

To: City Council

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

Item Number: INFO-24-206

Date: October 16, 2024

Subject: 2023 Annual Community Benefits Charge and Parkland
Dedication Treasurer's Report

Ward: All Wards

File: 03-05

1.0 Purpose

The Planning Act, R.S.O. 1990, c. P. 13 requires that a Council of a municipality that passes a community benefits charge by-law, and/or a parkland dedication by-law, shall provide an annual report to the public. The report is to be made available to the public by posting it on the website of the municipality.

The purpose of this report is to provide Council with details of the 2023 financial transactions including opening balances, transfers in, transfers out and closing balances of community benefits charges and parkland dedication reserve funds in order to meet the reporting requirements of the Planning Act.

2.0 Input From Other Sources

Planning Services

3.0 Analysis

3.1 Background

[Community Benefits Charge By-law 50-2023](#) and [Parkland Dedication By-law 63-2022](#) were approved by Council on May 1, 2023 and May 24, 2022, respectively.

A Community Benefits Charge (C.B.C.) is a growth funding tool authorized through revisions to Section 37 of the Planning Act that replaces the legacy “height and density bonusing” provisions. The C.B.C. enables municipalities to recover growth-related capital infrastructure costs related to higher density development (i.e. buildings with 5 or more storeys and 10 or more residential units) and is an additional financial tool the City has to supplement existing growth-related charges such as Development Charges (D.C.’s) and Parkland Dedication.

Parkland Dedication contributions (payment-in-lieu of physical land conveyance) is the City's primary tool for financing the acquisition of new parkland. Cash-in-lieu payment is primarily collected at the time of building permit issuance along with other development related charges.

In accordance with the Planning Act, the City's Community Benefits Charges (C.B.C.) and cash-in-lieu of Parkland Dedication (C.I.L.) monies received are paid into separate reserve fund accounts to provide funding for projects undertaken by the City as well as for reporting transparency.

Subsection 45 to 48 (s.37) and 15 to 17 (s.42) of the Planning Act outlines the following additional rules with respect to the special account:

- The money in the special account may be invested in securities (as permitted under the Municipal Act) and the interest earnings shall be paid into the special account;
- In each year, a municipality shall spend or allocate at least 60 percent of the monies that are in the special account at the beginning of the year; and
- The municipality shall provide reports and information as set out in section 7 of O. Reg. 509/20.

3.2 Annual Treasurer's Statement of Reserve Funds

Municipalities are required to report on community benefits charges and parkland dedication activity annually. The annual report, as outlined in Subsections 37(48) and 42(17) of the Act, and further defined in O. Reg. 509/20 Section 7, must include the opening and closing balance, transfers in and out, amount of money borrowed, and amount of interest accrued in the special account as applicable.

Attachment 1 and 2 provide a financial statement and summary of activity for 2023 along with the overall reserve positions of the City's Community Benefits Charge and Planning Act Land Purchase (parkland dedication) reserve funds in adherence with section 7 of O. Reg. 509/20.

3.3 Reserve Fund Balances and Contributions

Total reserve fund balances were \$45,228 (Community Benefits Charge) and \$16.1 million (Planning Act Land Purchase) as of December 31, 2023. After taking into consideration the approved commitments, not yet expensed, the balance available for future needs is \$11.4 million (Planning Act Land Purchase).

Contributions of \$45,228 in C.B.C.'s, \$1.13 million in C.I.L.'s, and \$483,835 in interest (Planning Act Land Purchase) were collected in 2023.

Unlike D.C.'s, C.B.C.'s are not collected on all new development, and given the recent implementation of the charge, it would be difficult to forecast future developments that would be required to pay a C.B.C. Therefore, targets for annual C.B.C. attainment are not set and tracked as is done for D.C.'s.

3.4 Capital Project Funding

C.B.C. contributions, along with the reserve balance, are reviewed annually in order to prioritize projects for funding based on the City's approved [C.B.C. Strategy](#) document through the City's budget process. There were no projects funded from the C.B.C. reserve fund in 2023.

C.I.L. contributions deposited into the Planning Act Land Purchase reserve fund are reviewed and budgeted through reports to Council. The City's practice is to spend these funds only for the acquisition of land to be used for park or other public recreational purposes. However, the Planning Act also allows the funds to be spent on the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes.

One project in the amount of \$355,000 was funded from the Planning Act Land Purchase reserve in 2023 as noted in Attachment 2.

3.5 Parks Plan Reporting

C.I.L. funds were utilized to fund an Offer of Compensation toward the acquisition of land for the development of the Downtown Oshawa Urban Square Parkette. This project will help to address the need for green, passive recreation space in the downtown Oshawa Urban Growth Centre (area of growth and intensification with smaller land areas and different functions and design needs than traditional parks) as set out in the City's Parks, [Recreation, Library and Culture Facility Needs Assessment](#) (P.R.L.C.) approved by Council.

4.0 Financial Implications

There are no financial implications arising from this report.

5.0 Relationship to the Oshawa Strategic Plan

This report responds to the Oshawa Strategic Plan Priority Area "Lead: Governance and Service Excellence" with the goal to provide transparent, efficient, and responsible fiscal stewardship and use of resources.



Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department

The Corporation of the City of Oshawa
Annual Treasurer's Statement of Reserve Funds

Description	Community Benefits Charge By-law 50-2023	Planning Act Land Purchase By-law 63-2022
Opening Balance, January 1, 2023	-	14,813,606
Collections	45,228	1,133,467
Accrued Interest	-	483,835
Sub-Total Revenues	45,228	1,617,302
Amount Transferred to Capital Funds (Attachment 2)	-	355,000
Closing Balance, December 31, 2023	45,228	16,075,908
Approved Commitments	-	4,725,753
Balance Available for Future Needs	45,228	11,350,155

The Corporation of the City of Oshawa
Amount Transferred to Capital or Other Funds - Capital Fund Transactions

Project Name	Gross Capital Cost	Planning Act Land Purchase Reserve Fund Draw	Other Reserve/ Reserve Fund Draws	Tax Levy and Other Contributions
Bond - Simcoe Parkette	355,000	355,000		
Total	355,000	355,000	-	-