



OAKVILLE

REPORT

Council

Meeting Date: August 9, 2022

FROM: Finance Department

DATE: August 2, 2022

SUBJECT: **Community Benefits Charge Strategy**

LOCATION:

WARD: Town-wide

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RECOMMENDATION:

That the staff report from the Finance department dated August 2, 2022 regarding the Town's *Community Benefits Charge Strategy* and draft Community Benefits Charge By-law, be received.

KEY FACTS:

The following are key points for consideration with respect to this report:

- On September 18, 2020 amendments to the *Development Charges Act, 1997* (DCA) and the *Planning Act* introduced through *Bill 108, the More Homes, More Choices Act, 2019* (Bill 108) and *Bill 197, the COVID-19 Economic Recovery Act, 2020* (Bill 197) were proclaimed. A transition period of two years, or September 18, 2022, was established for municipalities to move to the new regime.
- Section 37 of the *Planning Act*, previously bonus zoning for increased height or density, has been replaced with a new Community Benefits Charge (CBC). Bonusing will no longer be a tool the municipality can employ as of the passage of a CBC by-law or September 18, 2022, whichever is first.
- In order to utilize section 37, the Town must pass a by-law to impose a CBC that would apply to high density developments that are five storeys or more and have a minimum 10 residential units.
- Prior to passing a CBC by-law, a CBC Strategy is required to be developed and posted on the town's website.
- A meeting of the Development Charges (DC) Steering Committee took place on April 22, 2022, where the initial findings of the CBC Strategy were presented.

- A consultation meeting on the proposed CBC Strategy and by-law was held with the development community on May 27, 2022. An additional meeting is scheduled for August 18, 2022.
- Watson & Associates Economists Ltd will present the CBC Strategy at the August 9, 2022 meeting of Council.
- The CBC by-law will be brought to the September 6, 2022 Planning and Development Council meeting for consideration and approval.

BACKGROUND:

As a result of Bill 108 and Bill 197, CBCs replace bonus zoning for increased height and density under section 37 of the *Planning Act* at the earlier of September 18, 2022 or the passage of a CBC by-law. Prior to the passage and implementation of a CBC, a CBC Strategy is required. This Strategy must follow the requirements in the *Planning Act*, which are similar to that of a DC Background Study under the DCA. This new charge can be used to pay for the capital costs of facilities, services and matters required because of development and redevelopment in an area to which the by-law applies if those costs are not already accounted for in the DC by-law or Parkland Dedication by-law. There is a maximum cap for the charge set at 4% of land value for any particular development.

The town kicked off the 2022 CBC Strategy process in October 2021, by retaining Watson & Associates Economists Ltd. to undertake the strategy required to implement the new CBC by-law. As part of this work, the amount, type, and location of CBC eligible growth was determined, as well as the facilities, services, and matters that could be funded with CBCs. CBC eligible growth includes residential development of five or more storeys and 10 or more units. Similar to the recently completed DC Background Study, as growth forecasts beyond 2031 are still being finalized, the CBC Strategy includes the growth forecast and capital requirements for a ten-year time period to 2031. Once new population forecasts and service area master plans are completed, a new CBC Strategy extending beyond 2031 would be undertaken.

This report provides an update on the process that has been followed to date and the meetings scheduled to consider the proposed CBC Strategy and by-law.

COMMENT/OPTIONS:

Staff have been working with Watson & Associates to meet the legislative requirements of the *Planning Act* for passage of a CBC by-law. In accordance with the *Planning Act*, prior to passing a CBC by-law, a CBC Strategy must be completed and the municipality must consult with such persons and public bodies as it considers appropriate. The following table outlines the CBC timeline:

October 2021-March 2022	Data Collection
April 22, 2022	Meeting of DC Steering Committee with CBC overview
May 27 & August 18, 2022	Stakeholder Meetings (2)
August 2022	Release of CBC Strategy
August 9, 2022	CBC Strategy presented at meeting of Council
September 6, 2022	Council Consideration of CBC Strategy and CBC by-law

The CBC Strategy will be posted on the town’s website at the following location:
<https://www.oakville.ca/townhall/community-benefits-charge.html>

The town has utilized section 37 bonus zoning for increased height and density in the past to secure public benefits through zoning by-law amendments and subsequent bonusing agreements. The current balance in the Bonus Zoning reserve fund is \$3.3 million, with \$3.4 million in future collections expected as a result of recent developments, which will bring the total to \$6.7 million. The town has agreements in place and plans to utilize funding collected in accordance with these agreements and Official Plan policies.

The CBC provides an opportunity for the town to continue to utilize this growth financing tool and recover growth-related capital costs that can’t be collected for using DCs or parkland dedication. As such, the CBC Strategy includes a growth-related capital project list with projects in the areas of municipal parking, culture, and civic administration. Municipal parking was removed as an eligible service for DCs through Bill 108 and Bill 197 and is not being collected for as part of the recently approved DC By-law 2022-068. The costs that can be recovered utilizing the CBC are limited to the share that relates to CBC eligible growth (residential development of five or more storeys and 10 or more units that have not utilized the former section 37 bonusing) and the 4% of land value maximum.

CONSIDERATIONS:

(A) PUBLIC

Before passing the CBC By-law, the Town must engage with such persons and public bodies as the municipality considers appropriate. The CBC Strategy will be posted online and staff have engaged members of the development community.

(B) FINANCIAL

Collections under section 37 of the *Planning Act* provide a mechanism to finance the costs of growth from new development. The Town can utilize this financial tool to fund additional land and infrastructure needed as a result of

growth so that services can continue to be provided at established levels, while minimizing the financial impact of growth-related needs on existing residents and businesses.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Input from various departments has been included in the development of the CBC Strategy.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) to:

- Be accountable in everything we do
- Be fiscally sustainable

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES:

Appendix A – Draft Community Benefits Charge By-law 2022-069

Prepared by:

Matt Day

Manager, Development Financing & Investments

Recommended by:

Jonathan van der Heiden

Deputy Treasurer and Director of Finance

Submitted by:

Nancy Sully

Commissioner, Corporate Services and Treasurer