

To: City Council

From: Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department

Report Number: CNCL-24-34

Date of Report: April 4, 2024

Date of Meeting: April 12, 2024

Subject: Status and Policy Review for the 2024 Development Charges
By-law Update

Ward: All Wards

File: 03-05

1.0 Purpose

The purpose of this report is to provide a status report on the review and update of City of Oshawa Development Charges By-law 60-2019, as amended, (“D.C. By-law”) and to seek direction from City Council on current D.C. By-law exemption and policy issues. This direction is required at this time to complete the draft Development Charge Background Study (“D.C. Background Study”) and a draft of a new D.C. By-law.

The review and update of the 2024 D.C. Background Study is in progress. This report identifies recommended methodological and policy changes for Council’s consideration and timing for public consultation in preparation of the 2024 D.C. Background Study.

Attachment 1 is a copy of the current City of Oshawa Development Charges By-law 60-2019.

Attachment 2 is a copy of the City’s current Local Service Policy.

Attachment 3 is a copy of the City’s proposed Local Service Policy.

2.0 Recommendation

It is recommended to City Council:

1. That, pursuant to Report CNCL-24-34, dated April 4, 2024 concerning the draft proposed 2024 Development Charges By-law, Council select an option for each category as outlined in Sections 5.6.1, 5.6.2, 5.6.3, and 5.6.4 of this Report; and,

2. That the current non-statutory exemption for 1569 Simcoe Street North shown as Schedule “G” of Attachment 1, Development Charges By-law 60-2019 be removed as this project is complete; and,
3. That the current exemption for lands designated under federal law as land reserved for the exclusive use of aboriginal peoples be removed, given that the City’s Planning documents, including the Oshawa Official Plan, do not identify any such lands that would qualify for this exemption; and,
4. That a clause be added to exempt “change of use” permits considering industrial and commercial uses from D.C.’s when a building has been in existence for more than 20 years. This clause would need to be adjusted depending on the option chosen for the non-statutory industrial exemption. i.e. if a 5-year phase-in of the industrial rate is chosen, a 5-year ramp down for change of use would be implemented; and,
5. That the consideration of capital costs for Provincial Offences Act (P.O.A.) be implemented including By-law Enforcement Facilities, Vehicles and Equipment given that service definition amendments to the Development Charges Act allow for P.O.A. Services to be considered as an eligible development charge service; and,
6. That the D.C. demolition/conversion credit be revised from 10 years to 5 years; and,
7. That the definition of Agricultural be expanded to not exempt cannabis production; and
8. That the definition of Nursing Home defined in subsection 1(1) of the Nursing Homes Act, R.S.O. 1990, c N.7 which has been repealed be replaced with Long-term Care Home within the meaning of subsection 2(1) of the Fixing Long-Term Care Act, 2021; and,
9. That the definition of Stacked Townhouse be updated to add two (2) “or more” Townhouses high; and,
10. That the City’s Draft Local Service Policy, included as Attachment 3 to Report CNCL-24-34, be approved.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

The following have been consulted in the preparation of this report:

- Watson & Associates Economists Ltd. (Watson)
- Economic and Development Services Department
- Community and Operations Services Department
- Safety and Facilities Services Department
- Corporate Leadership Team
- Legislative Services

5.0 Analysis

5.1 Background Information

The Development Charges Act, 1997 (“D.C.A.”), provides specific requirements and direction for preparing a D.C. Background Study. The maximum eligible amount of development charges (D.C.s) that can be collected is based on the 15-year average historical service level (previously 10-year period) and future growth projection. A benefit to existing calculation is applied to projects which have a growth and non-growth component.

Additionally, the definition of capital costs that are eligible for D.C. funding have been revised to prescribe services for which land or an interest in land will be restricted. Further, the costs of studies, including the preparation of the D.C. Background Study, will no longer be eligible capital costs for inclusion in new by-laws.

As a result of historical service levels caps, benefit-to-existing development and statutory deductions, the total cost of the forecasted D.C. capital projects could exceed the eligible amount that can be funded using D.C.s. Council will need to consider this when considering on the capital projects as the portion not eligible for funding from D.C.s must be funded from tax levies or other City non-D.C. reserves.

5.2 Development Charges By-law 60-2019

Development Charges By-law 60-2019 (Attachment 1) came into effect on July 1, 2019 under the requirements of the Development Charges Act. The provisions of More Homes, Built Faster Act, 2022 permit the extension of the By-law from a 5-year cycle to a 10-year cycle however, cost estimates for the City’s capital program have escalated significantly as a result of high inflation and project scope changes.

At its meeting of June 26, 2023, Council approved Motion CNCL-23-72 directing staff to commence the process to update the 2019 Development Charge Background Study and By-law targeting an implementation date of July 1, 2024 to increase the funding support needed to meet the City’s capital requirements. At that time, staff engaged Watson & Associates Economists Ltd. to prepare the 2024 Development Charge Background Study.

5.3 Work-To-Date

Watson and City staff have undertaken the following work towards preparing the 2024 D.C. Background Study:

- Staff provided background information to Watson’s to incorporate into the growth forecast.
- Watson has prepared a draft growth forecast for both residential and non-residential development derived from Envision Durham, the Durham Region Official Plan (adopted by Regional Council May 17, 2023).
- Watson is currently finalizing the required level of service calculations.

- Growth-related capital needs have been identified by staff and provided to Watson who are currently finalizing a draft D.C. Background Study.

5.4 Provincial Development Charges Act and Statutory Exemptions and Restrictions

The D.C.A. lays out Ontario's regulatory and legislative framework that municipalities must follow to levy D.C.s.

According to the Province, this 1997 legislation resulted from negotiations with municipalities and developers and is based on the core principle that D.C.s are a primary tool in ensuring that "growth pays for growth".

The D.C. discounts and exemptions recently introduced in the More Homes, Built Faster Act, 2022 will have a significant impact on municipalities and the foregone revenue will need to be funded from other non-DC sources such as tax levies or other City non-D.C. reserves. This includes a mandatory 5-year, phase-in of new D.C. rates (80% of maximum charge in Year 1 increased 5% annually to 100% of maximum charge in Year 5 to the expiry of the D.C. By-law), various exemptions for housing (i.e. non-profit, affordable, attainable and inclusionary) and discounts for purpose-built residential rental housing among others.

The mandatory exemptions for affordable and attainable housing will come into force on a day to be named by proclamation of the Lieutenant Governor. All other changes came into force on November 28, 2022 when Bill 23, More Homes Built Faster Act, 2022 was passed and received Royal Assent.

D.C. discounts and exemptions must be funded through tax levies and other City non-D.C. reserves. Per the D.C.A., funding shortfalls from D.C. exemptions and discounts cannot be recovered by increasing D.C. rates on other types of development.

The D.C.A. does not permit the imposition of D.C.s with respect to:

- Local services (i.e. services installed by a developer pursuant as a condition of their development agreement)
- The enlargement of an existing dwelling unit
- The creation of up to two additional dwelling units to an existing single detached dwelling, one additional dwelling unit to existing semi-detached or row dwellings, the greater of one and 1% of existing units in an existing rental residential building, and one additional dwelling unit to any other existing residential unit; with restrictions that do not allow the additional residential units to be exempt if they are greater in size to the existing residential unit. These units can be in the existing residential building or be ancillary to it. Note that there are also rules that allow additional residential units to be proposed in new residential buildings and there are restrictions pertaining to those that would be exempt versus those that would not be exempt. O.Reg. 82/98 Section 2 (3).
- Enlargement of the gross floor area of an existing industrial building by up to 50% of the existing size.

- Non-profit housing development as prescribed in Section 4.2(1) and (2) of the D.C.A.
- Affordable housing units, Attainable housing units, and Affordable housing units in inclusionary zoning areas as prescribed in Section 4.3 (1) and (2) of the D.C.A. (legislation to be proclaimed)
- Rate reduction for purpose-built Rental housing development per Section 26.2(1.1) of the D.C.A. (reduction of 25% for units with 3 bedrooms or more, 20% for units with 2 bedrooms, 15% for units with 1 bedroom or less)
- Municipal and their local boards or school board land

Further, the D.C.A. does not bind the Crown. Accordingly, the Federal and Provincial Governments and agents of the Crown (including colleges, universities and Port Authorities subject to applicable legislation) are not obliged to pay D.C.'s.

Finally, the D.C.A. contemplates that a D.C. By-law may apply to "the entire municipality or only part of it". Accordingly, a D.C. By-law may effectively exempt land from D.C.s by simply excluding such land from its geographic application. However, the shortfalls resulting from these exemptions must be funded by property taxes or other City non-D.C. reserves. Note that this statement applies to all of the above, as well as the mandatory phase-in over 5 years where the amount imposed can only be a percentage of the calculated rate (i.e., 80% for year 1, 85% for year 2, 90% for year 3, 95% for year 4, and 100% for years 5 through 10), semi-annual indexing still applies.

The D.C.A. allows D.C.'s to be imposed to pay for increased capital costs required due to increased needs for specific services. The City imposes D.C.'s for the following eligible services:

- Services related to a highway as defined in the Municipal Act, 2001 including roads, bridges, culverts, roundabouts, traffic signals, sidewalks, streetlights, active transportation, and operations facilities, vehicles and equipment.
- Waste diversion services
- Stormwater services (Watercourse improvements, Stormwater Ponds)
- Fire protection services
- Library services
- Parks and recreation services (excluding acquisition of land for parks)
- Services related to proceedings under the Provincial Offences Act, including by-law services (proposed as a new service for the City's 2024 D.C. By-law and Study Update pending Council approval)

5.5 Non-statutory Development Charge Exemptions and Reductions

In addition to the D.C.A. statutory exemptions and restrictions noted above, discretionary exemptions and reductions can be included in the City's D.C. By-law recognizing that this results in a loss of D.C.s to fund growth-related capital costs.

D.C. By-law 60-2019, as amended (Attachment 1), includes a number of discretionary exemptions and reductions approved by Council. These exemptions and reductions relate to both geographic areas and type of development and consist of the following:

- Lands designated under federal law as land reserved for the exclusive use of aboriginal peoples;
- Lands wholly within that part of Oshawa known as the core Downtown Urban Growth Centre Community Improvement Area as depicted on Schedule D Attachment 1, D.C. By-law 60-2019, as amended;
- Lands used solely for the purposes of:
 - A non-profit institution defined as:
 - i. A registered charity;
 - ii. A corporation that is a non-profit organization;
 - iii. A religious organization;
 - iv. A hospital; or,
 - v. A nursing home;
 - A new industrial building or structure or the enlargement of an existing industrial building or structure;
 - A temporary building or structure (3 years or less);
 - An agricultural building or structure;
- Exemptions for certain categories of residential development within designated areas, as follows:
 - Block townhouses and apartments on Trent University Lands and at 1569 Simcoe Street North as shown in Schedules E and G to Attachment 1, D.C. By-law 60-2019, as amended;
 - Apartments, block townhouses, street townhouses and stacked townhouses within the shoulder area of Oshawa's Downtown Urban Growth Centre as shown in Schedule F to Attachment 1, D.C. By-law 60-2019, as amended;
- A 50% reduction of the commercial development charge for any part of a building used solely for the purpose of a medical clinic.

5.6 Development Charges By-law Policy Considerations

Cost estimates for the City's capital program have escalated significantly as a result of high inflation. The capital costs currently in the 2019 D.C. Background Study (representing 2018 values) will be updated in the 2024 D.C. Study to reflect current costs based on recent construction projects, where the projects have not been started or completed. Additionally, new growth-related projects within the 10+ year(s) planning horizon (2024 – 2033; 2024 to build out for roads and related infrastructure) will be captured.

Due to recent D.C.A. changes, a number of new statutory exemptions and reductions as well as the mandatory 5-year phase-in of the new D.C. charge will need to be funded by the City's tax levies and non-DC reserves.

Additional pressures identified in the City's Asset Management Plan are an annual shortfall of \$25 million needed to fund infrastructure. Other external sources of funding such as grants, are not guaranteed and are often challenging to secure due to competition with other municipalities, stringent eligibility criteria and/or timing of project delivery.

Staff recommend undertaking D.C. policy changes through the 2024 D.C. By-law and Study Update in order reduce the burden on the tax levy and align the City D.C.'s more closely with other lakeshore area municipalities in the Durham Region.

The 2024 D.C. By-law and Study policy considerations include the following areas:

5.6.1 Non-statutory Industrial Exemptions

It is recommended that the City remove the non-statutory exemption for new industrial buildings or structures or the enlargement of an existing industrial building or structure in order to reduce the impact on the City's tax levies and non-D.C. reserves.

The development industry has been given a significant amount of time to respond to the industrial needs in the City and significant progress has been made in addressing these needs over the past 20 years since they were first identified.

The D.C.A., as recently amended per the More Homes, Built Faster Act, 2022, provides a statutory exemption for the enlargement of the gross floor area of an existing industrial building by up to 50% of the existing size. This clause will need to be added to the City's by-law if the non-statutory industrial exemption is removed and it will need to be funded from the City's tax levies or non-D.C. reserves.

Staff reviewed 3 transition policies for non-statutory industrial exemptions as follows:

5.6.1.1 Option 1: Removal of the non-statutory industrial exemption effective January 1, 2025

If Council selects Option 1: Removal of the non-statutory industrial exemption effective January 1, 2025, the following amendment to Part 1 of the motion should be moved:

"That the non-statutory industrial exemption be removed effective January 1, 2025."

5.6.1.2 Option 2: Phase-in an industrial charge over 5 years

If Council selects Option 2: Phase-in an industrial charge over 5 years, the following amendment to Part 1 of the motion should be moved:

“That an industrial charge be phased-in over 5 years as follows:

July 1, 2024: 20%
July 1, 2025: 40%
July 1, 2026: 60%
July 1, 2027: 80%
July 1, 2028: 100%.”

5.6.1.3 Option 3: No change to current policy

If Council selections Option 3: no change to the current policy, the following amendment to Part 1 of the motion should be moved:

“That no change be made to the current policy for the non-statutory industrial exemption.”

5.6.1.4 Foregone Revenue

Staff acknowledge this is a significant change and the challenges that it presents to members of the development community. However, the City is not in a financial position to forego significant D.C. revenues that will result without a change to the current policy.

Foregone D.C.'s have an impact on the City's ability to undertake the capital projects necessary to service new growth-related development. They need to be accounted for in future D.C. calculations and need to be raised from other sources including tax levies and possibly debt as the City's existing infrastructure reserve funds are not adequate to address these funding shortfalls.

Staff reviewed the area municipalities D.C. by-laws and found that they collect Industrial D.C.'s or have a limited exemption by specific building type.

For the 10-year period ending December 31, 2023, Building Services issued 33 industrial building permits, exempted from D.C.'s, costing the City an estimated \$15.5 million.

Should the City continue to exempt Industrial D.C.'s, the future foregone revenue is estimated at \$20.8 million based on current known industrial projects.

5.6.2 Non-statutory Urban Growth Centre and Downtown Shoulder Area Exemptions

The D.C.A., as amended per the More Homes, Built Faster Act, 2022, provides for statutory exemptions for non-profit housing development, affordable and attainable housing units (to be proclaimed), and a statutory rate discount for purpose-built rental housing as well as a mandatory phase-in of the new D.C. charge.

To reduce the impact on the City's tax levies required to fund the new statutory discounts and exemptions, mandatory phase-in and non-growth related portion of the capital projects in the D.C., it is recommended that the City remove the non-statutory Urban Growth Centre and Downtown Shoulder Area exemptions.

Staff reviewed 3 transition policies for non-statutory urban growth centre and downtown shoulder area exemptions as follows:

5.6.2.1 Option 1: Removal of the Non-statutory Urban Growth Centre and Downtown Shoulder Area exemptions effective January 1, 2025

If Council selections Option 1: removal of the non-statutory urban growth centre and downtown shoulder area exemptions effective January 1, 2025, the following amendment to Part 1 of the motion should be moved:

"That the removal of non-statutory Urban Growth Centre and Downtown Shoulder Area exemptions be made effective January 1, 2025."

5.6.2.2 Option 2: Phase-in a charge over 5 years for the Urban Growth Centre and Downtown Shoulder Area

If Council selects Option 2: phase-in a charge over 5 years for the Urban Growth Centre and Downtown Shoulder Area, the following amendment to Part 1 of the motion should be moved:

"That a charge be phased in over 5 years for the Urban Growth Centre and Downtown Shoulder area as follows:

July 1, 2024: 20%
July 1, 2025: 40%
July 1, 2026: 60%
July 1, 2027: 80%
July 1, 2028: 100%."

5.6.2.3 Option 3: No change to current policy

If Council selects Option 3 no change to the non-statutory Urban Growth Centre and Downtown Shoulder Area Exemptions, the following amendment to Part 1 of the motion should be moved:

"That no change be made to the Urban Growth Centre and Downtown Shoulder Area Exemptions."

5.6.2.4 Foregone Revenue

Staff acknowledge this is a significant change and the challenges that it presents to members of the development community. However, the City is not in a financial position to forego significant D.C. revenues that will result without a change to the policy.

The financial impact of this non-statutory exemption resulted in \$6.6 million in foregone D.C.'s from 2014– 2023 (2015 - \$5.5 million; 2021 - \$1.2 million).

Should the City continue to exempt D.C.'s in the Urban Growth Centre and Downtown Shoulder Area, the future foregone revenue is estimated at \$57.9 million based on current known Downtown Area Residential Projects (assuming they do not qualify for a statutory residential affordable or attainable exemption, if proclaimed).

5.6.3 Non-statutory Medical Clinic D.C. Reduction

A 50% D.C. exemption is applicable for the part of the building used solely for a medical clinic (no less than 1,486 m² of G.F.A. must be used by health care practitioners).

Staff reviewed 2 transition policies for non-statutory medical clinic D.C. reduction as follows:

5.6.3.1 Option 1: No change to current policy

If Council wishes to select Option 1: no current change to the policy concerning the non-statutory medical clinic D.C. reduction, the following amendment to Part 1 of the motion should be moved:

“That no change be made to the current policy for the non-statutory Medical Clinic D.C. Reduction.”

5.6.3.2 Option 2: Removal of the Non-statutory Medical Clinic D.C. reduction effective January 1, 2025

If Council wishes to selection Option 2: removal of the non-statutory medical clinic D.C. reduction effective January 1, 2025, the following amendment to Part 1 of the motion should be moved:

“That the non-statutory medical clinic D.C. reduction be removed effective January 1, 2025.”

5.6.3.3 Foregone Revenue

Over the past 10-year period, no buildings have qualified for this exemption.

5.6.4 Non-statutory Special Area Exemptions

A full exemption applies to an apartment and townhouse dwelling other than a street townhouse within the area shown as the shaded portion of the map shown in Schedule E of Attachment 1.

Staff reviewed 2 transition policies for non-statutory special area exemptions as follows:

5.6.4.1 Option 1: No change to current policy

If Option 1 is selected, it is recommended that the same non-statutory exemption be implemented for student housing apartment and townhouse dwellings (other than a street townhouse) for the shaded areas shown in Schedule D, Urban Growth Centre and Schedule F, Downtown Shoulder Area of Attachment 1.

If Council selects Option 1: no change to current policy concerning the non-statutory special area exemption, the following amendment to Part 1 of the motion should be moved:

“That the same non-statutory exemption be implemented for student housing apartment and townhouse dwellings (other than a street townhouse) for the shaded areas shown in Schedule D, Urban Growth Centre and Schedule F, Downtown Shoulder Area of Attachment 1, and that no other change be made to the current policy concerning non-statutory special area exemption.”

5.6.4.2 Option 2: Removal of the Non-statutory Special Area exemption effective January 1, 2025

If Council selects Option 2: removal of the non-statutory special area exemption effective January 1, 2025, the following amendment to Part 1 of the motion should be moved:

“That the non-statutory special area exemption be removed effective January 1, 2025.”

5.6.4.3 Foregone Revenue

Over the past 10-year period, no developments qualified for this exemption.

5.6.5 Other Non-statutory Exemptions

Additional recommended changes to the City’s non-statutory exemptions within the 2024 D.C. By-law consist of the following:

- Removing the current exemption for block townhouses and apartments on the property located at 1569 Simcoe Street North shown in Schedule G of Attachment 1, as the three year extension has passed and the development has been completed.
- Removing the current exemption for lands designated under federal law as land reserved for the exclusive use of aboriginal peoples, given that the City’s Planning documents, including the Oshawa Official Plan, do not identify any such lands that would qualify for this exemption. To date, there have not been any properties that have qualified for an exemption. Additionally, the D.C.A. provides a statutory exemption for “an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017”, O.Reg. 82/98 Section 11.1 (2).
- Adding a clause to exempt “change of use” permits considering industrial and commercial uses from D.C.’s when a building has been in existence for more than 20 years. This clause would need to be adjusted depending on the option chosen for the

non-statutory industrial exemption. i.e. if a 5-year phase-in of the industrial rate is chosen, a 5-year ramp down for change of use would be implemented.

Apart from the above noted changes, staff recommends that all other non-statutory exemptions remain as approved in the current D.C. By-law 60-2019.

5.6.6 D.C. By-law Definitions

The City’s proposed changes to D.C. By-law definitions within the 2024 D.C. Background Study consists of:

- Expanding the definition of Agricultural to not exempt cannabis production
- Updating the definition of Nursing Home defined in subsection 1(1) of the Nursing Homes Act, R.S.O. 1990, c N.7 which has been repealed and replaced with Long-term Care Home within the meaning of subsection 2(1) of the Fixing Long-Term Care Act, 2021
- Revising the definition of Stacked Townhouse to add two (2) “or more” Townhouses high

Current definition	Proposed definition
“Stacked townhouse” means each of two (2) Townhouses that is attached horizontally to the other Townhouse, two (2) Townhouses high	“Stacked townhouse” means each of two (2) Townhouses that is attached horizontally to the other Townhouse, two (2) or more Townhouses high

5.6.7 Credits for Demolition and Conversions

D.C. By-law 60-2019 provides for a 10-year City D.C. demolition or conversion credit period. This enables a City D.C. credit towards otherwise payable D.C.s for demolished buildings or for the conversion of floor space from one use to another use for new development/converted space on the same lot.

It is recommended that the current 10-year D.C. demolition or conversion credit period be revised to a 5-year D.C. demolition or conversion credit period similar to the Region and other local area municipalities.

5.7 Methodological Considerations

The 2024 D.C. Background Study methodological considerations include the following areas:

5.7.1 Service Definitions

The D.C.A. allows for Provincial Offences Act (P.O.A.) (i.e. By-law Enforcement) to be considered as an eligible D.C. service. This service is not in the City's current D.C. By-law and Study. Accordingly, capital costs for the City's By-law Enforcement facilities, vehicles and equipment will be added as a consideration in the 2024 D.C.B.S.

Emergency Preparedness was also considered however the City's related facilities and vehicles are used as needed and are not primarily dedicated to this service. These facilities and vehicles are included in other services within the D.C. i.e. Operations and Fire. However, dedicated computer equipment (ineligible for D.C.'s) will be considered as part of the City's Community Benefit Charge Study Update.

5.7.2 Proposed Local Service Policy Changes

The City's Local Service Policy, included as Attachment 2 to this report, sets out the City's general guidelines on determining growth-related infrastructure and parkland development that may be eligible for funding in whole or in part, by D.C.'s versus capital works that are to be a requirement of the developing landowner as part of their development agreement.

The 2024 Draft Local Service Policy, included as Attachment 3, has been revised and expanded to incorporate the following proposed changes within the 2024 D.C. Background Study:

5.7.2.1 Services Related to A Highway

Roads

- Local and Collector Roads Internal to Development, inclusive of all land and associated infrastructure – direct developer responsibility under s.59 of the D.C.A. as a local service.
- Oversizing of Arterial Type “C” Roads Internal to Development, in excess of an 11 m pavement width, not required for the specific development (i.e. required for future development external to a specific development or the area to which a specific development relates) - included in D.C. calculation to the extent permitted under s.5(1) of the D.C.A.
- Arterial Type “C” Roads External to Development, inclusive of all land and associated infrastructure – if not needed to support a specific development or required to link with the area to which the plan relates, include in the D.C. calculation to the extent permitted under s.5(1) of the D.C.A.;
- Arterial Type “A” and Type “B” Roads: Included as part of road costing funded through D.C.A., s.5(1).

Sidewalks

- Sidewalks internal to development - developer responsibility.

- Sidewalks external and abutting developments to be a developer responsibility including upgrades, expansion and/or realignment as required through the development agreement to the City's standard; otherwise included in the D.C.
- Sidewalks external and not abutting developments – Included as costing funded through D.C.A., s.5(1)., with the exception of transition sections, up to a maximum of 25m in length beyond the abutting development, to connect new sidewalks to existing sidewalks.

Culverts and Bridges

- Culverts and Bridges on local and collector roads within developments to be a developer responsibility.
- Oversizing of Culverts and Bridges on Arterial Type “C” roads Internal to Development, in excess of an 11 m pavement width, not required for the specific development (i.e., required for future development external to a specific development or the area to which a specific development relates) - included in D.C. calculation to the extent permitted under s.5(1) of the D.C.A.
- Culverts and Bridges on arterial roads external to developments - Included as part of costing funded through D.C.A., s.5(1).

5.7.2.2 Watercourse Improvements

- Providing stormwater management ponds and other facilities required by the development including all associated features such as landscaping and fencing shall be direct developer responsibilities as a local service.
- Storm Sewer systems and drainage works that are required, related to, or within the area needed to support the development, either internal or external to the area to which the plan relates: Direct developer responsibility under s. 59 of the D.C.A. as a local service.

5.7.2.3 Parkland Development

Parkland Development for City Parks, Community Parks, Regional Parks, Neighbourhood Parks, Parkettes and Open Space: responsibility to provide up to base condition is a direct developer responsibility as a local service provision under s. 59 of the D.C.A. including, but not limited to, the following:

- Clearing and grubbing.
- Topsoil Stripping and stockpiling, (Topsoil or any fill or soils shall not be stockpiled on parkland without the approval of the City.).
- Parkland shall be free of any contaminated soil or subsoil.
- Servicing - Water, Hydro, Stormwater, Sanitary, Electrical, Fibre/ phone, catch basins, meter, and meter boxes to the entrance of the park as per City's requirements.
- Rough grading (pre-grading) and the supply of topsoil to the required depth as per City requirements.

- Parkland shall not be mined for engineering fill and replaced with fill or topsoil.
- Parkland shall be conveyed free and clear of all encumbrances.
- When parkland parcels cannot be developed in a timely manner, they shall be graded to ensure positive drainage and seeded to minimize erosion and dust.
- Temporary fencing may also be required where there is no permanent fence to prevent illegal dumping.
- Temporary Park sign advising future residents that the site is a future park.
- Perimeter fencing of parkland to the City standard located on the public property side of the property line adjacent land uses (residential, industrial, commercial) as required by the City is a direct developer responsibility as a local service under s. 59 of the D.C.A.
- Required heritage features within the park as set out within the Planning approval conditions.

All other parkland development to be included in D.C. over a base condition that will be required to be provided by the developing landowner prior to parkland dedication, including, but not limited to, program facilities, amenities, furniture, and recreation trails.

Parkland Development for Parkettes, developer responsibility built fully to City standards with agreed upon reimbursement based on the negotiated timelines to be included in development agreements (to be funded through D.C.'s).

5.8 Conclusions and Next Steps

This report provides an overview of current D.C. By-law policies and proposed changes. Council's decisions on these methodological and policy considerations will be incorporated into the D.C. By-law process.

The remaining steps and related schedule for review and update of the City's D.C. By-law and Study are as follows:

Target Date	Task
April 16 - 19, 2024	Notice of a Statutory Public Meeting to be held by Council to be posted on the City’s website (at least 20 clear days prior to Public Meeting in accordance with regulations).
April 23, 2024	Public release of D.C. By-law and Study (to be posted on City’s website 60 days prior to Council adoption; 2 weeks prior to Public Meeting).
April 29, 2024	Presentation of draft D.C. By-law and Study to Council.
May 10, 2024 at 9:30 a.m.	Statutory Public Meeting held by Council on proposed D.C. By-law and Study (as legislated per the D.C.A.).
May 27, 2024	Update to Council on Public Comments (if needed)
June 24, 2024	Council approval of D.C. Background Study and passing of D.C. By-law.
July 1, 2024	New D.C. Charges come into effect.

6.0 Financial Implications

The collection of development charges is required to ensure that the City is able to fund ongoing growth related capital projects such as City roads and related infrastructure, operations facilities, vehicles and equipment, recreation, parkland and trail development, fire halls, libraries, stormwater, waste diversion, and by-law enforcement.

Collected D.C.’s are deposited in the City’s Development Charges reserve funds as building permits are issued.

This report reviews a number of requested transition policies and other D.C. changes for the new D.C. By-law. D.C.’s not collected or foregone will negatively impact the City’s ability to undertake the capital projects necessary to service the development and growth of the City.

Any decrease in development charge revenue resulting from continued or new exemptions, or transition policies will need to be accounted for in future D.C. calculations. Foregone revenues will ultimately need to be raised from other sources such as tax levies and possibly debt given that the City’s existing infrastructure reserve funds are not adequate to address these funding shortfalls.

Over the past 10-year period (2014 – 2023), the financial impact of the current non-statutory industrial exemption is \$15.5 million. An additional \$20.8 million in future foregone revenue is estimated, if there is no change to the current policy.

Over the past 10-year period (2014 – 2023), the financial impact of the non-statutory downtown exemption is \$6.6 million. An additional \$57.9 million in future foregone revenue is estimated, if there is no change to the current policy.

The impact of the transition policies outlined in Section 5.5 of this report will depend on which option Council chooses.

The impact of the new legislative policies related to discounts, exemptions, and phase-ins are currently unknown. However, they will be tracked in the future and reported to Council during the annual D.C. reserve fund statement process and annual budget process.

7.0 Relationship to the Oshawa Strategic Plan

This report supports the Oshawa Strategic Plan goals of Economic Prosperity & Financial Stewardship and Accountable Leadership by providing proactive and responsible financial management while ensuring respect and transparency.

A handwritten signature in black ink, appearing to read 'S. Sinnott', written in a cursive style.

Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department



Consolidated as Amended by By-laws 33-2021, 121-2021 and
46-2022

**By-law 60-2019
of The Corporation of the City of Oshawa**

Whereas:

1. The Corporation of the City of Oshawa currently has and will continue to experience growth through development;
2. Development requires the provision of physical infrastructure and other services by the City;
3. The Development Charges Act, 1997, S.O. 1997, c. 27 (the "Act") authorizes the Council of a municipality to pass by laws for the imposition of development charges against land;
4. Council desires to ensure that the capital cost of meeting development related demands for, or the burden on, City services does not place an undue financial burden on the City or its taxpayers and that new development contributes no more than the net capital cost attributable to providing the historic level of services and meeting the requirements of s. 5(1) of the Act;
5. The City has undertaken a study of, among other matters, the matters set out in s. 10 of the Act and s. 8 of O. Reg. 82/98, including services, service levels, expected development, development related facilities and the costs thereof;
6. At its meeting on March 18, 2019, Council directed that a public meeting pursuant to s. 12 of the Act be held;
7. The "City of Oshawa 2019 Development Charge Background Study" dated April 10, 2019 (as amended) prepared by Watson and Associates Economists Ltd. and the proposed development charge by-law were posted to the City's website at least sixty days prior to the passage of the development charges bylaw, made available to the public at least two weeks prior to the public meeting and Council gave at least twenty days' notice to the public in accordance with s. 12 of O. Reg. 82/98;
8. A public meeting pursuant to s. 12 of the Act was held on May 2, 2019, and Council heard and received comments and representations from all persons who requested to be heard;

Now therefore the Council of The Corporation of the City of Oshawa hereby enacts as follows:

1. Interpretation

- 1.1 In this By law, where words appear with their first letter capitalized, the words are intended to have the meanings set out for them in the lettered paragraphs of this Section:
 - (a) "Accessory", in reference to the use of a building or structure means that the building or structure is naturally and normally incidental to or subordinate in purpose or both, and is exclusively devoted to a principal use, building or structure;
 - (b) "Act" means the Development Charges Act, 1997, S.O. 1997, c. 27;
 - (c) "Agricultural", in reference to use, means land, buildings or structures used, designed or intended to be used solely for an "agricultural operation" as that term is defined in section 1 of the Farming and Food Production Protection Act, 1998, S.O. 1998, c. 1;

- (d) "Apartment Dwelling Unit" means any Dwelling Unit which is not a Single Detached Dwelling, a Semi-Detached Dwelling, a Dwelling Unit within a Townhouse, or either of the two Dwelling Units comprising a Duplex and includes a Stacked Townhouse unit;
- (e) "Back-to-Back Townhouse" means each of two Townhouses that shares a common rear wall with the other for at least 50% of its width;
- (f) "Bed and Breakfast Establishment" means a Single Detached Dwelling in which not more than three (3) Bedrooms are made available for the temporary accommodation of travellers, to whom meals may be furnished, but does not include a Hotel or a Lodging House;
- (g) "Bedroom" means a habitable room used or capable of use for sleeping accommodation, including a den, study or other similar area, but excluding a living room, dining room, kitchen, family room, utility room, recreational room, bathroom, sunroom or porch;
- (h) "Board of Education" has the same meaning as the term "board" defined in the Education Act;
- (i) "Building Code Act" means the Building Code Act, 1992, S.O. 1992, c. 23;
- (j) "By-law" means this By-law, including its recitals and schedules and all future amendments including successor By-laws;
- (k) "City" means The Corporation of the City of Oshawa;
- (l) "Capital Levy" means a City fee or charge levied or required to be paid prior to November 22, 1991 as a result of development approval, including land division, for arterial and collector roads, recreation and parks facilities and watercourse improvements, but excluding payments collected by the City in consideration of "best efforts" clauses or other agreements to collect and remit monies in partial or full payment for front-ending the payment for the installation of City services or facilities;
- (m) "Commercial", in reference to use, means land, buildings or structures of any kind whatsoever used, designed or intended to be used for a Non-Residential use other than an Agricultural use or an Industrial use;
- (n) "Correctional Group Home" means a Group Home containing one or more persons who have been placed on probation, released on parole, admitted for correctional purposes, or found to be not criminally responsible for a crime by virtue of mental incapacity;
- (o) "Crisis Care Residence" means an establishment that provides a means of immediate, temporary accommodation and assistance for a short-term period, which is generally less than one week for the majority of the residents and includes a hostel;
- (p) "Development" means:
 - i) any activity or proposed activity in respect of land that requires one or more of the actions referred to in section 2.3 of this By law;
 - ii) the redevelopment of land; or
 - iii) the redevelopment, expansion, extension or alteration, or any two or more of them, of a use, building or structure;
- (q) "Development Charge" means a charge imposed by this By-law;
- (r) "Duplex" means the whole of a building, which was not originally constructed as a Single Detached Dwelling, that consists of two Dwelling Units, one of which has at least 50% of its Gross Floor Area located wholly or partially above the other and each of which has an independent entrance either directly from the outside or through a common vestibule or hallway;

- (s) "Dwelling Unit" means a room or a series of rooms containing toilet and culinary facilities designed for Residential use as a single housekeeping establishment;
- (t) "Education Act" means the Education Act, R.S.O. 1990, c. E.2;
- (u) "Gross Floor Area" means:
 - i) for a Residential Development, the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of Party Walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls; and
 - ii) for a Non-Residential Development, the total floor area of all floors, whether above or below grade, measured between the outside of exterior walls, or between the outside of exterior walls and the centre line of Party Walls and, without limitation, includes
 - (A) cellars
 - (B) basements
 - (C) corridors
 - (D) lobbies
 - (E) half-storeys
 - (F) mezzanines and
 - (G) areas occupied by interior walls or partitions

but does not include

 - (A) elevator shafts
 - (B) stairwells
 - (C) roof areas
 - (D) crawl spaces
 - (E) indoor refuse storage or collection areas
 - (F) mechanical or electrical rooms or
 - (G) areas used for parking or loading, whether in the main building or an Accessory building.
- (v) "Group Home" means a Dwelling Unit housing three (3) to ten (10) persons, exclusive of staff, who, by reason of their emotional, mental, social or physical condition or legal status require a group living arrangement for their well-being, and who live under responsible supervision, with the group home licensed or approved for funding under Provincial statutes;
- (w) "Hospital" has the same meaning as the term, "hospital", defined in section 1 of the Public Hospitals Act, R.S.O. 1990, c. P.40;
- (x) "Hotel" means a building or part of a building or group of buildings mainly used for the purpose of catering to the needs of the travelling public by furnishing sleeping accommodation and includes a motel or motor hotel but does not include a Bed and Breakfast Establishment or a Lodging House;
 - (aa) "Industrial", in reference to use, means land, buildings or structures of any kind whatsoever or any portion thereof, used, designed or intended to be used for or in connection with,
 - i) manufacturing, producing, processing, storing or distributing something,
 - ii) research or development in connection with manufacturing, producing or processing something,
 - iii) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production or processing takes place,
 - iv) office or administrative purposes, if they are,

- (A) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
- (B) in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;

(bb) “Local Board” has the same meaning as the term, “local board”, defined in the Act;

(cc) “Lodging House” means a building or part of a building, containing no fewer than three Lodging Units, which does not appear to function as a Dwelling Unit, although one may be included with the Lodging Units. It includes, without limitation, a rooming house and a boarding house, a fraternity house, a sorority house, a student residence and an apartment hotel. It does not include a Hotel, a Crisis Care Residence, a Group Home, a Correctional Group Home, a Bed and Breakfast Establishment, a Nursing Home or a Retirement Residence.

(dd) “Lodging Unit” means one or more rooms within a building used or designed to be used for sleeping accommodations, each of which may contain cooking or washroom facilities, but not both.

(ee) “Lot” means a parcel of land which is:

- i) shown as a lot or block on a registered plan of subdivision; or
- ii) described in a single transfer/deed of land of legal effect registered in the Land Registry Office or the Land Titles Office for the Land Registry Division of Durham;

(ff) “Medical Clinic” means that a building or part of a building in which no less than one thousand four hundred and eighty-six square metres (1,486 m²) of Gross Floor Area is used by physicians, surgeons, dentists, drugless practitioners or any other health care professionals, their staff and their patients, for the purpose of consultation, diagnosis or treatment of humans and may include medical laboratories or an ancillary pharmacy;

(gg) “Non-profit Institution” means

- i) a “registered charity” as defined in subsection 248(1) of the Income Tax Act, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- ii) a corporation that is a non-profit organization for the purposes of paragraph 57(1)(b) of the Corporations Tax Act, R.S.O. 1990, c. C.40; or
- iii) a “place of worship” that is used primarily for worship and is exempt from taxation as a place of worship under the Assessment Act, R.S.O. 1990, c. A.31;

(hh) “Non-Residential” in reference to use, means land, buildings or structures of any kind whatsoever used, designed or intended to be used for other than a Residential use.

(ii) “Nursing Home” has the same meaning as the term, “nursing home”, defined in subsection 1(1) of the Nursing Homes Act, R.S.O. 1990, c. N.7;

(jj) “Office” means a building or part of a building in which one or more persons are employed in the management, direction and conducting of a business, agency, brokerage or a labour or fraternal organization or in which professionally qualified persons and their staff provide services to clients or patients but does not include any part of a building in which goods, wares, merchandise, foodstuffs or farm produce or other substances, articles or things are displayed, stored, or offered for wholesale or retail sale or rental;

(kk) “Oshawa” means the geographical area under the jurisdiction of the City;

(ll) “Owner” means the legal or equitable owner of land;

(mm) "Party Wall" means a wall jointly owned and used by two parties under an easement agreement or by right in law and erected at or upon a line separating two parcels of land each of which may be lawfully transferred or conveyed in accordance with the provisions of the Planning Act;

(nn) "Planning Act" means the Planning Act, R.S.O. 1990, c. P.13;

(oo) "Residential" in reference to use, means land, buildings or structures of any kind whatsoever or any portion thereof, used, designed or intended to be used for one or more individuals as living accommodations or combined live/work accommodations;

(pp) "Retirement Residence" means a residential building or the residential portion of a mixed-use building which provides accommodation for persons of retirement age, where common facilities for the preparation and consumption of food are provided for the residents of the building, and where each unit or living accommodation has separate sanitary facilities, less than full culinary facilities and a separate entrance from a common hall;

(qq) "Retirement Residence Unit" means a unit within a Retirement Residence;

(rr) "Semi-Detached Dwelling" means a Residential building originally constructed so as to consist entirely of two Dwelling Units, attached by vertical walls, each having a separate entrance from the exterior;

(ss) "Single Detached Dwelling" means a Residential building which is separate and detached from other buildings or structures and which contains only a Dwelling Unit but does not include a mobile home;

(tt) "Stacked Townhouse" means each of two (2) Townhouses that is attached horizontally to the other Townhouse, two (2) Townhouses high;

(uu) "Street Townhouse Building" means a Townhouse for which each Dwelling Unit within the Townhouse abuts and has its own driveway access to an improved street.

(vv) "Temporary" in reference to use, means land, buildings or structures of any kind whatsoever or any portion thereof, used, designed or intended to be used for a period not exceeding three (3) years; and

(ww) "Townhouse" means a building divided vertically into at least three Dwelling Units, attached by common walls at least six metres (6.0m) in length and at least one storey in height, in addition to any basement, with each Dwelling Unit having a separate entrance from the outside other than a Stacked Townhouse.

(xx) "Triplex" means a building containing 3 Apartment Dwelling Units.

(yy) "institutional development", for the purposes of rule 12.1 in Schedule "C", means development of a building or structure intended for use:

(a) as a long-term care home within the meaning of subsection 2 (1) of the *Long-Term Care Homes Act, 2007*, S.O. 2007, c. 8;

(b) as a retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act, 2010*, S.O. 2010, c. 11;

(c) by any institution of the following post-secondary institutions for the objects of the institution:

i. a university in Ontario that receives direct, regular and ongoing operation funding from the Government of Ontario;

ii. a college or university federated or affiliated with a

or structure.

- 2.4 No Development Charge shall be imposed where the only effect of an action mentioned in section 2.3 of this By-law is to permit the
- (a) enlargement of an existing Dwelling Unit;
 - (b) creation or enlargement of an Accessory building for a lawful Residential use;
 - (c) creation of additional dwelling units within classes of existing residential buildings or structures ancillary to existing residential buildings, as prescribed under Subsections 2(1) and 2(2) of Ontario Regulation 82/98; or
 - (d) creation of a second dwelling unit in classes of proposed new residential buildings, including structures ancillary to dwellings as prescribed under Subsection 2(3) of Ontario Regulation 82/98;
- 2.5 No Development Charge shall be imposed with respect to any Development:
- (a) on lands designated under federal law as land reserved for the exclusive use of aboriginal peoples;
 - (b) by, on behalf of, or on lands owned by and used for the purposes of a municipality, a Local Board or a Board of Education;
 - (c) on lands wholly within that part of Oshawa partially known as the Urban Growth Centre and as depicted in Schedule "D" to this By-law;
 - (d) on that part of lands used solely for the purposes of
 - i) a Non-Profit Institution;
 - ii) a Hospital; or
 - iii) a Nursing Home;
 - (e) respecting a new Industrial building or structure or the enlargement of an existing Industrial building or structure;
 - (f) respecting a Temporary building or structure;
 - (g) respecting an Agricultural building or structure;
 - (h) respecting an Apartment Dwelling Unit on lands within that part of Oshawa shown as the shaded portion on the maps in Schedule "E" to this By-law;
 - (i) respecting a Townhouse Dwelling other than a Street Townhouse Building on lands within that part of Oshawa shown as the shaded portion on the maps in Schedule "E" to this By-law; or
 - (j) respecting an Apartment Dwelling Unit or a Townhouse Dwelling Unit, except back to back Townhouses, on lands within that part of Oshawa as shown as the shaded portion of the map in Schedule "F" to this By-law; or
 - (k) respecting an Apartment Dwelling Unit or a Townhouse Dwelling other than a Street Townhouse Building on the property shown on Schedule "G", provided building permits are issued for the units within three years of the in force date of this by-law.
- 2.6 The Development Charge imposed with respect to that part of a building used solely for the purposes of a Medical Clinic shall be equal to 50% of the Commercial Development Charge.
- 2.7 No more than one Development Charge for each service designated in Schedule "A" to this By-law shall be imposed upon any lands, buildings or structures to which this By-law applies even though two or more of the actions described in section 2.3 of this By-law are required before the lands, buildings or structures can be developed for a single Development. However, nothing in this section prevents the imposition of a Development Charge in respect of subsequent Development.
- 2.8 This By-law does not limit the City's ability to require, as a condition or in an agreement pursuant to sections 50, 51 or 53 of the Planning Act, local services related to a plan of subdivision or within the area to which the plan relates, to be installed or paid for by the Owner, or local services to be installed or paid for by the Owner as a condition of approval under section 53 of the Planning Act.

3. Rules for Calculation and Collection of Development Charges

- 3.1 The Development Charges set out in Schedules “B.1”, “B.2” and “B.3” to this By-law shall be imposed on Residential uses of lands, buildings or structures, including Residential uses Accessory to a Non-Residential use and, in the case of a mixed use building or structure, according to the type of Residential use, and calculated with respect to each of the services according to the type of Residential use.
- 3.2 Notwithstanding section 3.1, residential Duplex and Triplex buildings developed on lands within that part of Oshawa, where zoning permits a Single Detached Dwelling, will be subject to the charge for a single detached dwelling unit.
- 3.3 The development charges imposed on a Retirement Residence unit shall be payable at the rate applicable to an apartment of one bedroom or smaller.
- 3.4 The Development Charges set out in Schedules “B.1”, “B.2” and “B.3” to this By-law shall be imposed on Non-Residential uses of lands, buildings or structures and, in the case of a mixed used building or structure, on the Non-Residential uses in the mixed use building or structure, calculated with respect to each of the services according to the Gross Floor Area of the Non-Residential use.
- 3.5 Schedule “C” to this By-law prescribes the rules for determining whether a Development Charge is payable in any particular case and for determining the amount of the Development Charge.
- 3.6 Non-Residential Development Charges shall be adjusted on the 1st day of January, 2020, and then semi-annually on January 1 and July 1 each year, commencing the 1st day of January, 2021, by the Statistics Canada Quarterly “Capital Expenditure Price Statistics (cat. 62-007-X)”, published each year or such other equivalent publication or as otherwise prescribed by regulation pursuant to the Act.
 - 3.6.1 Residential Development Charges found in Schedule “B.3” shall be adjusted semi-annually on January 1 and July 1 each year, commencing the 1st day of January, 2021, by the Statistics Canada Quarterly “Capital Expenditure Price Statistics (cat. 62-007-X)”, published each year or such other equivalent publication or as otherwise prescribed by regulation pursuant to the Act.
- 3.7 Development Charges shall be payable by cash or by certified cheque in Canadian funds.
- 3.8 If a Development does not require a building permit pursuant to the Building Code Act but does require one or more of the other actions described in section 2.3 of this By-law, then the Development Charge will nonetheless be payable in respect of such Development.

4. Credits and Prepayments

- 4.1 Notwithstanding any other provision of this By-law, where a Development involves
 - (a) the demolition of buildings or structures that have been in existence for a minimum of five (5) years pursuant to a demolition permit issued pursuant to the Building Code Act within the one hundred twenty (120) month period preceding the issuance of a building permit pursuant to the Building Code Act respecting the Development; or
 - (b) the conversion of all or part of a building or structure that has been in existence for a minimum of five (5) years from one principal use to another principal use on the same land

the Development Charge otherwise payable with respect to such Development shall be reduced by the following amounts:

- (c) in the case of a Residential building or structure, or the Residential uses in a mixed-use building or structure, an amount calculated by multiplying the applicable Development Charge set out in Schedules “B.1”, “B.2” and “B.3” to this By-law by the number representing the type of Dwelling Units that

have been or will be demolished or converted to another principal use; and

- (d) in the case of a Non-Residential building or structure, or the Non-Residential uses in a mixed-use building or structure, an amount calculated by multiplying the applicable Development Charge set out in Schedules “B.1”, “B.2” and “B.3” to this By-law by the Gross Floor Area that has been or will be demolished or converted to another principal use

provided that such amounts shall not exceed, in total, the amount of the Development Charge otherwise payable with respect to such Development.

4.1.1 Notwithstanding any other provision of this By-law, where a demolition permit for a building or structure is issued on or after July 1, 2019, no credit will be given for the demolition if the building or structure was exempt from the payment of development charges on account of being Development on that part of lands used solely for the purposes of a “religious organization” as defined in subsection 1(1) of the Religious Organizations’ Lands Act, R.S.O. 1990, c. R.23 or on account of being Development by, on behalf of, or on lands owned by and used for the purposes of a Board of Education.

4.2 For the purpose of section 4.1(a) of this By-law, the issuance of the demolition permit and the actual demolition to the satisfaction of the Chief Building Official may post date the issuance of the building permit by no more than twenty-four (24) months.

4.3 Notwithstanding section 3.6 of this By-law, where, in respect of a Development,

- (a) all requirements for the issuance of a building permit under subsection 8(2) of the Building Code Act have been satisfied before the date of an adjustment of Development Charges pursuant to section 3.6 of this By-law; and
- (b) an amount equal to the Development Charge in effect as at the date of payment has been paid before the date of the particular adjustment of Development Charges contemplated by paragraph (a) of this section 4.3

the applicable Development Charge is the amount contemplated by paragraph (b) of this section 4.3.

4.4 Notwithstanding sections 4.3 and 6.2 of this By-law, where, in respect of a Development,

- (a) all requirements for the issuance of a building permit under subsection 8(2) of the Building Code Act have been satisfied before July 1, 2019; and
- (b) an amount equal to the Development Charge in effect as at June 30, 2019 pursuant to the City’s By-law 80-2014 as amended, has been paid by or before July 1, 2019

the applicable Development Charge is the amount contemplated by paragraph (b) of this section 4.4.

4.5 Where, as demonstrated to the satisfaction of the Chief Building Official, a Capital Levy was paid to the City in respect of a development approval on a Lot and a Development Charge is payable under this By-law as a result of Development on that same Lot, a credit will be provided against the Development Charge to the current Owner of that Lot upon that Owner making a written request to the City’s Chief Building Official subject to the following:

- (a) the amount of the credit shall be limited to the amount of the Capital Levy paid for services that are being funded under this By-law,
- (b) no credit for payment of a Capital Levy was previously provided to any person in respect of any Development on that same Lot, whether heretofore or hereafter occurring,
- (c) this credit shall not operate to reduce a Development Charge to less than zero, and
- (d) no credit shall be given for any interest on or indexing of the Capital Levy paid;

however, notwithstanding subsections (a) through (d) hereof, where, as demonstrated to the satisfaction of the Chief Building Official, a Capital Levy was paid to the City in respect of a development approval on a Lot and a Development Charge in relation to a Single Detached Dwelling is payable under this By-law as a result of Development on that same Lot, no Development Charge shall be payable subject to the following:

- (e) no credit for payment of a Capital Levy was previously provided to any person in respect of any Development on that same Lot, whether heretofore or hereafter occurring,
- (f) this credit shall not operate to reduce a Development Charge to less than zero,
- (g) no credit shall be given for any interest on or indexing of the Capital Levy paid, and
- (h) the credit contemplated under this section 4.5 shall only be applied to the first sixteen (16) Lots that comply with the criteria prescribed by this section 4.5.

5. Front Ending Agreements

- 5.1 The City may enter into front-ending agreements with Owners in accordance with the provisions of the Act.

6. Miscellaneous

- 6.1 All complaints pursuant to section 20 of the Act or section 257.85 of the Education Act, R.S.O. 1990, c. E.2 shall be heard by City Council sitting in Committee of the Whole. The City Council shall conduct hearings in accordance with the provisions of the Statutory Powers Procedure Act, R.S.O. 1990, c. S.22 and other applicable law.
- 6.2 This By-law shall come into force and take effect on July 1, 2019.
- 6.3 This By-law may be cited as the "Development Charges By-law".

By-law passed this tenth day of June, 2019.

Original by-laws signed by the Mayor and City Clerk

Schedule "A" to By-law 60-2019 of The Corporation of the City of Oshawa

Designated Municipal Services

The following are the designated municipal services for each of which the City maintains a reserve fund:

1. Transportation
2. Fire Protection
3. Parks, Recreation and Trails
4. Library Services
5. Administration (Development Related Studies)
6. Watercourse Improvements
7. Parking
8. Waste Diversion

Schedule "B.1" to By-law 60-2019 of The Corporation of the City of Oshawa

Rates Effective July 1, 2019 to December 31, 2019

Service	RESIDENTIAL PER DWELLING UNIT						NON-RESIDENTIAL (per sq.m. of G.F.A)	
	Single and Semi Detached Dwelling	Duplex (for two units)	Apartments - 2 Bedrooms +	Apartments Bachelor and 1 Bedroom	Townhouse Dwelling	Lodging House (per unit)	Industrial	Commercial/ Institutional
Municipal Wide Services:								
Transportation	\$10,404	\$14,995	\$7,497	\$4,095	\$8,025	\$3,302	\$44.02	\$115.93
Fire Protection	\$388	\$558	\$279	\$153	\$299	\$123	\$1.61	\$4.31
Watercourse Improvements	\$730	\$1,053	\$526	\$288	\$564	\$232	\$4.31	\$4.74
Parks, Recreation and Trails	\$5,807	\$8,370	\$4,185	\$2,286	\$4,479	\$1,843	\$3.77	\$3.77
Library Services	\$242	\$350	\$175	\$96	\$187	\$77	\$0.11	\$0.11
Administration	\$48	\$70	\$35	\$19	\$37	\$15	\$0.22	\$0.54
Parking	\$12	\$17	\$8	\$4	\$9	\$4	\$0.00	\$0.11
Waste Diversion	\$11	\$15	\$7	\$4	\$8	\$3	\$0.00	\$0.11
Total Municipal Wide Services	\$ 17,642	\$25,427	\$12,713	\$6,944	\$13,607	\$5,600	\$54.04	\$129.60

Schedule “B.2” to By-law 60-2019 of The Corporation of the City of Oshawa

Rates Effective January 1, 2020 to December 31, 2020

(Non-Residential Development Charges Subject to Indexing)

Service	RESIDENTIAL PER DWELLING UNIT						NON-RESIDENTIAL (per sq.m. of G.F.A)	
	Single and Semi Detached Dwelling	Duplex (for two units)	Apartments - 2 Bedrooms +	Apartments Bachelor and 1 Bedroom	Townhouse Dwelling	Lodging House (per unit)	Industrial	Commercial/ Institutional
Municipal Wide Services:								
Transportation	\$12,353	\$16,498	\$8,249	\$4,810	\$9,772	\$4,134	\$44.71	\$117.74
Fire Protection	\$460	\$614	\$307	\$179	\$364	\$154	\$1.64	\$4.38
Watercourse Improvements	\$867	\$1,158	\$579	\$338	\$686	\$291	\$4.38	\$4.81
Parks, Recreation and Trails	\$6,894	\$9,209	\$4,604	\$2,685	\$5,455	\$2,308	\$3.83	\$3.83
Library Services	\$288	\$385	\$192	\$112	\$227	\$97	\$0.11	\$0.11
Administration	\$57	\$77	\$38	\$23	\$45	\$19	\$0.22	\$0.55
Parking	\$14	\$18	\$9	\$5	\$11	\$5	\$0.00	\$0.11
Waste Diversion	\$13	\$16	\$8	\$5	\$10	\$4	\$0.00	\$0.11
Total Municipal Wide Services	\$20,946	\$27,977	\$13,988	\$8,157	\$16,571	\$7,011	\$54.89	\$131.64

Schedule “B.3” to By-law 60-2019 of The Corporation of the City of Oshawa

Rates Effective January 1, 2021 (Subject to Indexing)

As amended per By-law 46-2022, effective April 25, 2022

Residential Charge per Dwelling Unit						
Service	Single and Semi Detached Dwelling	Duplex (for two units)	Apartments - 2 Bedrooms +	Apartments Bachelor and 1 Bedroom	Townhouse Dwelling	Lodging House (per unit)
Transportation	\$14,225	\$17,906	\$8,953	\$5,496	\$11,459	\$4,939
Fire Protection	\$614	\$772	\$386	\$237	\$495	\$213
Watercourse Improvements	\$1,004	\$1,264	\$632	\$388	\$809	\$349
Parks, Recreation and Trails	\$9,416	\$11,852	\$5,926	\$3,638	\$7,585	\$3,269
Library Services	\$402	\$506	\$253	\$155	\$324	\$140
Parking	\$0	\$0	\$0	\$0	\$0	\$0
Waste Diversion	\$17	\$22	\$11	\$7	\$14	\$6
Municipal Wide Class of Service:						
Growth-Related Studies	\$37	\$44	\$22	\$15	\$32	\$12
Total Municipal Wide Services	\$25,715	\$32,366	\$16,183	\$9,936	\$20,718	\$8,928

Non-Residential Charge per Square Metre of Gross Floor Area		
Service	Industrial	Commercial/ Institutional
Municipal Wide Services:		
Transportation	\$44.49	\$117.13
Fire Protection	\$1.89	\$5.05
Watercourse Improvements	\$4.38	\$4.82
Parks, Recreation and Trails	\$4.39	\$4.39
Library Services	\$0.19	\$0.19
Parking	\$0.00	\$0.00
Waste Diversion	\$0.06	\$0.15
Municipal Wide Class of Service:		
Growth-Related Studies	\$0.06	\$0.15
Total Municipal Wide Services	\$55.47	\$131.88

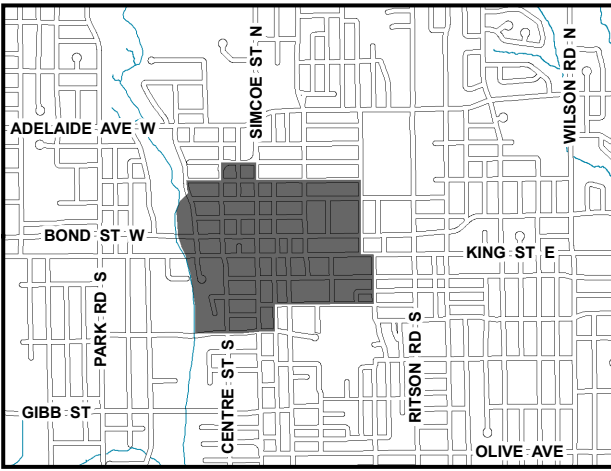
Schedule “C” to By-law 60-2019 of The Corporation of the City of Oshawa

Rules for Application of the Development Charges By-law

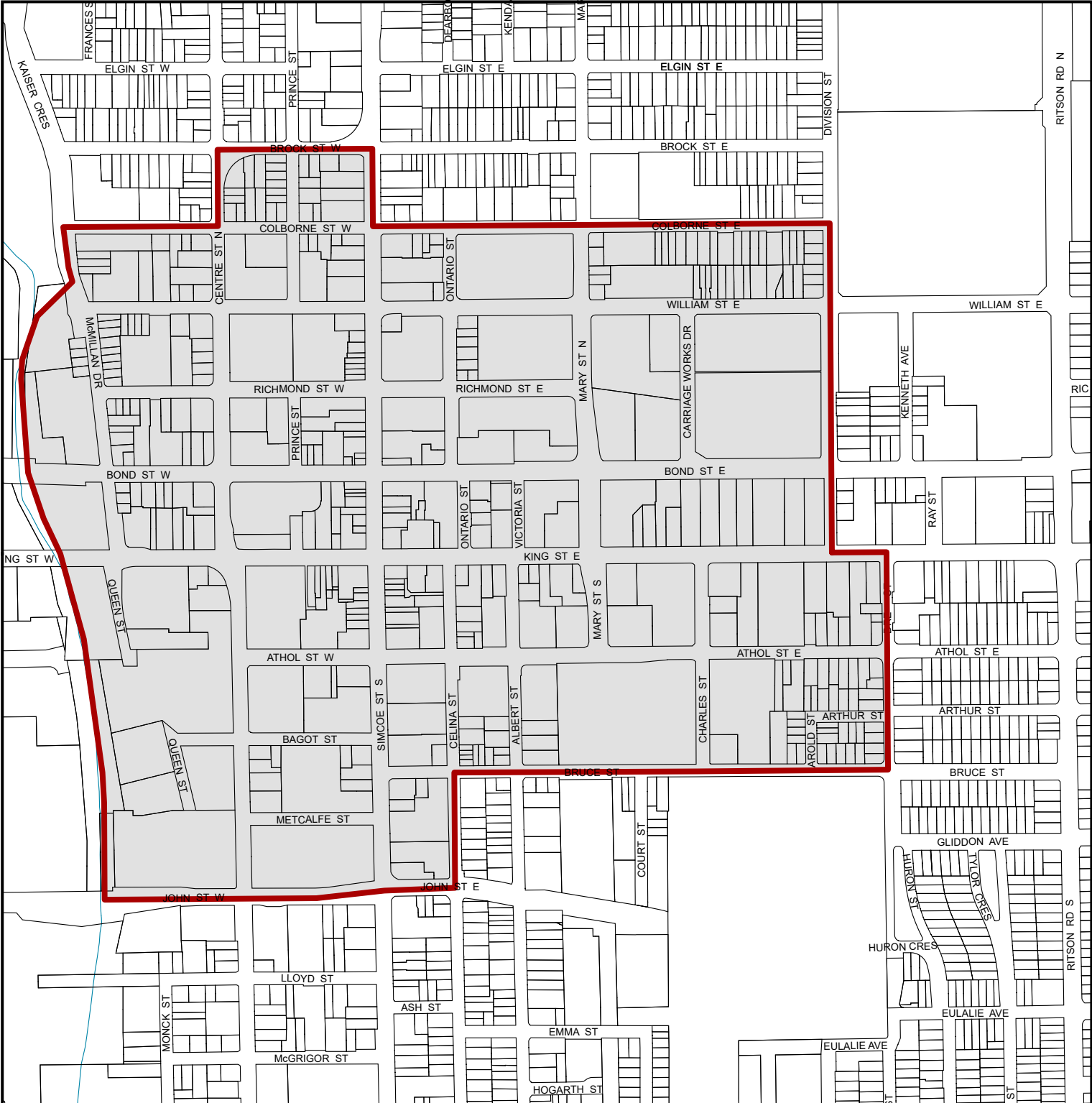
1. Where a Development is proposed which requires any of the actions set out in section 2.3 of this By-law, the rules in this Schedule shall be applied to determine the application of this By-law. These rules apply to all Development.
2. The Development must be reviewed to determine whether it is exempt in whole or in part pursuant to one or more provisions of this By-law.
 - 2.1. Where a Development Charge becomes payable on or between July 1, 2019, and December 31, 2019, it shall be calculated based on the Development Charges found in Schedule “B.1”. Where a Development Charge becomes payable on or between January 1, 2020, and December 31, 2020, it shall be calculated based on the Development Charges found in Schedule “B.2”. Where a Development Charge becomes payable on or after January 1, 2021, it shall be calculated based on the Development Charges found in Schedule “B.3”.
 - 2.2. Notwithstanding rules 2 and 2.1, where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received on or after January 1, 2020, and the approval of the application occurred within 2 years of building permit issuance, the Development Charges under Section 2 shall be calculated based on the rates set out in Schedule “B.2” or Schedule “B.3” on the date of the planning application, including interest. Where both planning applications apply, Development Charges shall be calculated on the rates, including interest, set out in Schedule “B.2” or Schedule “B.3” on the date of the later planning application.
3. The Development must be reviewed to determine whether it qualifies for the phasing of Development Charges in accordance with sections 4.3 or 4.4 of this By-law.
4. Subject to rule 3, the figures in Schedules “B.1”, “B.2” and “B.3” must be examined to determine the effect of any indexing which has occurred pursuant to section 3.6 of this By-law. The figures to apply must reflect any such indexing.
5. The figures in Schedules “B.1”, “B.2” and “B.3” do not need to be adjusted in accordance with paragraph 5 (1) 6 of the Act because the Study has taken those considerations into account in determining the figures in Schedules “B.1”, “B.2” and “B.3”.
6. The Development must be classified as Residential, Non-Residential or mixed-use Development.
7. For Residential Development, the total number and type of Dwelling Units set out in Schedules “B.1”, “B.2” and “B.3” must be determined. The rates as shown in Schedule “B” (adjusted, if applicable, in accordance with rules 3 or 4) are then applied to the number of Dwelling Units contemplated by the Development to determine the total amount of Residential Development Charges payable.
8. For Non-Residential Development, the Gross Floor Area of the Development must be determined. The rates as shown in Schedules “B.1”, “B.2” and “B.3” (adjusted, if applicable, in accordance with rules 3 or 4) are then applied to the Gross Floor Area contemplated by the Development to determine the total amount of Non-Residential Development Charges payable.
9. For mixed Residential and Non-Residential Development, Development Charges are determined by applying each of rules 7 and 8 to each part of the Development comprising, respectively, Residential Development and Non-Residential Development.
10. The Development must be examined to determine whether any credits contemplated by article 4 of this By-law. If so, such credits are applied against the total Development Charges payable pursuant to rules 7, 8 or 9, as applicable.
11. Subject to the provisions of the Act, the City may enter into an agreement to permit

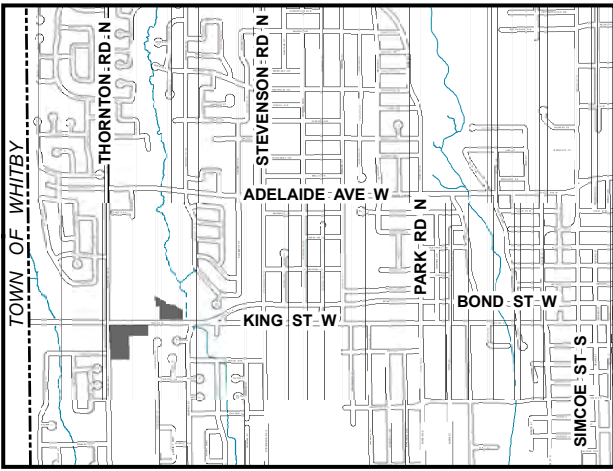
an Owner to perform work that relates to a service to which this By-law relates. In such circumstances, the City shall give the Owner a credit toward the Development Charge subject to the provisions of the Act.

12. A Development Charge shall be paid on or before the date that a building permit is issued pursuant to the Building Code Act in relation to a building or structure on land to which a Development Charge applies. No building permit shall be issued until the Development Charge is paid. Where the Development Charge is payable pursuant to section 3.8 of this By-law, the Development Charge must be paid prior to the completion of the applicable action or actions referenced in section 2.3 of this By-law. For this purpose, the date of completion of the approvals contemplated by paragraphs 2.3(d) and 2.3(f) of this By-law shall be the date on which all agreements imposed as a condition to an approval pursuant to subsection 51(26) of the Planning Act have been duly executed by all parties to such agreements.
- 12.1 Notwithstanding rule 12, development charges for rental housing and institutional developments are due and payable in 6 installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest, payable on the anniversary date each year thereafter.
- 12.2 Notwithstanding rule 12, development charges for non-profit housing developments are due and payable in 21 installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest, payable on the anniversary date each year thereafter.
13. If any or all of a Development Charge remains unpaid after it has become payable, the amount unpaid shall be added to the tax roll for the land which was the subject of the Development and shall be collected in the same manner as taxes.
14. The City's Treasurer shall collect all Development Charges imposed by this By-law when those Development Charges are due and payable, together with all development charges payable upon the issuance of a building permit imposed in accordance with any development charge by-law passed by the Regional Municipality of Durham and by any Board of Education.
15. Where a complaint results in a refund or when the City has determined that a refund is due, the City's Treasurer shall calculate the amount of any overpayment to be refunded to any Owner who made the payment, and the refund shall be paid with interest to be calculated from the date on which the overpayment was collected to the date on which the refund is paid.
16. The interest rate to be used for any refund shall be the Bank of Canada rate in effect on the later of the date that this By-law comes into force, or the date of the most recent quarterly adjustment as set out in rule 17.
17. For the purpose of determining the quarterly adjustments contemplated by rule 16, the Bank of Canada interest rate in effect on the date that this By-law comes into force shall be adjusted on the first day of January, 2020 to the rate established by the Bank of Canada on that date, and shall be adjusted quarter-yearly thereafter on the first business day of each of April, July, October and January, to the rate established by the Bank of Canada on the day of the adjustment.
18. Interest for the purposes of rule 2.2, 12.1 and 12.2 shall be determined as set out in the City of Oshawa Interest Rate Policy, as amended from time to time.

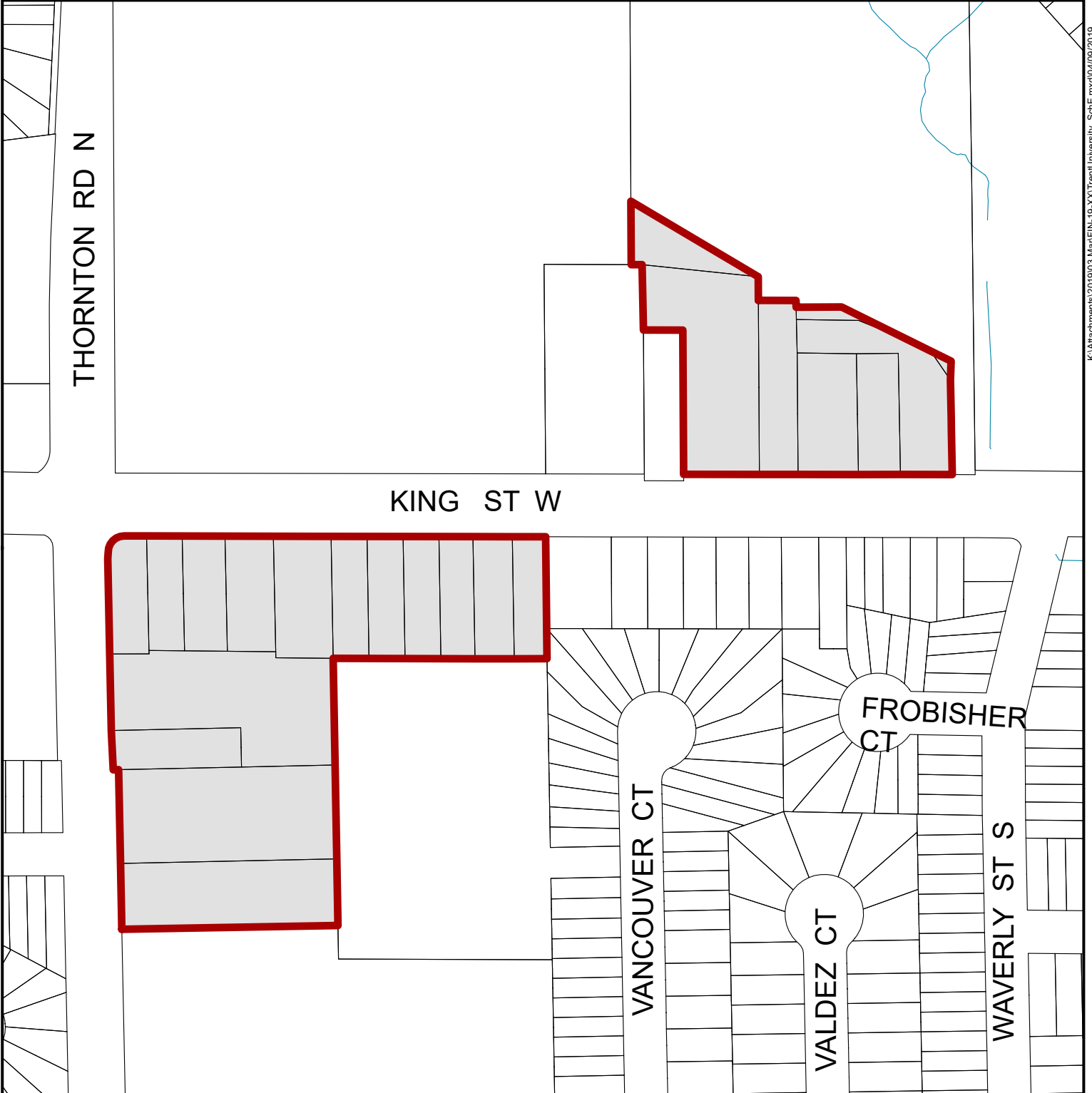


Schedule 'D'
Map of Downtown Urban Growth Centre






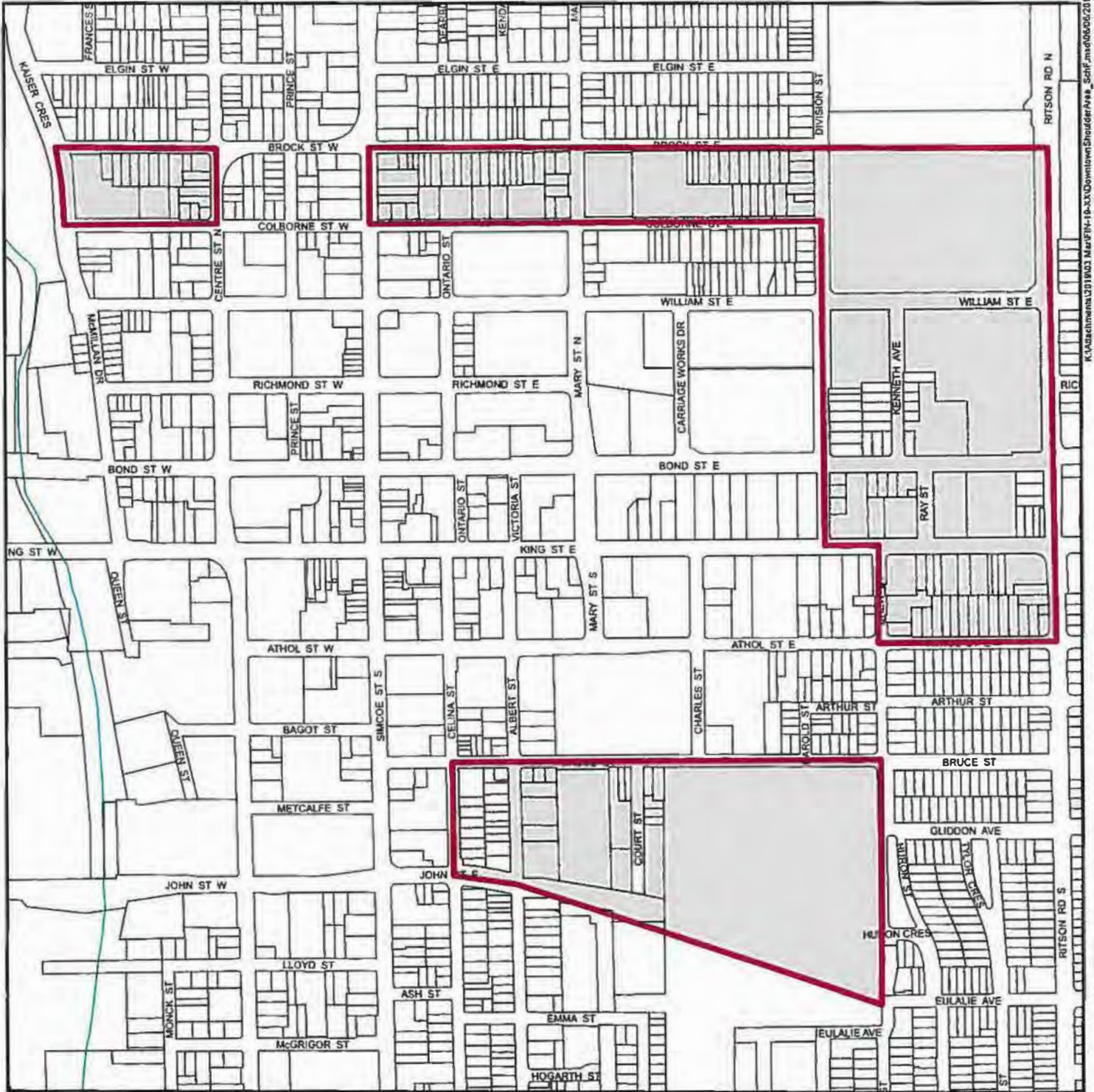
Schedule 'E' Map of Trent University Lands

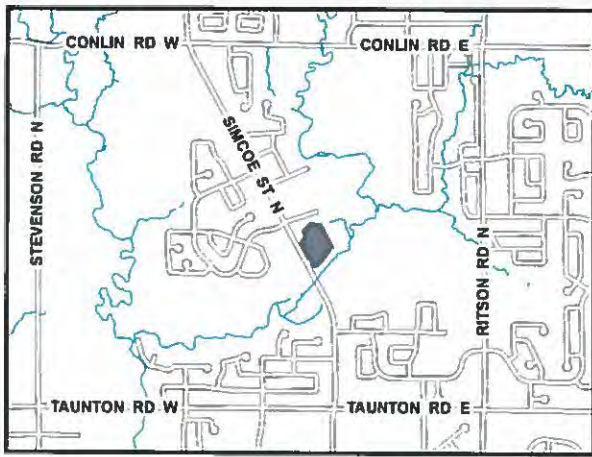


Schedule 'F' to By-law 60-2019 of the Corporation of the City of Oshawa passed this tenth day of June, 2019



Schedule 'F' 





Schedule 'G' to By-law 60-2019 of the Corporation of the City of Oshawa passed this tenth day of June, 2019



1569 Simcoe Street North 





Appendix D

Local Service Policy



Appendix D: Local Service Policy

Introduction

This policy sets out the City of Oshawa's general guidelines on determining growth-related engineering infrastructure and parkland development that may be eligible for funding, in whole or in part, by development charges (D.C.).

The Development Charges Act, 1997 (D.C.A.) governs what constitutes eligible services for D.C. funding, and which services are considered ineligible. In the development of a new subdivision or site plan, certain elements that are considered D.C. eligible services may be cost-shared with the developer(s), or creditable or reimbursable if the developer is doing the work on behalf of the City. There are also elements of the developer works that are considered to be local services, which are the infrastructure or component thereof required to facilitate a development, and are deemed to provide local rather than City-wide benefits. Section 59 of the D.C.A. considers local services to be a direct developer responsibility, which means that the capital costs shall be borne entirely by the developer(s), with no credit or reimbursement from the City.

These guidelines are developed in connection with Section 59 of the D.C.A. and Section 51 and 53 of the Planning Act.

The following policy guidelines are general principles by which staff will be guided in considering development applications. However, each application will be considered, in the context of these policy guidelines, as subsection 59(2) of the D.C.A., and the relationship between any existing and proposed development in the surrounding area as well as the location and type of services required and their relationship to the proposed development and to existing and proposed development in the area. Local services are not included in the development charge calculation,



Services Related to A Highway

A developer is financially responsible for all roads which are necessitated by his development and located within and/or abutting the plan of subdivision, with City contributions as follows:

Local Road	nil
Collector Road	Only the centre strip (1.5 m wide) based on a standard pavement width of 10 m.
Type "C" Arterial Road	Type "C" Arterial Road - Only the centre strip (2.5 m wide) based on a standard pavement width of 11 m and 100% for culverts/bridges, if required.
Type "B" Arterial Road	The City will contribute a fixed payment to the developer for the excess pavement capacity for all Type "B" arterial roads within or abutting a plan of subdivision on the basis of the difference in width only between a local residential street (8.5 metres wide) and a Type "B" arterial road (14.5 metres wide);
Type "A" Arterial Road	100% City's cost.

Watercourse Improvements

Developers are required to pay for any erosion protection work to adjacent lands they are developing, where erosion works are necessary to protect the development. This work will be determined on a site basis and is over and above any work for which watercourse development charges are collected.



Parkland Development

With respect to parkland dedications, developer responsibilities include preparation of a concept plan and overall grading plan, grading, top soil, sodding, fencing and sub-surface drainage.

2024 Local Service Policy

Introduction

This policy sets out the City of Oshawa's general guidelines on determining growth-related engineering infrastructure and parkland development that may be eligible for funding, in whole or in part, by development charges (D.C.) versus costs that are considered as a local service, to be emplaced separately by landowners, pursuant to a development agreement.

The Development Charges Act, 1997 (D.C.A.) governs what constitutes eligible services for D.C. funding, and which services are considered ineligible. In the development of a new subdivision or site plan, certain elements that are considered D.C. eligible services may be cost-shared with the developer(s), creditable, or reimbursable if the developer is doing the work on behalf of the City. There are also elements of the developer works that are considered to be local services, which are the infrastructure or component thereof required to facilitate a development, and are therefore, deemed to provide local rather than City-wide growth benefits. Section 59 of the D.C.A. considers local services to be a direct developer responsibility, which means that the capital costs shall be borne entirely by the developer(s), with no credit or reimbursement from the City.

These guidelines are developed in connection with Section 59 of the D.C.A. and Section 51 and 53 of the Planning Act.

The following policy guidelines are general principles by which staff will be guided in considering development applications. However, each application will be considered, in the context of these policy guidelines, as subsection 59(2) of the D.C.A., and the relationship between any existing and proposed development in the surrounding area as well as the location and type of services required and their relationship to the proposed development and to existing and proposed development in the area. Local services are not included in the development charge calculation.



Services Related to A Highway

A highway and services related to a highway are intended for the transportation of people and goods via many different modes including, but not limited to passenger automobiles, commercial vehicles, transit vehicles, bicycles, and pedestrians. The highway shall consist of all land and associated infrastructure built to support (or service) this movement of people and goods regardless of the mode of transportation employed, thereby achieving a complete street. A complete street is the concept whereby a highway is planned, designed, operated, and maintained to enable pedestrians, cyclists, public transit users and motorists to safely and comfortably be moved, thereby allowing for the efficient movement of persons and goods.

The associated infrastructure to achieve this concept shall include, but is not limited to: road pavement structure and curbs; grade separation/bridge structures (for any vehicles, railways and/or pedestrians); grading, drainage and retaining wall features; culvert structures; storm water drainage systems; utilities; traffic control systems; signage; gateway features; street furniture; active transportation facilities (e.g. sidewalks, bike lanes, multi-use trails which interconnect the transportation network, etc.); transit lanes & lay-bys; roadway illumination systems; boulevard and median surfaces (e.g. sod & topsoil, paving, etc.); street trees and landscaping; parking lanes & lay-bys; (excluding on-street parking in the downtown) and driveway entrances; noise attenuation systems; railings and safety barriers.

Roads

- Local and Collector Roads Internal to Development, inclusive of all land and associated infrastructure – direct developer responsibility under s.59 of the D.C.A. as a local service.
- Oversizing of Arterial Type ‘C’ Roads Internal to Development, in excess of an 11 m pavement width, not required for the specific development (i.e., required for future development external to a specific development or the area to which a specific development relates) - included in D.C. calculation to the extent permitted under s.5(1) of the D.C.A.
- Arterial Type “C” Roads External to Development, inclusive of all land and associated infrastructure – if needed to support a specific development or



required to link with the area to which the plan relates, direct developer responsibility under s.59 of the D.C.A.;

- Arterial Type “C” Roads External to Development, inclusive of all land and associated infrastructure – if **not** needed to support a specific development or required to link with the area to which the plan relates, include in the D.C. calculation to the extent permitted under s.5(1) of the D.C.A.;
- Arterial Type “A” and Type “B” Roads: Included as part of road costing funded through D.C.A., s.5(1).

Sidewalks

- Sidewalks internal to development - developer responsibility.
- Sidewalks external and abutting developments to be a developer responsibility including upgrades, expansion and/or realignment as required through the development agreement to the City’s standard; otherwise included in the D.C.
- Sidewalks external and not abutting developments – Included as costing funded through D.C.A., s.5(1)., with the exception of transition sections, up to a maximum of 25m in length beyond the abutting development, to connect new sidewalks to existing sidewalks.

Culverts and Bridges

- Culverts and Bridges on local and collector roads within developments to be a developer responsibility.
- Oversizing of Culverts and Bridges on Arterial Type “C” roads Internal to Development, in excess of an 11 m pavement width, not required for the specific development (i.e., required for future development external to a specific development or the area to which a specific development relates) - included in D.C. calculation to the extent permitted under s.5(1) of the D.C.A.
- Culverts and Bridges on arterial roads external to developments - Included as part of costing funded through the D.C.A., s.5(1).

Watercourse Improvements

Developers are required to pay for any erosion protection work to adjacent lands they are developing, where erosion works are necessary to protect the development. This



work will be determined on a site basis and is over and above any work for which watercourse development charges are collected.

Providing stormwater management ponds and other facilities required by the development including all associated features such as landscaping and fencing shall be direct developer responsibilities as a local service.

Storm Sewer systems and drainage works that are required, related to, or within the area needed to support the development, either internal or external to the area to which the plan relates: Direct developer responsibility under s. 59 of the D.C.A. as a local service.

Parkland Development

With respect to parkland dedications, developer responsibilities include preparation of a concept plan and overall grading plan, grading, topsoil, sodding, fencing, and sub-surface drainage.

Parkland Development for City Parks, Community Parks, Regional Parks, Neighbourhood Parks, Parkettes and Open Space: responsibility to provide up to base condition is a direct developer responsibility as a local service provision under s. 59 of the D.C.A. including, but not limited to, the following:

- Clearing and grubbing.
- Topsoil Stripping and stockpiling, (Topsoil or any fill or soils shall not be stockpiled on parkland without the approval of the City.).
- Parkland shall be free of any contaminated soil or subsoil.
- Servicing - Water, Hydro, Stormwater, Sanitary, Electrical, Fibre/ phone, catch basins, meter, and meter boxes to the entrance of the park as per City's requirements.
- Rough grading (pre-grading) and the supply of topsoil to the required depth as per City requirements.
- Parkland shall not be mined for engineering fill and replaced with fill or topsoil.
- Parkland shall be conveyed free and clear of all encumbrances.
- When parkland parcels cannot be developed in a timely manner, they shall be graded to ensure positive drainage and seeded to minimize erosion and dust.



- Temporary fencing may also be required where there is no permanent fence to prevent illegal dumping.
- Temporary Park sign advising future residents that the site is a future park.
- Perimeter fencing of parkland to the City standard located on the public property side of the property line adjacent land uses (residential, industrial, commercial) as required by the City is a direct developer responsibility as a local service under s. 59 of the D.C.A.
- Required heritage features within the park as set out within the Planning approval conditions.

All other parkland development to be included in D.C. over a base condition that will be required to be provided by the developing landowner prior to parkland dedication, including, but not limited to, program facilities, amenities, furniture, and recreation trails.

Parkland Development for Parkettes, developer responsibility built fully to City standards with agreed upon reimbursement based on the negotiated timelines to be included in development agreements (to be funded through D.C.'s).