

1. Framework for adopting a Community Benefits Charge By-law to replace current Section 37 Policies

Cadre pour l'adoption d'un règlement municipal de redevances pour avantages communautaires en remplacement des politiques de l'article 37

Committee recommendations

That Council:

- 1. approve the creation of a Sponsors Group comprised of the following: The Chair of Planning, and Councillors from Wards 11 and 15 representing high intensification areas;**
- 2. direct staff in the Planning, Infrastructure and Economic Development Department to consult with the Councillor Sponsor's group to develop and implement a workplan based on the draft proposed in Document 1; and**
- 3. approve that Section 37 continues to be applied until the adoption of the new Community Benefits Charge By-law, or regulatory end date, whichever comes sooner.**

Recommandations du Comité

Que le Conseil :

- 1. approuve la création d'un groupe de parrains composé de la présidente du Comité de l'urbanisme et des conseillers des quartiers 11 et 15, des zones destinées à une forte densification;**
- 2. enjoigne au personnel de la Direction générale de la planification, de l'infrastructure et du développement économique de consulter les membres du groupe de parrains, en vue d'élaborer et de mettre en oeuvre un plan de travail fondé sur l'ébauche proposée dans le document 1; et**
- 3. approuve la poursuite de l'application de l'article 37 jusqu'à l'adoption du nouveau règlement municipal de redevances pour avantages communautaires, ou à la date de fin réglementaire, selon la première éventualité.**

For the information of Council

Planning Committee approved the following motion:

Motion N° PLC 2021-35/1

WHEREAS the 'Framework for adopting a Community Benefits Charge By-law to replace current Section 37 Policies' report has no implications in the rural area; and

WHEREAS the Chair of the Agriculture and Rural Affairs Committee has consented to withdraw the report from the ARAC agenda for its meeting of February 4, 2021;

THEREFORE BE IT RESOLVED that Planning Committee send its recommendations on this report directly to City Council for approval at its meeting on January 27, 2021.

Pour la gouverne du Conseil

Le Comité de l'urbanisme a également approuvé la motion suivante :

Motion N° PLC 2021-35/1

ATTENDU QUE le rapport intitulé « Cadre pour l'adoption d'un règlement municipal de redevances pour avantages communautaires qui remplacera les politiques de l'article 37 » n'a aucune répercussion sur le secteur rural; et

ATTENDU QUE le président du Comité de l'agriculture et des affaires rurales a consenti à retirer ce rapport de l'ordre du jour de la réunion du 4 février 2021 de son Comité;

PAR CONSÉQUENT, IL EST RÉSOLU QUE le Comité de l'urbanisme envoie ses recommandations sur ce rapport directement au Conseil municipal pour approbation à sa réunion du 27 janvier 2021.

Documentation/Documentation

1. General Manager's report, Planning, Infrastructure and Economic Development Department, dated December 24, 2020 (ACS2021-PIE-GEN-0001)

Rapport du Direction générale, Direction générale de la planification, de l'infrastructure et du développement économique, daté le 24 décembre 2020 (ACS2021-PIE-GEN-0001)
2. Extract of draft Minutes, Planning Committee, January 14, 2021

Extrait de l'ébauche du procès-verbal du Comité de l'urbanisme, le 14 janvier 2021

**Planning Committee
Report 35
January 27, 2021**

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**Comité de l'urbanisme
Rapport 35
le 27 janvier 2021**

**Report to
Rapport au:**

**Planning Committee
Comité de l'urbanisme
14 January 2021 / 14 janvier 2021**

and / et

~~**Agriculture and Rural Affairs Committee
Comité de l'agriculture et des affaires rurales
4 February 2021 / 4 février 2021**~~

**and Council
et au Conseil
27 January 2021 / 27 janvier 2021**

**Submitted on December 24, 2020
Soumis le 24 décembre 2020**

**Submitted by
Soumis par:
Stephen Willis**

**General Manager/Direction générale
Planning, Infrastructure and Economic Development Department / Direction
générale de la planification, de l'infrastructure et du développement**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2021-PIE-GEN-0001

SUBJECT: Framework for adopting a Community Benefits Charge By-law to replace current Section 37 Policies

OBJET: Cadre pour l'adoption d'un règlement municipal de redevances pour avantages communautaires en remplacement des politiques de l'article 37

REPORT RECOMMENDATIONS

That Planning Committee and ~~Agriculture and Rural Affairs Committee~~ recommend Council: (amended per Motion No PLC 2021-35/1)

1. Approve the creation of a Sponsors Group comprised of the following: The Chair of Planning, and Councillors from Wards 11 and 15 representing high intensification areas;
2. Direct staff in the Planning, Infrastructure and Economic Development Department to consult with the Councillor Sponsor's group to develop and implement a workplan based on the draft proposed in Document 1; and
3. Approve that Section 37 continues to be applied until the adoption of the new Community Benefits Charge By-law, or regulatory end date, whichever comes sooner.

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'urbanisme et le ~~Comité de l'agriculture et des affaires rurales~~ recommandent ce qui suit au Conseil : (modifié conformément la Motion N° PLC 2021-35/1)

1. Approuver la création d'un groupe de parrains composé de la présidente du Comité de l'urbanisme et des conseillers des quartiers 11 et 15, des zones destinées à une forte densification;
2. Enjoindre au personnel de la Direction générale de la planification, de l'infrastructure et du développement économique de consulter les membres du groupe de parrains, en vue d'élaborer et de mettre en oeuvre un plan de travail fondé sur l'ébauche proposée dans le document 1; et
3. Approuver la poursuite de l'application de l'article 37 jusqu'à l'adoption du nouveau règlement municipal de redevances pour avantages

communautaires, ou à la date de fin réglementaire, selon la première éventualité.

EXECUTIVE SUMMARY

The goal of this process is to develop a council approved framework for a new Community Benefits Charge (CBC) By-law. This framework would include a consultation strategy along with defining an area of focus for the by-law and the types of growth-related capital projects that will benefit from this new fee.

Assumption and Analysis

The proposed development plan for a new CBC By-law is derived from changes to the *Planning Act* that have been made by the provincial government. These changes included the discontinuance of the application of density bonusing formerly allowed through Section 37 of the *Act*. The government's goal was to create more certainty and predictability for developers and provide some constraint on the amount of these charges while giving municipalities more flexibility on how to utilize the contributions. The City currently allocates the funds from Section 37 payments to projects ranging from affordable housing, park improvements and traffic calming.

As a result of these provincial changes, the City of Ottawa is now proposing to develop a framework to adopt the new CBC By-law along with a working group made up of specific councillors.

The City of Ottawa uses Section 37 revenue to pay for projects located across the City. These contributions in any given year are dependent on several variables, mainly the number of large construction projects underway at any given point in time. The potential reduction in revenue will have a significant impact on that particular development location. Through the legislative changes at the provincial level, staff require the approval of this new sponsors group to develop a workplan based on the draft included in Document 1 in order to provide ongoing financial support for these community-oriented projects.

Although not required, in order to create a successful new CBC By-law, staff will begin a consultation process with key stakeholders and industry partners to ensure that input is received from various sources.

The City may continue to collect Section 37 contributions on any agreement that has been executed prior to September 18, 2022.

RÉSUMÉ

Ce processus vise à élaborer un cadre approuvé par le Conseil pour la création d'un règlement municipal de redevances pour avantages communautaires. Ce cadre prévoira notamment une stratégie de consultation, ainsi que la définition d'un secteur d'intérêt pour le règlement municipal et des types de projets d'immobilisations liés à la croissance visés par les nouvelles redevances.

Hypothèse et analyse

Le plan proposé pour l'élaboration d'un nouveau règlement municipal de redevances pour avantages communautaires découle de changements que le gouvernement provincial a apportés à la Loi sur l'aménagement du territoire, notamment la fin de l'application des primes de densité auparavant autorisées par l'article 37 de la Loi. Le gouvernement visait ainsi à offrir plus de certitude et de prévisibilité aux promoteurs et à limiter le montant des redevances, tout en augmentant la marge de manœuvre des municipalités quant aux moyens d'utiliser ces fonds. La Ville affecte actuellement les montants des paiements exigés en vertu de l'article 37 à différents projets (logements abordables, amélioration de parcs, modération de la circulation).

Par suite de ces changements provinciaux, la Ville d'Ottawa projette maintenant d'adopter un cadre pour élaborer le nouveau règlement municipal de redevances pour avantages communautaires avec un groupe de travail formé de certains conseillers.

La Ville d'Ottawa utilise les recettes associées à l'article 37 pour payer des projets sur son territoire. Le montant de ces fonds varie chaque année en fonction de plusieurs facteurs, principalement le nombre de grands projets de construction en cours à une date donnée. La réduction éventuelle des recettes aura une incidence considérable sur l'emplacement d'un projet d'aménagement donné. Vu les changements législatifs à l'échelle provinciale, le personnel a besoin d'obtenir l'approbation de ce nouveau groupe de parrains pour élaborer un plan de travail fondé sur l'ébauche figurant dans le document 1 et ainsi fournir en permanence une aide financière à ces projets communautaires.

Même si ce n'est pas obligatoire, le personnel entamera un processus de consultation avec les principales parties prenantes et les partenaires du secteur, s'assurant ainsi de recueillir des commentaires auprès de diverses sources, pour que le nouveau règlement municipal de redevances pour avantages communautaires soit un succès.

La Ville peut continuer de percevoir des paiements en vertu de l'article 37 pour toute entente signée avant le 18 septembre 2022.

BACKGROUND

The current provincial government has sought to modify the way in which municipalities collect charges from developers, and the use of these fees to offset the costs that are a result of growth. From the beginning of this process the objective was to end the current system of density bonusing outlined in Section 37 of the *Planning Act*. The goal of the new approach was to create more certainty and predictability for developers and provide some constraint on the amount of these charges while giving municipalities more flexibility on how to apply the funds.

According to the province, their goal is:

The government supports growth paying for growth and intends that municipalities have the flexibility and resources to support complete communities. It is also important that builders and municipalities have certainty about the costs of providing infrastructure that supports growth.

For these reasons, consultations with municipalities and builders were held to hear directly from them on an approach that supports these concepts. As a result, a new community benefits charges authority was established under the *Planning Act*.

The province worked closely with municipalities and builders, to ensure the community benefits charge framework would provide flexibility for municipalities to fund a range of community services that are required because of new growth. As you correctly point out, the *Planning Act* provides for one Community Benefits Charge By-law to be in effect in a local municipality at any particular time. The framework also provides flexibility for municipalities to determine the charge that will be levied on a new development or redevelopments, as well as flexibility to have a lower charge in one area of a municipality than in another. In addition to the statutory exemptions, municipalities also have discretion to provide full or partial exemptions for types of development.

As a result, the *COVID-19 Economic Recovery Act, 2020 (Bill 197)* replaced density bonusing under the former Section 37 of the *Planning Act* with a new CBC.

The transition period to this new CBC ends on September 18, 2022, at which point the current Section 37 provisions would no longer apply to new developments. The new CBC regime is permissive, not mandatory. Municipalities can choose whether or not to proceed with passing a new CBC By-law. Existing Section 37 by-laws and agreements will remain in effect until they are repealed. These agreements will not end solely by a municipality's enactment of a CBC By-law; however, after the enactment of a new CBC by-law or September 18, 2022 (whichever is earlier), municipalities can no longer enact new density bonusing by-laws.

Legislative History

The Government of Ontario introduced [Bill 108, More Homes, More Choice Act, 2019](#), for first reading on May 2, 2019. The Bill was described as the government's plan to address Ontario's housing crisis and contains 13 schedules which affect 15 Acts. Many of these amendments have municipal implications, a companion [provincial policy paper](#) provided context for the new proposed legislative changes contained in Bill 108.

As of June 6, 2019, Bill 108, received Royal Assent and passed into law. This legislation had significant impacts on City operations including development charges (DC), planning appeals, inclusionary zoning, endangered species management, and heritage matters, which were detailed as part of report [ACS2019-PIE-GEN-0005](#) approved by Ottawa City Council on June 12, 2019.

Notably for the subject matter of this report, the Bill introduced a new "Community Benefits Charge" regime, which was conceptualized as a parallel charge replacing aspects of costs of development recovered through DC (primarily, under Bill 108, "soft" capital costs related to parks, libraries, etc.). Bill 108 provided that the ability to obtain contributions under Section 37 of the *Planning Act* for increases in otherwise permitted height and density would no longer be available once a CBC is adopted.

Bill 108 also provided that *Planning Act* Section 42 Parkland Dedication By-laws would no longer be permitted once a CBC By-law was in force. Such by-laws (including the City's current Parkland Dedication By-law, 2009-95) require dedication of parkland, or cash-in-lieu of dedication of land, to the municipality upon development (subject to certain exceptions) and set out the rules for calculating the amount of land/cash to be provided.

On June 21, 2019 the Ministry of Municipal Affairs and Housing published the proposed content of the regulations of Bill 108, with comments due by August 21, 2019 for the following topics:

1. [Development Charges Act regulations](#)
2. [Community Benefits Authority](#) (under the *Planning Act*)
3. [Planning Act regulations](#)
4. [LPAT Act regulations](#)

The City of Ottawa submitted comments on the proposed Bill 108 regulations which were attached as [Document 1](#) to report [ACS2019-PIE-GEN-0006](#).

On November 6, 2019 amendments to the CBC provisions under the *Planning Act* were introduced through Bill 138, the [Plan to Build Ontario Together Act, 2019](#). Bill 138 received Royal Assent on December 10, 2019. The amendments included new transition provisions for alternative parkland dedication and a mechanism to appeal a municipality's CBC By-law to the Local Planning Appeal Tribunal (LPAT). Staff advised the Mayor's office and Chair of the Planning Committee about these amendments but did not bring forward a report at that time as the changes were minor and regulations implementing them were not yet proposed.

On February 28, 2020, the Ontario government published the "[Proposed regulatory matters pertaining to community benefits authority under the *Planning Act*, the *Development Charges Act*, and the *Building Code Act*](#)." Staff comments to these proposals were detailed in report [ACS2020-PIE-GEN-0003](#) and were considered by Council on April 9, 2020. Most significantly for the purposes of this report, the proposal indicated an intent to apply a "cap" of 15 per cent to CBCs for single-tier municipalities (such as Ottawa). Staff were preparing an update to Council on these matters until it was evident, when there was an extension to the comment period and the COVID-19 emergency developed, that the Ministry was re-visiting the proposal and was likely to change its approach.

In response to various submissions, the Government of Ontario introduced the [COVID-19 Economic Recovery Act, 2020](#) (Bill 197) for first reading on July 8, 2020, and passed the Bill on July 21, 2020. Royal Assent was received the same day. This omnibus Bill amended 43 separate provincial statutes of varying levels of relevance to municipalities. Staff provided a briefing to Council on September 9, 2020, detailed in report [ACS2020-PIE-GEN-0005](#). The main changes as a result of Bill 197 were: (1) limiting the scope of a CBC and expanding the scope of DCs, relative to that proposed under the earlier Bill 108; (2) continuing the authority to enact a Parkland Dedication By-law; (3) expanding the scope of Minister's zoning orders.

On September 18, 2020, the [Regulations relating to Bills 108, 138, and 197](#) were released and relevant portions were proclaimed into effect. Of note, DC By-laws enacted under the legislation as it existed prior to September 18, 2020, will continue to remain in force for two years from the date the Lieutenant Governor in Council declares that section of Bill 197 into force, or until a CBC By-law is adopted by the relevant municipality, whichever comes first. After the two-year period, DC By-laws which include charges with respect to items not included in Subsection 2(4) of the *Act* would not be enforceable.

Based in part on the City's advocacy efforts, all of the services listed in the 2019 DC Background Study will continue to be eligible for collection under the amended *Development Charges Act*, therefore, this transition provision will not limit growth-related revenues listed under the current DC By-law.

Table 1 summarizes the type of services for which the City may charge either a CBC or DC with respect to increased capital costs attributable to development, under the legislation as amended by Bills 108, 138, and 197 and pursuant to the new regulations.

Table 1

Charge (Statute):	Development Charges (under the <i>Development Charges Act</i>)	Community Benefits Charges (under the <i>Planning Act</i>)
Types of Increased Costs for Services Recoverable	<p>Increased capital costs required because of increased needs for the following services, only:</p> <ul style="list-style-type: none"> ▪ 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 as defined in the <i>Municipal Act, 2001</i> 	Capital costs of facilities, services and matters required because of development or redevelopment in the area to which the By-law applies" but only in respect of development of five or more storeys with ten or more residential units (or redevelopment of a

	<ul style="list-style-type: none"> ▪ Electrical power services. ▪ Waste diversion services. ▪ Policing services. ▪ Fire protection services. ▪ Ambulance services. ▪ Services provided by a board within the meaning of the <i>Public Libraries Act</i>. ▪ Services related to long-term care. ▪ Parks and recreation services, but not the acquisition of land for parks. ▪ Services related to public health. ▪ Childcare and early years programs and services ▪ Housing services. ▪ Services related to proceedings under the <i>Provincial Offences Act</i>, including By-law enforcement services and municipally administered court services. ▪ Services related to emergency preparedness. ▪ Additional services as prescribed. 	<p>five or greater storey structure which will add ten new residential units).</p>
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The CBC may only be charged with respect to residential or mixed-use development or re-development containing ten or more residential units and being five or more storeys in height. Further the City may not impose the CBC on the following types of development:

- Long-term care homes
- Retirement homes
- Post-secondary institutions (universities, colleges, Indigenous Institutes)
- Memorial home, clubhouse or athletic grounds by an Ontario Branch of the Royal Canadian Legion.
- Hospice/end of life care
- Not-for-profit housing

Finally, the CBC cap in any particular case shall not exceed four per cent of the value of the land. The property is to be valued as of the day before the first building permit is issued in respect of the development. The *Planning Act* specifies a process by which the owner may contest the valuation ascribed to the land by the City.

Through several representations to the province, including a deputation by the Chair of Planning Committee to the Standing Committee on Bill 108, direct comments to provincial staff, joint presentations through the Municipal Financial Officers Association of Ontario and the Regional Planning Commissioners of Ontario, and representation on provincial working groups, the City was able to have the province enact positive changes to the original approach identified in the legislation. For example, the City's most significant concern was the abolition of the current parkland dedication and cash-in-lieu process. The province responded to the City's and other municipalities' concerns and reversed those changes. In addition, the City sought a longer transition period to which the province agreed to extend to two years commencing on September 18. Finally, the City also managed to get further clarity on the forms of higher density development the charge would apply to in the future.

The impacts of losing Section 37

Section 37 revenues in any given year are completely dependent on the number of large development projects underway at any given point in time. It is not a reliable or predictable source of revenue and cannot be accurately forecasted.

Notwithstanding the relatively small amount of revenue (in comparison to other revenue sources), these funds have been used for purposes that would otherwise be difficult to finance. Examples of growth-related projects that benefitted from Section 37 include:

- Affordable housing
- Park improvements
- Cycling accessibility
- Public realm improvements
- Traffic calming
- Community gardens

The list above includes several items where there are limited alternative forms of development-related funding, such as community gardens, traffic calming, and public realm improvements. The General Manager of the Planning Infrastructure and Economic Development Department interviewed several councillors who typically had Section 37 ward projects and confirmed that the list represents items that have the highest priority.

Section 37 agreements require extensive negotiations, involving Planning Services applying Council's policy to determine the contribution amount and appropriate development height, input from the Corporate Real Estate Office (CREO) and input from Legal Services to prepare all agreements. Staff indicated that in some low revenue years, this lengthy process required more resources than the City received in benefits.

Density Bonusing By-laws and Agreements can continue to be adopted until September 17, 2022 or until the date when a new CBC By-law is adopted by Council (whichever is earlier). The City may continue to collect Section 37 contributions on any agreement that has been executed prior to September 18, 2022.

DISCUSSION

The City can adopt a new CBC By-law 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 benefitting capital projects must be correlated with the impacts of intensification and growth. They cannot overlap or be recovered from development charges or parkland dedication, in other words no double dipping. For example, the City can use the funds to buy additional parkland not funded in whole or in part by Parkland Dedication By-law.

The provincial rules and exceptions regarding what types of development projects are subject to a CBC By-law raise an important question: Is this charge going to generate enough revenue for the City to fund the required growth-related capital project(s)?

Staff ran a query of the City's building permit database for approximately a six-year timeframe from January 2015 to October 2020. Based on over 10,000 entries there were 49 that met the CBC application criteria with respect to residential apartment buildings with at least 10 units and five storeys. This means that the City would have less than 10 eligible projects a year based on current construction patterns. While this number seems low, it is higher than the number of projects that were subject to Section 37 in the past three years (between one and six).

With the implementation of the new Official Plan, and as the City progresses towards its intensification target of 60 per cent by 2046, this number should grow in time. However, staff have referenced, in several reports related to the Official Plan growth management strategy, that the City is targeting much of its intensification in ground-oriented multi-family development rather than towers and that type of use would not be subject to the new CBC.

During the new Official Plan consultations, staff heard repeated public concern that there are not enough amenities in areas of high intensification (e.g., public realm, traffic safety, cycling infrastructure, libraries, community centres).

Under the new CBC framework predicting total annual revenue will be challenging. There are many factors that will impact actual payments. The most significant variables in the CBC calculation are the market value of land and the amount of eligible developments in any given year.

Administering the by-law comes with its own costs. The City will need to have staff who assess and oversee the charge and will need to hire a consultant to prepare the mandatory background study. Developers will likely challenge valuations of property since it affects the maximum contribution limit. This will involve more staff effort from CREO; however, there maybe less Legal Service staff time required as each benefit contribution will not require its own agreement.

The costs to administer the by-law on an annual basis will be scoped out during the CBC Strategy development phase. The development phase would include a full cost-benefit analysis, which will be attached as a document to the report on the CBC By-Law for approval by Council.

Strategic Considerations

Reflecting on the opportunities and challenges offered by the new legislation, staff have identified several strategic considerations.

This is everyone's (City, developers, community groups) first time through this process and there is a high likelihood that the first by-law would be appealed.

Staff strongly recommend that Council focus on a limited number of projects to collect CBC fees to fund in order to raise enough money to have a meaningful impact. If the project list is too extensive, it will not have that effect.

We must be mindful of the potential overlap of new charges/expectations for sites that would also be subject to Inclusionary Zoning. The mechanisms may work in tandem, but they may also cumulatively discourage development and diminish the value of both tools to address needs in our community if not appropriately applied.

The CBC By-law cannot work at cross purposes to the Official Plan. If it becomes a disincentive to intensification, it will fuel a demand for housing in future urban expansions.

Council will also need to be mindful of the fact that this represents a new charge that will apply to relatively few development projects. There will be questions about the fairness of this, particularly if the charge is high.

Proposed Process

Before passing a CBC By-law, the municipality must have a CBC strategy which identifies what will be funded by the charges. The CBC must also meet the requirements listed in the regulation including estimates of increased need for services or facilities attributable to the anticipated development which would be subject to the charge. These requirements are similar to parts of what is updated in the DC Background Study process.

Staff estimates to develop and implement the workplan include hiring a consultant to develop the strategy itself, approximately \$100 thousand, and public and stakeholder consultation costs. Consultant and consultation costs will be funded from within existing resources.

Attachment 1 outlines a draft process to develop a new by-law to bring before Planning Committee and Council. Staff recommend that Planning Committee have governance of

the report since it is unlikely that a development proposal before the Agricultural and Rural Affairs Committee would be subject to the CBC.

Although the legislation does not speak to a consultation process, staff recommend discussions take place with the development industry through the Greater Ottawa Homebuilders Association (GOHBA) and the Building Owners and Managers Association (BOMA), as well as dialogue with the Federation of Community Associations which, as an umbrella organization, has the capacity to collect diverse views of communities that are likely to have CBC-eligible projects.

The consultation process would focus on these items:

- Proposed growth-related capital projects
- Integrating the CBC with other policies such as Inclusionary Zoning
- Potential service areas

A CBC By-law may be appealed to the LPAT. The LPAT may either dismiss the appeal, repeal/amend the By-law, or order that the council of the municipality repeal/amend the by-law. Similar to DC appeals, the LPAT cannot increase a CBC, make it payable earlier, or change exemptions.

RURAL IMPLICATIONS

The CBC is unlikely to apply to projects in the rural area, and Council could adopt a blanket exemption.

CONSULTATION

Staff have had introductory discussions on the issues with CBC with GOHBA, BOMA and representatives of Federation of Citizens Associations (FCA), but those would not be consultations. This report recommends an approach to targeted consultations and how general public input could be collected in Document 1.

COMMENTS BY THE WARD COUNCILLORS

This is a City-wide report – not applicable.

LEGAL IMPLICATIONS

This report proposes a framework for consulting on and preparing a new CBC strategy and By-law and as such there are no immediate legal implications to the recommendations of this report.

As discussed above, this is an optional, not mandatory, tool provided under the *Planning Act* for collection of revenue with respect to certain categories of residential or mixed-use development for capital costs of specified public services.

It is noted, as already addressed above, that the existing authority for the City to collect new height and density bonusing contributions under the former s. 37 will end regardless of whether or not Council enacts a CBC By-law or not. While existing agreements under s. 37 will continue to apply, no new s. 37 agreements are possible after the earlier of (a) the date on which a new CBC By-law is enacted or (b) September 18, 2022.

If the recommended approach is adopted, the legal implications will be evaluated further when staff bring forward a proposed draft CBC strategy and by-law for consideration by Council.

RISK MANAGEMENT IMPLICATIONS

The recommendations in this report do not have significant risks since this outlines a process to bring forward a new Community Benefits By-law.

The risks associated with adopting a new CBC By-law include risks of appeal and the associated costs, the two-year timeline in which the by-law must be brought forward for continuity after the expiry of the existing Section 37 provisions. It also includes risks associated with stakeholder concerns, and the cost-benefit risks of using the new regime if it applies to an insufficient quantity of new development projects. These risks will be evaluated further in the next phase of the project should Council adopt this framework.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications associated with the recommendations of this report.

FINANCIAL IMPLICATIONS

Recommendations 1: There are no financial implications.

Recommendation 2: The development and implementation of the workplan will be completed from within existing resources.

Recommendation 3: Funding from Section 37s will continue to fund community benefits until the adoption of the new Community Benefit Charge By-law, or regulatory date, whichever comes sooner.

ACCESSIBILITY IMPACTS

Not applicable.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- **Economic Growth and Diversification:** Encourage economic growth and diversification by supporting business investment and expansion, talent attraction and retention, and branding Ottawa as a place to be.
- **Thriving Communities:** Promote safety, culture, social and physical well-being for our residents.
- **Sustainable Infrastructure:** Ensure sustainable infrastructure investment to meet the future growth and service needs of the city.

SUPPORTING DOCUMENTATION

Document 1 Draft for Discussion with the Councillors Sponsors Group

DISPOSITION

Direct staff in the Planning, Infrastructure and Economic Development Department to establish and work with the Councillor Sponsor's group to develop and implement a workplan based on the draft proposed in Document 1 and come back to Council for information or approval as required.

Document 1 – Draft for Discussion with the Councillors Sponsors Group

1. Confirm legal parameters based on any new regulations or guidance documents from the province
2. Create an interdepartmental working group comprised of Planning, Infrastructure and Economic Development Department, Legal Services, Recreation, Cultural and Facility Services Department, Community and Social Services Department and Finance
3. Build an inter-municipal working group
4. Commission background study
5. Prepare explanatory materials for consultations (web content and presentations)
6. Establish a Council Sponsors Group
7. Introductory meeting with the industry to explain the work plan and hear concerns
8. Introductory meeting with FCA (should we include others) to:
 - a. Explain legislation
 - b. Explain background study process
 - c. Seek input on priorities for CBC fund application
9. Inter-departmental meetings to confirm priorities
10. Confirm proposed projects are listed within Council adopted community design plans, long range financial plans or capital forecasts
11. Confirm no project funding overlap with development charges or parkland dedication
12. Draft proposed in-kind contribution framework
13. Draft full cost-benefit analysis
14. Draft a proposed by-law for consultation
15. Present to Council Sponsors Group
16. Joint industry and FCA meeting to discuss draft by-law

17. On-line public consultation on draft by-law
18. Development of administrative procedures
 - a. On-line information on the by-law
 - b. Calculation tools at the time of permit applications
 - c. Process for evaluating property values
 - d. Establish prescribed appraisal timeline requirements
 - e. Process for tracking, accounting and spending of funds
 - f. Process of annual reporting to Council
19. Revised draft based on public input
20. Present to Council Sponsors Group
21. Statutory notice period
22. Statutory public meeting
23. Adoption of by-law by Committee and Council
24. Appeal period