wide Development Charge Background Study (2022), by Watson & Associates Economists Ltd., 2022.

Note: The 2031 Official Plan population target of 197,000 persons is anticipated to be achieved prior to 2031.

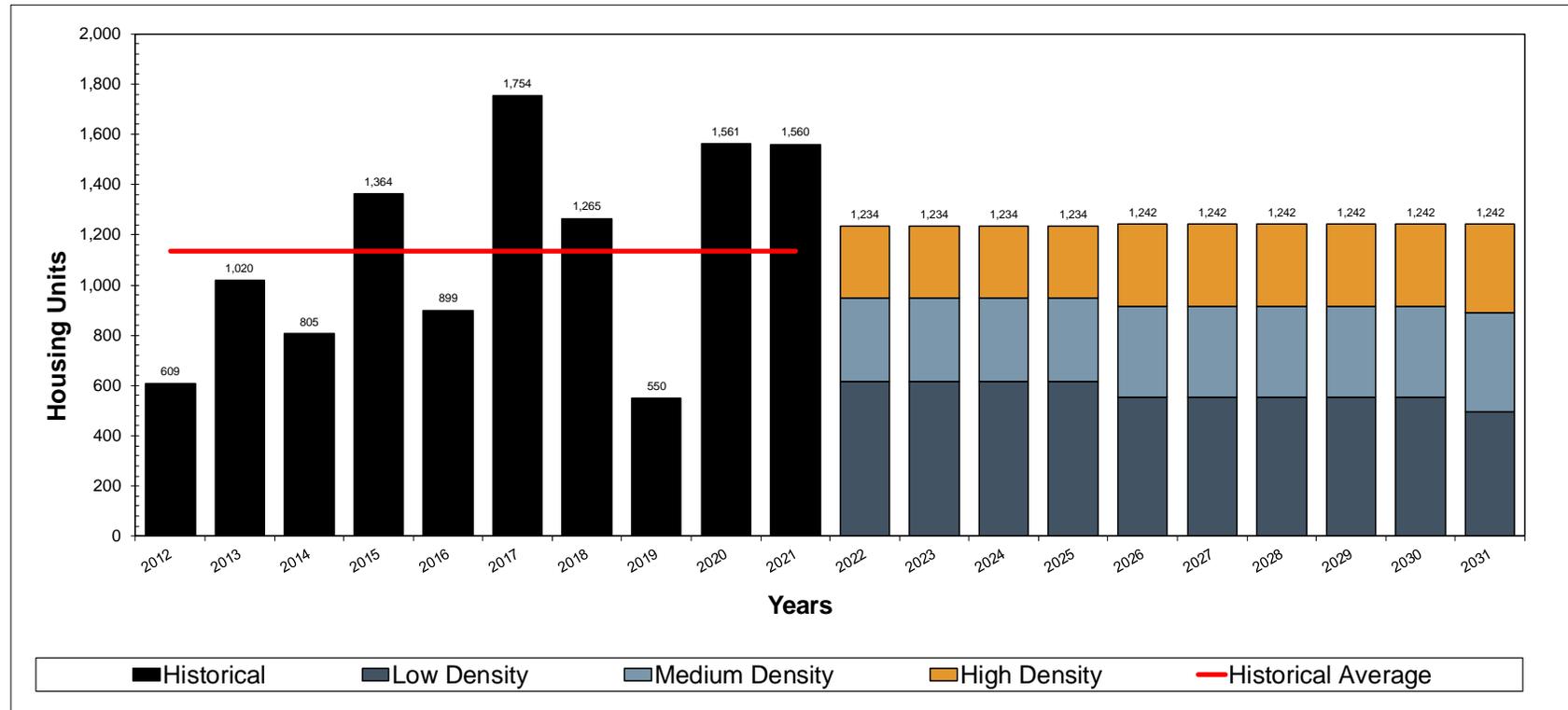
¹ Census undercount estimated at approximately 3.8%. Note: Population including the undercount has been rounded.

² Includes townhouses and apartments in duplexes.

³ Includes bachelor, 1-bedroom and 2-bedroom+ apartments.



Figure 2-2
City of Oshawa
Annual Housing Forecast^[1]



Source: Building permit data between 2012 and 2020 from the City of Oshawa. Building permits issued in 2021 from Statistics Canada. Figure by Watson & Associates Economists Ltd., 2022.

¹ Growth forecast represents calendar year.



Provided below is a summary of the key assumptions and findings regarding the City's C.B.C. growth forecast:

1. Unit Mix (Appendix A – Schedule 1, 5 and 6)

- The housing unit mix for the City was derived from the Region of Durham Regional Transit Development Charge Background Study (2022)
- Based on the above indicators, the 2022 to 2032 household growth forecast for the City is comprised of a unit mix of 46% low density units (single detached and semi-detached), 29% medium density (multiples except apartments) and 25% high density (accessory units, bachelor, 1-bedroom, and 2+ bedroom apartments) units.

2. C.B.C. Eligible Units

- Subsection 37(4) of the *Planning Act* establishes the criteria for a development to be C.B.C. eligible. A C.B.C. may be imposed if:
 - Development of a proposed building or structure has five or more storeys at or above ground and has 10 or more residential units;
 - Redevelopment of an existing building or structure that will have 5 or more storeys at or above ground after redevelopment and proposes to add 10 or more residential units to an existing building or structure; or
 - Such types of development or redevelopment as prescribed.
- The C.B.C. eligible unit forecast is derived based on the established criteria above and a detailed review of historical Census housing trends, historical development activity (as per Schedule 6), active residential development applications (as per Schedule 5) and discussions with City staff regarding anticipated C.B.C. eligible developments.
- Based on the above indicators, the City is forecast to accommodate 2,435 C.B.C. eligible household units over the 10-year forecast period. This translates to 78% of all high-density units, including accessory units, being C.B.C. eligible from 2022 to 2032. Schedule 2 summarizes the anticipated amount and type of development for the City.



3. Geographic Location of C.B.C. Eligible Residential Development (Appendix A – Schedule 2)

- Schedule 2 summarizes the anticipated amount and type of C.B.C. eligible development for the City.
- In accordance with forecast demand and available land supply, the amount and percentage of forecast C.B.C. eligible housing growth between 2022 and 2032 is summarized in Table 2-2.

Table 2-2
City of Oshawa
Residential High-Density Growth by Development Area

Development Location	High-Density Housing Growth, 2022 to 2032 ^[1]	C.B.C. Eligible Share (%)	C.B.C. Eligible Housing Growth, 2022 to 2032
City-Wide Total	3,123	78%	2,435

^[1] High density includes accessory apartments, bachelor, 1-bedroom, and 2-bedroom+ apartments.
Source: Watson & Associates Economists Ltd.

4. Planning Period

- For the purpose of this study, a 10-year planning horizon has been assumed which aligns with the City's Capital Budget and Forecast for the same 10-year period.

5. Population in New Units (Appendix A – Schedules 3 and 4)

- The number of housing units to be constructed by 2032 in the City over the forecast period is presented in Figure 2-2. Over the 2022 to 2032 forecast period, the City is anticipated to average approximately 1,200 new housing units per year.



- Institutional population^[1] is anticipated to increase by approximately 250 people between 2022 to 2032.
- Population in new units is derived from Schedules 3 and 4 which incorporate historical development activity, anticipated units (see unit mix discussion) and average persons per unit (P.P.U.) by dwelling type for new units.
- Schedule 7 summarizes the average P.P.U. assumed for new housing units by age and type of dwelling based on Statistics Canada 2016 custom Census data for the City of Oshawa. The total calculated P.P.U. for all density types has been adjusted accordingly to account for the P.P.U. trends which have recently been experienced in both new and older units. Forecast 25-year average P.P.U.s by dwelling type are as follows:
 - Low density: 3.168
 - Medium density: 2.489
 - High density:^[2] 1.705

6. Existing Units and Population Change (Appendix A – Schedules 3 and 4)

- Existing households for mid-2022 are based on 2021 Census households, plus estimated residential units constructed between mid-2021 and mid-2022, assuming a six-month lag between construction and occupancy (see Schedule 3).
- The change in average occupancy levels for existing housing units is calculated in Schedules 3 and 4, by aging the existing population over the forecast period. The forecast population change in existing households over the 2022 to 2032 forecast period is approximately 2,710.

7. Employment (Appendix A – Schedule 8)

- The employment projections provided herein are derived from the Region of Durham Regional Transit Development Charge Background Study (2022) and based on the activity rate method, which is defined as the number of jobs in a City divided by the number of residents. Key employment sectors include

^[1] Institutional population largely includes special care facilities such as nursing home or residences for senior citizens. A P.P.U. of 1.100 depicts 1-bedroom and 2-or-more-bedroom units in collective households.

^[2] Includes accessory units, bachelor, 1-bedroom and 2-or-more-bedroom apartments.



- primary, industrial, commercial/population-related, institutional, and work at home, which are considered individually below.
- 2016 employment data for the City is outlined in Schedule 8. In accordance with Statistics Canada Census data, the City's 2016 employment base including work at home and no fixed place of work (N.F.P.O.W.) is approximately 58,700.^[1]
 - Total employment, including work at home and N.F.P.O.W. for the City is anticipated to reach approximately 77,900 by mid-2032. This represents an employment increase of approximately 11,630 over the 10-year forecast period.
 - Schedule 8, Appendix A, summarizes the employment forecast, excluding work at home employment and N.F.P.O.W. employment, which is the basis for the C.B.C. employment forecast. The impact on municipal services from work at home employees has already been included in the population forecast. The need for municipal services related to N.F.P.O.W. employees has largely been included in the employment forecast by usual place of work (i.e., employment and gross floor area generated from N.F.P.O.W. construction employment).
 - Total employment for the City (excluding work at home and N.F.P.O.W. employment) is anticipated to reach approximately 62,550 by mid-2032. This represents an employment increase of approximately 9,210 for the 10-year forecast period.

Based upon the above information, the following summaries are provided for use in the calculations presented in Chapter 4, as follows:

- Of the services to be provided, most service costs will be allocated a 76% residential share (Table 2-3);
- Of the residential portion of the costs, 16% of the population is forecast to reside in high-density residential units (Table 2-4); and

^[1] No fixed place of work is defined by Statistics Canada as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."



- Of those who reside in high density residential units, 78% are forecast to reside in units to which the C.B.C. may be imposed (Table 2-5).

Table 2-3
Residential and Non-Residential Growth Share based on Incremental Growth in Population and Employment over the 10-Year Forecast Period

Residential Population and Non-Residential Employment	Population/ Employment	Residential/ Non- Residential %
Residential Net Population	29,820	76%
Employment	9,211	24%
Total Population & Employment (2022-2031)	39,031	100%

Table 2-4
Low/Medium Density Growth and High-Density Growth Share

Residential Density	Residential Population	% of Gross Population in New Units
Low/Medium Density	26,958	84%
High Density	5,325	16%
Total Residential Forecast (2022-2031)	32,283	100%

Table 2-5
Eligible and Ineligible High-Density Growth Share

Residential High Density	Residential Population	% of Gross Population in High Density Units
Ineligible High Density	1,173	22%
Eligible High Density	4,152	78%
Total Residential High-Density Forecast (2022-2031)	5,325	100%



2.4 Land Valuation and Analysis

As the C.B.C. rate is applied against the value of land the day before a building permit is issued, average land values are required to be assessed in various locations throughout the City where the development and redevelopment is anticipated. These land values assist in calculating the eligible C.B.C. rate (up to a maximum of 4%). As such, the City's Development Services Department engaged David Coppins and Gerry Keenan real estate professional at Re/Max Jazz Inc. in 2018 to undertake a review of land values for purposes of the City's cash-in-lieu parkland dedication by-law. The land analysis provided for several serviced vacant residential lands where high and medium density residential developments could take place. The average land price of these properties equated to \$911,868 per acre (\$2,253,266 per hectare). This estimate has been used for the purposes of the C.B.C. Strategy to estimate total potential land value for eligible high-density development.



Chapter 3

Approach to the Calculation

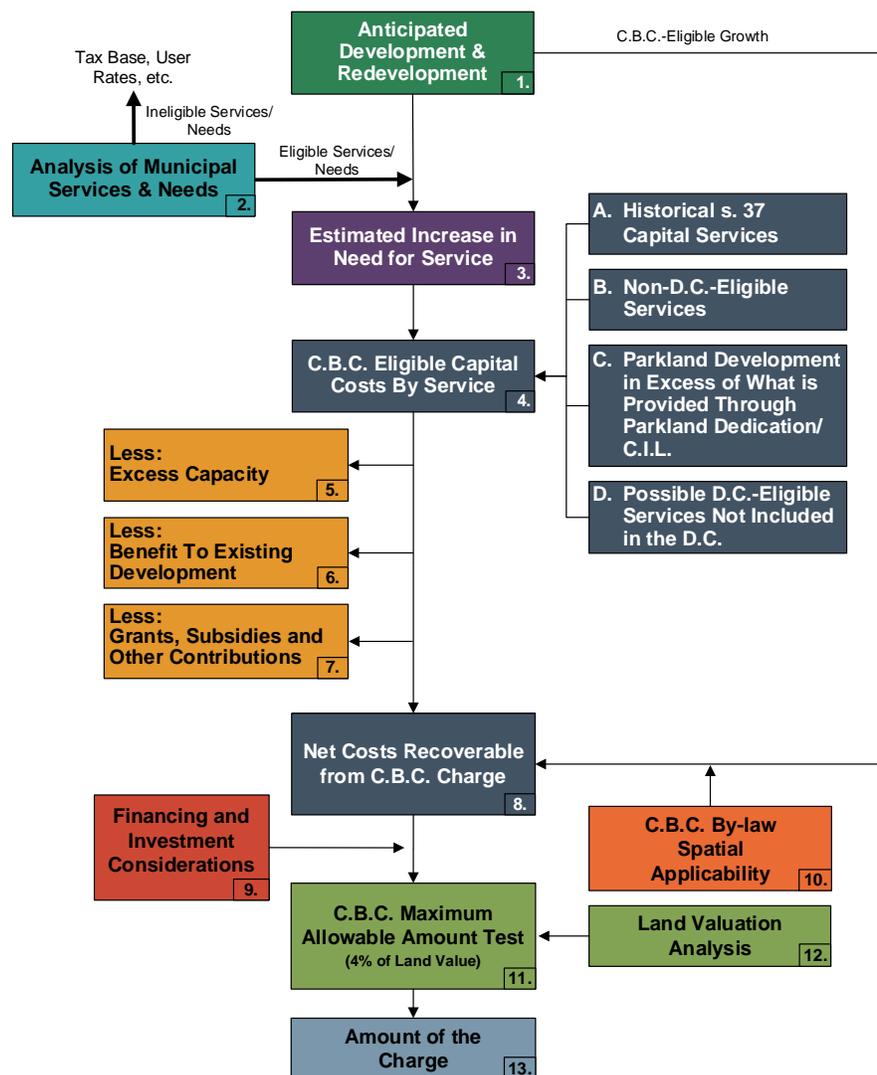


3. The Approach to the Calculation of the Charge

3.1 Introduction

This chapter addresses the requirements of subsection 37(9) of the *Planning Act* and sections 2 and 3 of O. Reg. 509/20 with respect to the establishment of the need for service which underpins the C.B.C. calculation. These requirements are illustrated schematically in Figure 3-1.

Figure 3-1
The Process of Calculating a Community Benefits Charge under the *Planning Act*





3.2 Anticipated Development and Redevelopment

The anticipated development and redevelopment forecast is provided in Chapter 2 (with supplemental tables in Appendix A). This chapter provides for the anticipated overall growth within the City over a 10-year (mid-2022 to mid-2032) time horizon and then estimates the residential units eligible to be considered as per subsection 37(4) of the *Planning Act*.

3.3 Services Potentially Involved

As per subsection 37(5) of the *Planning Act*, a C.B.C. may be imposed for services that do not conflict with services or projects provided under a municipality's D.C. by-law or parkland dedication by-law. Hence, the service provided under the C.B.C. would be defined as follows:

- (a) land for parks or other public recreational purposes in excess of lands conveyed or funded by cash-in-lieu of parkland payments under sections 42 and 51 of the *Planning Act*,
- (b) capital costs for services under subsection 2 (4) of the D.C.A. that are ineligible for recovery under a D.C. by-law; and
- (c) capital costs for municipal services ineligible for inclusion in a D.C. by-law.

Examples of services not provided by a D.C. or Parkland Dedication by-law include (but are not limited to) capital facilities and equipment for municipal parking, airports, municipal administration building expansions, museums, arts centers, public art, heritage preservation, landfill, public realm improvements, community gardens, space for non-profits, etc.

3.4 Increase in the Need for Service

The C.B.C. calculation commences with an estimate of “the increase in the need for service attributable to the anticipated development,” for eligible services to be covered by the by-law. There must be some form of link or attribution between the anticipated development and the estimated increase in the need for service. While the need could potentially be expressed generally in terms of units of capacity, a project-specific expression of need would appear to be most appropriate.



3.5 Capital Forecast

Subsection 37(2) of the *Planning Act* provides that, “The council of a local municipality may by by-law impose community benefits charges against land to pay for the capital costs of facilities, services and matters.” The Act does not define what capital costs may be included within the charge. The Act provides that the C.B.C. charge could include capital costs for eligible D.C. services that are not intended to be funded under a municipal D.C. by-law. This provision suggest that capital costs may be defined in an equivalent manner as the *Development Charges Act (D.C.A.)*. Hence, based on this relationship with the D.C.A., capital costs may include:

- (a) costs to acquire land or an interest therein (including a leasehold interest);
- (b) costs to improve land;
- (c) costs to acquire, lease, construct or improve buildings and structures;
- (d) costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes;
- (e) interest on money borrowed to pay for the above-referenced costs;
- (f) costs to undertake studies in connection with the above-referenced matters; and
- (g) costs of the C.B.C. Strategy study.

3.6 Deductions

Section 2 of O. Reg. 509/20 potentially requires that three deductions be made to the capital costs estimates. These relate to:

- excess capacity;
- benefit to existing development; and
- anticipated grants, subsidies, and other contributions.

The requirements behind each of these reductions are addressed below.

3.6.1 *Reductions for Excess Capacity*

Subsection 2 (c) of O. Reg. 509/20 requires the identification of the excess capacity that exists in relation to the facilities, services and matters referred to in clause 2 (b)



suggesting the need for a potential deduction to the capital. “Excess capacity” is undefined, but in this case, the excess capacity must be able to meet some or all of the increase in need for service, in order to potentially represent a deduction. The deduction of excess capacity from the future increase in the need for the service would normally occur as part of the conceptual planning and feasibility work associated with justifying and sizing new facilities, e.g., if a new landfill site to accommodate increased solid waste generated by the new growth is not required because sufficient excess capacity is already available, then a landfill site expansion would not be included as an increase in need, in the first instance.

3.6.2 Reduction for Benefit to Existing Development

Subsection 2 (c) of O. Reg. 509/20 of the D.C.A. provides that the capital estimates identify extent to which an increase in a facility, service or matter referred to in clause 2 (b) of the regulation would benefit existing development. The general guidelines used to consider benefit to existing development included:

- the repair or unexpanded replacement of existing assets;
- the elimination of a chronic servicing problem not created by growth; and
- providing services where none previously existed (for example, extending garbage pickup to the rural area which previously did not receive the municipal services).

Where existing development has an adequate service level which will not be tangibly increased by an increase in service, no benefit would appear to be involved. For example, where expanding existing garbage collection vehicles for future development simply replicates what existing residents are receiving, the existing developments receive very limited (or no) benefit as a result.

In the case of services such as cultural facilities, the service is typically provided on a municipal-wide system basis. For example, facilities of the same type may provide different services (i.e., visual art vs. performance art), different programs (i.e., art classes vs. acting classes), and different time availability for the same service (i.e., art classes available on Wednesdays in one facility and Thursdays in another). As a result, residents will travel to different facilities to access the services they want at the times they wish to use them, and facility location generally does not correlate directly with residence location. Even where it does, displacing users from an existing facility to a



new facility frees up capacity for use by others and generally results in only a very limited benefit to existing development. Furthermore, where an increase in demand is not met for a number of years, a negative service impact to existing development is involved for a portion of the planning period.

3.6.3 Reduction for Anticipated Grants, Subsidies and Other Contributions

This step involves reducing the capital costs by capital grants, subsidies, and other contributions made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development. That is, some grants and contributions may not specifically be applicable to growth or where Council targets fundraising as a measure to offset impacts on taxes.

Although specific grants, subsidies and/or other contributions may not be currently identified and reduced in the calculations, due diligence will be undertaken by municipal staff during the annual budget process to net off any future identified funding from these other sources.

3.7 Municipal-wide vs. Area Rating

This step involves determining whether all of the subject costs are to be recovered on a uniform municipal-wide basis or whether some or all are to be recovered on an area-specific basis. There is no mandatory requirement to consider area rating of services (i.e., providing charges for specific areas and services); however, the legislation does not prohibit area rating. There may be instances where Council may consider varying rates to align with other policies or possible incentives in the development area.

Through the C.B.C. Strategy process, discussions with municipal staff took place related to structuring the charge on a municipal-wide vs. area specific basis. As the services being provided in the strategy are not restricted to one specific area and are anticipated to be used by all residents within the municipality, the charges have been provided on a municipal-wide basis. Although the charges are to be calculated and imposed on a municipal-wide basis, consideration of the location of the projects will take place through the annual budget process.



3.8 Land Valuation Analysis

To facilitate the rate calculation provided in section 3.9, an estimate of the market value of the land related to the anticipated applicable development/redevelopment presented in section 3.2, needs to be undertaken. It is noted that the land values may vary based on a number of factors including location, zoning density, parcel size, etc., however, these values should estimate the land value the day before building permit issuance. This data may be available from municipal resources, or the municipality may consider engaging the assistance of a professional land appraiser.

3.9 Calculation of the Community Benefit Charge

Subsection 37(32) of the *Planning Act* provides that the amount of the *Planning Act* provides that the maximum charge which can be imposed is prescribed by the regulations. O. Reg 509/20 section 3 provides that the maximum charge is to be 4%.

To calculate the rate, the net capital cost (as provided by netting the deductions set out in section 3.6 from the capital presented in section 3.5) are divided by the land values related to the anticipated applicable development/redevelopment. This calculation produces a percentage of the capital cost relative to the land value of development. This rate cannot exceed the maximum prescribed rate of 4% of land value.

Alternatively, a municipality may choose to impose a rate on another basis. For example, the charge could be calculated on a per dwelling unit basis similar to a development charge (D.C.). This calculation would be facilitated by dividing the net capital cost by the forecast incremental gross population growth to arrive at a C.B.C. per capita. This rate would then be applied to the person per unit occupancy assumptions for high-density residential dwelling units to determine the charge. Moreover, the charge could be denominated based on land area, where the net capital costs would be divided by the amount of land anticipated to be occupied by the forecast residential dwelling units constructed over the forecast period.



Chapter 4

C.B.C. Eligible Cost Analysis



4. C.B.C. Eligible Cost Analysis

4.1 Introduction

This chapter outlines the basis for calculating eligible costs to be recovered through a C.B.C. by-law, which are to be applied on a uniform municipal-wide basis. In each case, the required calculation process set out in O. Reg. 509/20 subsection 2(a) through 2(f) to the *Planning Act* and described in Chapter 3 was followed in determining C.B.C. eligible costs.

The nature of the capital projects and timing identified in this chapter reflects City staff's recommendations for growth-related needs. However, it is recognized that over time, capital projects and Council priorities change, which may alter the timing and/or capital projects required to service growth. In undertaking the C.B.C. Strategy, the following services were considered:

- Municipal-wide Services:
 - Parking (prior D.C. eligible service);
 - Corporate Initiatives;
 - Information Technology; and
 - Workforce Strategic Planning.
- Animal Control & By-Law Services;
- C.B.C. Strategies;
- Library Services; and
- Solid Waste Management Services.

4.2 Allocation of Costs to C.B.C. Eligible Development

To determine the C.B.C.'s eligible capital costs for the City, the gross capital costs were estimated based on the City's 2022 Capital Budget and Forecast, the City's Development Charge Background Study, as well as discussions with City staff. Having estimated the capital costs for each project, deductions related to excess capacity, benefit to existing development, and grants, subsidies, or other contributions were assessed. The resultant net growth-related costs were then allocated based on the following:



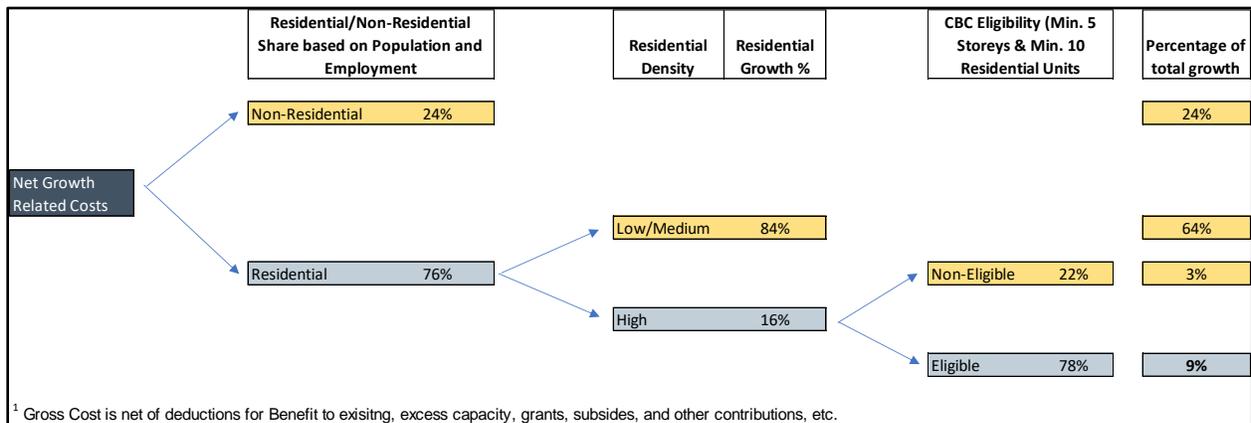
- Net cost for most services were apportioned between residential and non-residential growth (Table 2-3), based on the incremental population and employment growth over the 10-year forecast period, however, similar to the City's D.C. Background Study, certain services are apportioned based on an allocation, while others are based on alternative methods as follows:
 - Municipal-wide Services, including parking services, by-law services, corporate initiatives, information technology, and workforce strategic planning: Based on incremental population and employment equal to a residential share of 76% and non-residential share of 24%;
 - Animal Control Services: Based on incremental population and employment equal to a residential share of 76% and non-residential share of 24%;
 - C.B.C. Strategies: Allocated to C.B.C. eligible residential development only;
 - Library Services: Allocated similar to D.C. allocations with residential share of 95% and non-residential share of 5%; and
 - Solid Waste Management Services: Based on 2020-2021 waste stream data for landfill, the residential share is 86% and non-residential share is 14%.
- The net capital costs associated with residential development is then apportioned between low-density and medium-density development types (84%) and high-density development (16%) over the forecast period, based on the respective population growth forecast for the population anticipated in these units (Table 2-4).
- Finally, the net capital costs related to high-density development were apportioned to the C.B.C. eligible development, i.e., buildings with a minimum of five storeys and at least 10 residential dwelling units. As summarized in Table 2-5, this type of development accounts for 78% of all high-density residential population anticipated over the forecast period.

As noted above, similar to the calculations undertaken in the City's D.C. Study, some services are shared between residential and non-residential growth based on the incremental population and employment over the forecast period. Based on the C.B.C. 10-year forecast, this would result in an allocation of 76% residential/24% non-residential. Figure 4-1 provides a flow chart of the shares that would be assigned to services such as parking, information technology, and corporate initiatives. As noted in



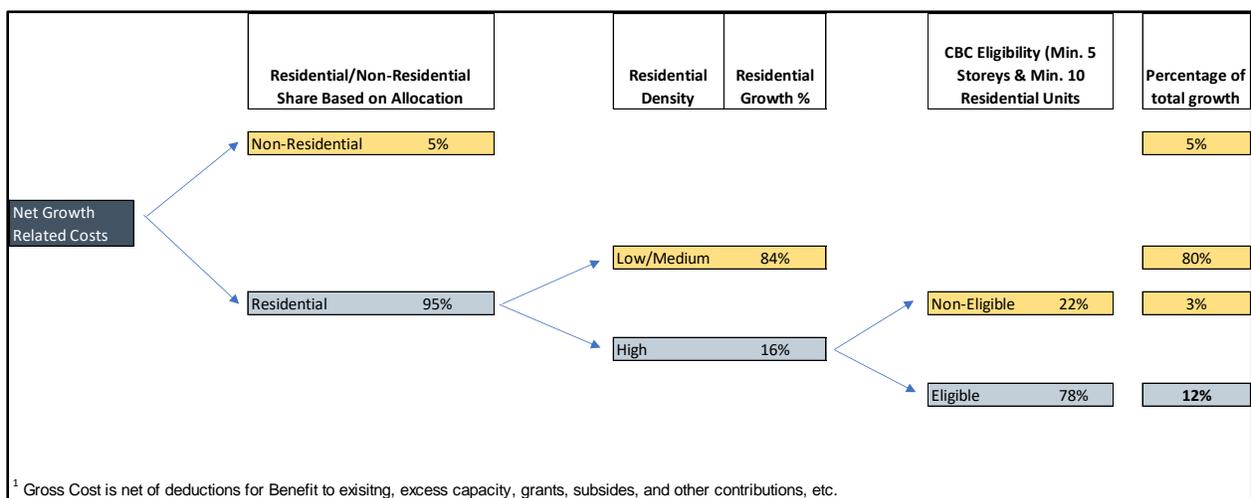
Tables 2-3 to 2-5, the allocations between the total growth anticipated over the forecast period would result in 9% of net growth-related costs being eligible for recovery through the C.B.C.

Figure 4-1
Growth Shared for Municipal-wide Services



As the predominant users of parks, recreation, and culture tend to be residents of the City, the forecast growth-related costs for Library Services have been allocated 95% to residential and 5% to non-residential, similar to the allocations provided in the City's D.C. Study for these types of services. Figure 4-2 provides a flow chart of the shares that would be assigned to Library Services, which results in a 12% recovery of growth-related costs through the C.B.C.

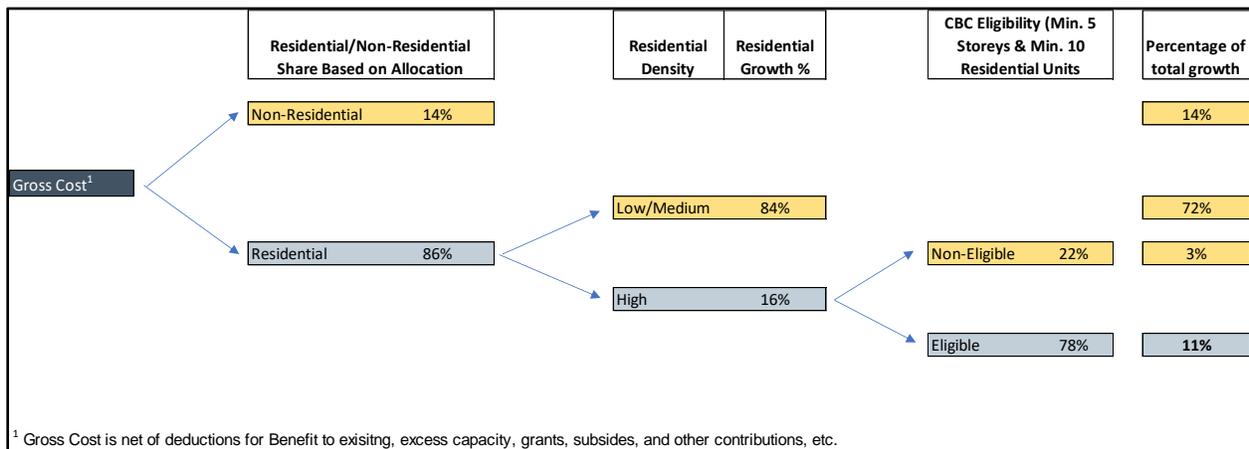
Figure 4-2
Growth Shared for Library Services





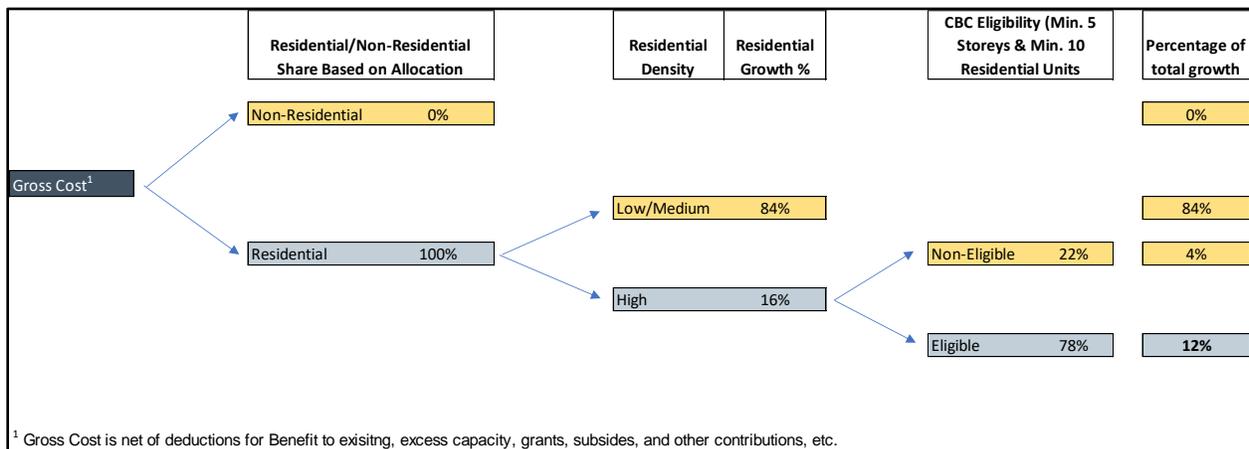
For costs related to Solid Waste Management Services, the forecast growth-related costs have been allocated 86% to residential and 14% to non-residential, for the waste stream related to landfill for residential and non-residential, respectively. Figure 4-3 provides a flow chart of the shares that would be assigned to Solid Waste Management Services, resulting in an 11% recovery of growth-related costs through the C.B.C.

Figure 4-3
Growth Shared for Solid Waste Management Services



For costs related to Animal Control Services, the forecast growth-related costs have been allocated 100% to residential as animal control services are provided for the residential base only in the City. Figure 4-4 provides a flow chart of the shares that would be assigned to Animal Control Services, resulting in a 12% recovery of growth-related costs through the C.B.C.

Figure 4-4 - Growth Shared for Animal Control Services





4.3 C.B.C Eligible Cost Analysis

This section provides for the evaluation of development-related capital requirements over a 10-year (2022 to 2032) planning horizon. The capital cost related to the increase in need for service are presented in Tables 4-1 to 4-5 and as follows:

- **Municipal-wide Services:**
 - **Municipal Parking** – The City’s capital budget identifies a new Plate Recognition project. The gross capital cost of this project is \$50,000. There is a benefit to existing (B.T.E.) development deduction of \$43,088 and \$6,912 was allocated for possible grants, subsidies, and other contributions towards the new development. The resulting net costs are \$0 and therefore no recovery from C.B.C. is required (see Table 4-1).
 - **By-law Services** - The City identified the need for additional facility space to house by-law services. The proportion of the new facility associated with by-law services, as identified in the Growth-Related Operations Facility Needs Assessment (G.R.O.F.N.A.) has an estimated capital cost estimate is \$624,625. There is no B.T.E. or other deductions, therefore, the net growth-related cost is equal to the gross cost net-growth-related cost. The potential C.B.C. recoverable costs total \$59,244 (see Table 4-1).
 - **Corporate Initiatives** – The City’s has also identified costs for corporate initiatives such as the creation of an Economic Development Strategy with a gross capital cost estimated at \$100,000. A B.T.E. deduction of \$50,000 has been applied resulting in the net growth-related cost of \$50,000. The potential C.B.C. recoverable cost associated with eligible high-density growth equates to \$4,742 (see Table 4-1).
 - **Information Technology** – Based on the Corporate Information Technology Strategic Plan: 2020-2024 (report number CORP-20-17) and information technology needs, thirteen (13) projects have been identified that are necessary to evolve the City’s infrastructure. The gross capital estimate for all projects is \$4.90 million and the B.T.E. total is \$3.90 million. The total grants, subsidies and other contributions towards the new development was \$300,000. As a result, the net growth-related cost is \$658,979. The potential C.B.C. recoverable costs total \$62,503 (see Table 4-1).



- **Workforce Strategic Planning** –The City identifies the increase in need for additional City staff. This need is outlined in the City’s Strategic Workforce Planning: 2022-2025 Staff Resourcing Forecast and specifically identifies two (2) projects that are required. The gross capital cost estimate is \$540,700 and the B.T.E. is \$85,687. As there are no additional grants, subsidies and other contributions toward the new development, the net capital cost is \$455,013. Therefore, the potential C.B.C. recoverable costs total \$43,157 (see Table 4-1).
- **Animal Control Services:** The City identified the need to undertake an Animal Services Master Plan. The gross capital cost estimate is \$150,000 and a B.T.E. of \$75,000. As a result, the net-growth-related cost is \$75,000 and the potential C.B.C. recoverable costs total \$9,360 (see Table 4-2).
- **Community Benefits Charge Strategies** – The City has identified three (3) C.B.C. strategies as a result of anticipated development. The gross capital cost estimate is \$95,000 and there is no B.T.E. or grants, subsidies, or other contributions for this service. As a result, the net-growth related cost is \$95,000 and the potential C.B.C. recoverable costs total \$95,000 (see Table 4-3).
- **Library** – Through discussions with City Staff, the capital cost for three (3) library projects, including additional computer hardware equipment, were identified. The gross capital cost estimate of all three (3) projects is \$117,684 and there is no B.T.E. or grants, subsidies, or other contributions. Therefore, the net growth related cost remains unchanged, at \$117,684 and the potential C.B.C. recoverable costs total \$13,953 (see Table 4-4).
- **Solid Waste Management Services** – The City has identified one (1) project, related to solid waste management services through the City’s G.R.O.F.N.A. Study. The gross capital cost estimate is \$972,843 and there is no B.T.E., grants, subsidies, or other contributions, in which case the net growth related cost is also \$972,843 and the resulting potential C.B.C. recoverable costs total \$104,299 (see Table 4-5).

Based on the calculations and allocations to C.B.C. eligible high-density growth, the City has identified approximately \$392,189 in eligible net growth-related costs to be included within the C.B.C. calculations.



**Table 4-1
Capital Costs to be Recovered through C.B.C. – Municipal-wide Service**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
	2022-2031						24%	76%	84%	16%	22%	78%
	Municipal Parking:											
1	Parking - Plate Recognition	2023	50,000	43,088	6,912	-	-	-	-	-	-	-
	By-law Services											
1	G.R.O.F.N.A. Facility	2027	624,625	-	-	624,625	149,910	474,715	398,760	75,954	16,710	59,244
	Corporate Initiatives:											
1	Economic Development Strategy	2022-2031	100,000	50,000		50,000	12,000	38,000	31,920	6,080	1,338	4,742
	Information Technology:											
1	Policy and Standards Development Project	2022/ 2023	150,000	128,530		21,470	5,153	16,317	13,706	2,611	574	2,036
2	ITPS Training and Development Project	2023-2025	204,000	174,801		29,199	7,008	22,191	18,640	3,551	781	2,769
3	IT service management tools	2022	100,000	85,687		14,313	3,435	10,878	9,138	1,740	383	1,358
4	Maximo – Ongoing Evolution	2025/ 28/31	600,000	514,121		85,879	20,611	65,268	54,825	10,443	2,297	8,145
5	Cityview – Ongoing Evolution	2025/ 28/31	300,000	-	300,000	-	-	-	-	-	-	-
6	Business Systems Continued Evolution Assessment	2025/ 28/31	1,380,000	1,182,478		197,522	47,405	150,117	126,098	24,019	5,284	18,735
7	PeopleSoft Finance Roadmap and Business Case	2023	100,000	85,687		14,313	3,435	10,878	9,138	1,740	383	1,358
8	Finance Roadmap implementation	2024	500,000	428,434		71,566	17,176	54,390	45,688	8,702	1,915	6,788
9	Health and Safety tracking	2022	100,000	85,687		14,313	3,435	10,878	9,138	1,740	383	1,358
10	Enterprise Content Management solution implementation	2025/ 28/31	750,000	642,651		107,349	25,764	81,585	68,531	13,054	2,872	10,182
11	Public Wi-Fi service delivery review and potential expansion.	2023	30,000	25,706		4,294	1,031	3,263	2,741	522	115	407
12	Datawarehouse	2023	240,000	205,648		34,352	8,244	26,108	21,931	4,177	919	3,258
13	Digital Services expansion	2023-2031	450,000	385,591		64,409	15,458	48,951	41,119	7,832	1,723	6,109
	Workforce Strategic Planning:											
1	Workforce Strategic Plan	2022-2026	100,000	85,687		14,313	3,435	10,878	9,138	1,740	383	1,358
2	Workforce Strategic Plan (113 at 2021 Stnd.)	2027-2031	440,700	-		440,700	105,768	334,932	281,343	53,589	11,790	41,800
	Total		6,219,325	4,123,796	306,912	1,788,617	429,268	1,359,349	1,141,853	217,496	47,849	169,647



**Table 4-2
Capital Costs to be Recovered through C.B.C. – Animal Control Services**

Prj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
	2022-2031						0%	100%	84%	16%	22%	78%
1	Animal Services Master Plan	2022	150,000	75,000	-	75,000	-	75,000	63,000	12,000	2,640	9,360
	Total		150,000	75,000	-	75,000	-	75,000	63,000	12,000	2,640	9,360

**Table 4-3
Capital Costs to be Recovered through C.B.C. – C.B.C. Strategies**

Prj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
	2022-2031						0%	100%	0%	100%	0%	100%
1	C.B.C. Feasibility Assessment	2022	15,000	-	-	15,000	-	15,000	-	15,000	-	15,000
2	C.B.C. Strategy	2022	30,000	-	-	30,000	-	30,000	-	30,000	-	30,000
3	C.B.C. Strategy	2027	50,000	-	-	50,000	-	50,000	-	50,000	-	50,000
	Total		95,000	-	-	95,000	-	95,000	-	95,000	-	95,000



**Table 4-4
Capital Costs to be Recovered through C.B.C. – Library Services**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
2022-2031							5%	95%	84%	16%	22%	78%
1	Computer Hardware (15 desktops and 5 laptops)	2022-2025	50,000	-	-	50,000	2,500	47,500	39,900	7,600	1,672	5,928
2	Printers/Photocopiers (2 public and 2 staff)	2022-2025	19,284	-	-	19,284	964	18,320	15,389	2,931	645	2,286
3	Other IT Equipment (self-checkout, RFID, security gate)	2022-2025	48,400	-	-	48,400	2,420	45,980	38,623	7,357	1,618	5,738
Total			117,684	-	-	117,684	5,884	111,800	93,912	17,888	3,935	13,953

**Table 4-5
Capital Costs to be Recovered through Community Benefit Charges – Solid Waste Management Services**

Prj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
2022-2031							14%	86%	84%	16%	22%	78%
1	G.R.O.F.N.A. Facility	2027	972,843	-	-	972,843	137,673	835,170	701,542	133,627	29,398	104,229
Total			972,843	-	-	972,843	137,673	835,170	701,542	133,627	29,398	104,229



Chapter 5

C.B.C Calculation



5. C.B.C Calculation

5.1 Anticipated Funding Recovery

To summarize the calculation of the charge, the following has been undertaken:

- 1) Anticipated Development: As presented in Chapter 2, the 10-year growth forecast provides for 2,435 eligible high-density units (i.e., in buildings containing a minimum of five storeys and a minimum of 10 residential units);
- 2) Land Valuation: Estimated land values were based on land appraisals for payment in lieu of parkland as described in section 2.4 of this report;
- 3) Identification of a Services: A number of services were considered including Municipal Services (parking services, by-law services, corporate initiatives, information technology, and workforce strategic planning), animal control services, C.B.C. Strategy, library services, and solid waste management services;
- 4) C.B.C. eligible Costs: Capital needs related to the identified services were provided by City staff and through the City's capital budget. Gross costs of the capital projects were assessed for the portion of the projects that would benefit the existing community versus future growth. The growth-related costs were then allocated amongst all types of growth to calculate the amount that is associated with the C.B.C.-eligible high-density units.
- 5) Total Land Value: Based on the growth forecast (section 2.4), density assumptions, and land valuation assessment, the total land value for C.B.C.-eligible high-density units was calculated to equal approximately \$911,686 million.
- 6) Maximum C.B.C.: As per the *Planning Act*, the maximum a municipality can impose for a C.B.C. is equal to 4% of the land value of a property, the day before building permit issuance. Based on the total land value, the estimated maximum potential C.B.C. recovery for the City equates to \$37 million for the 10-year forecast period.

The City has identified capital costs attributable to eligible high-density growth of approximately \$392,000 which are within the calculated maximum allowable amount of approximately \$37 million.



Table 5-1 provides the calculated charges on a per unit basis. The calculation is generated on a per capita basis and is based upon two forms of housing types (apartments 2+ bedrooms and apartments bachelor and 1-bedroom). The per unit charge structure aligns with the City's D.C. structure for apartment dwelling units and will assist with the ease of administration and implementation of the charges. The proposed C.B.C. would be \$147 per unit for apartments of two bedrooms and greater, \$90 for one bedroom and bachelor apartment units.

Table 5-1
City of Oshawa
Community Benefits Charge Calculation
2022-2032

Services	Gross Cost	Benefit to Existing Deduction	Grants, Subsidies & Other Contributions	Net Growth-Related Costs	C.B.C. Eligible Costs
D.C. Services Becoming Ineligible:					
Municipal Parking	\$50,000	\$43,088	\$6,912	\$0	\$0
Total DC Services Becoming Ineligible	\$50,000	\$43,088	\$6,912	\$0	\$0
Other Capital Needs (based on 2022 Capital Plan):					
CBC Strategies	\$95,000	\$0	\$0	\$95,000	\$95,000
Solid Waste Management Services	\$972,843	\$0	\$0	\$972,843	\$104,229
Library Services	\$117,684	\$0	\$0	\$117,684	\$13,953
Animal Control	\$150,000	\$75,000	\$0	\$75,000	\$9,360
By-law Services	\$624,625	\$0	\$0	\$624,625	\$59,244
Economic Development	\$100,000	\$50,000	\$0	\$50,000	\$4,742
Information Technology	\$4,904,000	\$3,945,021	\$300,000	\$658,979	\$62,503
Workforce Strategic Planning	\$540,700	\$85,687	\$0	\$455,013	\$43,157
Total Other Potential Capital	\$7,504,851	\$4,155,708	\$300,000	\$3,049,143	\$392,189
Total Potential Capital Program	\$7,554,851	\$4,198,796	\$306,912	\$3,049,143	\$392,189
Total Land Value					\$36,999,259
Calculated Percentage to Recover all Costs Identified					1%
Gross Population in Eligible Units					5,325
Calculated Rate per Capita					\$74
By Residential Unit Type				P.P.U.	
Apartments - 2 Bedrooms +				1.994	\$147
Apartments - Bachelor and 1 Bedroom				1.224	\$90



Chapter 6

C.B.C. Policy Recommendations and C.B.C. By-law Rules



6. C.B.C. Policy Recommendations and C.B.C. By-law Rules

6.1 C.B.C policies

Planning Act section 37 and O. Reg. 509/20 outline the required policies that must be considered when adopting a C.B.C. by-law. The following subsections set out the recommended policies governing the calculation, payment, and collection of C.B.C.s in accordance with the legislation.

This report provides the C.B.C. by-law, in Appendix B, that Council considered. The by-law provides for the statutory exemptions required under the *Planning Act*.

It is noted that Bill 23 (*More Homes Built Faster Act*), proposes changes to the *Planning Act* related to C.B.C.s. These changes include additional statutory exemptions from payment of C.B.C.s for affordable rental and owned residential units, attainable residential units, and inclusionary zoning units. These exemptions are not fully in effect, but have been included in the by-law included within Appendix B to ensure that when in effect, they meet the legislative requirement.

6.2 C.B.C By-law Rules

6.2.1 *Payment in any Particular Case*

In accordance with the *Planning Act*, subsection 37(3), a C.B.C. may be imposed only with respect to development or redevelopment that requires one of the following:

- (a) “the passing of a zoning by-law or of an amendment to a zoning by-law under section 34;
- (b) the approval of a minor variance under section 45;
- (c) a conveyance of land to which a by-law passed under subsection 50 (7) applies;
- (d) the approval of a plan of subdivision under section 51;
- (e) a consent under section 53;
- (f) the approval of a description under section 9 of the *Condominium Act, 1998*; or
- (g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.”



6.2.2 Maximum Amount of the Community Benefit Charge

Subsection 37(32) of the *Planning Act* states that the amount of a C.B.C. payable in any particular case shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date. Based on section 3 of O. Reg. 509/20, the prescribed percentage is 4%.

6.2.3 Exemptions (full and/or partial)

The following exemptions are provided under subsection 37(4) of the *Planning Act* and section 1 of O. Reg. 509/20:

- Development of a development of a proposed building or structure with fewer than five storeys at or above ground;
- Development of a proposed building or structure with fewer than 10 residential units;
- Redevelopment of an existing building or structure that will have fewer than five storeys at or above ground after the redevelopment;
- Redevelopment that proposes to add fewer than 10 residential units to an existing building or structure;
- Such types of development or redevelopment as are prescribed:
 - Development or redevelopment of a building or structure intended for use as a long-term care home within the meaning of subsection 2 (1) of the *Long-Term Care Homes Act, 2007*.
 - Development or redevelopment of a building or structure intended for use as a retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act, 2010*.
 - Development or redevelopment of a building or structure intended for use by any of the following post-secondary institutions for the objects of the institution:
 - i. a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario,
 - ii. a college or university federated or affiliated with a university described in subparagraph i,
 - iii. an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 2017*.



- Development or redevelopment of a building or structure intended for use as a memorial home, clubhouse, or athletic grounds by an Ontario branch of the Royal Canadian Legion.
- Development or redevelopment of a building or structure intended for use as a hospice to provide end of life care.
- Development or redevelopment of a building or structure intended for use as residential premises by any of the following entities:
 - i. a corporation to which the *Not-for-Profit Corporations Act, 2010* applies that is in good standing under that Act and whose primary object is to provide housing,
 - ii. a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing,
 - iii. a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act, 2022*.
- Once Bill 23 is proclaimed, the following shall be exempt from payment of the C.B.C.:
 - Affordable residential units;
 - Inclusionary zoning residential units that are affordable residential units required to be included in a development or redevelopment pursuant to a by-law passed under section 34 of the *Planning Act*, and
 - Attainable residential units.

In addition to the exemptions noted above, the C.B.C. will not apply to buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education.

6.2.4 Timing of Collection

The C.B.C.s imposed are calculated, payable, and collected upon issuance of a building permit for eligible development or redevelopment.

6.2.5 In-kind Contributions

A municipality that has passed a C.B.C. by-law may allow the landowner to provide to the municipality: facilities, services, or matters required because of development or redevelopment in the area to which the by-law applies.



Prior to providing these contributions, the municipality shall advise the landowner of the value that of the in-kind contributions that will be attributed to them. This value shall be deducted from the amount the landowner would otherwise be required to pay under the C.B.C. by-law.

6.2.6 The Applicable Areas

The C.B.C. by-law will apply to all lands within the City.

6.2.7 Special Account

All money received by the municipality under a C.B.C. by-law shall be paid into a special account. The money contained within the special account:

- may be invested in securities in which the municipality is permitted to invest under the *Municipal Act, 2001*, and the earnings derived from the investment of the money shall be paid into a special reserve fund account; and
- must have at least 60 percent of the funds spent or allocated at the beginning of the year.

In addition to the monies collected under a C.B.C. by-law, transitional rules for transferring existing reserve funds are provided in subsection 37(51) of the *Planning Act*. These rules apply for any existing reserve funds related to a service that is not listed in subsection 2(4) of the D.C.A., as well as reserve funds established under section 37 of the *Planning Act* prior to the *COVID-19 Economic Recovery Act*.

1. If the municipality passes a C.B.C. by-law under this section before the specified date, the municipality shall, on the day it passes the by-law, allocate the money in the special account or reserve fund to the special account referred to in subsection 37(45) of the *Planning Act*.
2. If the municipality has not passed a C.B.C. by-law under this section before the specified date, the special account or reserve fund is deemed to be a general capital reserve fund for the same purposes for which the money in the special account or reserve fund was collected.
3. Despite paragraph 2, subsection 417(4) of the *Municipal Act, 2001* (a provision which requires the funds raised for a reserve fund must only be used for the intended purpose) does not apply with respect to the general capital reserve fund referred to in paragraph 2.



4. If paragraph 2 applies and the municipality passes a C.B.C. by-law under this section on or after the specified date, the municipality shall, on the day it passes the by-law, allocate any money remaining in the general capital reserve fund referred to in paragraph 2 to the special account referred to in subsection 37(45) of the *Planning Act*.

The 2022 uncommitted D.C. reserve fund balance for parking services is \$41,636. The C.B.C. eligible capital cost equates to \$6,912, therefore a reserve fund deduction for this amount has been applied. The City can transfer the remaining parking services D.C. reserve fund balance of \$34,724 to another D.C. reserve funds to reduce the need to recover growth-related costs for other services or can transfer the balance to a special reserve to be used for parking purposes.

6.2.8 Credits

Subsection 37(52) of the *Planning Act* indicates that any credits that were established under section 38 of the D.C.A. and that are not related to a service that is listed in subsection 2 (4) of the D.C.A., may be used by the holder of the credit with respect to a charge that the holder is required to pay under a C.B.C. by-law.

6.2.9 By-law In-Force Date

The C.B.C. by-law comes into force on the day it is passed, or the day specified in the by-law, whichever is later.

6.3 Recommendations

It is recommended that Council:

“Adopt the C.B.C. approach to calculate the charges on a uniform City-wide basis;”

“Approve the capital project listing set out in Chapter 4 of the C.B.C. Strategy dated December 28, 2022, subject to further annual review during the capital budget process;”

“Create a special reserve fund account which will contain all C.B.C. monies collected;”



“Impose the C.B.C. of \$147 per apartment with 2 or more bedrooms and \$90 per bachelor and one bedroom apartment dwelling unit on the day before a building permit is issued;”

“Approve the C.B.C. Strategy dated December 28, 2022, as amended (if applicable);” and

“Approve the C.B.C. By-law as set out in Appendix B.”



Chapter 7

By-law Implementation



7. By-law Implementation

7.1 Introduction

This chapter addresses the public consultation process and by-law implementation requirements for the imposition of a C.B.C. by-law. Figure 7-1 provides an overview of the process.

7.2 Public Consultation Process

7.2.1 Required Consultation

In establishing the policy for which a C.B.C. Strategy and by-law will be based; subsection 37(10) of the *Planning Act* requires that:

“In preparing the community benefits strategy, the municipality shall consult with such persons and public bodies as the municipality considers appropriate.”

As there is no specific guidance as to which parties the municipality shall consult with, municipalities may establish their own policy for public consultation. The policy for public consultation should be designed to seek the co-operation and participation of those involved, in order to produce the most suitable policy. Municipalities may consider a public meeting, similar to that undertaken for D.C. study processes (however, this is not a mandated requirement). At a minimum, this would include a presentation to Council and the public on the findings of the C.B.C. Strategy, advanced notice of the meeting, and consideration for delegations from the public.

7.2.2 Interested Parties to Consult

There are three broad groupings of the public who are generally the most concerned with municipal C.B.C. policy.

1. The first grouping is the residential development community, consisting of land developers and builders, who will typically be responsible for generating the majority of the C.B.C. revenues. Others, such as realtors, are directly impacted by C.B.C. policy. They are, therefore, potentially interested in all aspects of the charge, particularly the percentage applicable to their properties, projects to be



funded by the C.B.C. and the timing thereof, and municipal policy with respect to development agreements and in-kind contributions.

2. The second public grouping embraces the public at large and includes taxpayer coalition groups and others interested in public policy.
3. The third grouping is the non-residential mixed-use development sector, consisting of land developers and major owners or organizations with significant construction plans for mixed use developments. Also involved are organizations such as Industry Associations, the Chamber of Commerce, the Board of Trade, and the Economic Development Agencies, who are all potentially interested in municipal C.B.C. policy. Their primary concern is frequently with the percentage charge applicable to their lands, exemptions, and phase-in or capping provisions in order to moderate the impact.

As noted in section 1.4, through the C.B.C. Strategy process, the City's consultation process includes meetings with the public and Council.

7.3 Anticipated Impact of the Charge on Development

The establishment of sound C.B.C. policy often requires the achievement of an acceptable balance between two competing realities. The first is that increased residential development fees (such as a C.B.C.) can ultimately be expected to be recovered via higher housing prices and can impact project feasibility in some cases (e.g., rental apartments). Secondly, C.B.C.s or other municipal capital funding sources need to be obtained in order to help ensure that the necessary infrastructure and amenities are installed. The timely installation of such works is a key initiative in providing adequate service levels and in facilitating strong economic growth, investment, and wealth generation.

7.4 Implementation Requirements

7.4.1 Introduction

Once the City has calculated the charge, prepared the complete strategy, conducted the public process, and passed a new by-law, the emphasis shifts to implementation matters.



These include notices, potential appeals and complaints, in-kind contributions, and finally the collection of revenues and funding of projects.

The sections that follow provide an overview of the requirements in each case.

7.4.2 Notice of Passage

In accordance with subsection 37(13) of the *Planning Act*, when a C.B.C. by-law is passed, the clerk of the municipality shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed). Such notice must be given no later than 20 days after the day the by-law is passed (i.e., as of the day of newspaper publication or the mailing of the notice).

Section 4 of O. Reg. 509/20 further defines the notice requirements which are summarized as follows:

- notice shall be given by publication in a newspaper which is (in the clerk's opinion) of sufficient circulation to give the public reasonable notice, or by personal service, fax, or mail to every owner of land in the area to which the by-law relates;
- subsection 4 (2) lists the persons/organizations who must be given notice; and
- subsection 4 (5) lists the seven items that the notice must cover.

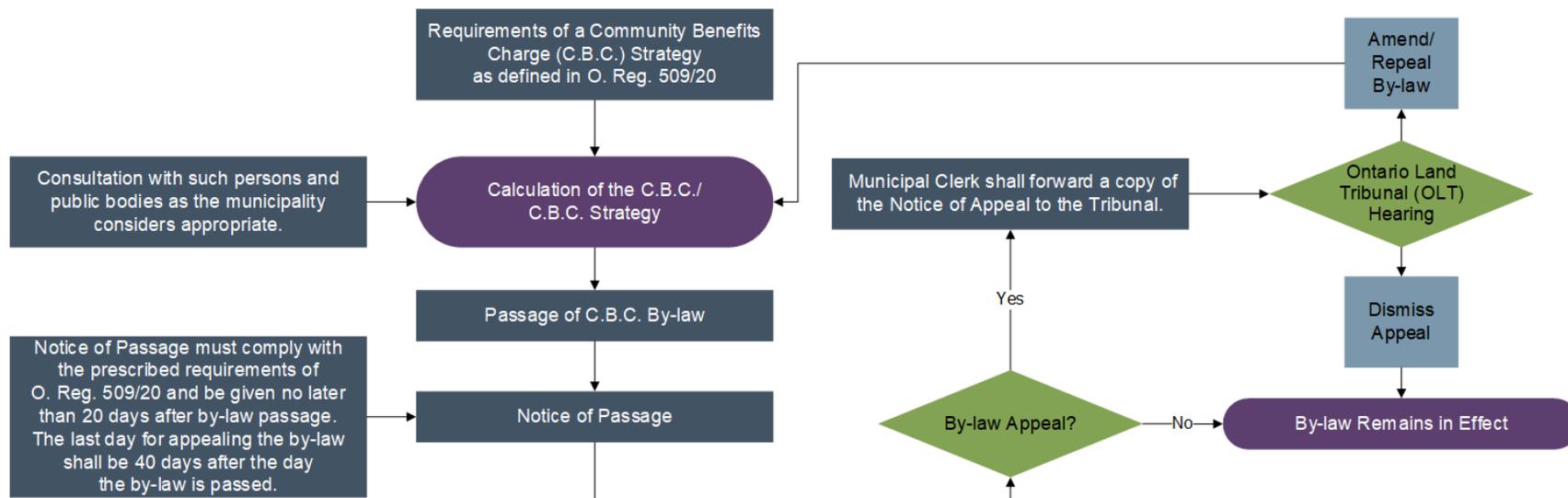
7.4.3 Appeals

Subsections 37(13) to 37(31) of the *Planning Act* set out the requirements relative to making and processing a C.B.C. by-law appeal as well as an OLT hearing in response to an appeal. Any person or organization may appeal a C.B.C. by-law to the OLT by filing a notice of appeal with the clerk of the municipality, setting out the objection to the by-law and the reasons supporting the objection. This must be done by the last day for appealing the by-law, which is 40 days after the by-law is passed.

The municipality is conducting a public consultation process, in order to address the issues that come forward as part of that process, thereby avoiding or reducing the need for an appeal to be made.



Figure 7-1
The Process of Required for Passing a Community Benefits Charge By-law under the *Planning Act*





7.4.4 In-Kind Contributions

Subsections 37(6) to 37(8) provide the rules for in-kind contributions. An owner of land may provide the municipality with facilities, services, or matters required because of development or redevelopment in the area to which the by-law applies. Prior to providing these contributions, the municipality shall advise the owner of the land of the value that will be attributed to the contributions. The value of the contributions shall be deducted from the amount the owner of the land would otherwise have to pay under the C.B.C. by-law.

7.5 Ongoing Application and Collection of C.B.C funds

7.5.1 Introduction

Once the municipality passes a C.B.C. by-law, development or redevelopment that meets the requirements of the C.B.C. by-law will pay a C.B.C. based on the value of their land. The following sections describe the overall process and discuss the approach to appraisals and use of the special account as set out in the *Planning Act*.

7.5.2 Overview of Process and Appraisals

Figure 7-2 provides an overview of the process for application of the C.B.C. by-law and collection of C.B.C. funds.

Once the C.B.C. by-law is in place, as development or redevelopment that meets the eligibility criteria proceeds (i.e., prior to issuance of a building permit), the municipality collects C.B.C.s based on the per unit charge as set out in the by-law and C.B.C. Strategy.

If the landowner is of the view that the amount of the C.B.C. exceeds the prescribed value of 4% of their land value on the day before building permit issuance, the landowner may pay the charge under protest. In this circumstance there is an obligation of the landowner to provide an appraisal. If the municipality disputes the value of the land identified in the landowner's appraisal, the municipality must also provide the owner with an appraisal within the prescribed time period.



If the City agrees with the landowner's appraised value, then the owner pays their C.B.C.s based on 4% of the land value to the City and the funds will then be deposited into the special account.

If the City does not agree with the appraisal provided by the owner, the City has 45 days to provide the owner of the land with their own appraisal value. Then:

- If no appraisal is provided to the owner within 45 days, the owner's appraisal is deemed accurate and the difference in the amounts shall be refunded to the owner.
- If the municipality's appraisal is within 5% of the landowner's appraisal, the landowner's appraisal is deemed accurate, and the municipality shall refund the difference in the amounts to the owner.
- If the appraisal is more than 5% higher than the landowner's appraisal, the municipality shall request an appraisal be undertaken by an appraiser, selected by the landowner, from the list of approved appraisers provided by the municipality. This must be undertaken within 60 days. This final appraisal is deemed accurate for the purposes of calculating the applicable C.B.C.
- Regarding the last bullet, subsections 37(42) and 37(43) require the municipality to maintain a list of at least three persons who are not employees of the municipality or members of Council and have an agreement with the municipality to perform appraisals for the above. This list is to be maintained until the C.B.C. by-law is repealed or the day on which there is no longer any refund that could be required (whichever is later).

7.5.3 Special Reserve Fund Account

All funds collected under the C.B.C. by-law are to be deposited into a special account. Subsections 37(45) to 37(48) of the *Planning Act* outline the rules with respect to the special reserve fund account. As noted in section 6.2.7, these rules are as follows:

- All money received under a C.B.C. by-law shall be paid into a special account;
- The money in the special account may be invested in securities (as permitted under the Municipal Act) and the interest earnings shall be paid into the special account;
- In each year, a municipality shall spend or allocate at least 60 percent of the monies that are in the special account at the beginning of the year; and



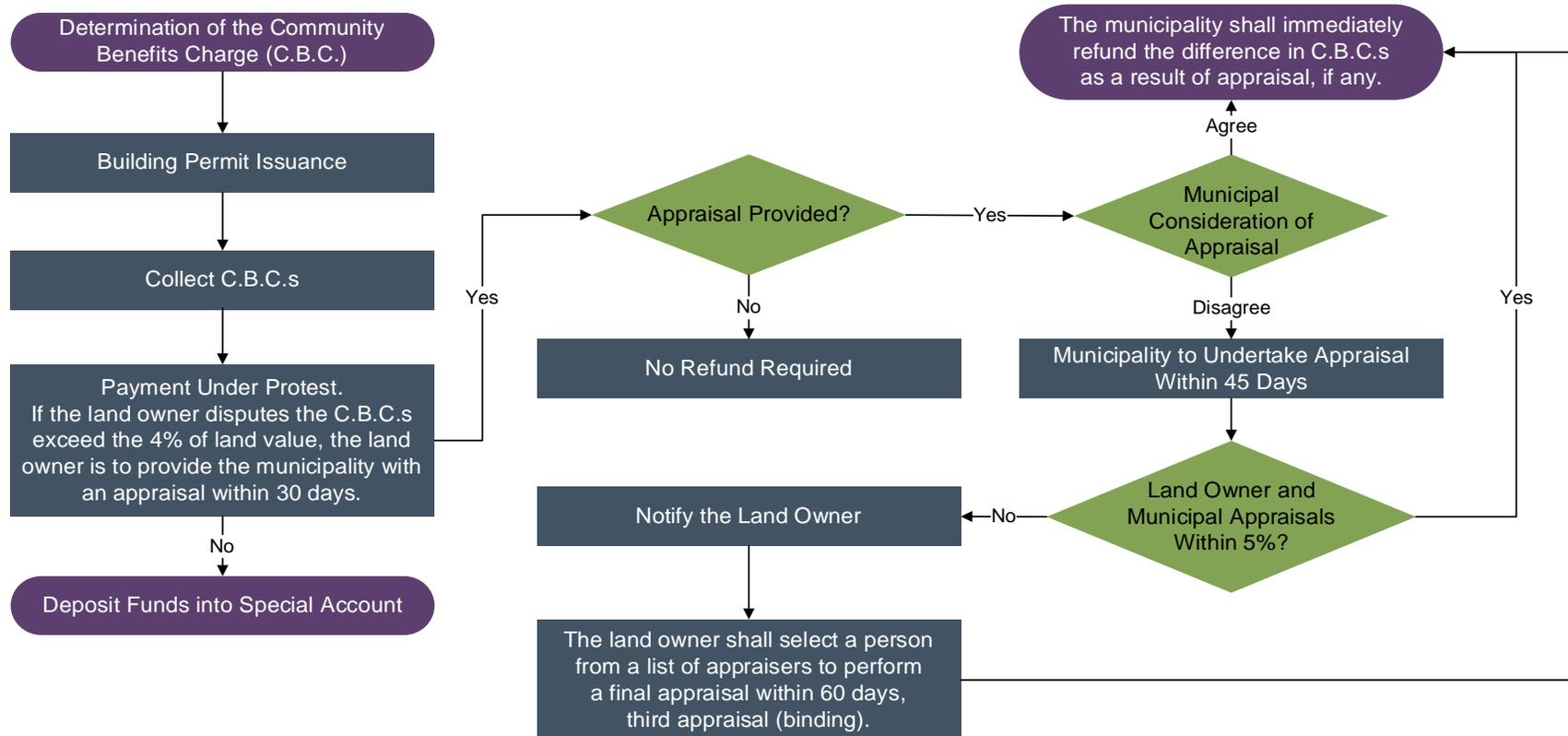
- The municipality shall provide reports and information as set out in section 7 of O. Reg. 509/20
- Regarding the third bullet, it is suggested that the annual capital budget for the City directly list the works which are being undertaken and/or to which monies from this fund are being allocated toward.

As per this C.B.C. Strategy, the growth-related services (as outlined in Chapter 4), form the anticipated capital needs required to service growth over the 10-year forecast period. However, other services may be considered by Council in the future and are subject to approval by resolution and inclusion in the annual budget process. Furthermore, any additional services approved and funded from C.B.C. revenue in the future will be reported on through an annual C.B.C. reserve fund statement, which will form part of the City's overall year-end statements.

During the annual budget process, the use of C.B.C. funding will be reviewed, and the capital costs associated with each eligible service and capital project will be confirmed and identified for approval of Council.



Figure 7-2
City of Oshawa
Community Benefits Charge
Application and Calculation Process





7.6 Transitional Matters

7.6.1 Existing Reserves and Reserve Funds

The *Planning Act*, section 37(49) to section 37(51) provides transitional provisions for:

1. A special account established under the previous section 37 rules; and
2. A D.C. reserve fund for which services are no longer eligible.

If the municipality passes a C.B.C. by-law with an in-force date before September 18, 2022, the municipality shall allocate the money in the special account and D.C. reserve fund to the C.B.C. special account.

If the municipality does not pass a C.B.C. by-law before September 18, 2022, the D.C. reserve funds for municipal parking are deemed to be general capital reserve funds for the same purpose in which the money was collected. Subsequently, if a C.B.C. by-law is passed after September 18, 2022, the municipality shall allocate the money from the newly created general capital reserve funds described above to the C.B.C. special account.

7.6.2 Credits under Section 38 of the Development Charges Act

The *Planning Act* (s.37(52)) provides that, if a municipality passes a C.B.C. by-law before September 18, 2022, any credits held for services that are no longer D.C. eligible, may be used against payment of a C.B.C. by the landowner. The City does not currently hold credits related to the services which are no longer D.C. eligible, therefore, there are no adjustments against future payments of a C.B.C. to apply.

7.6.3 Continued Application of Previous Section 37 Rules

Section 37.1 of the *Planning Act* provides for transitional matters regarding the previous section 37 rules. Any charges that are currently in place under the previous rules, may remain in place until the municipality passes a C.B.C. by-law or September 18, 2022, whichever comes first.



Appendix A

Background Information on Residential and Non- Residential Growth Forecast



Schedule 1 City of Oshawa Residential Growth Forecast Summary

	Year	Population (Including Census Undercount) ¹	Excluding Census Undercount			Housing Units				Person Per Unit (P.P.U.): Total Population/ Total Households	
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi-Detached	Multiple Dwellings ²	Apartments ³	Other		Total Households
Historical	Mid 2006	146,950	141,590	1,870	139,720	34,705	7,705	12,375	145	54,930	2.578
	Mid 2011	155,270	149,607	1,932	147,675	38,101	8,190	12,383	123	58,797	2.544
	Mid 2016	165,490	159,458	1,828	157,630	40,085	9,075	13,285	150	62,595	2.547
	Mid 2021	182,020	175,383	2,011	173,372	42,330	10,095	14,065	150	66,640	2.632
Forecast	Mid 2022	185,280	178,519	2,024	176,495	42,679	10,912	14,459	150	68,200	2.618
	Mid 2032	216,230	208,339	2,270	206,069	48,419	14,437	17,582	150	80,588	2.585
Incremental	Mid 2006 - Mid 2011	8,320	8,017	62	7,955	3,396	485	8	-22	3,867	
	Mid 2011 - Mid 2016	10,220	9,851	-104	9,955	1,984	885	902	27	3,798	
	Mid 2016 - Mid 2021	16,530	15,925	183	15,742	2,245	1,020	780	0	4,045	
	Mid 2021 - Mid 2022	3,260	3,136	13	3,123	349	817	394	0	1,560	
	Mid 2022 - Mid 2032	30,950	29,820	246	29,574	5,740	3,525	3,123	0	12,388	

Source: Derived from Durham Region Growth Management Strategy (ongoing) and the Region of Durham Region-Wide Development Charge Background Study (2022), by Watson & Associates Economists Ltd., 2022.

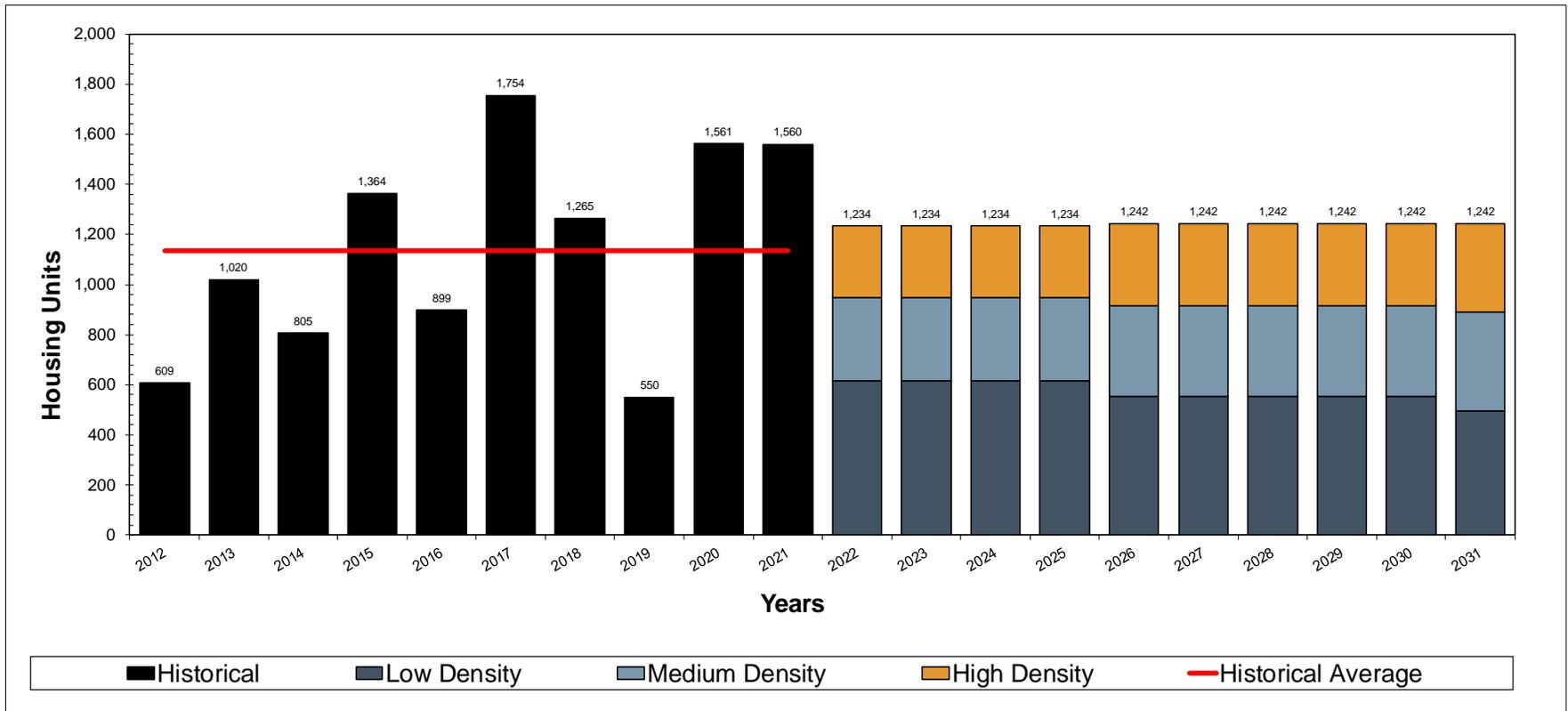
Note: The 2031 Official Plan population target of 197,000 persons is anticipated to be achieved prior to 2031.

¹ Census undercount estimated at approximately 3.8%. Note: Population including the undercount has been rounded.

² Includes townhouses and apartments in duplexes.

³ Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Figure A-1
City of Oshawa
Annual Housing Forecast¹



Source: Building permit data between 2012 and 2020 from the City of Oshawa. Building permits issued in 2021 from Statistics Canada. Figure by Watson & Associates Economists Ltd., 2022.

¹ Growth forecast represents calendar year.

Schedule 2
City of Oshawa
Estimate of the Anticipated Amount, Type and Location of
Residential Development for Which Community Benefits Charges Can Be Imposed

Development Location	Timing	Single & Semi-Detached	Multiples ¹	Apartments ²			Total Residential Units	Gross Population In New Units	Existing Unit Population Change	Net Population Increase, Excluding Institutional	Institutional Population	Net Population Including Institutional
				Units in C.B.C. Ineligible Buildings	Units in C.B.C. Eligible Buildings	Total Apartment Buildings						
Designated Greenfield Areas	2022 - 2032	5,111	2,287	145	513	658	8,056	23,006	-384	22,622	0	22,622
Downtown Oshawa	2022 - 2032	0	25	366	1,295	1,661	1,686	2,894	-200	2,694	166	2,860
Remaining Built-Up Area	2022 - 2032	595	1,213	177	627	804	2,612	6,275	-2,110	4,165	80	4,245
Rural	2022 - 2032	34	0	0	0	0	34	108	-15	93	0	93
City of Oshawa	2022 - 2032	5,740	3,525	688	2,435	3,123	12,388	32,283	-2,709	29,574	246	29,820

Source: Derived from Durham Region Growth Management Strategy (ongoing) and the Region of Durham Region-Wide Development Charge Background Study (2022), by Watson & Associates Economists Ltd., 2022.

¹ Includes townhouses and apartments in duplexes.

² Includes accessory apartments, bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 3
City of Oshawa
Current-Year Growth Forecast
Mid 2021 to Mid-2022

		Population
Mid 2021 Population		175,383
Occupants of New Housing Units, Mid 2021 to Mid 2022	<i>Units (2)</i>	1,560
	<i>multiplied by P.P.U. (3)</i>	2,377
	<i>gross population increase</i>	3,707
Occupants of New Equivalent Institutional Units, Mid 2021 to Mid 2022	<i>Units</i>	12
	<i>multiplied by P.P.U. (3)</i>	1,100
	<i>gross population increase</i>	13
Decline in Housing Unit Occupancy, Mid 2021 to Mid 2022	<i>Units (4)</i>	66,640
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.009
	<i>total decline in population</i>	-584
Population Estimate to Mid 2022		178,519
<i>Net Population Increase, Mid 2021 to Mid 2022</i>		3,136

(1) 2016 and 2021 population based on Statistics Canada Census unadjusted for Census undercount.

(2) Estimated residential units constructed, Mid-2021 to the beginning of the growth period assuming a six-month lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.556	22%	0.796
<i>Multiples (6)</i>	2.258	52%	1.182
<i>Apartments (7)</i>	1.578	25%	0.399
Total		100%	2.377

¹ Based on 2016 Census custom database

² Based on Building permit/completion activity

(4) 2016 and 2021 households taken from Statistics Canada Census.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.

Schedule 4
City of Oshawa
Ten-Year Growth Forecast
Mid 2022 to Mid-2032

		Population
Mid 2022 Population		178,519
Occupants of New Housing Units, Mid 2022 to Mid 2032	<i>Units (2)</i>	12,388
	<i>multiplied by P.P.U. (3)</i>	2.606
	<i>gross population increase</i>	32,283
Occupants of New Equivalent Institutional Units, Mid 2022 to Mid 2032	<i>Units</i>	224
	<i>multiplied by P.P.U. (3)</i>	1.100
	<i>gross population increase</i>	246
Decline in Housing Unit Occupancy, Mid 2022 to Mid 2032	<i>Units (4)</i>	68,200
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.040
	<i>total decline in population</i>	-2,709
Population Estimate to Mid 2032		208,339
<i>Net Population Increase, Mid 2022 to Mid 2032</i>		29,820

(1) Mid 2022 Population based on:

2021 Population (175,383) + Mid 2021 to Mid 2022 estimated housing units to beginning of forecast period (1,560 x 2.377 = 3,707) + (12 x 1.1 = 13) + (66,640 x -0.009 = -584) = 178,519

(2) Based upon forecast building permits/completions assuming a lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.168	46%	1.468
<i>Multiples (6)</i>	2.489	28%	0.708
<i>Apartments (7)</i>	1.705	25%	0.430
<i>one bedroom or less</i>	1.224		
<i>two bedrooms or more</i>	1.994		
Total		100%	2.606

¹ Persons per unit based on adjusted Statistics Canada Custom 2016 Census database.

² Forecast unit mix based upon historical trends and housing units in the development process.

(4) Mid 2022 households based upon 2021 Census (66,640 units) + Mid 2016 to Mid 2022 unit estimate (1,560 units) = 68,200 units.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 5a
City of Oshawa
Summary of C.B.C Eligible Units in the Development Approvals Process

Stage of Development	CBC Eligible High-Density Units			
	Designated Greenfield Areas	Downtown Oshawa	Remaining Built-Up Area	Total
Registered Not Built	0	0	0	0
<i>% Breakdown</i>				
Draft Plans Approved	0	201	0	201
<i>% Breakdown</i>	0%	100%	0%	100%
Application Under Review	1,414	1,678	588	3,680
<i>% Breakdown</i>	38%	46%	16%	100%
Total	1,414	1,879	588	3,881
<i>% Breakdown</i>	36%	48%	15%	100%

¹ Includes townhomes and apartments in duplexes.

² Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

Source: City of Oshawa Planning Department as of June 2022, derived by Watson & Associates Economists Ltd., 2022.

Schedule 5b
City of Oshawa
Summary of C.B.C Ineligible High Density Units Development Approvals Process

Stage of Development	CBC Ineligible High-Density Units			
	Designated Greenfield Areas	Downtown Oshawa	Remaining Built-Up Area	Total
Registered Not Built	0	0	0	0
<i>% Breakdown</i>				
Draft Plans Approved	0	0	0	0
<i>% Breakdown</i>				
Application Under Review	18	713	81	812
<i>% Breakdown</i>	2%	88%	10%	100%
Total	18	713	81	812
<i>% Breakdown</i>	2%	88%	10%	100%

¹ Includes townhomes and apartments in duplexes.

² Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

Source: City of Oshawa Planning Department as of June 2022, derived by Watson & Associates Economists Ltd., 2022.

Schedule 5c
City of Oshawa
Summary of Total High-Density Units in Development Approvals

Stage of Development	Total High-Density Units			
	Singles & Semi-Detached	Multiples ¹	Apartments ²	Total
Registered Not Built	0	0	0	0
<i>% Breakdown</i>				
Draft Plans Approved	0	201	0	201
<i>% Breakdown</i>	0%	100%	0%	100%
Application Under Review	1,432	2,391	669	4,492
<i>% Breakdown</i>	32%	53%	15%	100%
Total	1,432	2,592	669	4,693
<i>% Breakdown</i>	31%	55%	14%	100%

¹ Includes townhomes and apartments in duplexes.

² Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

Source: City of Oshawa Planning Department as of June 2022, derived by Watson & Associates Economists Ltd., 2022.



Schedule 6
City of Oshawa
Historical Residential Building Permits
Years 2012 to 2021

Year	Residential Building Permits			
	Singles & Semi Detached	Multiples ¹	Apartments ²	Total
2012	457	95	57	609
2013	403	47	570	1,020
2014	443	152	210	805
2015	787	192	385	1,364
2016	658	188	1	847
Sub-total	2,748	674	1,223	4,645
Average (2012 - 2016)	550	135	245	929
% Breakdown	59.2%	14.5%	26.3%	100.0%
2017	630	267	2	899
2018	627	624	503	1,754
2019	352	174	739	1,265
2020	241	87	222	550
2021	301	300	960	1,561
Sub-total	2,151	1,452	2,426	6,029
Average (2017 - 2021)	430	290	485	1,206
% Breakdown	35.7%	24.1%	40.2%	100.0%
2012 - 2021				
Total	4,899	2,126	3,649	10,674
Average	490	213	365	1,067
% Breakdown	45.9%	19.9%	34.2%	100.0%

Source: Building permit data between 2012 and 2020 from the City of Oshawa. Building permits issued in 2021 from Statistics Canada. Figure by Watson & Associates Economists Ltd., 2022.

¹ Includes townhouses and apartments in duplexes.

² Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

Schedule 7
City of Oshawa
Person Per Unit by Age and Type of Dwelling
(2016 Census)

Age of Dwelling	Singles and Semi-Detached					Total	25 Year Average Adjusted
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR		
1-5	-	-	2.103	3.529	4.953	3.556	
6-10	-	-	2.125	3.360	4.311	3.379	
11-15	-	-	2.000	3.224	4.830	3.293	
16-20	-	-	1.871	3.052	3.833	3.008	
20-25	-	-	1.529	3.018	3.615	2.981	3.168
25-35	-	-	2.071	2.793	4.082	2.836	
35+	0.600	1.486	1.875	2.559	3.811	2.501	
Total	1.231	1.447	1.900	2.806	4.112	2.774	

Age of Dwelling	Multiples ¹					Total	25 Year Average Adjusted
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR		
1-5	-	1.300	2.176	2.649	-	2.258	
6-10	-	-	-	2.727	-	2.637	
11-15	-	-	1.545	2.745	-	2.818	
16-20	-	1.583	2.176	2.422	-	2.312	
20-25	-	-	2.133	3.143	-	2.897	2.489
25-35	-	-	2.091	2.897	-	2.742	
35+	-	1.261	1.896	2.760	3.350	2.492	
Total	-	1.286	1.935	2.772	3.567	2.536	

Age of Dwelling	Apartments ²					Total	25 Year Average Adjusted
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR		
1-5	-	1.150	1.762	-	-	1.578	
6-10	-	1.235	1.867	-	-	1.444	
11-15	-	-	1.938	-	-	2.000	
16-20	-	1.273	2.156	-	-	1.932	
20-25	-	1.164	1.971	2.667	-	1.675	1.705
25-35	-	1.167	1.927	2.692	-	1.682	
35+	1.091	1.215	1.896	2.562	3.067	1.755	
Total	1.061	1.207	1.908	2.571	3.333	1.739	

Age of Dwelling	All Density Types					Total
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	
1-5	-	1.239	1.977	3.416	4.909	3.178
6-10	-	1.391	1.964	3.275	4.387	3.210
11-15	-	-	1.821	3.184	4.882	3.180
16-20	-	1.444	2.065	2.984	4.115	2.762
20-25	-	1.154	1.921	3.055	3.692	2.535
25-35	-	1.166	1.953	2.804	4.043	2.533
35+	1.538	1.244	1.885	2.593	3.706	2.317
Total	1.674	1.236	1.904	2.793	4.060	2.518

¹ Includes townhouses and apartments in duplexes.

² Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

³ Adjusted based on 2001-2016 historical trends.

Note: Does not include Statistics Canada data classified as 'Other'

P.P.U. Not calculated for samples less than or equal to 50 dwelling units, and does not include institutional population.



Schedule 8 City of Oshawa Employment Forecast, Mid-2022 to Mid-2032

Period	Population	Activity Rate								Employment								Employment Total (Excluding Work at Home and N.F.P.O.W.)
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ¹	Total Including NFPOW	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ¹	Total Employment (Including N.F.P.O.W.)	
Mid 2006	141,590	0.001	0.024	0.149	0.148	0.104	0.426	0.040	0.466	195	3,345	21,168	20,903	14,680	60,290	5,634	65,924	56,945
Mid 2011	149,607	0.001	0.020	0.090	0.133	0.121	0.364	0.040	0.405	85	2,980	13,448	19,908	18,090	54,510	6,046	60,556	51,530
Mid 2016	159,458	0.001	0.024	0.064	0.130	0.109	0.327	0.041	0.368	105	3,820	10,223	20,668	17,340	52,155	6,532	58,687	48,335
Mid 2022	178,519	0.001	0.032	0.055	0.131	0.112	0.331	0.040	0.371	105	5,788	9,841	23,307	20,083	59,123	7,123	66,246	53,335
Mid 2032	208,339	0.001	0.034	0.056	0.130	0.113	0.334	0.040	0.374	105	7,063	11,735	27,073	23,634	69,609	8,262	77,871	62,546
Incremental Change																		
Mid 2006 - Mid 2011	8,017	-0.001	-0.004	-0.060	-0.015	0.017	-0.061	0.001	-0.061	-110	-365	-7,720	-995	3,410	-5,780	412	-5,368	-5,415
Mid 2011 - Mid 2016	9,851	0.0001	0.0040	-0.0258	-0.0035	-0.0122	-0.0373	0.0006	-0.0367	20	840	-3,225	760	-750	-2,355	486	-1,869	-3,195
Mid 2016 - Mid 2022	19,061	-0.0001	0.0085	-0.0090	0.0009	0.0038	0.0041	-0.0011	0.0030	0	1,968	-382	2,639	2,743	6,968	591	7,559	5,000
Mid 2022 - Mid 2032	29,820	-0.0001	0.0015	0.0012	-0.0006	0.0009	0.0029	-0.0002	0.0027	0	1,275	1,894	3,766	3,551	10,486	1,139	11,625	9,211
Annual Average																		
Mid 2006 - Mid 2011	1,603	-0.00016	-0.00074	-0.01192	-0.00291	0.00345	-0.01229	0.00012	-0.01217	-22	-73	-1,544	-199	682	-1,156	82	-1,074	-1,083
Mid 2011 - Mid 2016	1,970	0.0000	0.0008	-0.0052	-0.0007	-0.0024	-0.0075	0.0001	-0.0073	4	168	-645	152	-150	-471	97	-374	-639
Mid 2016 - Mid 2022	3,177	0.0000	0.0014	-0.0015	0.0002	0.0006	0.0007	-0.0002	0.0005	0	328	-64	440	457	1,161	99	1,260	833
Mid 2022 - Mid 2032	2,982	-0.00001	0.00015	0.00012	-0.00006	0.00009	0.00029	-0.00002	0.00027	0	128	189	377	355	1,049	114	1,163	921

Source: Derived from Durham Region Growth Management Strategy (ongoing) and the Region of Durham Region-Wide Development Change Background Study (2022), by Watson & Associates Economists Ltd., 2022.

¹ Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same work place location at the beginning of each shift". Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.



Appendix B

Approved C.B.C. By-law 50-2023



**By-law 50-2023
of The Corporation of the City of Oshawa**

Being a By-law to establish the Community Benefits Charges By-law 50-2023 (“By-law”) for the Corporation of the City of Oshawa.

WHEREAS

1. The Corporation of the City of Oshawa (the “City”) will experience growth through development and re-development;
2. Council desires to impose Community Benefits Charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which this By-law applies;
3. The Planning Act, R.S.O. 1990, c. P. 13 (the “Planning Act”) authorizes the Council for the City of Oshawa to by by-law impose Community Benefits Charges against higher density residential development or redevelopment;
4. The City’s Community Benefits Charge Strategy dated December 28, 2022, has been completed, including consultation with the public and such person and public bodies as the City considers appropriate, which identifies the facilities, services, and matters that will be funded with Community Benefits Charges and complies with the prescribed requirements;
6. On April 3, 2023, Council for the City of Oshawa approved the Community Benefits Charge Strategy Report dated December 28, 2022, in which certain recommendations were made relating to the Community Benefits Strategy and By-law.

NOW THEREFORE the Council of The Corporation of the City of Oshawa hereby enacts as follows:

1. INTERPRETATION

1.1 In this By-law, the following items shall have the corresponding meanings:

“Act” or “Planning Act” means the Planning Act, R.S.O. 1990, c. P.13;

“Affordable Residential Unit” means a residential unit that meets the criteria set out in subsection 4.1 of the Planning Act;

“Apartment” means a dwelling unit in an apartment building;

“Apartment Building” for the purposes of this By-Law means a residential building or portion of a mixed use building of 5 or more storeys at or above grade and consisting of 10 or more apartment units.

“Attainable Unit” means a residential unit that that meets the criteria set out in subsection 4.1 of the Planning Act;

“Bedroom” means a habitable room used or capable of use for sleeping accommodation, including a den, study, or other similar area, but excluding a living room, dining room, kitchen, family room, utility room, recreational room, bathroom, sunroom, or porch;

“Building” means any structure or building as defined in the Ontario Building Code (Ontario Regulation 332/12 under the Building Code Act, 1992;

“Building Code Act, 1992” means the Building Code Act, 1992, SO 1992, c 23 as amended;

“Capital Costs” means growth-related costs incurred or proposed to be incurred by the City or a Local Board thereof directly or by others on behalf of, and as authorized by, the City or Local Board,

- (a) to acquire land or an interest in land, including a leasehold interest,
- (b) to improve land,
- (c) to acquire, lease, construct or improve buildings and structures,
- (d) to acquire, construct or improve facilities including,
 - (i) furniture and equipment, and;
 - (ii) rolling stock;
- (e) to undertake studies in connection with any of the matters referred to in clauses (a) to (d) above, including the Community Benefits Charge Strategy, required for the provision of Services designated in this By-law within or outside the City, including interest on borrowing for those expenditures under clauses (a) to (e) above;

“City” means The Corporation of the City of Oshawa or the geographic area of the municipality, as the context requires;

“Community Benefits Charge” means a charge imposed pursuant to this By-law;

“Council” means the Council of the Corporation of the City of Oshawa;

“Development” means the construction, erection, or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or usability thereof or any development requiring any of the actions described in subsection 2.4(a) of this By-law, and includes Redevelopment;

“Dwelling Unit” means a room or a series of rooms containing toilet and culinary facilities designed for Residential use as a single housekeeping establishment;

“Grade” means the average level of proposed or finished ground adjoining a building at all exterior walls.

“Land” means any parcel, partial or full, of property within the City of Oshawa geographic area;

“Non-profit Housing Development” means development of a Building or structure intended for use as residential premises by:

(a) a corporation to which the Not-for-Profit Corporations Act, 2010, S.O. 2010, c. 15 (“Not-for-Profit Corporations Act”) applies, that is in good standing under that Act and whose primary objective is to provide housing;

(b) a corporation without share capital to which the Canada Not-for-profit Corporations Act, S.C. 2009, c. 23 (“Canada Not-for-profit Corporations Act”) applies, that is in good standing under the Canada Not-for-profit Corporations Act and whose primary objective is to provide housing; or

(c) a non-profit housing co-operative that is in good standing under the Cooperative Corporations Act, R.S.O. 1990, c. C.35.

“Owner” means the owner of Land or a person who has made application for an approval for the Development of Land for which a Community Benefits Charge may be imposed;

“Prescribed” means prescribed in the regulations made under the Planning Act;

“Redevelopment” means the construction, erection or placing of one or more Buildings on Land where all or part of a Building on such Land has previously been demolished, or changing the use of a Building from a Non-Residential Use to a Residential Use, or changing a Building from one form of Residential Use to another form of Residential Use and including any Development or Redevelopment requiring any of the actions described in subsection 2.4(a) of this By-law;

“Residential Unit” means a room or suite of rooms used, or designed or intended for use by one person or persons living together, in which culinary and sanitary facilities are provided for the exclusive use of such person or persons;

“Residential Use” means land, buildings or structures of any kind whatsoever or any portion thereof, that are being used, designed or intended to be used for one or more individuals as living accommodations or combined live/work accommodations.

“Service” means a service designated in subsection 1.3 of this By-law, and “Services” shall have a corresponding meaning;

“Storey” means the portion of a Building, excluding roof top enclosure space used for no other purpose than roof top access, and/or elevators and other building service equipment, that is:

- (a) that is situated between the top of any floor and the top of the floor next above it,
or
- (b) that is situated between the top of the floor and the ceiling above the floor, if there is no floor above it.

“Zoning By-Law” means the City’s Zoning By-law 60-04, as amended including any by-laws enacted by the City under section 34 of the Act.

The reference to any applicable statute, regulation, by-law, or to the Official Plan in this Community Benefits Charge By-law shall be deemed to refer to the statute, regulation, by-law, and/or Official Plan as they may be amended from time to time and shall be applied as they read on the date on which Community Benefits Charges are due to the City.

DESIGNATION OF SERVICES

1.2 A Community Benefits Charge may be imposed in respect of the following:

(a) Land for park or other public recreational purposes in excess of lands dedicated or cash-in-lieu payments made under section 42 or subsection 51.1 of the Planning Act.

(b) Services not provided under subsection 2 (4) of the Development Charges Act, 1997, S.O. 1997, c. 27 ("Development Charges Act").

(c) As per the Community Benefits Charges Strategy, the City's Capital Costs will be recovered via the following services through this By-law:

(i) Municipal-wide Services (municipal parking, by-law services, corporate initiatives, information technology, and workforce strategic planning);

(ii) Animal Control;

(iii) Community Benefits Charge Strategies;

(iv) Library Services; and

(v) Solid Waste Management Services.

2. PAYMENT OF COMMUNITY BENEFITS

2.1 Community Benefits Charges shall be payable by the Owner of Land for Development in the amounts set out in this By-law where:

(a) the Land proposed for Development is located in the area described in subsection 3.2; and

(b) the proposed Development requires any of the approvals set out in subsection 2.4(a).

Area to Which By-law Applies

2.2 Subject to subsection 2.3, this By-law applies to all Lands in the City.

2.3 This By-law shall not apply to lands that are owned by and used for the purposes of:

- (a) The City or a Local Board thereof;
- (b) a Board of Education;
- (c) The Region of Durham, or a Local Board thereof.

Approvals for Development

- 2.4 (a) A Community Benefits Charge shall be imposed only with respect to Development that requires one or more of the following approvals:
- (i) the passing of a City Zoning By-Law or of an amendment to a City Zoning By Law under section 34 of the Planning Act;
 - (ii) the approval of a minor variance under section 45 of the Planning Act;
 - (iii) a conveyance of Land to which a by-law passed under subsection 50 (7) of the Planning Act applies;
 - (iv) the approval of a plan of subdivision under section 51 of the Planning Act;
 - (v) a consent under section 53 of the Planning Act;
 - (vi) the approval of a description under section 9 of the Condominium Act, 1998, SO 1998, c 19, as amended (“Condominium Act, 1998”), or any successor thereof; or
 - (vii) the issuing of a permit under the Building Code Act, 1992 in relation to a Building or Structure.
- (b) Despite subsection 2.4 (a) above, a Community Benefits Charge shall not be imposed with respect to:
- (i) Development of a proposed building or structure with fewer than five storeys at or above ground;
 - (ii) Development of a proposed building or structure with fewer than 10 residential units;
 - (iii) Redevelopment of an existing building or structure that will have fewer than five storeys at or above ground after the Redevelopment;

- (iv) Redevelopment that proposes to add fewer than 10 residential units to an existing building or structure; or
 - (v) such types of Development or Redevelopment as are prescribed.
- (c) For the purposes of this section, the first Storey at or above-ground is the Storey that has its floor closest to Grade and its ceiling more than 1.8m above Grade.

Exemptions

2.5 Notwithstanding the provisions of this By-law, Community Benefits Charges shall not be imposed with respect to:

- (a) Development or Redevelopment of a building or structure intended for use as a long-term care home within the meaning of subsection 2(1) of the Long-Term Care Homes Act, 2007, S.O. 2007, c.8 (“Long-Term Care Homes Act, 2007”)
- (b) Development or Redevelopment of a building or structure intended for use as a retirement home within the meaning of subsection 2(1) of the Retirement Homes Act, 2010, S.O. 2010, c. 11 (“Retirement Homes Act, 2010”);
- (c) Development or Redevelopment of a building or structure intended for use by any of the following post-secondary institutions for the objects of the institution:
 - (i) a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario;
 - (ii) a college or university federated or affiliated with a university described in subparagraph (i);
 - (iii) an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017, S.O. 2017, c. 34, Sched. 20 (“Indigenous Institutes Act, 2017”).
- (d) Development or Redevelopment of a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion.;

- (e) Development or Redevelopment of a building or structure intended for use as a hospice to provide end-of-life care;
- (f) Development or Redevelopment of a building or structure intended for use as a residential premises in a Non-profit Housing Development;
- (g) The following shall be exempt from payment of the Community Benefits Charge:
 - (i) Affordable residential units;
 - (ii) Inclusionary zoning residential units that are affordable residential units required to be included in a Development or Redevelopment pursuant to a by-law passed under section 34 of the Planning Act; and
 - (iii) Attainable residential units.

Amount of Charge

2.6 The amount of a Community Benefits Charge payable in any particular case shall be determined based on the charges set out in Schedule "A" to this By-law.

In-Kind Contributions

2.7 The City may, at its discretion, allow an Owner of Land to provide to the City facilities, services or matters required because of Development or Redevelopment in the area to which the By-law applies in lieu, or partially in lieu of a Community Benefits Charge that would otherwise be payable.

2.8 For in-kind contributions pursuant to the preceding subsection to be considered, an application for consideration of in-kind contributions must be submitted to the City with supporting documentation as to the suggested value thereof no less than 180 days prior to the first building permit being granted for the proposed Development or Redevelopment.

2.9 In-kind contributions pursuant to subsection 2.7 shall only be accepted as if the same are approved by resolution of Council. The determination of Council as to whether in-kind contributions shall be accepted in full or partial satisfaction of Community Benefits Charges shall be final and binding.

2.10 The value attributed to an in-kind contribution under subsection 2.7 shall be as determined by Council, based on one or more third-party valuations to the satisfaction of Council. Council's determination of the value to be attributed to any in-kind contribution shall be final and binding.

Time of Payment of Community Benefits Charges

2.11 Community Benefits Charges imposed under this By-law shall be payable prior to the issuance of any building permit for the proposed Development or Redevelopment.

Interest on Refunds

2.12 If it is determined that a refund is required, the City shall pay interest on a refund in accordance with subsections 37(28) and 37(29) of the Planning Act at a rate not less than the prescribed minimum interest rate, from the day the amount was paid to the municipality to the day it is refunded.

Indexing

2.13 The Community Benefits Charges referred to in Section 2.6 of this By-law shall be adjusted annually at the rate of 3%, on the anniversary date of the By-law, without amendment to this By-law.

3. SEVERABILITY

3.1 If, for any reason, any provision of this By-law is held to be invalid, it is hereby declared to be the intention of Council that all the remainder of this By-law shall continue in full force and effect until repealed, re-enacted, amended or modified.

4. DATE BY-LAW IN FORCE

4.1 This By-law shall come into effect this first day of May, 2023.

Mayor

City Clerk

Schedule "A"
Schedule of Community Benefits Charges

Development Type	C.B.C. per Dwelling Unit
2 Bedroom +	\$147
Bachelor and 1 Bedroom	\$90