



Parks, Recreation and Culture Master Plan

Municipality of Clarington

Funding Discussion Paper

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
C.B.C.	Community Benefits Charge
D.C.A.	Development Charges Act
D.C.	Development Charge
ha	Hectare
OLT	Ontario Land Tribunal
PIL	Payment In Lieu



1. Overview

Municipalities have a number of funding tools to assist in funding capital and operating needs related to parks, recreation, and culture services, including tools that are specific to funding growth-related capital infrastructure. The Parks, Recreation, and Culture Master Plan will provide the framework and standards to assist the Municipality of Clarington (Municipality) in assessing the needs to service their existing and growing community. As such, a review of specific funding tools available has been undertaken. The following provides details related to the legislative framework available and current tools being used by the Municipality in relation to these services.

2. Parkland Conveyance

The *Planning Act* provides municipalities with the authority to impose conditions on development and redevelopment to receive parkland dedication or payment-in-lieu of parkland. Recent legislation including the *COVID-19 Economic Recovery Act, 2020* (Bill 197), the *More Homes for Everyone Act, 2022* (Bill 109), the *More Homes Built Faster Act, 2022* (Bill 23), have amended s.42 and/or s.51 related to parkland conveyance and/or payment-in-lieu of conveyance. In addition, the *Affordable Homes and Good Jobs Act, 2023* (Bill 134) amended the *Development Charges Act, 1997* (D.C.A.) related to the definition of “Affordable Residential Units bulletin”, which the *Planning Act* refers to in relation to the definition of Affordable Housing.

2.1 Legislative Framework

The following provides the legislative context for municipalities with respect to the conveyance of land for parks or other public recreational purposes. The summary is reflective of the legislative amendments under the *More Homes Built Faster Act*, proclaimed on November 28, 2022.

2.1.1 *Planning Act, Section 42*

Section 42 of the *Planning Act* directs municipalities with respect to the conveyance of land for parks or other public recreational purposes. Subsection 42(1) allows a municipality, by by-law, to require as a condition of development or redevelopment the conveyance of land not exceeding 2% of land to be developed for commercial and industrial purposes, or 5% of the land to be developed for all other purposes. Under



s.s.42(3) a municipality may elect to impose the alternative requirement to the 5% of land conveyed for residential purposes, imposing a maximum rate of 1 hectare (ha.) per 600 dwelling units (1 ha. per 300 units prior to November 28, 2022).

To impose the alternative requirement the *Planning Act* requires that the municipality's Official Plan contains specific policies dealing with the provision of lands for parks or other public recreational purposes, and the use of the alternative requirement. Before adopting the Official Plan policies, the municipality must prepare a Parks Plan that examines the need for parkland in the municipality and make it available to the public. In preparing the Parks Plan, the municipality, shall consult with every school board that has jurisdiction in the municipality; and may consult with any other persons or public bodies that the municipality considers appropriate. In addition to the Official Plan requirements, the Parks Plan must also be prepared and available as part of the legislated consultation process in passing a parkland dedication by-law. Note that the requirement for the "Parks Plan" may be included in a Master Plan, or can be a stand along Plan.

The *Planning Act* further specifies that before passing a by-law containing the alternative requirement, the municipality shall consult with such persons and public bodies as the municipality considers appropriate. After passing a new by-law, or amending an existing by-law, a municipality shall give notice of by-law passage, as prescribed, within 20 days. The notice must indicate the last day for appealing the by-law, which shall be the day that is 40 days after the day the by-law is passed. Moreover, the parkland dedication by-law may be appealed to the Ontario Land Tribunal (OLT) by any person or public body.

Under s.s.42(6) council may require a payment in lieu of the value of land otherwise conveyed at the standard rates. Similar to the standard dedication policies, under s.s.42(6.0.1) council may require a PIL of parkland at a rate of 1 ha. per 1,000 dwelling units (1 ha. per 500 dwelling units prior to November 28, 2022), or lesser rate as specified in the by-law, if using the alternative requirement. These payments are commonly referred to as Payment-in-Lieu (PIL) of parkland. These payments are applicable law and as such no person is allowed to construct a building on the land proposed for development unless payment or arrangements for the payment is made. Also, the value of the land shall be determined as of the day before the building permit is issued, or if more than one building permit is required the day before the first building



permit is issued. The payments may be paid under protest by the applicant. The applicant may also apply to the OLT to have the value of the land determined.

All PIL of parkland funds received by the municipality must be maintained in a special account. The funds can only be spent on the acquisition of land to be used for park or other public recreational purposes, as well as the erection, improvement or repair of buildings, and the acquisition of machinery for park or other public recreational purposes. PIL funds can provided funding of capital costs for new park development; however, it is recommended to fund the cost of new park development from Development Charges (D.C.) to the extent possible, to allow the parkland special account to be focused on non-D.C. eligible costs such as parkland acquisition. The Province may prescribe required information, dissemination, and timing for reporting on a municipality's parkland dedication by-law.

2.1.2 More Homes Built Faster Act, 2022

The *More Homes Built Faster Act, 2022* introduced further policies regarding a municipality's ability to require parkland conveyance and PIL. These include:

- A by-law that provides for the alternative requirement shall not require a conveyance or PIL of parkland greater than 10% of the land where the land proposed for development is 5 ha. or less; and 15% of the land where the land proposed for development is greater than 5 ha. This limitation was previously limited to transit-oriented communities but expanded to all development under the recent amendments.
- Exempting affordable housing, attainable housing, non-profit housing, and additional residential dwelling units from parkland conveyance and PIL. Affordable residential dwellings include both ownership and rental units, as defined under subsection 4.1 (2) of the *Development Charges Act (D.C.A.)*, where the purchase price or 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. Attainable units are defined under subsection 4.1 (4) of the D.C.A. and excludes affordable units and rental housing units. Inclusionary zoning units and non-profit housing are defined under subsections 4.3 (2) and 4.2 (1) of the D.C.A. respectively. Additional residential units include a second unit in a detached, semi-detached, or rowhouse if all buildings and ancillary structures cumulatively contain no more than one residential unit, a third unit in a detached, semi-



detached, or rowhouse if no buildings or ancillary structures contain any residential units, and one residential unit in a building or structure ancillary to a detached, semi-detached, or rowhouse on a parcel of urban land, if the detached, semi-detached, or rowhouse contains no more than two residential units and no other buildings or ancillary structures contain any residential units.

- The determination of parkland dedication for a building permit issued within two years of a Site Plan and/or Zoning By-law Amendment approval would be subject to the requirements in the by-law as at the date of planning application submission.
- Landowners will be allowed to identify lands to meet parkland conveyance requirements, within regulatory criteria. These lands may include encumbered lands and privately owned public space (POPs). Municipalities may enter into agreements with the owners of the land regarding POPs to enforce conditions, and these agreements may be registered on title. The suitability of land for parks and recreational purposes will be appealable to the OLT.

Where Section 42 of the *Planning Act* provides for the rules with respect to conveyance of land for park purposes or other public recreational purposes (to be imposed by by-law), Section 51.1 provides the rules for the conveyance of parkland imposed as a condition of approval of a plan of subdivision.

It is note that, as of the date of writing, the statutory exemption related to affordable residential units, attainable residential units, and affordable residential units included in an inclusionary zoning by-law, are not in effect as royal assent has been received however, proclamation has not been received as a Bulletin is required.

The Municipality's current parkland by-law does not identify these affordable and attainable residential units under the types of developments that are exempt from the parkland by-law. However, once in force for the *Planning Act*, these exemptions will be mandatory, and the provisions of the *Planning Act* will override the provisions of the Municipality's current by-law.

The *More Homes Built Fast Act* also added a new subsection, 42 (16.1), which requires municipalities to spend or allocate 60% of the monies in the special account (i.e., parkland reserve fund) annually.



2.1.3 Affordable Homes and Good Jobs Act, 2023

Most recently, the Province introduced the *Affordable Homes and Good Jobs Act, 2023* (Bill 134) which amended the definition of affordable residential units. Currently, the Ministry of Municipal Affairs and Housing is developing a Bulletin that will provide the information for municipalities to measure against when determining if a residential unit meets the affordable housing definition. The change in the affordable housing definition is as follows;

Prior Definition of Affordable Residential Units as per Bill 23:

- Affordable Rental Units: Where rent is no more than 80% of the average market rent, as defined by a new bulletin to be published by the Ministry of Municipal Affairs and Housing, and the tenant is dealing at arm's length with the landlord.
- Affordable Owned Units: Where the price of the unit is no more than 80% of the average purchase price, as defined by a new bulletin to be published by the Ministry of Municipal Affairs and Housing, and the residential unit is sold to a person who is dealing at arm's length with the seller.

Amended Definition of Affordable Residential Units as per Bill 134:

- Affordable Rental Units: the rent is not greater than the lesser of:
 - The income-based affordable rent for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), and
 - The average market rent identified for the residential unit set out in the Affordable Residential Units bulletin.
- Affordable Owned Units: the price of the residential unit is no greater than the lessor of:
 - The income-based affordable purchase price for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (6), and
 - 90% of the average purchase price identified for the residential unit set out in the Affordable Residential Units bulletin.

In summary the amendment to the definition of affordable housing has:



- Introduced an income-based test along with the average rent/purchased price test;
- Removed from the definition of residential rental units, the 80% average rent test and provided for the average market rent to be as defined in the bulletin; and
- Refined the percentage related to the average purchase price (from 80% to 90%).

For a summary of the legislative requirements that are in effect, including future anticipated requirements that are anticipated upon proclamation of legislation, see Appendix A-1.

2.2 Municipality's Current Official Plan Related to Parkland

The Municipality's current 2018 Official Plan (O.P.), provides for a parkland standard of 1.8 hectares per 1,000 persons. Further, the per capita target also provides a standard that varies by the park type, as follows:

- Municipal Wide and Community Parks shall have a combined target of 1.0 hectares per 1,000 persons; and
- Neighbourhood Parks, Parkettes, and Public Squares shall have a combined target of 0.8 hectares per 1,000 persons.

In regard to parkland dedication, the O.P. currently provides:

- For residential development, redevelopment, or plans of subdivision providing for low, medium and/or high density uses, conveyance or dedication shall be the greater of 5% of the land proposed for development or redevelopment and the alternative rate for residential development or redevelopment at 1 hectare per 300 dwelling units;
- For Industrial or commercial development, the O.P. provides for conveyance or dedication based on 2% of the land;
- For Mixed Use development, conveyance or dedication requirements only apply to the residential portion of the development proposal in the amount equal to 1 hectare per 300 dwelling units. However, in no instance shall the contribution be less than 2% of the land area or the equivalent payment-in-lieu value;



- For conversion of non-residential buildings to residential uses, dedication will be in accordance with the provisions for residential development, with appropriate credit to be made for any previous dedication; and
- For residential plans of subdivision, the standard of 1 hectare per 300 dwelling units may be applied to blocks within the plan of subdivision, provided such blocks are excluded from the calculation for the 5% of the land proposed for subdivision

In regard to payment-in-lieu of parkland conveyance, the O.P. allows that Council may waive the land conveyance requirement in favour of payment-in-lieu or require a combination of cash and land where:

- The use of the alternative parkland dedication policy consumes more than 10% of the site area thereby rendering the site undevelopable; or
- The amount of land for parkland dedication does not result in a sufficient area for park development; or
- The dedication of land is not deemed necessary.

The value of the land shall be determined in accordance with the provisions of the Planning Act.

The O.P. also provides the following related to parkland dedication:

- Valleylands, lands require for drainage purposes, and lands susceptible to flooding or otherwise unsuitable for development will not be accepted as statutory parkland dedication;
- Lands to be dedicated for park purposes shall be in a condition acceptable to the Municipality. The timing of such conveyance shall be determined by the Municipality; and
- Where a development or redevelopment proposal includes non-developable land or land designated as Environmental Protection Area, the Municipality may require that such land be dedicated to the Municipality.

The O.P. also provides policies related to urban design elements, location, street frontage, accessibility, noise, visual, & lighting impacts to residential areas, and consideration related to sites adjacent to schools. Further the O.P. provides guidance on the functions and facilities that shall be included in various classifications of parks.



As noted above, the changes to the *Planning Act* in regard to the alternative parkland requirements was amended by the *COVID-19 Economic Recovery Act* (Bill 197) and the *More Homes Built Faster Act*, (Bill 23). The changes resulted in the alternative rate for conveyance being amended from a maximum of 1 hectare per 300 persons to 1 hectare per 600 persons. The maximum alternative requirement for payment-in-lieu parkland conveyance was amended to 1 hectare per 1,000 persons vs. 1 hectare per 500 persons.

2.3 Municipality's Current Parkland Conveyance By-law

In 2022, the Municipality undertook a Parkland Dedication Policy Review which provided background that assisted in the preparation of the current Parkland and Open Space Dedication By-law 2023-042. The by-law provides for the legislative conveyance at 2% of land, for commercial or industrial developments and 5% of land in all other cases. The by-law also provides that, for residential developments, land shall be conveyed to the Municipality based on the greater of the standard or alternative rate.

Section 4 of the by-law provides that, for mixed use buildings, only the residential rate is applicable to the development proposal.

Section 5 of the by-law provides that:

“At the discretion of the Director of Planning and Infrastructure Services, the Municipality may, in substitution for the conveyance of land, require payment in lieu, or a combination of payment in lieu and conveyance of land under the following circumstances:

- (a) The use the alternative parkland conveyance or dedication consumes more than 10% of the stie area thereby rendering the site undevelopable;
- (b) The amount of land for parkland dedication does not result in a sufficient area for park development; or
- (c) The dedication of land is not deemed necessary.”

The current by-law also provides for exemptions from the requirement of parkland dedication related to:

- (a) An Additional Dwelling Unit as defined by the Zoning By-law for the Municipality;



- (b) Residential uses proposed for non-profit housing development defined in the subsection 4.2(1) of the D.C.A.;
- (c) All private structures developed by registered charitable and hospital organizations; and
- (d) All public facilities and buildings developed by a government agency.

As noted, the amendments to the *Planning Act* changed the alternative rate. This change reduced the amount of parkland conveyance or payment-in-lieu by half of what was previously provided. Since the current by-law does not speak specifically to the amount of the alternative rate, the municipality can impose the amended maximum rate as per the *Planning Act*. However, due to the reduction in the allowable alternative rate, the municipality should assess if imposing the 5% land dedication or payment-in-lieu would provide for more parkland than the alternative rate for the various residential housing types (e.g., low density, medium density, etc.). It is noted that the Master Plan will undertake this assessment.

2.4 Municipality's Capital Budget

The Municipality's 2023 projected year-end balance in the Parkland Cash In Lieu reserve fund is approximately \$8 million. The 2024 capital budget does not identify any capital expenditures to be funded from this reserve fund. As previously noted, the *More Homes Built Fast Act* amendments to the *Planning Act* require that a minimum of 60% of the 2023 year-end parkland reserve fund balance is required to be spent or allocated each year, therefore, the Municipality should identify capital projects each year to allocate 60% of the reserve fund towards. It is also noted that Schedule 60 of the 2023 Financial Information Return (FIR), required annually by the Ministry of Municipal Affairs and Housing, includes a new section which requires municipalities to indicate the amount and percentage applied against the parkland special account's opening balance for the year. The Master Plan will assist the Municipality in developing a long-term capital forecast which will identify future allocations of the Parkland reserve fund balances.

3. Development Charges

The D.C.A., as amended, provides municipalities with the authority to recover growth-related capital costs associated with development and redevelopment. The D.C.A. has

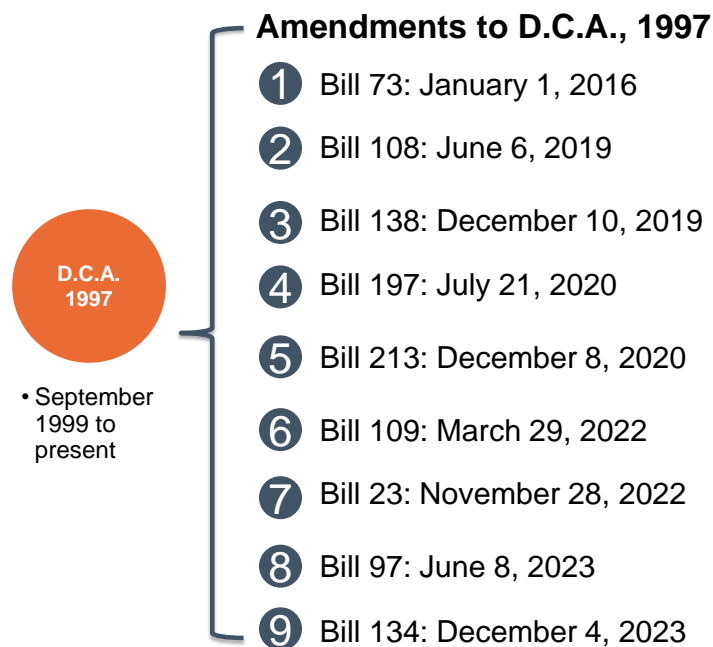


been subject to a number of changes since 2016 which have provided additional restrictions to municipalities to recover the costs associated with growth. These changes are discussed further in section 3.1 herein. Parks and Recreation Services are eligible for recovery through D.C.s, as is Library Services. The Municipality has a D.C. by-law in place that is recovering costs associated with these services. The current D.C. by-law was passed in January, 2021. Further discussion related to the specifics within the by-law for the Municipality is contained in section 3.2.

3.1 Legislative Framework

As noted, the D.C.A. has undergone a number of refinements over the past few years. The following diagram (Figure 3-1) provides a summary of the changes to the D.C.A. that have taken place since 2016:

Figure 3-1
Summary of Changes to the Development Charges Act, 1997



The following provides changes to the D.C.A., that apply to specifically to Parks, Recreation, and Library Services.



3.1.1 Changes to the D.C.A. - Bill 108: More Homes, More Choice Act

On May 2, 2019, the Province introduced Bill 108, which proposed changes to the D.C.A. The Bill was introduced as part of the Province's "More Homes, More Choice: Ontario's Housing Supply Action Plan." The Bill received Royal Assent on June 6, 2019.

While having received Royal Assent, many of the amendments to the D.C.A. will not come into effect until they are proclaimed by the Lieutenant Governor (many of these changes were revised through Bill 197). At the time of writing, the following provisions have been proclaimed:

- Effective January 1, 2020, rental housing and institutional developments will pay D.C.s in six equal annual payments commencing at occupancy. Interest may be charged on the instalments, and any unpaid amounts may be added to the property and collected as taxes. As per Bill 23, non-profit housing developments are now exempt from paying D.C.s; however, prior to Bill 23, and as a result of Bill 108, non-profit housing developments paid D.C.s in 21 equal annual payments.
- Effective January 1, 2020, the D.C. amount for all developments occurring within two years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after this section is proclaimed), shall be determined based on the D.C. in effect on the day of Site Plan or Zoning By-law Amendment application, subject to applicable interest. If the development is not proceeding via these planning approvals, then the amount is determined as of the date of issuance of a building permit.

On February 28, 2020, the Province released updated draft regulations related to the D.C.A. and the Planning Act. A summary of the changes that were to take effect upon proclamation by the Lieutenant Governor is provided below.

Changes to Eligible Services – Prior to Bill 108, the D.C.A. provided a list of ineligible services whereby municipalities could include growth-related costs for any service that was not listed. With Bill 108, the changes to the D.C.A. would now specifically list the services that are eligible for inclusion in the by-law. Furthermore, the initial list of eligible services under Bill 108 was limited to "hard services," with "soft services" being removed from the D.C.A. These services would be considered as part of a new



community benefits charge (C.B.C.) (discussed below) imposed under the Planning Act. As noted in the next section, this list of services has been amended through Bill 197.

Mandatory 10% Deduction - The amending legislation would have removed the mandatory 10% deduction for all services that remain eligible under the D.C.A.

Remaining Services to be Included in a New C.B.C. Under the Planning Act - It was proposed that a municipality may, by by-law, 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 C.B.C. was proposed to include formerly eligible D.C. services that are not included in the listing below, in addition to parkland dedication and bonus zoning contributions.

3.1.2 Bill 138: Plan to Build Ontario Together Act, 2019

On November 6, 2019, the Province released Bill 138 which provided further amendments to the D.C.A. and the Planning Act. This Bill received Royal Assent on December 10, 2019, and was proclaimed, which resulted in sections related to the D.C.A. (schedule 10) becoming effective on January 1, 2020. The amendments to the D.C.A. included removal of instalment payments for commercial and industrial developments that were originally included in Bill 108.

3.1.3 Bill 197: COVID-19 Economic Recovery Act, 2020

In response to the global pandemic that began affecting Ontario in early 2020, the Province released Bill 197 which provided amendments to a number of Acts, including the D.C.A. and the *Planning Act*. This Bill also revised some of the proposed changes identified in Bill 108. Bill 197 was tabled on July 8, 2020, received Royal Assent on July 21, 2020, and was proclaimed on September 18, 2020. The following provides a summary of the D.C. related changes (see sections 2.1 and 4.1 for changes related to the *Planning Act*).

List of D.C. Eligible Services

- As noted above, under Bill 108 some services were to be included under the D.C.A. and some would be included under the C.B.C. authority. Bill 197, however, revised this proposed change and has included all services (with some exceptions) under the D.C.A. These services are as follows (note that services



pertaining to the Parks, Recreation, and Culture Master Plan have been indicated in bold text):

- Water supply services, including distribution and treatment services;
- Wastewater services, including sewers and treatment services;
- Storm water drainage and control services;
- Services related to a highway;
- Electrical power services;
- Toronto-York subway extension;
- Transit services;
- Waste diversion services;
- Policing services;
- Fire protection services;
- Ambulance services;
- **Library services;**
- Long-term care services;
- **Parks and recreation services, but not the acquisition of land for parks;**
- Public health services;
- Child care and early years services
- Housing services (no longer eligible as per Bill 23);
- Provincial Offences Act services;
- Services related to emergency preparedness;
- Services related to airports, but only in the Regional Municipality of Waterloo; and
- Additional services as prescribed (no additional services are currently prescribed).

Mandatory 10% Deduction

As well, the removal of the mandatory 10% deduction for “soft services” amended under Bill 108 was maintained.

3.1.4 Bill 23: More Homes Built Faster Act, 2022

On November 28, 2022, Bill 23 received Royal Assent. This Bill 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 D.C.A. It is noted that, as of the time of writing, the



Province has announced (on December 13, 2023) potential changes to the phased-in requirements and the removal of studies as eligible capital costs. The details of these changes are anticipated to be forthcoming in 2024 and Watson will monitor and advise as to the nature of these changes.

- Additional residential unit exemptions for a second and/or third unit in existing and new residential single detached, semi-detached, or rowhouse, building or structure, including an ancillary building or structure (note there are restrictions that apply as per the legislation);
- Additional residential unit exemption of the greater of one or 1% of the existing residential units in rental residential buildings with four or more residential units for;
- New statutory exemptions for Affordable Units, Attainable Unit, and Affordable Inclusionary Zoning Units;
- Historical level of service calculation required to be undertaken in a D.C. Study revised from the prior average over the 10-year period preceding the preparation of the D.C. background study to the average over the 15-year period preceding the preparation of the D.C. background study.
- Revised definition of Capital Costs eligible for recovery through D.C.s, which removed studies;
- Mandatory Phase-in of D.C.s for new by-laws over a 5-year period (starting at 80% of the calculated charges and increasing by 5% annually until 100% of the calculated charges are applicable in year 5);
- By-law Expiry revised to allow a by-law to be in place for a maximum of 10 years, vs. the prior 5 year maximum;
- Exemption for Non-profit housing, including the removal of any instalment payments that may have been previously required;
- Discount, ranging from 15% to 25%, for rental housing based on the number of bedrooms in each unit;
- Prescribed maximum interest rate for instalments and determination of the D.C. for eligible stie plan and zoning by-law amendment applications set at the average prime rate plus 1%; and
- Requirement to spend or allocate at least 60% of D.C. funds received for water, wastewater and services related to a highway. Other services may be prescribed by regulation in the future.



3.1.5 Bill 134: Affordable Homes and Good Jobs Act, 2023

As noted in section 3.1.4, the exemption for affordable residential units was included in the *More Homes Built Faster Act* (Bill 23), which provided a definition of an “Affordable Residential Unit.” While the legislation was enacted in November 2022, the ability for municipalities to implement the exemptions required the Minister of Municipal Affairs and Housing to publish an “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin.” This bulletin would inform the average market rent and purchase price to be used in determining which developments qualify as affordable residential units. As of the time of writing, this bulletin had not been published by the Minister.

Bill 134 received Royal Assent on December 4, 2023 and provides for a modification to the affordable residential unit definition by:

- Introducing an income-based test for affordable rent and purchase price; and
- Increasing the threshold for the market test of affordable rent and purchase price.

This change provides the exemption based on the lesser of the two measures.

Moreover, the rules in subsection 4.1 of the D.C.A. are unchanged with respect to:

- The tenant and purchaser transacting the affordable unit being at arm’s length;
- The intent of maintaining the affordable residential unit definition for a 25-year period, requiring an agreement with the municipality (which may be registered on title); and
- Exemptions for attainable residential units and associated rules (requiring further regulations).

For a summary of the legislative requirements that are in effect, including future anticipated requirements that are anticipated upon proclamation of legislation, see Appendix A-2.

3.2 Municipality’s Current Development Charges By-law

The Municipality’s 2020 D.C. Background Study, dated October 15, 2020, as amended on November 3, 2020, along with By-Law 2021-010, passed January 18, 2021, embraced the changes to the D.C.A. that had been in effect at that time, including the



amendments set out in the *Smart Growth for Our Communities Act*, the *More Homes, More Choice Act*, the *Plan to Build Ontario Together Act*, and the *COVID—19 Economic Recovery Act* (Bills 73, 108, 138, and 197). Since the passage of this by-law, additional amendments to the D.C.A. have occurred, as identified in Section 3.1 above. Many of these amendments came in effect upon royal assent and/or proclamation of the Acts and therefore, override the provisions of the Municipality's by-law, where other amendments are still awaiting regulations before they take effect.

By-Law 2021-010 recovers costs associated with the following services:

- Growth Studies (these capital costs are currently ineligible for inclusion in future D.C. by-laws, however, may become eligible again as per a December 13, 2023 new release from the Province);
- Library Services;
- Fire Protection Services;
- Parks and Recreation Services; and
- Services Related to a Highway.

The D.C.s are deposited into reserve funds for each service and assist in funding both outstanding growth-related debt and future incremental capital costs.

3.3 Municipality's Capital Budget

The 2024 capital budget has identified capital needs of approximately \$1.9 million related to parks and recreation, with \$100,000 being funded from D.C. revenues. For Library Services, the 2024 capital budget has identified \$390,060 of capital needs with \$255,060 planned to be funded through D.C.s. In addition, outstanding growth-related debenture payments are also anticipated to be funded from D.C. revenues as indicated through the reserve fund summary, as discussed further below. The 2024 reserve fund summary indicates that the 2023 ending balances in D.C. reserve funds are as follows:

- Parks and Recreation Services: \$3,297,849; and
- Library Services: \$1,934,805 million.

The 2024 reserve fund summary also indicates D.C. funding towards capital and outstanding debt of approximately \$1.31 million related to parks and recreation services, and approximately \$333,600 related to library services. It is also noted that there are



also projects currently underway based on prior year approvals that are anticipated to be fully and/or partially funded from D.C.s in 2024. The 2025-2027 reserve fund forecast summary indicates that additional expenditures for parks and recreation services will require approximately \$8.84 million in growth-related debt funding and for library services, approximately \$235,500 in growth-related debt funding. As the reserve fund does not forecast the anticipated D.C. revenue, it is unclear if sufficient funds will be available to meet the growth-related expenditures or if future growth-related debt will be required for parks and recreation services. The Master Plan will provide the long-term capital needs and identify the potential D.C. funding to assist emplacement of infrastructure to service growth.

Regarding growth-related studies, as noted earlier, the continued recovery of costs associated with growth-related studies for all D.C. eligible services, including parks and recreation services and library services, will become ineligible with the passage of the next D.C. by-law, unless the D.C. legislation is amended again to provide for studies as an eligible cost. Growth-related study costs that are not eligible for recovery through D.C.s can be considered for recovery through a C.B.C. by-law.

4. Community Benefits Charge

The *Planning Act*, as amended, provides municipalities with the authority to recover growth-related capital costs associated with development and redevelopment through a Community Benefits Charge (C.B.C.). Since the introduction of the C.B.C., this section of the Planning Act has been subject to a number of amendments that have introduced additional restrictions to municipalities to recover the costs associated with growth through this funding tool. These changes are discussed further in section 4.1 herein. Parks and Recreation Services are eligible for recovery through C.B.C.s, however, the Municipality does not currently have a C.B.C. by-law in place.

4.1 Legislative Framework

The refinements that have taken place over the past few years to the *Planning Act* included the amendment to s.37, related to C.B.C.s. Similar to some refinements related to the D.C.A. and the sections of the *Planning Act* related to parkland dedication, various pieces of recent legislation have amended the rules related to the imposition of C.B.C.s.



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

The *COVID-19 Economic Recovery Act* (Bill 197) received Royal Assent on July 21, 2020. Schedule 17 of the Act amended the *Planning Act* with respect to the provisions of community benefits. The amendments were proclaimed and came into effect on September 18, 2020. Municipalities with agreements for community benefits, under the prior s.37 rules, had 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 PIL of conveyance 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 (e.g., a Performing Arts Centre); and
- Capital costs for municipal services eligible for inclusion in a D.C. by-law that are not intended to be funded under the municipality's D.C. by-law.

A C.B.C. may be imposed with respect to the services listed in section 2 (4) of the D.C.A. (eligible services) “provided that the capital costs that are intended to be funded by the community benefits charge are not capital costs that are intended to be funded under a development charge 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. to 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:
 - i. A publicly assisted university (within the meaning of section 1 of the *Ministry of Training, Colleges and Universities Act*);
 - ii. A college or university federated or affiliated with universities described in i. above; or
 - iii. An Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 1997*;
- 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.

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.



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 (O. Reg.) 509/20 specifies the methodology that must be followed in the Strategy. This includes:

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

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, and the municipality must report on the activity of the special account annually.

4.1.2 More Homes for Everyone Act, 2022 - Bill 109

The *More Homes for Everyone Act, 2022* (Bill 109) received Royal Assent on April 14, 2022. Schedule 5 of the Act amended the *Planning Act* with respect to C.B.C. by-laws. New subsections 37 (54) to (59) require that Council must pass a resolution on whether a revision to the C.B.C. by-law is needed at least every five years from the date the by-law was first passed.

The municipality must review the by-law and determine whether there is need for a revision and requires that municipalities shall consult with such persons and public



bodies as appropriate. The municipality must give notice of the passing of the resolution within 20 days on the website of the municipality.

If Council does not pass a resolution within the five years, the by-law is deemed to expire.

4.1.3 More Homes Built Faster Act, 2022 - Bill 23

The Province introduced the *More Homes Built Faster Act* (Bill 23) with the overall objective to increase housing supply and provide attainable housing options. The Province's plan is to address the housing crisis by targeting the creation of 1.5 million homes over a period to 2031. To implement this plan, the Act introduced several changes to the *Planning Act*, along with nine other Acts including the D.C.A. and the *Conservation Authorities Act*, which seek to increase the supply of housing.

The *More Homes Built Faster Act, 2022* received Royal Assent on November 28, 2022. Schedule 9 of the Act amended the *Planning Act* with respect to C.B.C. by-laws as follows:

- Subsection 37 (7.1) allows a municipality to enter into an agreement with a landowner for the provision of in-kind contributions. It also allows for this agreement to be registered on title of the land to which the charge applies (s.s.37 (7.2)).
- Subsections 37 (32), as amended, clarifies the application of the maximum prescribed percentage of the value of land for redevelopment. Where development or redevelopment is occurring on a parcel of land with an existing building or structure, the maximum C.B.C. that could be imposed is to be calculated based on the incremental development only.
- Subsection 37 (32.1) exempts affordable residential units, attainable residential units, inclusionary zoning residential units, and non-profit housing developments from the payment of a C.B.C. The current definitions for these development types are in reference to the D.C.A.

It is noted that the value of an in-kind contribution accepted from a developing landowner, would be deducted from the total C.B.C. payable, therefore, reducing the C.B.C. revenue available to fund the capital infrastructure needs identified within a C.B.C. Strategy.



4.1.4 Affordable Homes and Good Jobs Act, 2023 - Bill 134

The Ontario Legislature introduced new legislation through Bill 134, the *Affordable Homes and Good Jobs Act* which received royal assent on December 4, 2023. The legislation, once proclaimed, will impact the *Planning Act*, amending the definition of an “affordable residential unit” for the purpose of exempting such developments from the payment of C.B.C.s (and parkland dedication). Under the legislation, the definition is modified to introduce an income-based test for affordable rent and purchase price; and increase the threshold for the market test of affordable rent and purchase price (as indicated in sections 2.1 and 3.1.6 herein). The change in definition continues to require the bulletin to determine which units will be considered affordable.

For a summary of the legislative requirements that are in effect, including future anticipated requirements that are anticipated upon proclamation of legislation, see Appendix A-3.

4.2 Municipality’s Current Official Plan

The Municipality’s O.P. includes policies related to trails and major recreational uses, and supports the provision of arts, culture, and heritage programs, events, and facilities in private and public developments.

The O.P. currently provides that, in accordance with the *Planning Act*, within designated Village or Urban Centres, Council may in a Zoning By-law authorize increases in the height and/or density of development for a site specific development proposal beyond that permitted in the Zoning By-law, in return for the provision of such facilities, services, or matters that include a significant public benefit in accordance with the Community Benefits section of the implementing Zoning By-law. These provisions of the O.P. are based on the prior s. 37 provisions for Community Benefits and does not embrace the revised provisions of s. 37 related to C.B.C.s.

Currently the Community Benefits are noted as being related to:

- Increases in height and/or density may be considered in order to obtain the following community benefits:
 - a) The preservation of cultural heritage resources;
 - b) The provision of major cultural or arts facilities;



- c) The provision of public squares, arcades, and walkways within the development otherwise not required by the policies of this Plan that have functional benefits;
- d) The provision of assisted or special needs housing;
- e) The provision of daycare facilities;
- f) The provision of community facilities; and
- g) Any other public benefit deemed suitable by the Municipality.

The O.P. also currently provides that the Municipality may also consider a Community Benefits by-law outside of Centres for the protection of cultural heritage resources and/or natural features beyond the parkland dedication requirements of the Planning Act, in accordance with the Community Benefits section of the implementing Zoning By-law.

Further, the O.P. currently provides that the use of Community Benefits zoning shall be carefully controlled, and shall only be undertaken after a thorough site-specific Community Benefits study that shall assess the extent of the permitted height and/or density bonuses that shall be established based on:

- a) The proposed development's compatibility with existing adjacent development;
- b) The extent to which the proposed development is consistent with the stated goals and objectives of the Municipality;
- c) Conformity to the general intent of the relevant land use designation of this Plan; and
- d) The adequacy and impact of infrastructure and community services.

Additionally, the O.P. provides that when considering Community Benefits, and allowing the provisions of benefits off-site, the positive impacts of the exchange should benefit the surrounding areas experiencing the increased height and/or density. Further, the Community Benefits Zoning By-law shall set out areas where the height and/or density of development would be permitted to increase, as well as the extent of the height and/or density bonus. As a condition of the Community Benefits Zoning By-law, the Municipality will require the proponent to enter into one or more agreements registered against the lands to which it applies, and Implementation dealing with the provision and timing of facilities, services or matters that are to be provided, and the height and/or density bonus to be given.



As part of the changes to the *Planning Act*, site specific community benefits agreements have now been replaced by the revised C.B.C. legislation as noted above. Therefore, the Municipality is no longer able to enter into agreements under the prior provisions of S. 37 of the *Planning Act*, as provided in the O.P.

4.3 Municipality's Current Community Benefits Provisions/By-law

Currently the Municipality does not have a Community Benefits By-law. With the changes to s. 37 of the *Planning Act*, the Municipality can no longer impose Community Benefits under the prior provisions and as set out in the current Official Plan. The Municipality must undertake a C.B.C. strategy, public consultation process, and pass a by-law under the amended section of the Act, if they wish to recover growth-related costs through this tool. The growth-related costs that can be recovered through a C.B.C. by-law include, but is not limited to, growth-related costs that are not being recovered through the parkland provisions of the *Planning Act* and/or the provisions of the D.C.A.

It is our understanding that the Municipality is currently considering whether or not to undertake a C.B.C. strategy. The Master Plan will assist in determining if it would be beneficial to undertake a C.B.C. as it relates to Parks, Recreation, and Cultural growth needs and provide insight into capital projects that could be considered in the strategy. However, it is noted that the Municipality may have growth-related priorities related to non-parks, recreation and/or cultural services that they would prefer to use C.B.C. revenues towards.

Further, an updated policy framework will be included in the Master Plan to provide recommendations for updates to the Official Plan for alignment with the current legislation.

4.4 Municipality's Capital Budget

As the Municipality does not currently have a C.B.C. by-law in place under the new rules of the *Planning Act*, the current capital budget and forecast has not embraced C.B.C. funding as a revenue source. However, there are a number of projects that could be considered through a C.B.C. Strategy. Currently the Municipality's 2024



budget indicates there are capital needs related to museums, in the amount of \$115,655. These capital projects could be considered as part of a C.B.C. Strategy, where they related to growth. The Master Plan will also identify future capital needs for parks, recreation, and culture along with the potential for consideration of funding through C.B.C. Strategy.

5. Other Funding Tools

5.1 User Fees

User fees related to parks, recreation, and cultural services, among other services provided by municipalities, are governed by the *Municipal Act, 2001*. Specifically, Part XII of the *Municipal Act* provides municipalities and local boards with broad powers to impose fees and charges through the passage of a by-law. These powers, as presented in s.391 (1), include imposing fees or charges:

- “for services or activities provided or done by or on behalf of it;
- for costs payable by it for services or activities provided or done by or on behalf of any other municipality or any local board; and
- for the use of its property including property under its control.”

This section of the *Municipal Act* provides municipalities with a source of funding for operating and programming costs for parks, recreation, and culture. The costs included in a fee or charge may include costs incurred by the municipality or local board related to administration, enforcement, and the establishment, acquisition, and replacement of capital assets. Further, a fee or charge imposed for capital costs related to services or activities may be imposed on persons not receiving an immediate benefit from the services or activities but who will receive a benefit at some point in time.

In contrast to cost justification requirements under other legislation, the *Municipal Act* does not impose explicit requirements for cost justification when establishing fees for municipal services. In setting fees and charges for these services, however, municipalities should have regard for legal precedents and the reasonableness of fees and charges. The statute does not provide for appeal of fees and charges to the OLT; however, fees and charges may be appealed to the courts if municipalities are acting outside their statutory authority. Furthermore, no public process or mandatory term for fees and charges by-laws is required under the *Municipal Act*. There is, however, a



requirement that municipal procedural by-laws provide for transparency with respect to the imposition of fees and charges.

It should be noted that in applying Section 391 of the *Municipal Act* for the recovery of capital costs a municipality must have regard for the associated regulation, O. Reg. 584/06. Section 2(1) of the regulation indicates that a fee under the Act cannot be imposed to recover capital costs that are also included in a development charge or front-ending agreement which is in effect before the composition of the fee. This clause is provided to avoid a duplication of fees and charges for the same works. As the costs being considered parks and recreation fees are predominantly for operating costs, and capital-related costs related to replacement capital needs which are ineligible for funding under the D.C.A., no duplication in cost recovery currently exists.

It is noted that the scope of the Parks, Recreation, and Culture Master Plan does not include a review or update to the Municipality's user fees. A user fee review is not typically undertaken as part of a Master Plan. Often, the best time to undertake a user fee review is when new programs are being made available and/or when new facilities and services are being offered. Many municipalities undertake user fees on a cyclical basis (e.g., once every 5 years). The Municipality should determine the best time to undertake an update to their user fees through a separate undertaking based on their specific needs.

5.2 Fundraising, Donations, and/or Benevolent Funds

Fundraising, donations, and/or benevolent funds are often utilized by municipalities that are planning new, expansion, and/or upgrades to parks, recreation and/or culture services. Fundraising efforts are often organized by community groups that are advocate for specific things such as arts and other cultural amenities and/or awareness in their communities. As well, there are often personal or corporate donations or benevolent fund received towards parks, recreation and/or cultural services, These could include naming rights for a specific recreation or cultural facility or room in a facility, amenities such as park benches or play equipment in honour of a family member, beautification of parks, etc. The receipt of funding such as this could be used for capital related expenditures and/or ongoing maintenance costs.



5.3 Grants and Subsidies

Grants and Subsidies often become available through Provincial and/or Federal programs that related to parks, recreation, and/or cultural services. These grants and subsidies can relate to operating and/or capital costs. However, often to access capital related funding, capital projects must be “shovel ready” and are allocated on a case-by-case basis. It is noted that to be “shovel ready” often requires detailed design to be complete, land to be available, etc. Further, what is considered as “shovel ready” may differ for the various funding programs available. Hence, the Master Plan does not provide the Municipality with “shovel ready” projects, but will assist the Municipality in identifying the timing of capital needs which would assist in forecasting when land should be secured, detailed design should be undertaken, and construction could commence.

Recently programs available to municipalities include, but are not limited to, the following:

- The Energizing Life Community Fund through Hydro One, in support of projects that focus on the physical, psychological, and emotional safety of Ontarians, to build safer and more resilient communities. This program is in its fourth year and is available to Indigenous communities, charitable organizations, and municipalities seeking funding to support programming for Ontario communities;
- The Documentary Heritage Program through Library and Archives Canada, that provides funding to assist in ensuring that Canada’s living memory is documented and preserved;
- The Experience Ontario Program, through the Province on Ontario, that supports in-person festivals and events in the province which promote tourism, provides jobs in the tourism, culture, and entertainment sectors;
- The Commemorating the National Day of Truth and Reconciliation Program, that assists in funding initiatives related to the increase in awareness and commemoration of the National Day for Truth and Reconciliation on September 30th;
- The Canada Cultural Spaces Fund (CCSF), through Canadian Heritage, that supports the improvement of physical conditions of arts, heritage, culture, and creative innovation through renovation and construction projects; and



- The Green Municipal Fund, that supports municipalities demonstrating innovative solutions or approaches related to environmental issues.

As noted, there are various grant and subsidy opportunities that become available to municipalities that may assist in providing funding for parks, recreation and/or cultural projects or initiatives.

5.4 Property Taxes

Property Taxes continue to be a source of revenue for both capital and operating expenditures related to parks, recreation, and culture services, as other funding tools do not provide full cost recovery for the Municipality.

6. Considerations for Parks, Recreation, and Culture Master Plan

The preceding, summarized the legislation and municipal funding practice for parks, recreation, and culture services. These practices include Parkland Conveyance, D.C.s, C.B.C.s, User Fees, etc. The Parks, Recreation, and Culture Master Plan will provide the Municipality with the standards at which these services should be provided to the Municipality's residents and employment communities. These standards will assist the Municipality in determining what capital costs will be required for growth, which will assist with undertaking future D.C., C.B.C. and Parkland studies. The following considerations with respect to each are provided to inform the Municipality through the master planning process.

The completion of the Master Plan will identify the needs for parkland in the Municipality, thus meeting the "Parks Plan" requirement of the Planning Act, which allows the Municipality to pass a parkland by-law. Subsequently, a revised Parkland and Open Space Dedication by-law should be considered to allow the Municipality to impose the alternative parkland rate against residential development, where it maximizes the parkland conveyed and/or PIL revenue, to the extent allowable under the Planning Act.

Further, the Municipality's current D.C. by-law 2021-010, that recovers costs for parks and recreation services, as well as and library services, will expire on January 19, 2026. Changes to the D.C.A. will require updates related to mandatory exemptions, phase-ins,



discounts, etc., as well as to remove growth-studies as an eligible capital costs (unless, as noted, the legislation is revised to allow for growth-studies to be eligible again). Based on the findings of future capital needs identified through the master planning process, the Municipality should consider if an update to the D.C. by-law should be undertaken to embrace additional capital costs.

Additionally, the Municipality should consider undertaking a C.B.C. Strategy for additional recovery of growth-related costs. The C.B.C. may include costs associated with those that are not recoverable under the Parkland provisions of *the Planning Act* and/or through D.C.s due to limitations that may be identified through the D.C. calculations and/or growth-related studies related to these services. As the D.C.A. does not permit recovery of growth-related costs for Arts and Culture services, other than Library Services, the C.B.C. strategy can include such costs.

As noted above, the Master Plan does not include a review or update of the Municipality's user fees related to parks, recreation, or cultural services. However, based on the findings of the Master Plan, the Municipality may wish to undertake a new and/or updated user fee study to embrace additional costs that are identified, following the completion of the Master Plan.

Regarding fundraising, donations, and/or Benevolent Funds, the Municipality may wish to encourage fundraising efforts from parks, recreation and/or cultural interest groups, and work with municipal partners, where possible, to enhance these types of funding opportunities.

Moreover, the Master Plan will provide a strategy for the Municipality to assist in managing the capital and operation costs associated with implementing the plan. The Master Plan will identify for capital needs, and a funding framework which indicates the eligibility considerations for recovery through D.C.s, Community Benefits Charges, and/or PIL of Parkland Conveyance funds. Therefore, the Master Plan will provide budgets, recommendations for financial strategies, and staffing plans for implementation.

Furthermore, the Municipality is encouraged to apply for funding through grant and/or subsidy programs that are available to municipalities to generate additional funding for parks, recreation, and/or cultural services, and reduce the need for funding through other municipal funding tools.



Finally, the Municipality will be required to fund operating and capital expenditures for parks, recreation, and cultural services from property taxes, however, to reduce the need for tax funding, the Municipality is encouraged to explore other funding sources, as noted above, to the extent possible.



Appendix A

Summary of Legislation



Appendix A-1
Summary of Legislation Related to Parkland

Funding Tool	Legislation	Item	Legislative Rules	Effective at Jan 1, 2024
Parkland	Planning Act	Conveyance of Parkland	2% of land for Commercial and Industrial purposes. 5% for all other purposes (e.g., Residential, and Institutional)	Yes
Parkland	Planning Act	Conveyance of Parkland	Alternative Rate to 5% for Residential: 1 hectare per 300 dwelling units	No
Parkland	Planning Act	Conveyance of Parkland	Alternative Rate to 5% for Residential: 1 hectare per 600 dwelling units	Yes
Parkland	Planning Act	Payment in Lieu of Conveyance of Parkland	1 hectare per 500 dwelling units	No
Parkland	Planning Act	Payment in Lieu of Conveyance of Parkland	1 hectare per 1,000 dwelling units or lesser if specified in a parkland by-law	Yes
Parkland	Planning Act	Residential Exemptions	Affordable Housing Attainable Housing Affordable Housing in Inclusionary Zoning By-law Areas	No (Awaiting Proclamation)
Parkland	Planning Act	Residential Exemptions	Non-Profit Housing	Yes



Funding Tool	Legislation	Item	Legislative Rules	Effective at Jan 1, 2024
Parkland	Planning Act	Parkland Capping	The amount required to be conveyed or required as a payment in lieu of conveyance shall not exceed: 10% of land or value of land where the land in the subdivision is five hectares or less; or 15% of land or value of land where the land in the subdivision is greater than five hectares	Yes
Parkland	Planning Act	Allocation of Special Parkland Account	60% of Opening Balance, Annually	Yes



Appendix A-2
Summary of Legislation Related to Development Charges

Funding Tool	Legislation	Item	Legislative Rules	Effective at Jan 1, 2024
Development Charges	Development Charges Act	Instalment Payments	Commercial & Industrial: Six equal payment commencing at occupancy + interest at prescribed rate	No
Development Charges	Development Charges Act	Instalment Payments	Intutional Development: Six equal payment commencing at occupancy + interest at prescribed rate	Yes
Development Charges	Development Charges Act	Instalment Payments	Rental Housing Development: Six equal payment commencing at occupancy + interest at prescribed rate	Yes
Development Charges	Development Charges Act	Instalment Payments	Non-Profit Housing Development: Twenty-One equal payment commencing at occupancy + interest at prescribed rate	No
Development Charges	Development Charges Act	Rate Freeze as of January 1, 2020	Developments occurring within 2 years of a Site Plan or Zoning By-Law Amendment Planning Approval pay D.C. rate in effect at time of application + interest at prescribed rate	Yes



Funding Tool	Legislation	Item	Legislative Rules	Effective at Jan 1, 2024
Development Charges	Development Charges Act	Rate Freeze Prior to January 1, 2020	Developments occurring within 2 years of a Site Plan or Zoning By-Law Amendment Planning Approval pay D.C. rate in effect at time of application	No
Development Charges	Development Charges Act	Prescribed Interest Rate	For Instalment Payments & Rate Freeze: Average Prime Rate + 1%	Yes
Development Charges	Development Charges Act	Eligible Services	Limited to 20 Services, including Parks and Recreation, and Library Services	Yes
Development Charges	Development Charges Act	Additional Residential Unit Exemption to Existing Single Detached Unit	Up to two (2) additional units exempt if size of additional unit(s) does not exceed size of existing unit	Yes
Development Charges	Development Charges Act	Additional Residential Unit Exemption to Existing Semi-Detached or Row Dwellings	Up to one (1) additional unit exempt if size of additional unit does not exceed size of existing unit	Yes



Funding Tool	Legislation	Item	Legislative Rules	Effective at Jan 1, 2024
Development Charges	Development Charges Act	Additional Residential Unit Exemption to Existing Rental Residential Buildings	Greater of one (1) or 1% of the existing number of units in the building	Yes
Development Charges	Development Charges Act	Additional Residential Unit Exemption to Other Existing Residential Buildings	Up to one (1) additional unit exempt if size of additional unit does not exceed size of existing unit	Yes
Development Charges	Development Charges Act	Additional Residential Unit Exemption to New Proposed Detached Unit	One (1) additional unit exempt if the new residential building is not attached to other building and where the second (additional) unit has the same gross floor area or less than the first unit.	Yes
Development Charges	Development Charges Act	Additional Residential Unit Exemption to New Proposed Semi-Detached or Row Dwellings	One (1) additional unit exempt where the new dwelling only contains two dwelling units and where the new dwelling must be located on a parcel of land with no other dwelling on it.	Yes



Funding Tool	Legislation	Item	Legislative Rules	Effective at Jan 1, 2024
Development Charges	Development Charges Act	Additional Residential Unit Exemption for Ancillary Units	When Ancillary to proposed new detached, semi-detached, or row dwelling (all of which only contain one unit): One (1) ancillary unit is exempt where the gross floor area of the ancillary unit is equal to or less than the new detached, semi-detached, or row dwelling	Yes
Development Charges	Development Charges Act	Residential Exemptions	Affordable Housing Attainable Housing Affordable Housing in Inclusionary Zoning By-law Areas	No (Awaiting Proclamation)
Development Charges	Development Charges Act	Residential Exemptions	Non-Profit Housing Development	Yes
Development Charges	Development Charges Act	Non-Residential Exemptions	Up to 50% enlargement to an Existing Industrial Building	Yes
Development Charges	Development Charges Act	Phase-in of Charges Under New By-law	Five (5) Year Phase-in: 80% of Charge in Year 1 of by-law 85% of Charge in Year 2 of by-law 90% of Charge in Year 3 of by-law 95% of Charge in Year 4 of by-law 100% of Charge in Years 5-10 of by-law	Yes



Funding Tool	Legislation	Item	Legislative Rules	Effective at Jan 1, 2024
Development Charges	Development Charges Act	Eligible Capital Cost	Growth Studies in Current By-law	Yes
Development Charges	Development Charges Act	Eligible Capital Cost	Growth Studies in New By-law	No
Development Charges	Development Charges Act	By-law Expiry in New By-law	Maximum 10 Years	Yes
Development Charges	Development Charges Act	By-law Expiry in New By-law	Maximum 5 Years	No
Development Charges	Development Charges Act	Rental Housing Discount	Rental Housing Developments with four (4) or more units where all units are rental, discounted by: 25% for units with 3 or more bedrooms 20% for units with 2 bedrooms 15% for units with 1 bedroom or less	Yes
Development Charges	Development Charges Act	Allocation of Reserve Fund Balance	For Water, Wastewater, and Services Related to a Highway: 60% of Opening Reserve Fund Balance, Annually	Yes



Appendix A-3
Summary of Legislation Related to Community Benefits Charge

Funding Tool	Legislation	Item	Legislative Rules	Effective at Jan 1, 2024
Community Benefits	Planning Act	Eligible Services	Bonus Zoning for Increased height and/or Density of development for a site-specific development proposed beyond that permitted in the Zoning By-law	No
Community Benefits	Planning Act	Eligible Services	All facilities, services and matters required due to growth including: <ul style="list-style-type: none"> - Land for parks or other recreational purposes in excess of the Planning Act provisions identified in sections 42 & 51; - Capital costs for services ineligible for recovery under the Development Charges Act; - Capital costs for services eligible for recovery under the Development Charges Act, that are not being funded through Development Charges 	Yes
Community Benefits	Planning Act	Residential Exemptions	Long-term Care Home; Retirement Home; Hospice or building used to provide end-of-life care.	Yes



Funding Tool	Legislation	Item	Legislative Rules	Effective at Jan 1, 2024
Community Benefits	Planning Act	Residential Exemptions	Affordable Housing & Attainable Housing	No (Awaiting Proclamation)
Community Benefits	Planning Act	Non-Residential Exemptions	Publicly assisted university (as per the Ministry of Training, Colleges, and Universities Act); College or university federated or affiliated with universities described as a publicly assisted university; An indigenous institute prescribed for purposes of section 6 of the Indigenous Institutes Act; and A memorial home, clubhouse, or athletic grounds used by an Ontario branch of the Royal Canadian Legion	Yes
Community Benefits	Planning Act	Maximum Charge	4% of land value, valued on the day before building permit issuance	Yes
Community Benefits	Planning Act	In-Kind Contributions	May be accepted towards the Community Benefits Charge where accepted and valued by Council	Yes
Community Benefits	Planning Act	By-law Expiry in New By-law	Maximum 5 Years	Yes