

Council Information Session

Development Charges Study, Community Benefits Charges Strategy, Parkland Dedication/Cash-In-Lieu & Related By-Laws



Source: City of Barrie

CITY OF BARRIE
March 1st, 2023



Today We Will Discuss...

- Introduction and Background
- Legislative Framework – Bill 23
- Key Project Deliverables
 - Development Charges
 - Community Benefits Charges
 - Parkland Dedication
- Key Study Objectives Achieved
- Project Timelines and Next Steps

Multi-Study Process

Development Charges
Background Study & By-law

- Fund growth-related capital costs

Community Benefits Charges
Background Study & By-law

- City's first CBC by-law under the Planning Act

Parkland Dedication
By-law

- GSP is currently preparing a Parks Master Plan
- New Parkland Dedication By-law will align with recent legislative changes

What Are Development Charges?

- Charges imposed on development to fund “growth-related” capital costs
- Pays for new infrastructure and facilities to maintain service levels
- Principle is “growth pays for growth”

New Framework for “Growth-Related” Capital



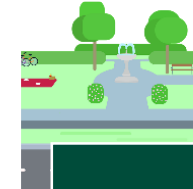
Development Charges Act (DCs)

- Used to fund initial round of growth-related capital infrastructure
- Prescribed list of eligible services
- Certain “soft” services removed from list (e.g. parking, cemeteries, airports, affordable housing, studies)
- No more 10% discount for soft services



Planning Act: Community Benefits Charges (CBCs)

- Initial round of capital, can overlap with DCs
- In-kind contributions permitted
- Capped at 4% of land value
- Imposed only on development with 5 or more storeys & 10 or more housing units
- Only local municipalities can charge



Planning Act: Parkland Acquisition

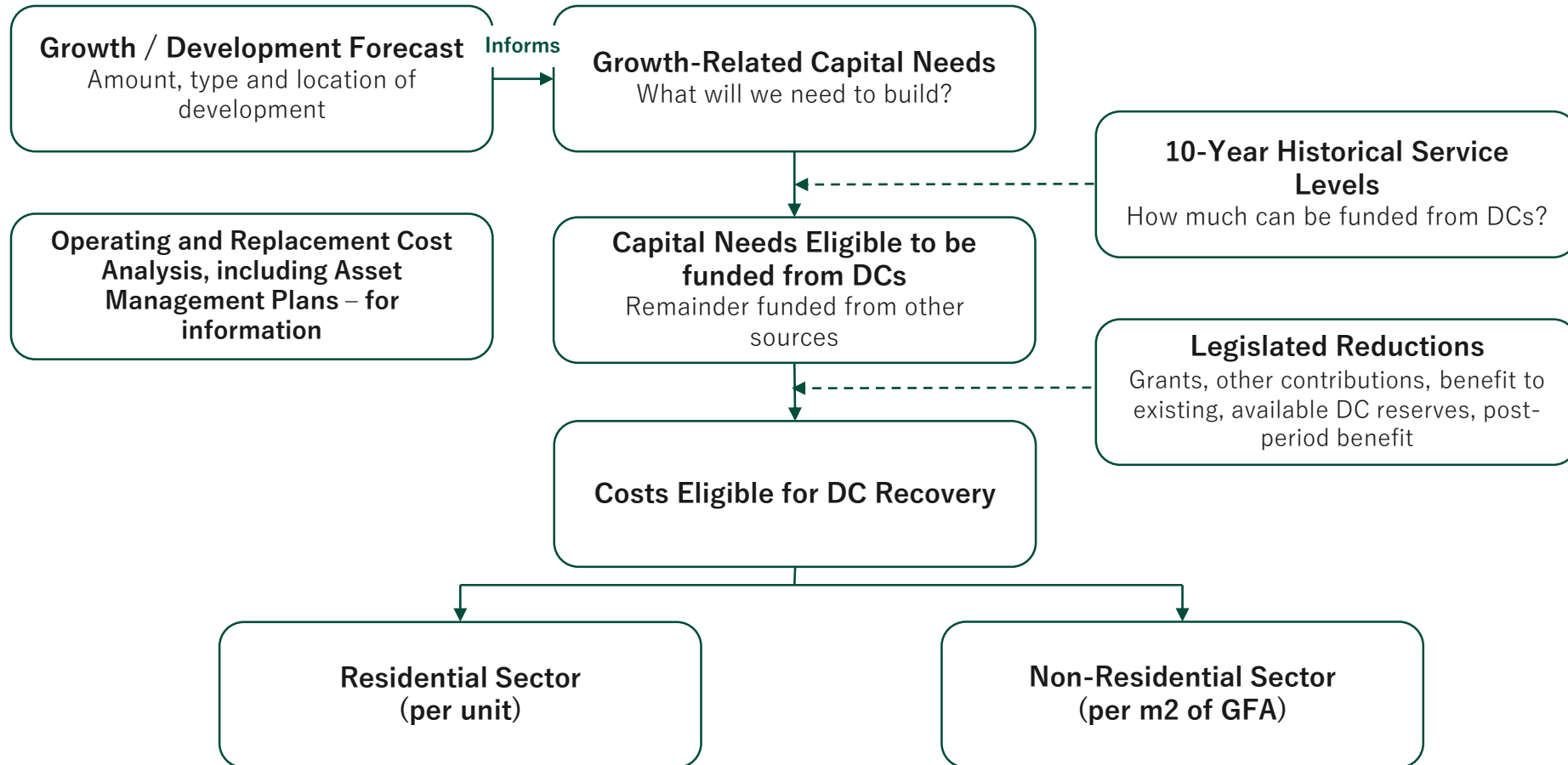
- Parkland acquisition
- Standard rate of 5% for residential and 2% for non-residential
- Alternative, higher rate may apply based on units/ha – new rules which “cap” the amount conveyed or collected
- Cash In Lieu permitted

All tools are appealable to Ontario Land Tribunal (with conditions)

Legislative Framework: Bill 23

- *More Homes Built Faster Act* received Royal Assent on November 28, 2022
- Changes how development charges (DCs), community benefits charges (CBCs) and parkland dedication rates are determined and collected
- Development charges:
 - New exemptions/discounts
 - Mandatory 5-year phase-in
 - Changes to by-law administration
- Community benefits charges
 - Minor administrative changes
- Parkland dedication and cash-in-lieu:
 - New exemptions
 - Reduction in the alternative rate (introduction of “caps”)
 - Conveyance of encumbered parkland

Development Charges Study Process

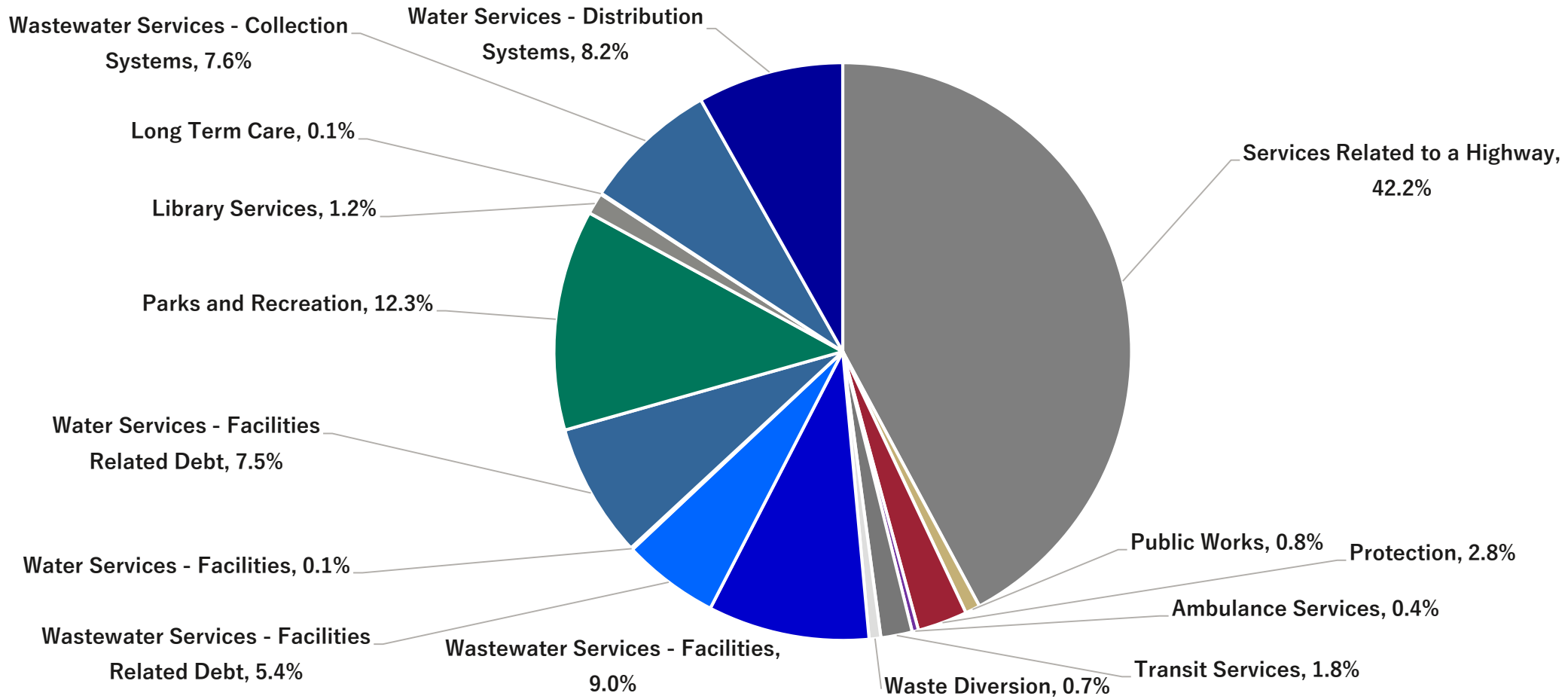


Development Forecast Assumptions

- Draft Development Forecast is largely consistent with the assumptions used in the City's 2019/2021 DC Background Studies
- The 2031 and 2041 population, households and employment numbers are consistent with the *City of Barrie, Long-Term Growth Scenarios Review – Made in Barrie Scenario*
 - Align with the forecasts used in the current infrastructure master plans

	2031	2041
Total Population	210,000	253,000
Households	80,710	99,950
Total Employment	101,000	129,000

What Do Development Charges Fund in Barrie?



(1) Percentages use current residential DC rate for Secondary Plan Area (Salem & Hewitt's) as of February 22, 2023

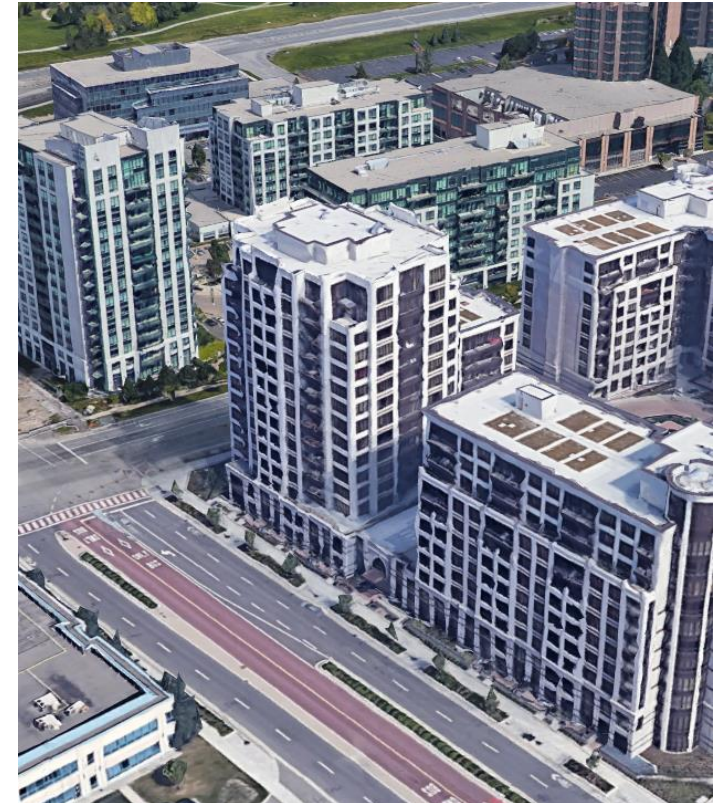
(2) Parking, cemeteries, studies and affordable housing are now ineligible services.

Key Decision Points for Council

- Consider and approve development-related capital programs once finalized
- Consider area rating
- Consider whether to hold another public meeting
- Implementation options should be considered within the context of Bill 23 changes and other municipal objectives
 - Full or partial rates
 - Phase-ins or delayed effective dates
 - Exemptions

Planning Act: Community Benefits Charges (CBCs)

- Height/density “bonusing” under s.37 of Planning Act now gone
- Replaced by CBC for growth-related capital—can overlap with DCs
- In-kind contributions permitted (credits given)
- Can only be levied against higher density development
 - 5 or more storeys, and
 - 10 or more residential units
- Regulation sets cap at **4%** of land value the day before a building permit is issued

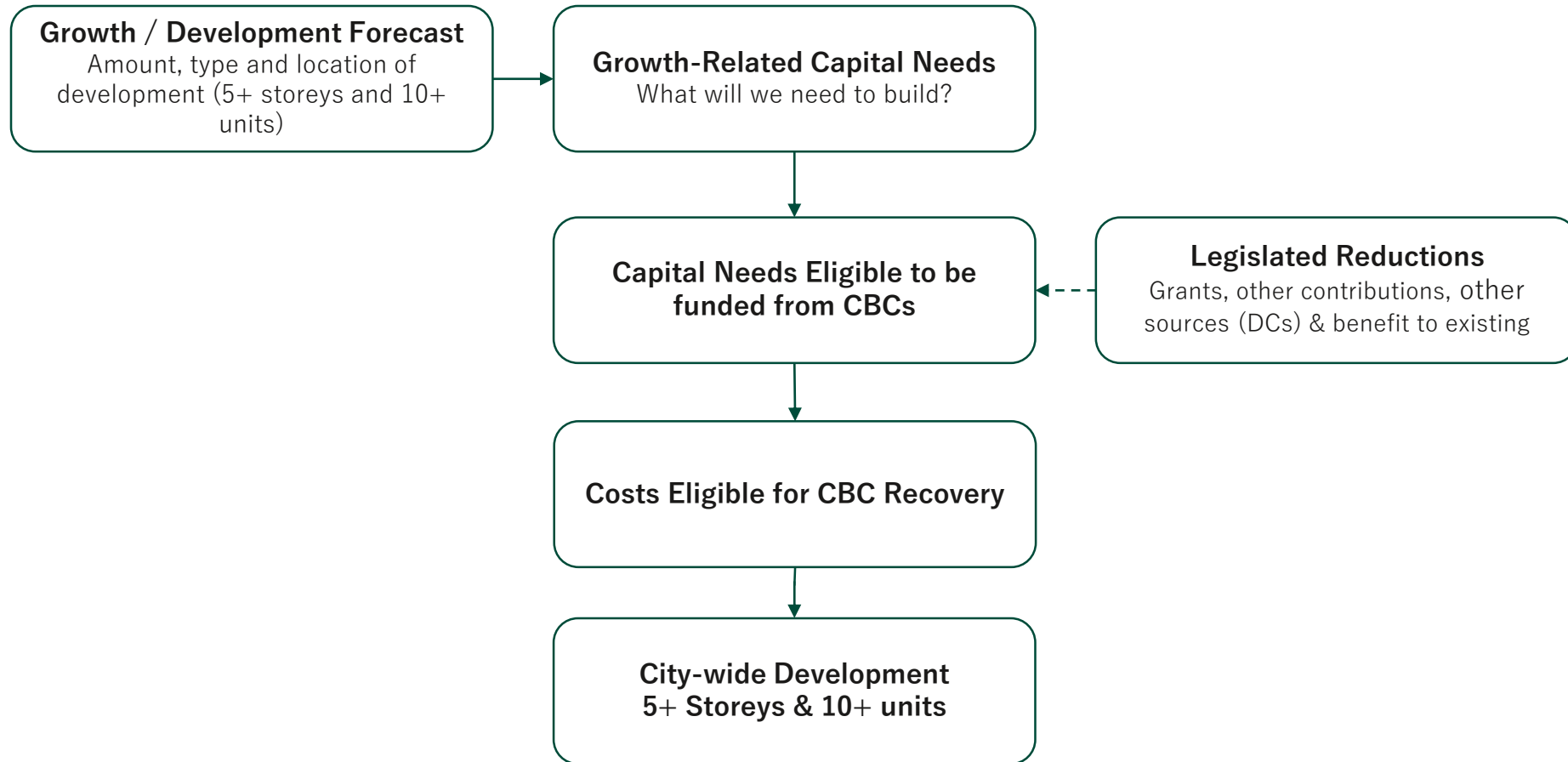


Source: Google Earth Pro, 2020

What Can CBCs Fund?

- Can recover any “growth related” capital cost
 - Parking (previously DCs)
 - Studies (previously DCs)
 - Parkland development
 - Active transportation
 - Eligible DC services (no overlap with DCs)
 - Parkland acquisition (no overlap with s.42)
 - Other services (Public Art & Culture, Affordable housing etc.)
- Still requires “nexus tests” between servicing needs and development
 - Community benefits
 - Servicing needs arising from buildings with 5 or more storeys and 10 or more residential units

CBC Strategy Process



CBC Implementation and Administration

- Requirements of CBC By-law adoption process:
 - Consultation required but not defined
 - Only one CBC By-law allowed
 - Notice of passage
 - Right of appeal to Ontario Land Tribunal
- Administration and Reporting
 - Must establish CBC “special account” (reserve fund)
 - In each calendar year, a municipality shall *spend or allocate* at least 60% of the monies that are in the special account at the beginning of the year
 - List of (at least 3) appraisers under agreement with the municipality must be maintained
 - Annual report showing opening and closing balances of special account and all transactions

CBC Project Types

- CBC By-law Reviews & Strategy Updates
- Master Plans & Studies
- Parking
- Parks Projects
- Housing
- Growth-Related Climate Initiatives
- Public Art
- DC Service Level Increases

Requiring Parkland as a Condition of Growth

- Planning Act permits municipalities to require land (or equivalent Cash-In-Lieu) as condition of:
 - Development/Redevelopment (Section 42)
 - Subdivision (Section 51.1)
 - Consents (Section 53)
- Requirements:
 - Official Plan policy
 - Parks Plan that examines the need for Parkland

Requirements limited to:

Standard requirement:

- 2% of net site for commercial and industrial uses
- 5% of net site for all other uses

Alternative requirement (as amended by Bill 23):

- Up to 1 ha per 600 residential units (land)
- Up to 1 ha per 1,000 residential units (Cash-In-Lieu)+
- 10% of site size under 5 ha
- 15% of site size over 5 ha

City's Interim Parkland Dedication By-law

- By-law 2022-079 adopted by Council September 2022, ensuring alternative rate could be levied
- Generally follows previous by-law (2017-073) by capping alternative rate dedications to a maximum of \$6,390 per unit (based on average medium density land values – indexed since 2017)
- Current by-law is now subject to new rules enacted under Bill 23

Land Use	Policy Requirement (as amended by Bill 23)
Commercial and Industrial Land or CIL	2% of net land area
Other Non-residential Land or CIL	5% of net land area
Residential Land	Greater of 5% of net land area or 1 ha per 600 units
Residential CIL	Lesser of value of 1 ha per 1,000 units or policy capped rate (\$3,693 per unit) limited to 10% of site value under 5 ha or 15% over 5 ha

Key Study Objectives Achieved

▪ **Development Charges**

- ✓ Draft Development Forecast
- ✓ Historical inventories and funding envelopes
- ✓ Draft Capital Programs

▪ **Community Benefits Charges**

- ✓ Draft Development Forecast
- ✓ Identification of potential projects

▪ **Development Industry Consultation**

- ✓ Three (3) DC technical meetings held (January 23, 24 and 25)
- ✓ Two (2) DC technical meetings held (February 27 and 28)

Next Steps

- Industry consultation technical DC inputs – March 6
- Prepare CBC Strategy and DC Background Study – April 21
- Industry consultation on DC/CBC/Parkland – May 1
- Hold public meeting for DC/CBC/Parkland by-law input – May 10
- General Committee – June 14
- Pass DC, CBC and Parkland dedication by-laws – June 21