

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



Source: City of Barrie

# 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

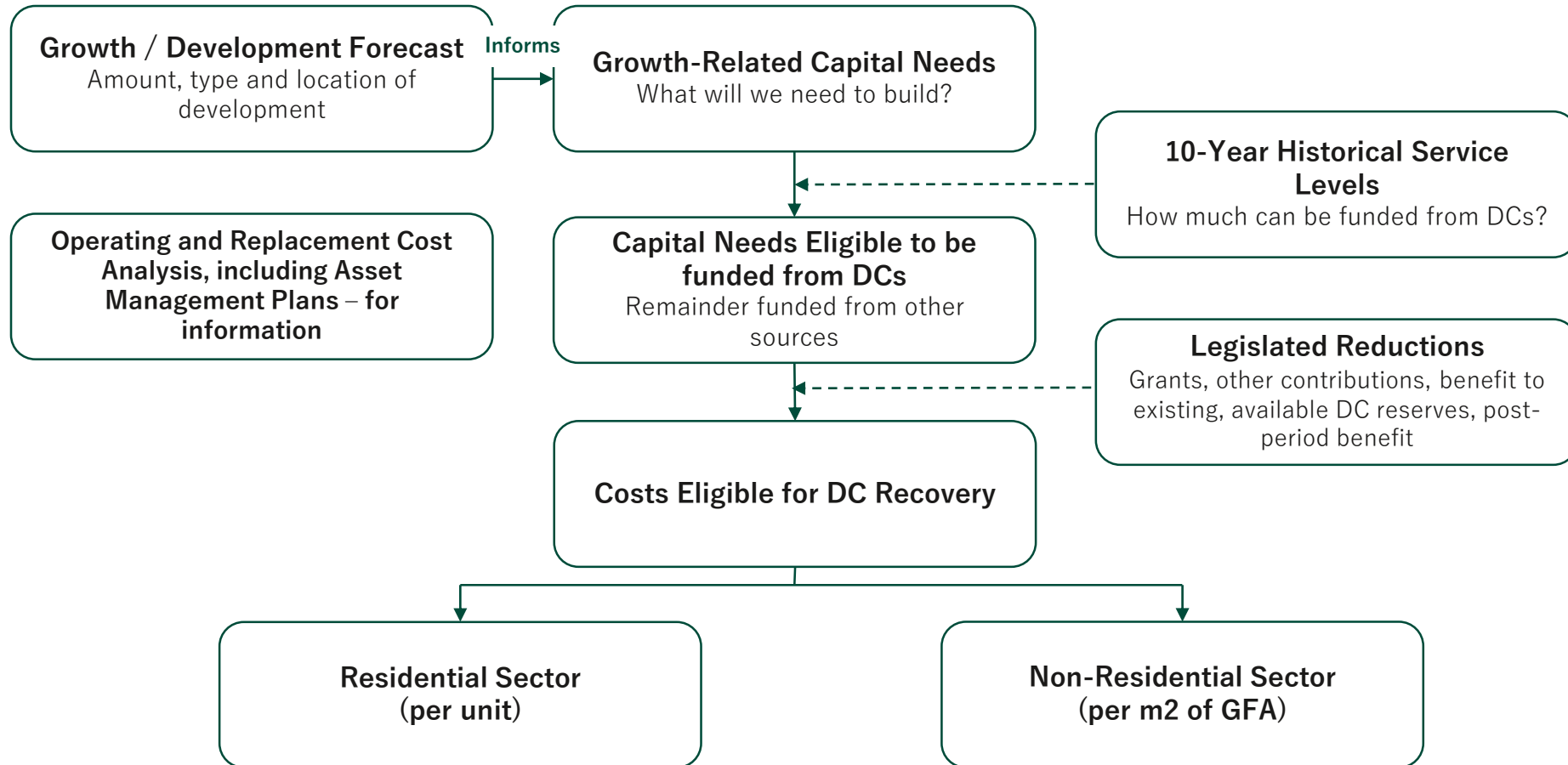
- Parkland acquisition
- Standard rate of 5% for residential and 2% for non-residential
- Alternative, higher rate may apply based on units/ha – new rules which “cap” the amount conveyed or collected
- Cash In Lieu permitted

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



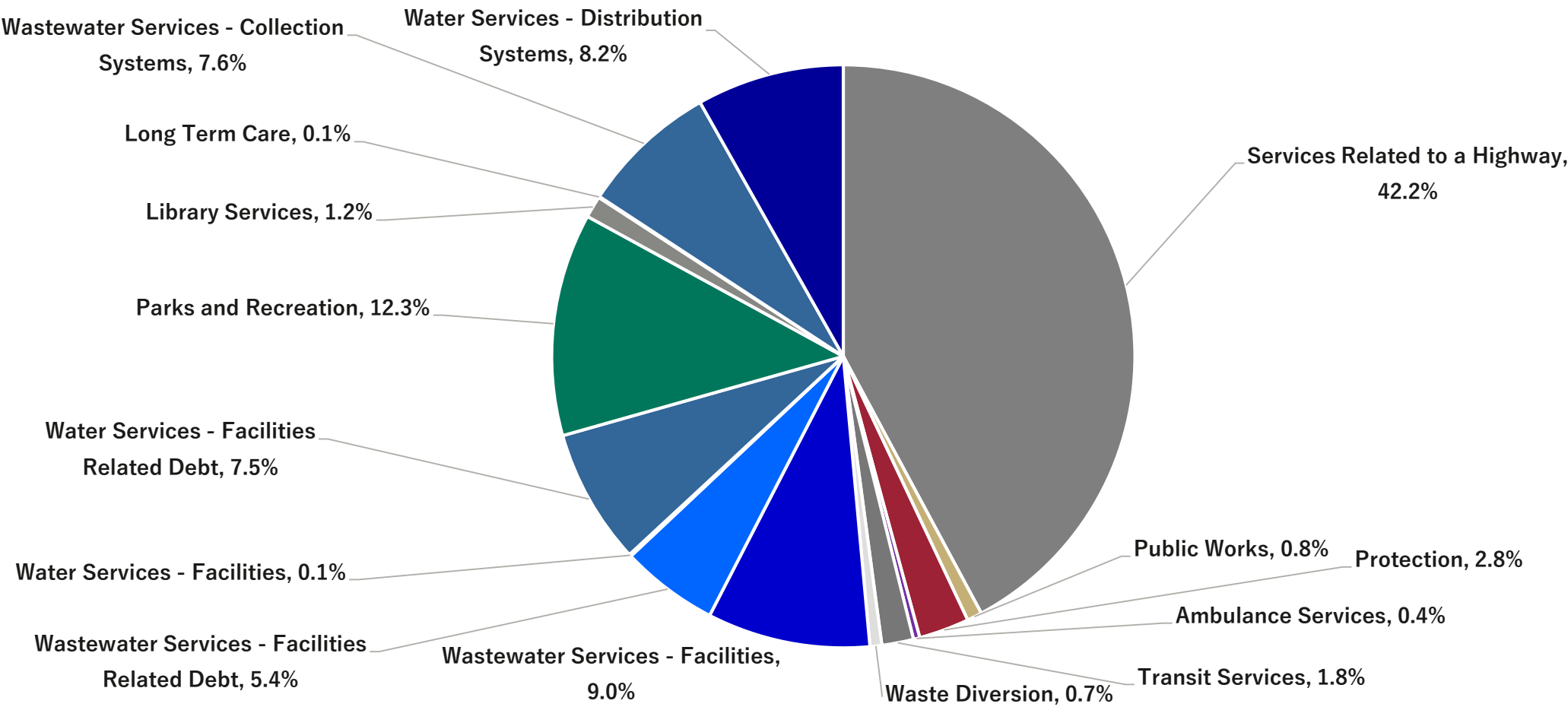
# Development Forecast Assumptions

- 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

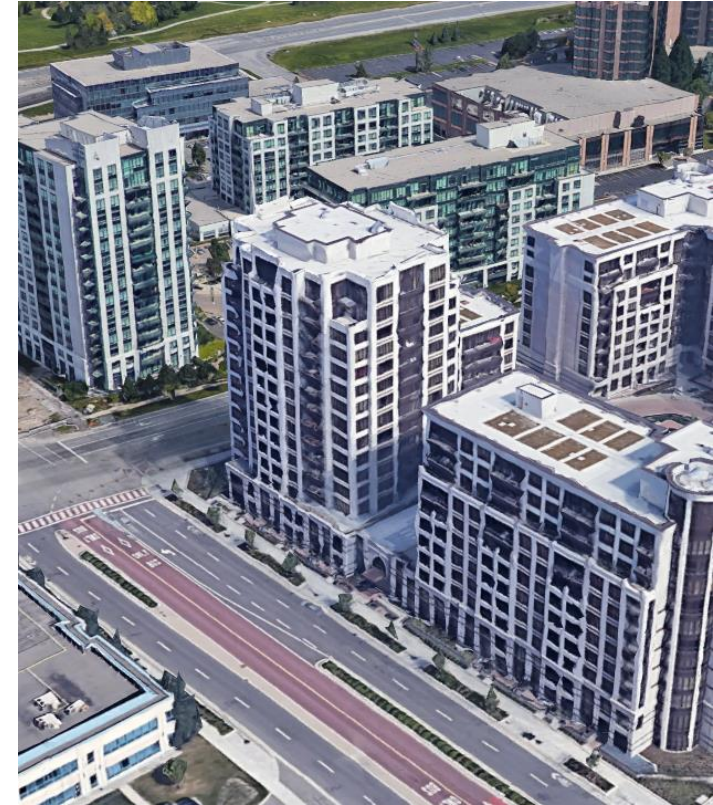
(2) Parking, cemeteries, studies and affordable housing are now ineligible services.

# 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

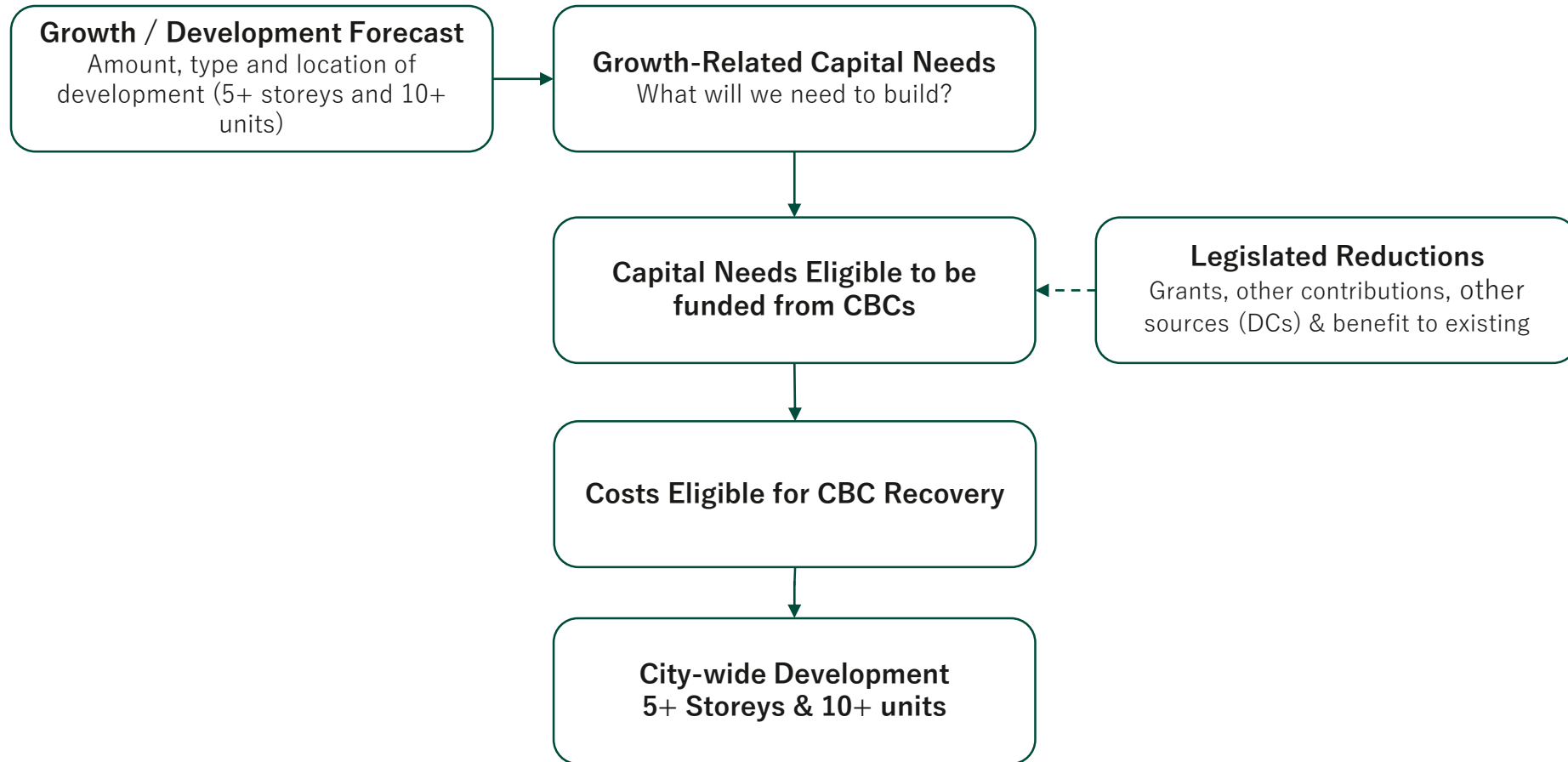


Source: Google Earth Pro, 2020

# 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