



Community Benefits Strategy

City of Pickering

For Public Circulation and Comment

May 20, 2022 (Updated June 23, 2022)

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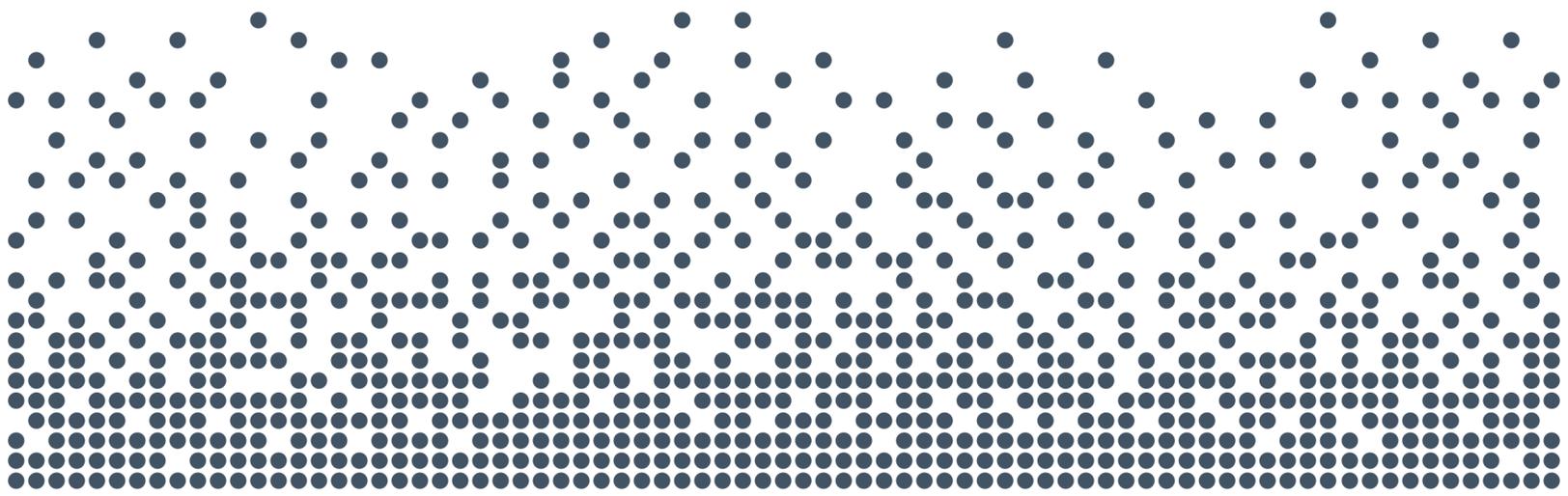
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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
B.U.A.	Built-Up Area
C.B.C.	Community Benefits Charge
C-I-L	Cash-in-lieu
D.C.	Development charge
D.C.A.	Development Charges Act, 1997, as amended
N.F.P.O.W.	No fixed place of work
OLT	Ontario Land Tribunal
O. Reg.	Ontario Regulation
P.P.U.	Persons per unit
sq.ft.	square foot
sq.m	square metre



Executive Summary



Executive Summary

1. The report provided herein represents the Community Benefits Charge (C.B.C.) Strategy for the City of Pickering required by the *Planning Act*, as amended. This report has been prepared in accordance with the methodology required under the *Planning Act*. The contents include the following:
 - Chapter 1 – Introduction and overview of the legislative requirements of the Act;
 - Chapter 2 – Summary of the residential and non-residential growth forecasts for the City;
 - Chapter 3 – Approach to calculating the C.B.C.;
 - Chapter 4 – Review of eligible capital costs;
 - Chapter 5 – Calculation of the C.B.C.;
 - Chapter 6 – C.B.C. policy recommendations and rules; and
 - Chapter 7 – By-law implementation.

2. The *Planning Act* is the statutory basis to recover these charges. C.B.C.s can be imposed to recover the costs for:
 - land for parks or other public recreational purposes in excess of lands conveyed or funded by cash-in-lieu of parkland payments under sections 42 and 51 of the *Planning Act*;
 - capital costs for services under subsection 2 (4) of the *Development Charges Act* (D.C.A.) that are not intended to be funded under a development charges (D.C.) by-law; and
 - capital costs for municipal services ineligible for inclusion in a D.C. by-law.

In accordance with the *Planning Act*, capital costs included under a development charges by-law or parkland funded through a cash-in-lieu (C.I.L.) of parkland by-law cannot be recovered from C.B.C.s. Furthermore, the act places restrictions on the application of the charges, i.e., a C.B.C. may not be imposed with respect to:

- development or redevelopment of fewer than 10 residential units, and in respect of buildings or structures with fewer than five storeys;
- a building or structure intended for use as a long-term care home;
- a building or structure intended for use as a retirement home;



- a building or structure intended for use by a university, college, or an Indigenous Institute;
 - a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion;
 - a building or structure intended for use as a hospice to provide end-of-life care; or
 - not-for-profit housing.
3. O. Reg. 509/20 specifies that a maximum charge of 4% of the value of land at the time of building permit issuance may be imposed. A municipality must undertake a C.B.C. strategy and follow the required public procedure to enact and C.B.C. by-law. The C.B.C. by-law is appealable to the Ontario Land Tribunal (OLT).
4. The methodology is detailed in Chapter 4; a simplified summary is provided below.
- 1) Identify amount, type and location of eligible growth.
 - 2) Identify servicing needs to accommodate growth.
 - 3) Identify capital costs to provide services to meet the needs.
 - 4) Deduct:
 - Excess capacity;
 - Grants, subsidies and other contributions; and
 - Benefit to existing development.
 - 5) Net costs are then allocated between eligible and ineligible development types.
 - 6) Net costs compared to 4% of land value to inform the amount of the charge i.e. rationalize if the maximum C.B.C. rate can be imposed.
5. The City is undertaking a C.B.C. public process and anticipates passing a new by-law on July 11, 2022. A stakeholder consultation meeting was held on June 1, 2022 to consult with the development industry stakeholders and receive input on the matter followed by a public meeting of Council on the matter on June 20, 2022.
6. The growth forecast (Chapter 2) on which the City-wide C.B.C. is based, projects 80% of the population in high density developments will live in C.B.C.-eligible units. Average land values of \$3.9 million per hectare were determined based on historical appraisals received for C.I.L. of parkland purposes. Based on the



anticipated number of C.B.C. eligible dwelling units and assumed density, a total forecast land value of \$321.9 million was estimated.

Residential High Density	Gross Residential Population Growth	% of Gross Population in High-Density Units
Eligible High Density	14,423	80%
Ineligible High Density	3,595	20%
Total Residential High-Density Forecast	18,018	100%

7. The study considered needs relating to Arts, Culture, and Museum Services, Animal Adoption Services, and Administration Services. The study also considered costs relating to parkland acquisition beyond what can be conveyed under the *Planning Act*, however, the City will be further examining those needs before considering their inclusion in a future C.B.C. strategy and by-law.

In total, the gross capital costs of the needs being considered in the C.B.C. is \$101.3 million of which the C.B.C. eligible cost is \$7.4 million

8. Table ES-1 summarizes the calculation of the C.B.C. The C.B.C. calculation shows a maximum amount of 2.3% of land value would be necessary to fund the increase in need for services. It is recommended that the charge be implemented on a per unit basis, consistent with the City's D.C. structure for apartments of 2 bedrooms and greater and 1 bedroom and bachelor. The per unit charge structure will also assist with the ease of administration and implementation of the charges. The proposed C.B.C. would be \$1,070 per unit for apartments of two bedrooms and greater and \$657 for less than one bedroom and bachelor apartment units.



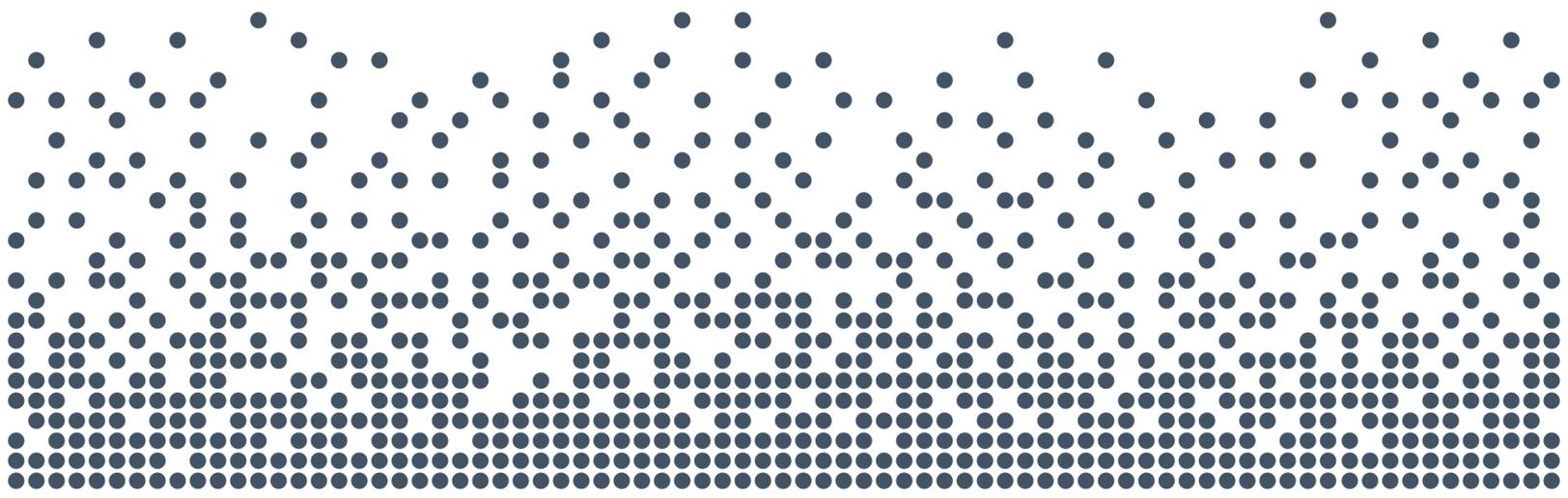
Table ES-1
Summary of Growth-Related Capital Costs

Description	Gross Capital Cost Estimate (2022\$)	Less:		Growth-Related Capital Cost	
		Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Non-C.B.C. Eligible Share	C.B.C. Eligible Share
Arts, Culture, and Museum Services	80,727,932	44,846,824	1,980,057	28,022,240	5,878,810
Animal Adoption Services	2,831,400	459,590		2,038,443	333,368
Administration Services	17,746,000	9,780,669		6,725,449	1,239,882
A Total	101,305,332	55,087,083	1,980,057	36,786,132	7,452,060
B Anticipated C.B.C. Residential Dwelling Units (2022-2039)					
					8,144
C	Density Assumption (units per hectare)				
					100
D (B/C)	Land Area for Residential Dwelling Unit Forecast (hectares)				
					81
E	Estimated Average Land Value (\$/hectare)				
					3,952,000
F (D*E)	Total Estimated Land Value				
					321,850,880
G (F*4%)	Maximum Prescribed Value (4% of Land)				
					12,874,035
H (A/F)	Total C.B.C. Required to Fund Needs (% of Land Value)				
					2.3%
Total Proposed C.B.C.					
I	Gross Population in New C.B.C. Eligible Development				
					14,423
J (A/I)	Cost Per Capita				
					517
By Residential Unit Type				P.P.U.	
	Apartments - 2 Bedrooms +			2.071	1,070
	Apartments - Bachelor and 1 Bedroom			1.271	657

9. Considerations by Council – This Strategy represents the service needs arising from growth over the forecast period and the costs that can be recovered from C.B.C.s.

Council will consider the findings and recommendations provided in the report and, in conjunction with public input, approve such policies and rate it deems appropriate. These directions will refine the draft C.B.C. by-law which is appended in Appendix B. These decisions may include:

- adopting the charges and policies recommended herein; and
- considering additional exemptions to the by-law.



Report



Chapter 1

Introduction



1. Introduction

1.1 Purpose of this Document

This strategy report has been prepared pursuant to the requirements of the *Planning Act*, 1990, (section 37) and, accordingly, recommends the imposition of a Community Benefits Charge (C.B.C.) and associated policies for the City of Pickering (City).

The City retained Watson & Associates Economists Ltd. (Watson), to undertake the C.B.C. strategy process. Watson worked with City staff preparing the C.B.C. analysis and policy recommendations contained within this strategy.

The C.B.C. strategy report, containing the proposed C.B.C. by-law, will be distributed to members of the public to provide interested parties the background information on the legislation, the recommendations contained herein, and an outline of the basis for these recommendations.

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the City's C.B.C. strategy, as summarized in Chapter 3. It also addresses the requirement for "rules" (contained in Chapter 6) and the proposed by-law to be made available as part of the approval process (included as Appendix C).

In addition, the report is designed to set out sufficient background on the legislation (Chapter 3) and the policies underlying the proposed by-law, to make the exercise understandable to those who are involved.

Finally, the report addresses post-adoption implementation requirements (Chapter 7) which are critical to the successful application of the new policy.

The chapters in the strategy report are supported by Appendices containing the data required to explain and substantiate the calculation of the charge. A full discussion of the statutory requirements for the preparation of a strategy and calculation to support the C.B.C. rate is provided herein.



1.2 Legislative Context

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

The *COVID-19 Economic Recovery Act* received Royal Assent on July 21, 2020. Schedule 17 of the Act amends the *Planning Act* with respect to the provisions of community benefits and parkland dedication. These amendments were proclaimed and came into effect on September 18, 2020. Municipalities with agreements for community benefits have two years after the date of proclamation (i.e., September 18, 2022) to transition to the new rules under s.37 of the *Planning Act*. Eligible municipalities also have the ability to impose a C.B.C. under this authority.

Single-tier and lower-tier municipalities may adopt a by-law to impose a C.B.C. against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies. The capital costs to be recovered through a C.B.C. may include:

- land for parks or other public recreational purposes in excess of lands conveyed or funded by cash-in-lieu of parkland payments under sections 42 and 51 of the *Planning Act*;
- capital costs for services under subsection 2 (4) of the D.C.A. that are not intended to be funded under a D.C. by-law; and
- capital costs for municipal services ineligible for inclusion in a D.C. by-law.

There are restrictions on the application of the charges. A C.B.C. may be imposed only with respect to development or redevelopment that requires:

- the passing of a zoning by-law or of an amendment to a zoning by-law under section 34;
- the approval of a minor variance under section 45;
- a conveyance of land to which a by-law passed under subsection 50 (7) applies;
- the approval of a plan of subdivision under section 51;
- a consent under section 53;
- the approval of a description under section 9 of the *Condominium Act, 1998*; or
- the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.



As discussed later, the regulations limit the charge relative to the value of land at the time of building permit issuance thus, imposing the charge at the time of development requiring the issuance of a building permit would be prudent.

The *Planning Act* limits the imposition of the C.B.C. to certain types of development. Under subsection 37 (3), a C.B.C. may not be imposed with respect to:

- development or redevelopment of fewer than 10 residential units, and in respect of buildings or structures with fewer than five storeys;
- a building or structure intended for use as a long-term care home;
- a building or structure intended for use as a retirement home;
- a building or structure intended for use by a university, college, or an Indigenous Institute;
- a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion;
- a building or structure intended for use as a hospice to provide end-of-life care; or
- not-for-profit housing.

Before adopting a C.B.C. by-law a municipality must prepare a C.B.C. Strategy that identifies the facilities, services and matters that will be funded with the charges. The municipality must consult with such persons and public bodies as the municipality considers appropriate while preparing the Strategy. Further, Ontario Regulation 509/20 specifies the methodology that must be followed in the Strategy. This includes:

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



5. Identification of any capital grants, subsidies and other contributions made to the municipality or that the council of the municipality anticipates will be made in respect of the capital costs.

Once the by-law is passed, the municipality must give notice of passage in accordance with the regulations and the by-law may be appealed to the Ontario Land Tribunal (OLT) within 40 days of by-law passage.

The amount of the charge can not exceed an amount equal to the prescribed percentage of the value of the land on the date of building permit issuance. At present, the prescribed value is set by regulation at 4% of land value. Moreover, if the landowner is of the view that the amount of the C.B.C. exceeds the prescribed value, the landowner may pay the charge under protest. In this circumstance there is an obligation of the landowner to provide an appraisal. If the municipality disputes the value of the land identified in the landowner's appraisal, the municipality must also provide the owner with an appraisal within the prescribed time period. Moreover, there is a requirement that the municipality maintains a registry of at least three land appraisers.

A municipality may allow the landowner to provide in-kind contributions towards the facilities, services or matters in lieu of paying a C.B.C.

Revenue collected under a C.B.C. by-law must be maintained in a special account and used for the purposes that the charge was imposed. A municipality must report on the activity of the special account annually.

1.3 Current Policies

Historically, the City has imposed charges related to community benefits under the prior *Planning Act* section 37 provisions. The charges were typically levied to provide for park improvements and other community services in response to increased intensification and density allowances. At the time of writing, all financial commitments relating to prior section 37 agreements have been fulfilled.



1.4 Summary of the Process

Prior to passing a C.B.C. by-law, subsection 37 (10) of the *Planning Act* requires the City to consult with the public and such persons and public bodies as the City considers appropriate. As such, a meeting has been set for June 1, 2022 with representatives from the development industry to present the strategy and allow for feedback on the strategy. The meeting is also being held to present the strategy's purpose, approach, and proposed C.B.C. by-law.

Figure 1-1 provides an outline of the schedule to be followed with respect to the C.B.C. strategy and by-law adoption and implementation process.

Figure 1-1
City of Pickering
Schedule of Key Dates in the C.B.C. Strategy Process

Item	Date
1. Data collection, land valuation analysis, growth forecast development, capital needs assessment	December 2021 to April 2022
2. Presentation of draft and final CBC calculations and policies to City Staff, study process, and preliminary growth projections to Development Industry Stakeholders	April 2022 to May 2022
3. Release of C.B.C. Strategy Report and proposed by-law	May 20, 2022
4. Presentation of CBC Strategy and by-law to Development Industry Stakeholders	June 1, 2022
5. Public Meeting of Council	June 20, 2020
6. Updated C.B.C. Strategy Report and proposed by-law	June 23, 2022
7. Council considers adoption of C.B.C. strategy and passage of by-law	July 11, 2022
8. Notice given of by-law passage	No later than 20 days after passage
9. Last day for by-law appeal	40 days after passage



Chapter 2

Anticipated Development in the City of Pickering



2. Anticipated Development

2.1 Requirement of the Act

Chapter 3 provides the methodology for calculating a C.B.C. as per the *Planning Act*. Figure 3-1 presents this methodology schematically. It is noted in the first box of the schematic that in order to determine the C.B.C. that may be imposed, it is a requirement of subsection 37 (9) of the *Planning Act* and O. Reg. 509/20 that “the anticipated amount, type and location of development and redevelopment, for which a C.B.C. can be imposed, must be estimated.”

The growth forecast contained in this chapter (with supplemental tables in Appendix A) provides for the anticipated development for which the City will be required to provide services over a 17-year (mid-2022 to mid-2039) time horizon.

2.2 Basis of Population, Household and Employment Forecast

The C.B.C. growth forecast has been derived by Watson. The growth forecast provided herein builds on growth assumptions established in the Durham Region Growth Management Strategy (ongoing) and the Region of Durham Regional Transit Development Charge Background Study (2022). In addition to the Regional Development Charge Background Study, the following information sources were consulted:

- City of Pickering Official Plan (Edition 8);
- Durham Region Growth Management Strategy Technical Reports (2021);
- 2006, 2011 and 2016 population, household and employment Census data;
- 2021 population and household Census data;
- Historical residential and non-residential building permit data over the 2012 to 2021 period;
- Residential supply opportunities as provided by the City of Pickering; and
- Discussions with City staff regarding anticipated residential and non-residential development in the City of Pickering, and specifically the Seaton Community.



2.3 Summary of Growth Forecast

A detailed analysis of the residential and non-residential growth forecasts is provided in Appendix A and the methodology employed is illustrated in Figure 2-1. The discussion provided herein summarizes the anticipated growth for the City and describes the basis for the forecast. The results of the residential growth forecast analysis are summarized in Table 2-1 below, and Schedule 1 in Appendix A.

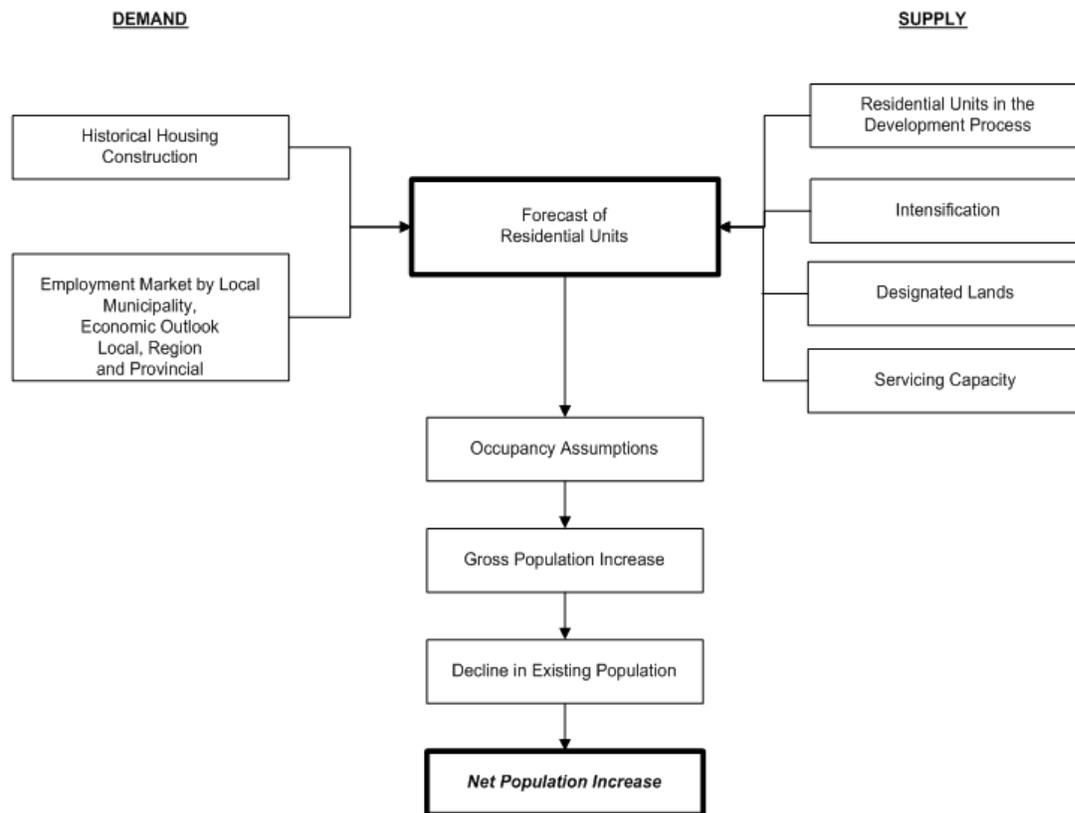
As identified in Table 2-1 and Appendix A, *Schedule 1*, permanent population in Pickering is anticipated to reach approximately 189,200 by mid-2039, resulting in an increase of approximately 82,100 persons, respectively over the longer-term forecast period.¹²

¹ The population figures used in the calculation of the 2022 D.C. include the net Census undercount, which is estimated at approximately 3.8%.

² The 2031 Region of Durham Official Plan population target of 225,670 for Pickering, less the growth allocation for Northeast Pickering of approximately 36,500 persons, results in an Official Plan population target for Pickering of 189,200 by Mid-2039.



Figure 2-1
Household and Population Forecast Model





**Table 2-1
City of Pickering
Residential Growth Forecast Summary**

Year	Population (Including Census Undercount) ¹	Excluding Census Undercount			Housing Units					Person Per Unit (P.P.U.): Total Population/ Total Households	
		Population	Institutional Population ⁴	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ²	Apartments ³	Other	Total Households		
Historical	<i>Mid 2006</i>	91,160	87,838	573	87,265	20,255	4,850	3,085	25	28,215	3.113
	<i>Mid 2011</i>	92,080	88,721	806	87,915	20,744	5,381	3,190	15	29,330	3.025
	<i>Mid 2016</i>	95,240	91,771	776	90,995	21,130	6,060	3,695	30	30,915	2.968
	<i>Mid 2021</i>	102,940	99,186	839	98,347	22,425	6,805	4,165	30	33,425	2.967
Forecast	<i>Mid 2022</i>	107,100	103,191	876	102,315	22,774	7,622	4,559	30	34,985	2.950
	<i>Mid 2039</i>	189,200	182,297	1,314	180,983	31,908	18,001	14,733	30	64,672	2.819
Incremental	Mid 2006 - Mid 2011	920	883	233	650	489	531	105	-10	1,115	
	Mid 2011 - Mid 2016	3,160	3,050	-30	3,080	386	679	505	15	1,585	
	Mid 2016 - Mid 2021	7,700	7,415	63	7,352	1,295	745	470	0	2,510	
	Mid 2021 - Mid 2022	4,160	4,005	37	3,968	349	817	394	0	1,560	
	Mid 2022 - Mid 2039	82,100	79,106	438	78,668	9,134	10,379	10,174	0	29,687	

Source: Derived from Durham Region Growth Management Strategy (ongoing) and the Region of Durham Regional Transit Development Charge Background Study (2022), by Watson & Associates Economists Ltd., 2022.

Note: The 2031 Official Plan population target of 225,670, less the growth allocation for Northeast Pickering of approximately 36,500 persons, results in an Official Plan population target of 189,200 by Mid 2039

¹ Census undercount estimated at approximately 3.8%. Note: Population including the undercount has been rounded.

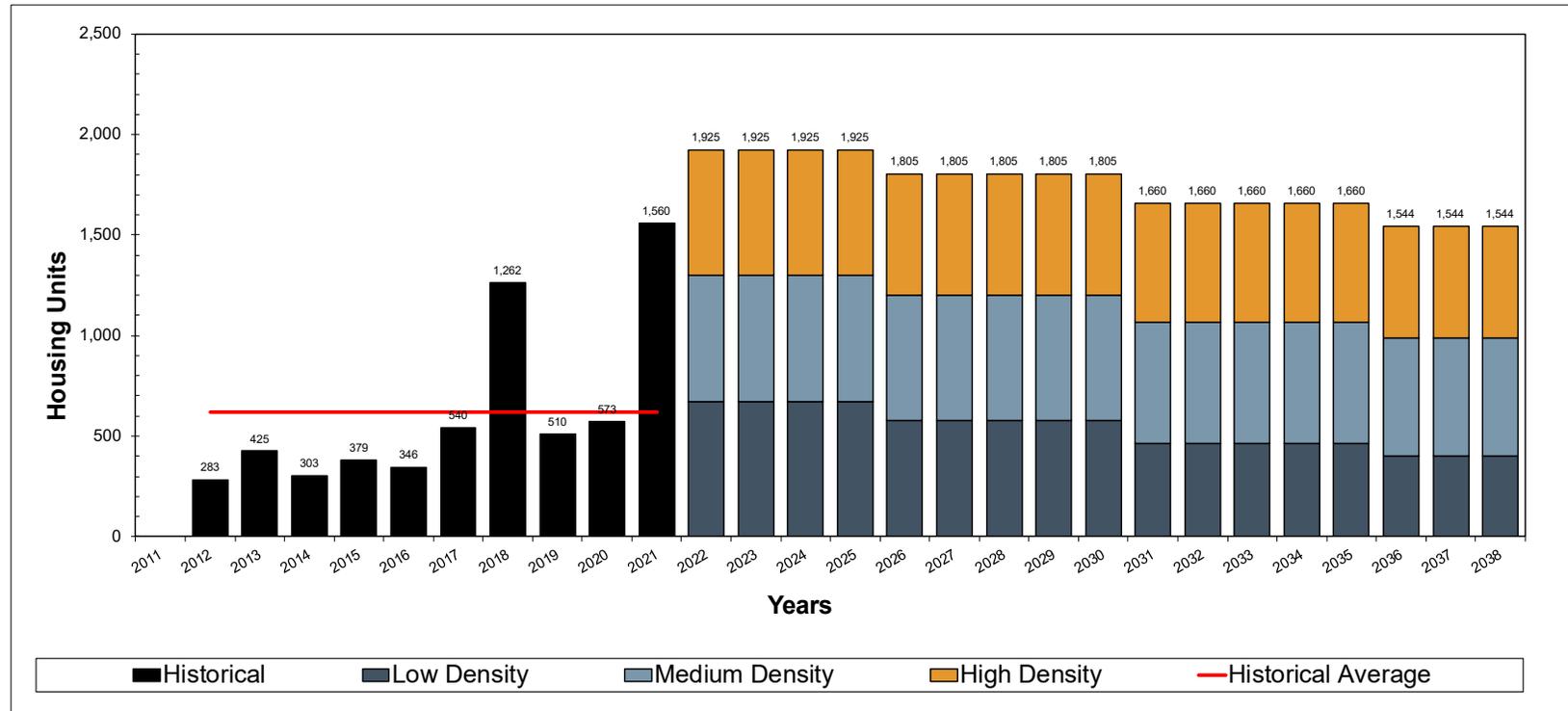
² Includes townhouses and apartments in duplexes.

³ Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

⁴ Institutional includes special care facilities such as nursing home or residences for senior citizens.



Figure 2-2
City of Pickering
Annual Housing Forecast^[1]



Source: Building permit data from 2011 to 2013 and 2021 from Statistics Canada. Building permits between 2014 and 2020 from the City of Pickering. Figure by Watson & Associates Economists Ltd., 2022.

¹ Growth forecast represents calendar year.



Provided below is a summary of the key assumptions and findings regarding the City of Pickering C.B.C. growth forecast:

1. Housing Unit Mix (Appendix A – Schedules 1 and 5)

- The housing unit mix for the City was derived from the Region of Durham Regional Transit Development Charge Background Study (2022)
- Based on the above indicator, the longer-term household growth forecast for the City is comprised of a unit mix of 31% low density units (single-detached and semi-detached), 35% medium density (multiples except apartments) and 34% high density (bachelor, 1-bedroom and 2-bedroom apartments).

2. C.B.C.-Eligible Units

- Subsection 37 (4) of the *Planning Act* establishes the criteria for a development to be C.B.C. eligible. A C.B.C. may be imposed if:
 - Development of a proposed building or structure has five or more storeys at or above ground and has 10 or more residential units;
 - Redevelopment of an existing building or structure that will have five or more storeys at or above ground after redevelopment and proposes to add 10 or more residential units to an existing building or structure; or
 - Such types of development or redevelopment as prescribed. 2020, c. 18, Sched. 17, section 1.
- The C.B.C.-eligible unit forecast is derived based on the established criteria above and a detailed review of historical Census housing trends, historical development activity (as per Schedule 5), active residential development applications and discussions with City staff regarding anticipated C.B.C.-eligible developments.
- Based on the above indicators, the City is forecast to accommodate 8,144 C.B.C.-eligible household units over the 17-year forecast period. This translates to 80% of all high-density units, including accessory apartments, being C.B.C. eligible from mid-2022 to mid-2039. Table 2-2 and Schedule 2 summarizes the anticipated amount, type, and location of development for the City by development location.

3. Geographic Location of C.B.C.-Eligible Residential Development (Appendix A – Schedule 2)



- Schedule 2 summarizes the anticipated amount, type, and location of C.B.C.-eligible development by area for the City.
- In accordance with forecast demand and available land supply, the amount and percentage of forecast C.B.C.-eligible housing growth between mid-2022 and mid-2039 by development location is summarized in Table 2-2.

Table 2-2
City of Pickering
Residential High-Density Growth by Development Area

Development Location	Total High-Density Housing Growth, mid-2022 to mid-2039 ^[1]	C.B.C.-Eligible Share	C.B.C.-Eligible Housing Growth, mid-2022 to mid-2039
Seaton	4,871	80%	3,897
Rest of Pickering	5,303	80%	4,247
Total City of Pickering	10,174	80%	8,144

^[1] High density includes accessory apartments, bachelor, 1-bedroom and 2-bedroom+ apartments.

Source: Watson & Associates Economists Ltd.

4. Planning Period

- A 17-year planning horizon has been used, recognizing the anticipated timing of when the current Regional Official Plan population target for Pickering for 2031 would be achieved.

5. Population in New Units (Appendix A – Schedules 3 and 4)

- The number of new housing units to be constructed in the City of Pickering during the 17-year planning period is presented in Figure 2-2. Over the 17-year forecast period, the City is anticipated to average 1,746 new housing units per year.



- Institutional population¹ is anticipated to increase by approximately 440 people between 2022 and 2039.
- Population in new units is derived from Schedules 3 and 4, which incorporate historical development activity, anticipated units (see unit mix discussion) and average persons per unit (P.P.U.) by dwelling type for new units.
- Schedule 6 summarizes the average P.P.U. assumed for the new housing units by age and type of dwelling based on a 2016 custom Census data for the City of Pickering. The total calculated P.P.U. for all density types represents a 25-year forecast average. Average P.P.U.s by dwelling type are as follows:
 - Low density: 3.561
 - Medium density: 2.743
 - High density²: 1.771

6. Existing Units and Population Change (Appendix A – Schedules 3 and 4)

- Existing households for mid-2022 are based on the 2021 Census households, plus estimated residential units constructed in 2021, assuming a 6-month lag between construction and occupancy (see Schedule 3).
- The decline in average occupancy levels for existing housing units is calculated in Schedules 3 to 4, by aging the existing population over the forecast period. The forecast population decline in existing households over the 2022 to 2039 forecast period is approximately 350.

7. Employment (Appendix A – Schedule 7)

- The employment projections provided herein are derived from the Region of Durham Regional Transit Development Charge Background Study (2022) and based on the activity rate method, which is defined as the number of jobs in a City divided by the number of residents. Key employment sectors include primary, industrial, commercial/population-related, institutional, and work at home, which are considered individually below.

¹ Institutional includes special care facilities such as nursing home or residences for senior citizens. A P.P.U. of 1.100 depicts 1-bedroom and 2- or more bedroom units in these special care facilities.

² Includes bachelor, 1-bedroom and 2- or more bedroom apartments.



- 2016 employment data¹ (place of work) for the City of Pickering is outlined in Schedule 10a. The 2016 employment base is comprised of the following sectors:
 - 140 primary (less than 1%);
 - 3,225 work at home employment (10%);
 - 11,840 industrial (36%);
 - 12,670 commercial/population related (39%); and
 - 4,885 institutional (15%).
- The 2016 employment by usual place of work, including work at home, is approximately 32,760. An additional 4,690 employees have been identified for the City in 2016 that have no fixed place of work (N.F.P.O.W.).²
- Total employment, including work at home and N.F.P.O.W. for the City is anticipated to reach approximately 70,700 by mid-2039. This represents an employment increase of approximately 30,450 over the forecast period.³
- Schedule 7, Appendix A, summarizes the employment forecast, excluding work at home employment and N.F.P.O.W. employment, which is the basis for the C.B.C. employment forecast. The impact on municipal services from work at home employees has already been included in the population forecast. The need for municipal services related to N.F.P.O.W. employees has largely been included in the employment forecast by usual place of work (i.e., employment and gross floor area generated from N.F.P.O.W. construction employment).
- Total employment for the City of Pickering (excluding work at home and N.F.P.O.W. employment) is anticipated to reach approximately 55,450 by mid-2039. This represents an employment increase of approximately 23,680 over the forecast period.

Based upon the above information, the following summaries are provided for use in the calculations presented in chapter 4, as follows:

¹ 2016 employment is based on Statistics Canada 2016 Place of Work Employment dataset by Watson & Associates Economists Ltd.

² No fixed place of work is defined by Statistics Canada as "persons who do not go from home to the same work place location at the beginning of each shift". Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.

³ The 2031 Official Plan employment target of 71,800 is forecast to be achieved after 2039. An additional 4,900 jobs would be assumed for Northeast Pickering, in accordance with the Official Plan.



- The services to be provided are either of a primarily residential benefit and have been allocated a nominal 5% non-residential cost share or are of a benefit to both residential and non-residential development and have been allocated a 23% non-residential cost share (Table 2-3).
- Of the residential portion of the costs, 23% of the population is forecast to reside in high-density residential units (Table 2-4).
- Of those who reside in high density residential units, 80% are forecast to reside in units to which the C.B.C. may be imposed (Table 2-5).

Table 2-3
Residential and Non-Residential Growth Share Based on Incremental Growth in Population and Employment Over the Mid-2022 to Mid-2039 Forecast Period

Residential Population and Non-Residential Employment Growth	Population/ Employment Growth	Residential/ Non- Residential Growth %
Residential Net Population Growth	78,668	77%
Employment Growth (net of Work at Home & N.F.P.O.W.)	23,680	23%
Total Population & Employment Growth	102,348	100%

Table 2-4
Low/Medium-Density Growth and High-Density Growth Share
Over the Mid-2022 to Mid-2039 Forecast Period

Residential Density	Gross Residential Population Growth	% of Gross Population in New Units
Low/Medium Density	60,996	77%
High Density	18,018	23%
Total Residential Forecast	79,014	100%



Table 2-5
C.B.C. Eligible and Ineligible High-Density Growth Share
Over the Mid-2022 to Mid-2039 Forecast Period

Residential High Density	Gross Residential Population Growth	% of Gross Population in High-Density Units
Eligible High Density	14,423	80%
Ineligible High Density	3,595	20%
Total Residential High Density Forecast	18,018	100%

2.4 Land Valuation

As the C.B.C. rate is applied against the value of land the day before a building permit is issued, average land values are required to be assessed in various locations throughout the City where the anticipated development and redevelopment is anticipated. These land values assist in calculating the eligible C.B.C. rate, which can not exceed the maximum 4% prescribed rate.

Table 2-2 demonstrates that the majority of the forecast C.B.C.-eligible high-density development will be located outside of the Seaton Lands. Average land values for this area were estimated based on the City's historical cash-in-lieu parkland appraisals of \$3.95 million per hectare. Based on an assumed density of 100 units per hectare this development would produce an equivalent land valuation of \$321.9 million (8,144 units / 100 units per hectare = 81.44 hectares x \$3.95 million/hectare).



Chapter 3

Approach to the Calculation

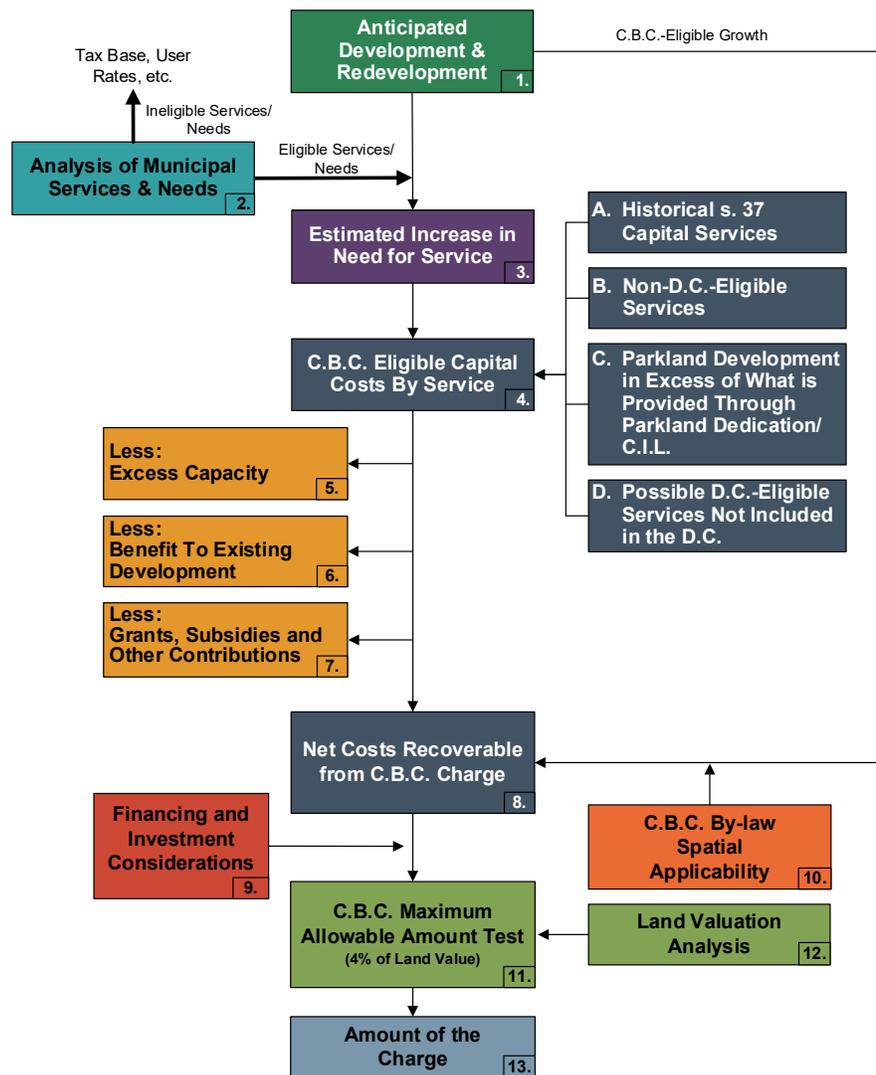


3. The Approach to the Calculation of the Charge

3.1 Introduction

This chapter addresses the requirements of subsection 37 (9) of the *Planning Act* and sections 2 and 3 of O. Reg. 509/20 with respect to the establishment of the need for service which underpins the C.B.C. calculation. These requirements are illustrated schematically in Figure 3-1.

Figure 3-1
The Process of Calculating a Community Benefits Charge under the *Planning Act*





3.2 Anticipated Development and Redevelopment

The anticipated development and redevelopment forecast is provided in chapter 2 (with supplemental tables in Appendix A). This chapter provides for the anticipated overall growth within the City over a 17-year (mid-2022 to mid-2039) time horizon and then estimates the residential units eligible to be considered as per subsection 37 (4) of the *Planning Act*.

3.3 Services Potentially Involved

As per subsection 37 (5) of the *Planning Act*, a C.B.C. may be imposed for services that do not conflict with services or projects provided under a municipality's D.C. by-law or parkland dedication by-law. Hence, the service provided under the C.B.C. would be defined as follows:

- (a) land for parks or other public recreational purposes in excess of lands conveyed or funded by cash-in-lieu of parkland payments under sections 42 and 51 of the *Planning Act*;
- (b) capital costs for services under subsection 2 (4) of the D.C.A. that are not intended to be funded under a D.C. by-law; and
- (c) capital costs for municipal services ineligible for inclusion in a D.C. by-law.

Examples of services not provided by a D.C. or Parkland Dedication by-law include (but are not limited to) capital facilities and equipment for municipal parking, airports, municipal administration building expansions, museums, arts centres, public art, heritage preservation, landfill, public realm improvements, community gardens, space for non-profits, etc.

3.4 Increase in the Need for Service

The C.B.C. calculation commences with an estimate of “the increase in the need for service attributable to the anticipated development,” for eligible services to be covered by the by-law. There must be some form of link or attribution between the anticipated development and the estimated increase in the need for service. While the need could



potentially be expressed generally in terms of units of capacity, a project-specific expression of need would appear to be most appropriate.

3.5 Capital Forecast

Subsection 37 (2) of the *Planning Act* provides that, “The council of a local municipality may by by-law impose C.B.C.s against land to pay for the capital costs of facilities, services and matters.” The Act does not define what capital costs may be included within the charge. The Act provides that the C.B.C. charge could include capital costs for eligible D.C. services that are not intended to be funded under a municipal D.C. by-law. This provision suggests that capital costs may be defined in an equivalent manner as the *Development Charges Act* (D.C.A.). Hence, based on this relationship with the D.C.A., capital costs may include:

- (a) costs to acquire land or an interest therein (including a leasehold interest);
- (b) costs to improve land;
- (c) costs to acquire, lease, construct or improve buildings and structures;
- (d) costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes;
- (e) interest on money borrowed to pay for the above-referenced costs;
- (f) costs to undertake studies in connection with the above-referenced matters; and
- (g) costs of the C.B.C. Strategy study.

3.6 Deductions

The section 2 of O. Reg. 509/20 potentially requires that three deductions be made to the capital costs estimates. These relate to:

- excess capacity;
- benefit to existing development; and



- anticipated grants, subsidies, and other contributions.

The requirements behind each of these reductions are addressed below.

3.6.1 Reduction for Excess Capacity

Subsection 2 (c) of O. Reg. 509/20 requires the identification of the excess capacity that exists in relation to the facilities, services and matters referred to in clause 2 (b) suggesting the need for a potential deduction to the capital. “Excess capacity” is undefined, but in this case, the excess capacity must be able to meet some or all of the increase in need for service, in order to potentially represent a deduction. The deduction of excess capacity from the future increase in the need for the service would normally occur as part of the conceptual planning and feasibility work associated with justifying and sizing new facilities, e.g., if a new landfill site to accommodate increased solid waste generated by the new growth is not required because sufficient excess capacity is already available, then a landfill site expansion would not be included as an increase in need, in the first instance.

3.6.2 Reduction for Benefit to Existing Development

Subsection 2 (c) of O. Reg. 509/20 of the D.C.A. provides that the capital estimates identify extent to which an increase in a facility, service or matter referred to in clause 2 (b) of the regulation would benefit existing development. The general guidelines used to consider benefit to existing development included:

- the repair or unexpanded replacement of existing assets;
- the elimination of a chronic servicing problem not created by growth; and
- providing services where none previously existed (for example, extending garbage pickup to the rural area which previously did not receive the municipal services).

Where existing development has an adequate service level which will not be tangibly increased by an increase in service, no benefit would appear to be involved. For example, where expanding existing garbage collection vehicles for future development simply replicates what existing residents are receiving, the existing developments receive very limited (or no) benefit as a result.



In the case of services such as cultural facilities, the service is typically provided on a municipal-wide system basis. For example, facilities of the same type may provide different services (i.e., visual art vs. performance art), different programs (i.e., art classes vs. acting classes), and different time availability for the same service (i.e., art classes available on Wednesdays in one facility and Thursdays in another). As a result, residents will travel to different facilities to access the services they want at the times they wish to use them, and facility location generally does not correlate directly with residence location. Even where it does, displacing users from an existing facility to a new facility frees up capacity for use by others and generally results in only a very limited benefit to existing development. Further, where an increase in demand is not met for a number of years, a negative service impact to existing development is involved for a portion of the planning period.

3.6.3 Reduction for Anticipated Grants, Subsidies and Other Contributions

This step involves reducing the capital costs by capital grants, subsidies, and other contributions made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development. That is, some grants and contributions may not specifically be applicable to growth or where Council targets fundraising as a measure to offset impacts on taxes.

Although specific grants, subsidies and/or other contributions may not be currently identified and reduced in the calculations, due diligence will be undertaken by municipal staff during the annual budget process to net off any future identified funding from these other sources.

3.7 Municipal-wide vs. Area Rating

This step involves determining whether all the subject costs are to be recovered on a uniform municipal-wide basis or whether some or all are to be recovered on an area-specific basis. There is no mandatory requirement to consider area rating of services (i.e., providing charges for specific areas and services); however, the legislation does not prohibit area rating. There may be instances where Council may consider varying rates to align with other policies or possible incentives in the development area.



Through the C.B.C. strategy process, discussions with municipal staff took place related to structuring the charge on a municipal-wide vs. area specific basis. As the services being provided in the strategy are not restricted to one specific area and are anticipated to be used by all residents within the municipality, the charges have been provided on a municipal-wide basis. Although the charges are to be calculated and imposed on a municipal-wide basis, consideration of location of the projects will take place through the annual budget process.

3.8 Land Valuation Analysis

To facilitate the rate calculation provided in section 3.9, an estimate of the market value of the land related to the anticipated applicable development/redevelopment presented in section 3.2, needs to be undertaken. It is noted that the land values may vary based on a number of factors including location, zoning density, parcel size, etc., however, these values should estimate the land value the day before building permit issuance. This data may be available from municipal resources, or the municipality may consider engaging the assistance of a professional land appraiser.

3.9 Calculation of the Community Benefit Charge

Subsection 37 (32) of the *Planning Act* provides that the amount of the *Planning Act* provides that the maximum charge which can be imposed is prescribed by the regulations. O. Reg. 509/20, section 3, provides that the maximum charge is to be 4%.

To calculate the rate, the net capital cost (as provided by netting the deductions set out in section 3.6 from the capital presented in section 3.5) are divided by the land values related to the anticipated applicable development/redevelopment. This calculation produces a percentage of the capital cost relative to the land value of development. This rate can not exceed the maximum prescribed rate of 4% of land value.

Alternatively, a municipality may choose to impose a rate on another basis. For example, the charge could be calculated on a per dwelling unit basis similar to a development charge (D.C.). This calculation would be facilitated by dividing the net capital cost by the forecast incremental gross population growth to arrive at a C.B.C. per capita. This rate would then be applied to the person per unit occupancy assumptions for high-density residential dwelling units to determine the charge. Moreover, the



charge could be denominated based on land area, where the net capital costs would be divided by the amount of land anticipated to be occupied by the forecast residential dwelling units constructed over the forecast period.



Chapter 4

C.B.C.-Eligible Cost Analysis



4. C.B.C.-Eligible Cost Analysis

4.1 Introduction

This chapter outlines the basis for calculating eligible costs to be recovered through a C.B.C. by-law, which are to be applied on a uniform municipal-wide basis. In each case, the required calculation process set out in O. Reg. 509/20 subsections 2 (a) through 2 (f) to the *Planning Act* and described in Chapter 3 was followed in determining C.B.C.-eligible costs.

In undertaking the C.B.C. Strategy, following services was considered:

- Anticipated capital costs of parkland acquisition beyond those available under the provisions of the *Planning Act*;
- Administrative Services, including growth-related studies not eligible under the D.C.A. and corporate services technology;
- Animal Adoptions Services; and
- Arts, Culture, and Museum Services

While the City does anticipate capital costs of parkland acquisition beyond those available under the provisions of the *Planning Act*, the City will be undertaking a parks needs assessment in the near future to better understand those requirements before including those costs for recovery in a C.B.C. Strategy.

4.2 Allocation of Costs to C.B.C.-eligible Development

To determine the C.B.C.-eligible capital costs for the City, the gross capital costs were estimated based on the City's capital budget and forecast and discussions with City staff. Having estimated the capital costs for each project, deductions related to excess capacity, benefit to existing development, and grants, subsidies, or other contributions were assessed. The resultant net growth-related costs were then allocated to the C.B.C.-eligible share of the anticipated development based on the following:

- Net capital costs for Animal Adoptions Services and Administrative Services were apportioned between residential (77%) and non-residential development (23%) based on the incremental population and employment growth over the



forecast period (Table 2-3). The net capital costs for Arts, Culture, and Museum Services were allocated 95% residential development and 5% non-residential development, reflective of the increase in need for service from these types of development. This allocation approach between residential and non-residential development is consistent with the City's practice within its D.C. background study.

- The net capital costs associated with residential development were subsequently allocated between low-density and medium-density development types (77%) and high-density development (23%) over the forecast period, based on the respective population growth forecast for these dwelling unit types (Table 2-4).
- Finally, the net capital costs assigned to high-density development were apportioned to the C.B.C.-eligible development, i.e., buildings with a minimum of five storeys and at least 10 residential dwelling units. As summarized in Table 2-5, this type of development accounts for 80% of all high-density residential dwelling units over the forecast period.

Based on the foregoing, for services allocated between the total population and employment growth over the forecast period, the net capital cost share attributable to C.B.C.-eligible development is 14.6%. For Arts, Culture, and Museum Services, the cost share attributable to C.B.C.-eligible development is approximately 16.3%. The costs related to undertaking the C.B.C. Strategy Study are 100% attributable to the C.B.C.-eligible development.

4.3 C.B.C.-eligible Cost Analysis

This section provides for the evaluation of development-related capital requirements over a 2022 to 2039 planning horizon. The capital cost related to the increase in need for service are summarized in Table 4-1 and as follows:

- **Arts, Culture, and Museum Services** – The City's capital budget identifies a new Performing Arts Centre as part of the City Centre development and Museum space within the Pickering Heritage and Community Centre. Further additional costs for Public Art have also been included. The gross capital costs of these projects totals \$80.7 million. \$44.8 million has been deducted for the benefit to existing development and \$2.0 has been deducted for possible grants, subsidies and other contributions towards the capital costs, resulting in \$33.9



million net growth-related costs. After accounting for the benefit of these needs to non-residential development (i.e. \$1.7 million), low/medium density residential development (i.e. \$24.9 million), and ineligible high density residential development (i.e. \$1.5 million), the potential C.B.C. recoverable costs total \$5.9 million.

- **Administration Services** – The City’s Capital Budget and Forecast identify growth related study costs that are not eligible for inclusion within the D.C. background study, costs of undertaking the C.B.C. strategy and future updates, corporate services technology costs related to the City’s financial system, and growth-related renovations to the Civic Complex. The total costs of the needs are \$17.7 million. After deducting the share of the costs that are a benefit to existing development and non-CBC eligible development, \$1.2 million has been considered within the calculation of the charge.
- **Animal Adoption Services** – The City is constructing a new Animal shelter that will primarily be utilized in relation to municipal by-law enforcement but will also contain space related to Animal Adoptions Services. The share of the capital costs related to Animal Adoptions Services is \$2.8 million. Of those costs, \$459,600 has been deducted as benefit to existing development based on the replacement of the existing animal adoptions facility space. Of the growth-related costs of \$2.4 million, \$333,400 is related to the CBC eligible development after accounting for the non-residential share and non-CBC eligible residential share of the growth-related costs.

Based on the calculations and allocations to C.B.C.-eligible high-density growth, the City has identified \$7.4 million in eligible net growth-related costs to be included within the C.B.C. calculations.



**Table 4-1
Capital Costs to be Recovered through Community Benefit Charges**

Prj. No	Increased Service Needs Attributable to Anticipated Development	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost				Net Residential Cost Share		Potential C.B.C. Recoverable Cost		
			Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Non-Residential Share		Residential Share		Low / Medium Density Residential	Total High Density Residential	Ineligible High Density Residential	Eligible High Density Residential
						%	\$	%	\$				
2022-2039									77%	23%	20%	80%	
Arts, Culture, and Museum Services													
1	Performing Arts Centre	66,422,932	36,899,961		29,522,971	5%	1,476,149	95%	28,046,823	21,651,090	6,395,733	1,276,129	5,119,604
	Museum												
2	(Part of Pickering Heritage and Community Centre)	10,555,000	5,863,624	1,980,057	2,711,319	5%	135,566	95%	2,575,753	1,988,384	587,369	117,197	470,172
3	Public Art	3,750,000	2,083,239	-	1,666,761	5%	83,338	95%	1,583,423	1,222,343	361,080	72,046	289,034
	Total - Arts, Culture, and Museum Services	80,727,932	44,846,824	1,980,057	33,901,051		1,695,053		32,205,998	24,861,816	7,344,182	1,465,371	5,878,810
Animal Adoption Services													
4	Animal Shelter - Adoption Space	2,831,400	459,590	-	2,371,810	23%	545,516	77%	1,826,294	1,409,830	416,464	83,096	333,368
	Total - Animal Adoption Services	2,831,400	459,590	-	2,371,810		545,516		1,826,294	1,409,830	416,464	83,096	333,368
Administration Services													
5	Community Benefits Strategy (2022)	35,000	-		35,000	0%	-	100%	35,000	-	35,000		35,000
6	Community Benefit Strategy (2027)	35,000	-		35,000	0%	-	100%	35,000	-	35,000		35,000
7	Community Benefit Strategy (2032)	35,000	-		35,000	0%	-	100%	35,000	-	35,000		35,000
8	Community Benefit Strategy (2037)	35,000	-		35,000	0%	-	100%	35,000	-	35,000		35,000
9	South Pickering Heritage Inventory	62,600	34,776		27,824	23%	6,399	77%	21,424	16,539	4,886	975	3,911
10	Community Improvement Plans for Durham Live Lands and for City Centre Lands	174,000	96,662		77,338	23%	17,788	77%	59,550	45,970	13,580	2,710	10,870
11	Seaton Corporate Energy Plan Update	58,000	32,221		25,779	23%	5,929	77%	19,850	15,323	4,527	903	3,623
12	Pickering Climate Adaption Plan	174,000	96,662		77,338	23%	17,788	77%	59,550	45,970	13,580	2,710	10,870
13	Natural Capital Asset Evaluation	87,000	48,331		38,669	23%	8,894	77%	29,775	22,985	6,790	1,355	5,435
14	Fair Minded Pricing Policy	70,400	39,109		31,291	23%	7,197	77%	24,094	18,600	5,494	1,096	4,398
15	Geographic Information Systems (GIS) Corporate Strategic Plan:	89,000	49,442		39,558	23%	9,098	77%	30,459	23,514	6,946	1,386	5,560
16	New Financial System -SAP HR System-Recruiting & Onboard Module-Phs 2	480,000	266,655		213,345	23%	49,069	77%	164,276	126,815	37,461	7,475	29,987
17	New Financial System - SAP HR System-Learning Mgmt Module-Phs 3	290,000	161,104		128,896	23%	29,646	77%	99,250	76,617	22,633	4,516	18,117
18	New Financial System-SAP Fleet Module	475,000	263,877		211,123	23%	48,558	77%	162,565	125,494	37,071	7,397	29,674
19	New Financial System-SAP Budget & Salary Module	600,000	333,318		266,682	23%	61,337	77%	205,345	158,519	46,826	9,343	37,483
20	Integrated Community Sustainability Plan	35,000	19,444		15,556	23%	3,578	77%	11,978	9,247	2,732	545	2,187
21	Measuring Sustainability Report	41,000	22,777		18,223	23%	4,191	77%	14,032	10,832	3,200	638	2,561
22	5-year Capital and Operating Cost Financial Impact Analysis	35,000	19,444		15,556	23%	3,578	77%	11,978	9,247	2,732	545	2,187
23	Civic Complex Renovations	14,935,000	8,296,847	-	6,638,153	23%	1,526,775	77%	5,111,378	3,945,791	1,165,587	232,567	933,019
	Total - Administration Services	17,746,000	9,780,669	-	7,965,331		1,799,826		6,165,505	4,651,463	1,514,042	274,160	1,239,882
	Total	101,305,332	55,087,083	1,980,057	44,238,192		4,040,395		40,197,797	30,923,109	9,274,688	1,822,628	7,452,060



Chapter 5

C.B.C. Calculation



5. C.B.C. Calculation

5.1 Anticipated Funding Recovery

To summarize the calculation of the charge, the following has been undertaken:

- 1) **Anticipated Development:** As presented in Chapter 2, the 17-year growth forecast provides for 8,144 eligible high-density units (i.e., in buildings containing a minimum of five storeys and a minimum of 10 residential units).
- 2) **Land Valuation:** Estimated land values were based on land appraisals for payment in lieu of parkland.
- 3) **Identification of a Services:** A number of services were considered including Arts, Culture, and Museum, Animal Adoptions, and Administration Services.
- 4) **C.B.C.-eligible Costs:** Capital needs related to the identified services were provided by City staff and through the City's capital budget. Gross costs of the capital projects were assessed for the portion of the projects that would benefit the existing community versus the future growth. The growth-related costs were then allocated amongst all types of growth to calculate the amount that is associated with the C.B.C.-eligible high-density units.
- 5) **Total Land Value:** Based on the growth forecast (section 2.4), density assumptions, and land valuation assessment, the total land value for C.B.C.-eligible high-density units was calculated to equal approximately \$321.9 million.
- 6) **Maximum C.B.C.:** As per the *Planning Act*, the maximum a municipality can impose for a C.B.C. is equal to 4% of the land value of a property, the day before building permit issuance. Based on the total land value, the estimated maximum potential C.B.C. recovery for the City equates to \$12.9 million for the 17-year forecast period.

The City has identified capital costs attributable to eligible high-density growth of \$7.4 million which are within the calculated maximum allowable amount of \$12.9 million.



Table 5-1 provides the calculated charges on a per unit basis. The calculation is generated on a per capita basis and is based upon two forms of housing types (apartments 2+ bedrooms and apartments bachelor and 1-bedroom). The per unit charge structure aligns with the City's D.C. structure for apartment dwelling units and will assist with the ease of administration and implementation of the charges. The proposed C.B.C. would be \$1,070 per unit for apartments of two bedrooms and greater and \$657 for less than one bedroom and bachelor apartment units.

Table 5-1
Summary of C.B.C. Calculation

Description	Gross Capital Cost Estimate (2022\$)	Less:		Growth-Related Capital Cost	
		Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Non-C.B.C. Eligible Share	C.B.C. Eligible Share
Arts, Culture, and Museum Services	80,727,932	44,846,824	1,980,057	28,022,240	5,878,810
Animal Adoption Services	2,831,400	459,590		2,038,443	333,368
Administration Services	17,746,000	9,780,669		6,725,449	1,239,882
A Total	101,305,332	55,087,083	1,980,057	36,786,132	7,452,060
B	Anticipated C.B.C. Residential Dwelling Units (2022-2039)				8,144
C	Density Assumption (units per hectare)				100
D (B/C)	Land Area for Residential Dwelling Unit Forecast (hectares)				81
E	Estimated Average Land Value (\$/hectare)				3,952,000
F (D*E)	Total Estimated Land Value				321,850,880
G (F*4%)	Maximum Prescribed Value (4% of Land)				12,874,035
H (A/F)	Total C.B.C. Required to Fund Needs (% of Land Value)				2.3%
	Total Proposed C.B.C.				
I	Gross Population in New C.B.C. Eligible Development				14,423
J (A/I)	Cost Per Capita				517
	By Residential Unit Type			P.P.U.	
	Apartment - 2 Bedrooms +			2.071	1,070
	Apartment - Bachelor and 1 Bedroom			1.271	657



Chapter 6

C.B.C. Policy Recommendations and C.B.C. By-law Rules



6. C.B.C. Policy Recommendations and C.B.C. By-law Rules

6.1 C.B.C. Policies

Planning Act, section 37 and O. Reg. 509/20 outline the required policies that must be considered when adopting a C.B.C. by-law. The following subsections set out the recommended policies governing the calculation, payment and collection of C.B.C.s in accordance with the legislation.

6.2 C.B.C. By-law Rules

6.2.1 *Payment in any Particular Case*

In accordance with the *Planning Act*, subsection 37 (3), a C.B.C. may be imposed only with respect to development or redevelopment that requires one of the following:

- (a) “the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- (b) the approval of a minor variance under section 45 of the *Planning Act*;
- (c) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
- (d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
- (e) a consent under section 53 of the *Planning Act*;
- (f) the approval of a description under section 9 of the *Condominium Act, 1998*; or
- (g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.”



6.2.2 Maximum Amount of the Community Benefit Charge

Subsection 37 (32) of the *Planning Act* states that the amount of a C.B.C. payable in any particular case shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date.

Based on section 3 of O. Reg. 509/20, the prescribed percentage is 4%.

6.2.3 Exemptions (full or partial)

The following exemptions are provided under subsection 37 (4) of the *Planning Act* and section 1 of O. Reg. 509/20:

- Development of a proposed building or structure with fewer than five storeys at or above ground;
- Development of a proposed building or structure with fewer than 10 residential units;
- Redevelopment of an existing building or structure that will have fewer than five storeys at or above ground after the redevelopment;
- Redevelopment that proposes to add fewer than 10 residential units to an existing building or structure;
- Such types of development or redevelopment as are prescribed:
 - Development or redevelopment of a building or structure intended for use as a long-term care home within the meaning of subsection 2 (1) of the *Long-Term Care Homes Act, 2007*.
 - Development or redevelopment of a building or structure intended for use as a retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act, 2010*.
 - Development or redevelopment of a building or structure intended for use by any of the following post-secondary institutions for the objects of the institution:
 - i. a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario,
 - ii. a college or university federated or affiliated with a university described in subparagraph i,
 - iii. an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 2017*.



- Development or redevelopment of a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion.
- Development or redevelopment of a building or structure intended for use as a hospice to provide end-of-life care.
- Development or redevelopment of a building or structure intended for use as residential premises by any of the following entities:
 - i. a corporation to which the *Not-for-Profit Corporations Act, 2010* applies that is in good standing under that Act and whose primary object is to provide housing,
 - ii. a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing,
 - iii. a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*.

In addition to the exemptions noted above, the C.B.C. will not apply to buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education.

6.2.4 Timing of Collection

The C.B.C.s imposed are calculated, payable, and collected upon issuance of a building permit for eligible development or redevelopment.

Notwithstanding the forgoing, the new C.B.C. rates proposed herein shall not apply to building permit applications received prior to July 1, 2022, provided:

- the permit application is complete in terms of the applicant's submission requirements set out in the building code and the City's Building By-law;
- applicable law approvals prescribed in the building code have been obtained or applied for; and
- the building permit or a conditional building permit is issued for all or part of the building by August 15, 2022.



6.2.5 In-kind Contributions

A municipality that has passed a C.B.C. by-law may allow the landowner to provide to the municipality: facilities, services, or matters required because of development or redevelopment in the area to which the by-law applies.

Prior to providing these contributions, the municipality shall advise the landowner of the value that of the in-kind contributions that will be attributed to them. This value shall be deducted from the amount the landowner would otherwise be required to pay under the C.B.C. by-law.

6.2.6 The Applicable Areas

The C.B.C. by-law will apply to all lands within the City.

6.2.7 Special Account

All money received by the municipality under a C.B.C. by-law shall be paid into a special account. The money contained within the special account:

- may be invested in securities in which the municipality is permitted to invest under the *Municipal Act, 2001*, and the earnings derived from the investment of the money shall be paid into a special reserve fund account; and
- must have at least 60 percent of the funds spent or allocated at the beginning of the year.

In addition to the monies collected under a C.B.C. by-law, transitional rules for transferring existing reserve funds are provided in subsection 37 (51) of the *Planning Act*. These rules apply for any existing reserve funds related to a service that is not listed in subsection 2 (4) of the D.C.A., as well as reserve funds established under section 37 of the *Planning Act* prior to Bill 197.

1. If the municipality passes a C.B.C. by-law under this section before the specified date, the municipality shall, on the day it passes the by-law, allocate the money in the special account or reserve fund to the special account referred to in subsection (45) of the *Planning Act*.
2. If the municipality has not passed a C.B.C. by-law under this section before the specified date, the special account or reserve fund is deemed to be a general



capital reserve fund for the same purposes for which the money in the special account or reserve fund was collected.

3. Despite paragraph 2, subsection 417 (4) of the *Municipal Act, 2001* (a provision which requires the funds raised for a reserve fund must only be used for the intended purpose) and any equivalent provision of do not apply with respect to the general capital reserve fund referred to in paragraph 2.
4. If paragraph 2 applies and the municipality passes a C.B.C. by-law under this section on or after the specified date, the municipality shall, on the day it passes the by-law, allocate any money remaining in the general capital reserve fund referred to in paragraph 2 to the special account referred to in subsection (45) of the *Planning Act*.

Based on the above, there are not existing D.C. reserve funds that would be transferred to the C.B.C. special account.

6.2.8 Credits

Subsection 37 (52) of the *Planning Act* indicates that any credits that were established under section 38 of the D.C.A. and that are not related to a service that is listed in subsection 2 (4) of the D.C.A., may be used by the holder of the credit with respect to a charge that the holder is required to pay under a C.B.C. by-law.

6.2.9 By-law In-Force Date

A C.B.C. by-law comes into force on the day it is passed, or the day specified in the by-law, whichever is later.

6.3 Recommendations

It is recommended that Council:

“Adopt the C.B.C. approach to calculate the charges on a uniform City-wide basis;”

“Approve the capital project listing set out in Chapter 4 of the C.B.C. Strategy dated June 10, 2022, subject to further annual review during the capital budget process;”



“Create a special reserve fund account which will contain all C.B.C. monies collected;”

“Use C.B.C.s collected to fund Parkland Acquisition and C.B.C. Strategy needs only;”

“Impose the C.B.C. of \$1,070 per 2 bedroom and greater apartment dwelling unit and \$657 per bachelor and one bedroom apartment dwelling unit on the day before a building permit is issued;”

“Approve the C.B.C. Strategy dated May 20, 2022 as updated on June 23, 2022;”
and

“Approve the C.B.C. By-law as set out in Appendix B”



Chapter 7

By-law Implementation



7. By-law Implementation

7.1 Introduction

This chapter addresses the public consultation process and by-law implementation requirements for the imposition of a C.B.C. by-law. Figure 7-1 provides an overview of the process.

7.2 Public Consultation Process

7.2.1 Required Consultation

In establishing the policy for which a C.B.C. strategy and by-law will be based, subsection 37 (10) of the *Planning Act* requires that:

“In preparing the community benefits strategy, the municipality shall consult with such persons and public bodies as the municipality considers appropriate.”

As there is no specific guidance as to which parties the municipality shall consult with, municipalities may establish their own policy for public consultation. The policy for public consultation should be designed to seek the co-operation and participation of those involved, in order to produce the most suitable policy. Municipalities may consider a public meeting, similar to that undertaken for D.C. study processes (however, this is not a mandated requirement). This could also include a presentation to Council and the public (including development industry stakeholder) on the findings of the C.B.C. strategy, advanced notice of the meeting, and consideration for delegations from the interested parties.

7.2.2 Interested Parties to Consult

There are three broad groupings of the public who are generally the most concerned with municipal C.B.C. policy.

1. The first grouping is the residential development community, consisting of land developers and builders, who will typically be responsible for generating the majority of the C.B.C. revenues. Others, such as realtors, are directly impacted by C.B.C. policy. They are, therefore, potentially interested in all aspects of the charge,



particularly the percentage applicable to their properties, projects to be funded by the C.B.C. and the timing thereof, and municipal policy with respect to development agreements and in-kind contributions.

2. The second public grouping embraces the public at large and includes taxpayer coalition groups and others interested in public policy.
3. The third grouping is the non-residential mixed-use development sector, consisting of land developers and major owners or organizations with significant construction plans for mixed use developments. Also involved are organizations such as Industry Associations, the Chamber of Commerce, the Board of Trade, and the Economic Development Agencies, who are all potentially interested in municipal C.B.C. policy. Their primary concern is frequently with the percentage charge applicable to their lands, exemptions, and phase-in or capping provisions in order to moderate the impact.

As noted in section 1.4, through the C.B.C. strategy process, the City's consultation process includes meetings with the development community and Council.

7.3 Implementation Requirements

7.3.1 Introduction

Once the City has calculated the charge, prepared the complete strategy, carried out the public process, and passed a new by-law, the emphasis shifts to implementation matters.

These include notices, potential appeals and complaints, in-kind contributions, and finally the collection of revenues and funding of projects.

The sections that follow provide an overview of the requirements in each case.

7.3.2 Notice of Passage

In accordance with subsection 37 (13) of the *Planning Act*, when a C.B.C. by-law is passed, the clerk of the municipality shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed).



Such notice must be given no later than 20 days after the day the by-law is passed (i.e., as of the day of newspaper publication or the mailing of the notice).

Section 4 of O. Reg. 509/20 further defines the notice requirements which are summarized as follows:

- notice shall be given by publication in a newspaper which is (in the clerk's opinion) of sufficient circulation to give the public reasonable notice, or by personal service, fax or mail to every owner of land in the area to which the by-law relates;
- subsection 4 (2) lists the persons/organizations who must be given notice; and
- subsection 4 (5) lists the seven items that the notice must cover.

7.3.3 Appeals

Subsections 37 (13) to 37 (31) of the *Planning Act* set out the requirements relative to making and processing a C.B.C. by-law appeal as well as an OLT hearing in response to an appeal. Any person or organization may appeal a C.B.C. by-law to the OLT by filing a notice of appeal with the clerk of the municipality, setting out the objection to the by-law and the reasons supporting the objection. This must be done by the last day for appealing the by-law, which is 40 days after the by-law is passed.

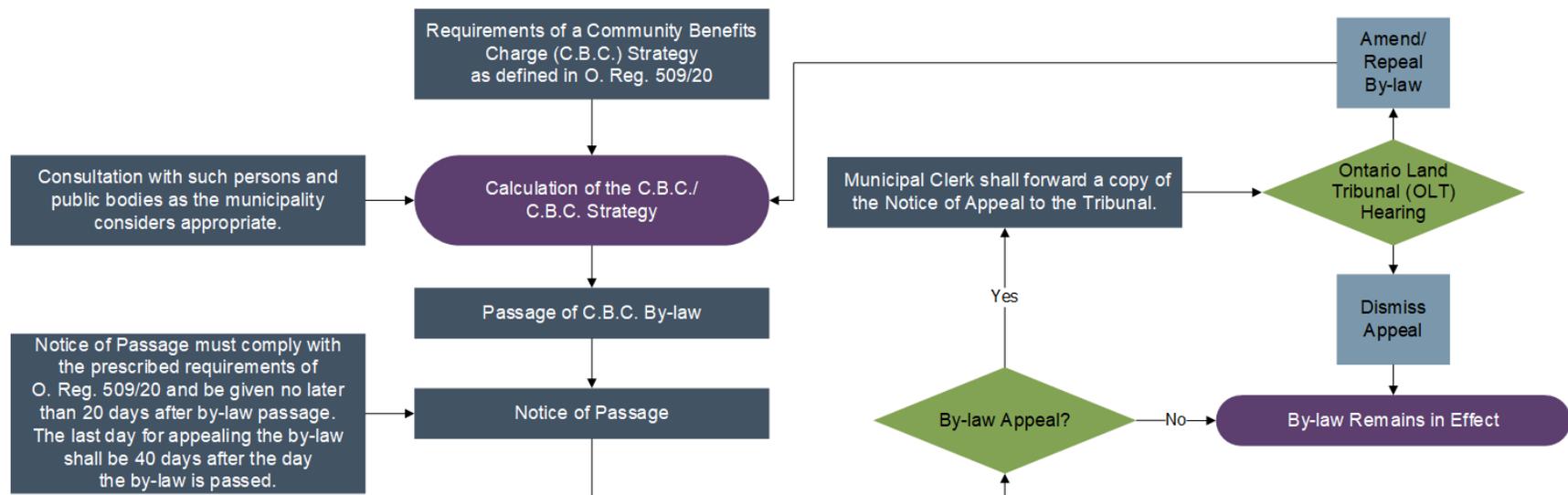
The municipality is carrying out a public consultation process, in order to address the issues that come forward as part of that process, thereby avoiding or reducing the need for an appeal to be made.

7.3.4 In-Kind Contributions

Subsections 37 (6) to 37 (8) provide the rules for in-kind contributions. An owner of land may provide the municipality facilities, services, or matters required because of development or redevelopment in the area to which the by-law applies. Prior to providing these contributions, the municipality shall advise the owner of the land of the value that will be attributed to the contributions. The value of the contributions shall be deducted from the amount the owner of the land would otherwise have to pay under the C.B.C. by-law.



Figure 7-1
The Process of Required for Passing a Community Benefits Charge By-law under the *Planning Act*





7.4 Anticipated Impact of the Charge on Development

The establishment of sound C.B.C. policy often requires the achievement of an acceptable balance between two competing realities. The first is that increased residential development fees (such as a C.B.C.) can impact project feasibility in some cases (e.g., rental apartments). Secondly, C.B.C.s or other municipal capital funding sources need to be obtained in order to help ensure that the necessary infrastructure and amenities are installed. The timely installation of such works is a key requirement in providing adequate service levels and in facilitating strong economic growth, investment, and wealth generation.

7.5 Ongoing Application and Collection of C.B.C. funds

7.5.1 Introduction

Once the municipality passes a C.B.C. by-law, development or redevelopment that meets the requirements of the C.B.C. by-law will pay a C.B.C. based on the value of their land. The following sections describe the overall process and discusses the approach to appraisals and use of the special account as set out in the *Planning Act*.

7.5.2 Overview of Process and Appraisals

Figure 7-2 provides an overview of the process for application of the C.B.C. by-law and collection of C.B.C. funds.

Once the C.B.C. by-law is in place, as development or redevelopment that meets the eligibility criteria proceeds (i.e., prior to issuance of a building permit), the municipality collects C.B.C.s based on the per unit charge as set out in the by-law and C.B.C. strategy.

If the landowner is of the view that the amount of the C.B.C. exceeds the prescribed value of 4% of their land value on the day before building permit issuance, the landowner may pay the charge under protest. In this circumstance there is an obligation of the landowner to provide an appraisal. If the municipality disputes the value of the land identified in the landowner's appraisal, the municipality must also provide the owner with an appraisal within the prescribed time period.



If the City agrees with the landowner's appraised value, then the owner pays their C.B.C.s based on 4% of the land value to the City and the funds will then be deposited into the special account.

If the City does not agree with the appraisal provided by the owner, the City has 45 days to provide the owner of the land with their own appraisal value. Then:

- If no appraisal is provided to the owner within 45 days, the owner's appraisal is deemed accurate and the difference in the amounts shall be refunded to the owner.
- If the municipality's appraisal is within 5% of the landowner's appraisal, the landowner's appraisal is deemed accurate, and the municipality shall refund the difference in the amounts to the owner.
- If the appraisal is more than 5% higher than the landowner's appraisal, the municipality shall request an appraisal be undertaken by an appraiser, selected by the landowner, from the list of approved appraisers provided by the municipality. This must be undertaken within 60 days. This final appraisal is deemed accurate for the purposes of calculating the applicable C.B.C.
- In regard to the last bullet, subsection 37 (42) and 37 (43) require the municipality to maintain a list of at least three persons who are not employees of the municipality or members of Council and have an agreement with the municipality to perform appraisals for the above. This list is to be maintained until the C.B.C. by-law is repealed or the day on which there is no longer any refund that could be required (whichever is later).

7.5.3 Special Reserve Fund Account

All funds collected under the C.B.C. by-law are to be deposited into a special account. Subsections 37 (45) to 37 (48) of the *Planning Act* outline the rules with respect to the special reserve fund account. As noted in subsection 6.2.7, these rules are as follows:

- All money received under a C.B.C. by-law shall be paid into a 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



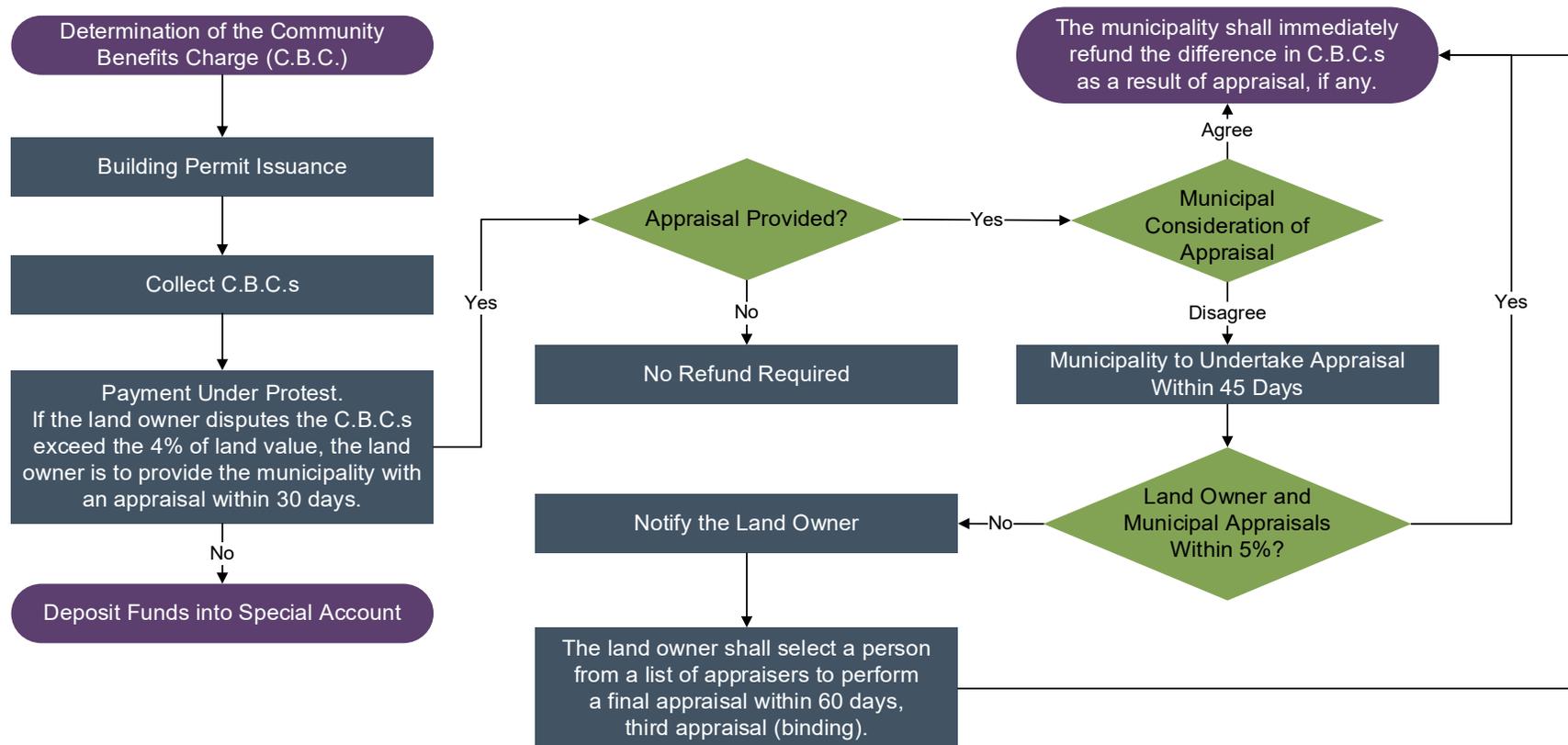
- The municipality shall provide reports and information as set out in section 7 of O. Reg. 509/20
- In regard to the third bullet, it is suggested that the annual capital budget for the City directly list the works which are being undertaken and/or to which monies from this fund are being allocated toward.

As per this C.B.C. strategy, the growth-related services (as outlined in Chapter 4), form the anticipated capital needs required to service growth over the 17-year forecast period. Other services, however, may be considered by Council in the future and are subject to approval by resolution and inclusion in the annual budget process. Furthermore, any additional services approved and funded from C.B.C. revenue in the future will be reported on through an annual C.B.C. reserve fund statement, which will form part of the City's overall year-end statements.

During the annual budget process, the use of C.B.C. funding will be reviewed, and the capital costs associated with each eligible service and capital project will be confirmed and identified for approval of Council.



Figure 7-2
City of Pickering
Community Benefits Charge Application and Calculation Process





7.6 Transitional Matters

7.6.1 Existing Reserves and Reserve Funds

The *Planning Act*, subsection 37 (49) to subsection 37 (51) provides transitional provisions for:

1. A special account established under the previous section 37 rules; and
2. A D.C. reserve fund for which services are no longer eligible.

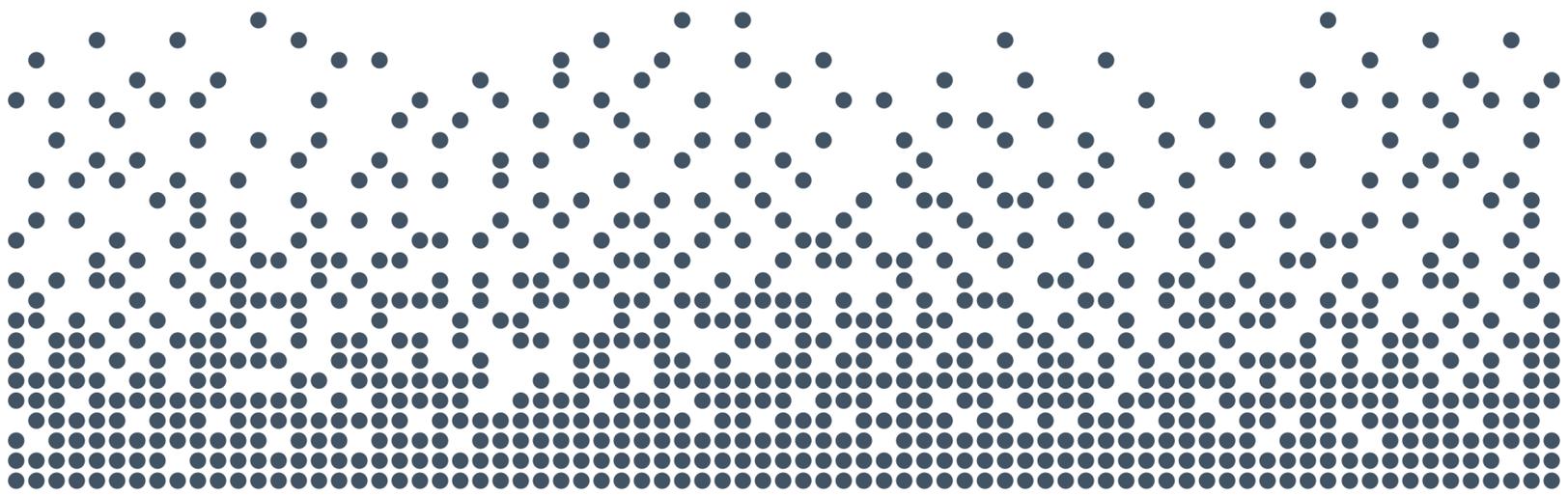
With respect to item 1, funds collected under previous s.37 agreements have been spent or are committed against the needs they were collected for and there are no further financial obligations. With respect to item 2, the service areas for which the City's existing D.C. reserve funds apply continue to be eligible for inclusion within a D.C. by-law.

7.6.2 Credits under Section 38 of the Development Charges Act

The *Planning Act* (subsection 37 (52)) provides that, if a municipality passes a C.B.C. by-law before September 18, 2022, any credits held for services that are no longer D.C. eligible, may be used against payment of a C.B.C. by the landowner. The City does not currently hold credits related to the services which are no longer D.C. eligible, therefore, there are no adjustment against future payments of a C.B.C. to apply.

7.6.3 Continued Application of Previous Section 37 Rules

Subsection 37.1 of the *Planning Act* provides for transitional matters regarding previous section 37 rules. Any charges that are currently in place under the previous rules, may remain in place until the municipality passes a C.B.C. by-law or September 18, 2022, whichever comes first.



Appendices



Appendix A

Background Information on Residential and Non- Residential Growth Forecast



Schedule 1 City of Pickering Residential Growth Forecast Summary

	Year	Population (Including Census Undercount) ¹	Excluding Census Undercount			Housing Units				Person Per Unit (P.P.U.): Total Population/ Total Households	
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ²	Apartments ³	Other		Total Households
Historical	Mid 2006	91,160	87,838	573	87,265	20,255	4,850	3,085	25	28,215	3.113
	Mid 2011	92,080	88,721	806	87,915	20,744	5,381	3,190	15	29,330	3.025
	Mid 2016	95,240	91,771	776	90,995	21,130	6,060	3,695	30	30,915	2.968
	Mid 2021	102,940	99,186	839	98,347	22,425	6,805	4,165	30	33,425	2.967
Forecast	Mid 2022	107,100	103,191	876	102,315	22,774	7,622	4,559	30	34,985	2.950
	Mid 2039	189,200	182,297	1,314	180,983	31,908	18,001	14,733	30	64,672	2.819
Incremental	Mid 2006 - Mid 2011	920	883	233	650	489	531	105	-10	1,115	
	Mid 2011 - Mid 2016	3,160	3,050	-30	3,080	386	679	505	15	1,585	
	Mid 2016 - Mid 2021	7,700	7,415	63	7,352	1,295	745	470	0	2,510	
	Mid 2021 - Mid 2022	4,160	4,005	37	3,968	349	817	394	0	1,560	
	Mid 2022 - Mid 2039	82,100	79,106	438	78,668	9,134	10,379	10,174	0	29,687	

Source: Derived from Durham Region Growth Management Strategy (ongoing) and the Region of Durham Regional Transit Development Charge Background Study (2022), by Watson & Associates Economists Ltd., 2022.

Note: The 2031 Official Plan population target of 225,670, less the growth allocation for Northeast Pickering of approximately 36,500 persons, results in an Official Plan population target of 189,200 by Mid 2039

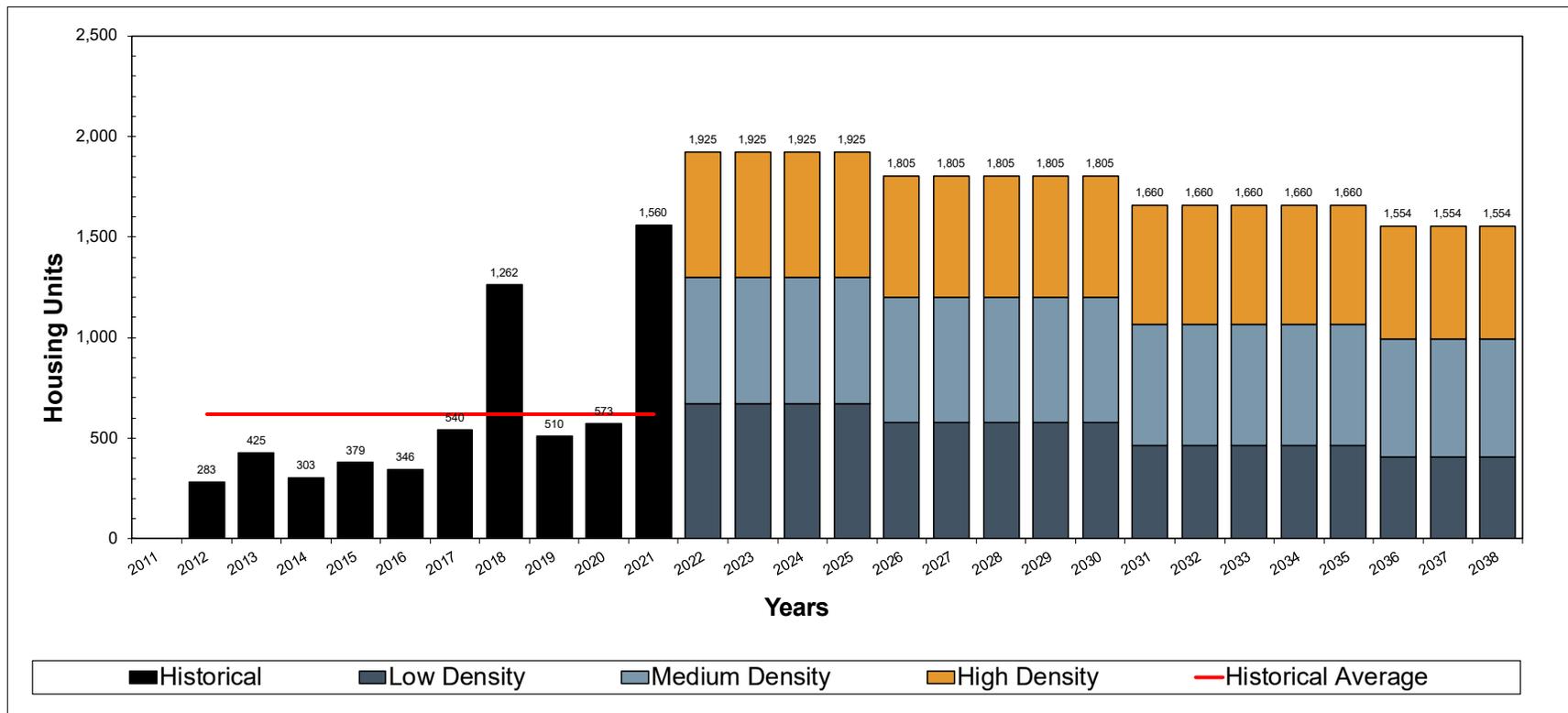
¹ Census undercount estimated at approximately 3.8%. Note: Population including the undercount has been rounded.

² Includes townhouses and apartments in duplexes.

³ Includes bachelor, 1-bedroom and 2-bedroom+ apartments.



Figure A-1
City of Pickering
Annual Housing Forecast^[1]



Source: Building permit data from 2011 to 2013 and 2021 from Statistics Canada. Building permits between 2014 and 2020 from the City of Pickering. Figure by Watson & Associates Economists Ltd., 2022.

¹ Growth forecast represents calendar year.



Schedule 2
City of Pickering
Estimate of the Anticipated Amount, Type and Location of
Residential Development for Which Community Benefits Charges Can Be Imposed

Development Location	Timing	Single & Semi-Detached	Multiples ¹	Apartments ²			Total Residential Units	Gross Population In New Units	Existing Unit Population Change	Net Population Increase, Excluding Institutional	Institutional Population	Net Population Including Institutional
				Units in C.B.C. Ineligible Buildings	Units in C.B.C. Eligible Buildings	Total Apartment Buildings						
Seaton	2022 - 2039	6,229	7,163	974	3,897	4,871	23,134	50,458	-12	50,446	0	50,446
Rest of Pickering	2022 - 2039	2,905	3,216	1,056	4,247	5,303	16,727	28,557	-335	28,222	438	28,660
City of Pickering	2022 - 2039	9,134	10,379	2,030	8,144	10,174	29,687	79,015	-347	78,668	438	79,106

Source: Derived from Durham Region Growth Management Strategy (ongoing) and the Region of Durham Regional Transit Development Charge Background Study (2022), by Watson & Associates Economists Ltd., 2022.

¹ Includes townhouses and apartments in duplexes.

² Includes accessory apartments, bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 3
City of Pickering
Current Year Growth Forecast
Mid 2021 to Mid 2022

		Population
Mid 2021 Population		99,186
Occupants of New Housing Units, Mid 2021 to Mid 2022	<i>Units (2)</i>	1,560
	<i>multiplied by P.P.U. (3)</i>	2,710
	<i>gross population increase</i>	4,227
Occupants of New Equivalent Institutional Units, Mid 2021 to Mid 2022	<i>Units</i>	33
	<i>multiplied by P.P.U. (3)</i>	1,100
	<i>gross population increase</i>	36
Decline in Housing Unit Occupancy, Mid 2021 to Mid 2022	<i>Units (4)</i>	33,425
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.008
	<i>total decline in population</i>	-258
Population Estimate to Mid 2022		103,191
<i>Net Population Increase, Mid 2021 to Mid 2022</i>		4,005

(1) 2016 and 2021 population based on Statistics Canada Census unadjusted for Census undercount.

(2) Estimated residential units constructed, Mid-2021 to the beginning of the growth period assuming a six-month lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.904	22%	0.873
<i>Multiples (6)</i>	2.882	52%	1.509
<i>Apartments (7)</i>	1.294	25%	0.327
Total		100%	2.710

¹ Based on 2016 Census custom database

² Based on Building permit/completion activity

(4) 2016 and 2021 households taken from Statistics Canada Census.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



**Schedule 4
City of Pickering
Growth Forecast
Mid 2022 to Mid 2039**

		Population
Mid 2022 Population		103,191
Occupants of New Housing Units, Mid 2022 to Mid 2039	<i>Units (2)</i>	29,687
	<i>multiplied by P.P.U. (3)</i>	2.662
	<i>gross population increase</i>	79,014
		79,014
Occupants of New Equivalent Institutional Units, Mid 2022 to Mid 2039	<i>Units</i>	399
	<i>multiplied by P.P.U. (3)</i>	1.100
	<i>gross population increase</i>	439
		439
Decline in Housing Unit Occupancy, Mid 2022 to Mid 2039	<i>Units (4)</i>	34,985
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.010
	<i>total decline in population</i>	-347
		-347
Population Estimate to Mid 2039		182,297
Net Population Increase, Mid 2022 to Mid 2039		79,106

(1) Mid 2022 Population based on:

2016 Population (91,771) + Mid 2016 to Mid 2022 estimated housing units to beginning of forecast period (1,560 x = 4,086) + (30,915 x 0.2372 = 7,334) = 103,191

(2) Based upon forecast building permits/completions assuming a lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.561	31%	1.096
<i>Multiples (6)</i>	2.743	35%	0.959
<i>Apartments (7)</i>	1.771	34%	0.607
<i>one bedroom or less</i>	1.271		
<i>two bedrooms or more</i>	2.071		
Total		100%	2.662

¹ Persons per unit based on Statistics Canada Custom 2016 Census database.

² Forecast unit mix based upon historical trends and housing units in the development process.

(4) Mid 2022 households based upon 30,915 (2016 Census) + 1,560 (Mid 2016 to Mid 2022 unit estimate) = 34,985

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 5
City of Pickering
Historical Residential Building Permits
Years 2012 to 2021

Year	Residential Building Permits			
	Singles & Semi Detached	Multiples ¹	Apartments ²	Total
2012	237	46	0	283
2013	148	274	3	425
2014	180	98	25	303
2015	162	24	193	379
2016	286	54	19	359
Sub-total	1,013	496	240	1,749
Average (2012 - 2016)	203	99	48	350
% Breakdown	57.9%	28.4%	13.7%	100.0%
2017	202	114	30	346
2018	138	373	29	540
2019	278	727	257	1,262
2020	167	297	46	510
2021	130	51	392	573
Sub-total	915	1,562	754	3,231
Average (2017 - 2021)	183	312	151	646
% Breakdown	28.3%	48.3%	23.3%	100.0%
2012 - 2021				
Total	1,928	2,058	994	4,980
Average	193	206	99	498
% Breakdown	38.7%	41.3%	20.0%	100.0%

Source: Building permit data from 2011 to 2013 and 2021 from Statistics Canada. Building permits between 2014 and 2020 from the City of Pickering. Figure by Watson & Associates Economists Ltd., 2022.

¹ Includes townhouses and apartments in duplexes.

² Includes bachelor, 1 bedroom and 2 bedroom+ apartments.



Schedule 6
City of Pickering
Person Per Unit by Age and Type of Dwelling
(2021 Census)

Age of Dwelling	Singles and Semi-Detached						25 Year Average Adjusted
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total	
1-5	-	-	-	3.834	5.269	3.904	
6-10	-	-	-	3.453	4.957	3.739	
11-15	-	-	-	3.431	4.552	3.513	
16-20	-	-	1.933	3.337	4.154	3.399	
20-25	-	-	-	3.272	4.574	3.484	3.561
25-35	-	-	2.438	3.073	4.173	3.211	
35+	-	1.500	1.942	2.795	4.066	2.835	
Total	-	1.556	2.114	3.086	4.303	3.188	

Age of Dwelling	Multiples ¹						25 Year Average Adjusted
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total	
1-5	-	-	1.750	2.968	-	2.882	
6-10	-	-	1.500	2.952	-	2.667	
11-15	-	-	1.706	2.654	-	2.566	
16-20	-	-	1.944	2.703	-	2.565	
20-25	-	-	1.647	3.026	-	2.832	2.743
25-35	-	0.929	2.267	3.020	3.914	2.995	
35+	-	1.211	2.000	2.666	3.966	2.605	
Total	-	1.200	1.869	2.810	3.912	2.719	

Age of Dwelling	Apartments ²						25 Year Average Adjusted
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total	
1-5	-	1.135	1.519	-	-	1.294	
6-10	-	1.083	1.571	2.933	-	2.116	
11-15	-	1.286	1.435	3.667	-	1.893	
16-20	-	1.250	1.660	3.000	-	1.901	
20-25	-	1.179	1.697	2.310	-	1.714	1.771
25-35	-	1.275	1.679	2.627	-	1.908	
35+	-	1.226	1.786	2.602	-	2.179	
Total	-	1.212	1.655	2.636	3.706	1.899	

Age of Dwelling	All Density Types					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	-	1.211	1.659	3.469	4.967	3.138
6-10	-	1.154	1.824	3.175	5.160	3.088
11-15	-	1.273	1.702	3.198	4.303	2.983
16-20	-	1.316	1.788	3.200	4.188	3.005
20-25	-	1.234	1.884	3.175	4.610	3.034
25-35	-	1.259	1.932	3.053	4.093	3.072
35+	-	1.261	1.989	2.744	3.989	2.729
Total	1.400	1.253	1.876	3.005	4.230	2.944

¹ Includes townhouses and apartments in duplexes.

² Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

³ Adjusted based on 2001-2016 historical trends.

Note: Does not include Statistics Canada data classified as 'Other'

P.P.U. Not calculated for samples less than or equal to 50 dwelling units, and does not include institutional population.



Schedule 7 City of Pickering Employment Forecast, Mid-2022 to Mid-2039

Period	Population	Activity Rate								Employment							
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ¹	Total Including NFPOW	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ¹	Total Employment (Including N.F.P.O.W.)
Mid 2006	87,838	0.001	0.034	0.145	0.136	0.048	0.365	0.084	0.450	75	3,015	12,743	11,988	4,245	32,065	7,421	39,486
Mid 2011	88,721	0.001	0.034	0.134	0.144	0.056	0.368	0.074	0.443	75	2,995	11,903	12,763	4,940	32,675	6,592	39,267
Mid 2016	91,771	0.002	0.035	0.129	0.138	0.053	0.357	0.051	0.408	140	3,225	11,843	12,668	4,885	32,760	4,694	37,454
Mid 2022	103,191	0.001	0.035	0.122	0.133	0.051	0.343	0.047	0.390	140	3,604	12,619	13,757	5,254	35,373	4,884	40,257
Mid 2039	182,297	0.001	0.032	0.123	0.129	0.051	0.336	0.052	0.388	140	5,860	22,399	23,576	9,335	61,309	9,394	70,703
Incremental Change																	
Mid 2006 - Mid 2011	883	0.000	-0.001	-0.011	0.007	0.007	0.003	-0.010	-0.007	0	-20	-840	775	695	610	-829	-219
Mid 2011 - Mid 2016	3,050	0.0007	0.0014	-0.0051	-0.0058	-0.0024	-0.0113	-0.0232	-0.0345	65	230	-60	-95	-55	85	-1,898	-1,813
Mid 2016 - Mid 2022	11,420	-0.0002	-0.0002	-0.0068	-0.0047	-0.0023	-0.0142	-0.0038	-0.0180	0	379	776	1,089	369	2,613	190	2,803
Mid 2022 - Mid 2039	79,106	-0.0006	-0.0028	0.0006	-0.0040	0.0003	-0.0065	0.0042	-0.0023	0	2,256	9,780	9,819	4,081	25,936	4,510	30,446
Annual Average																	
Mid 2006 - Mid 2011	177	0.00000	-0.00011	-0.00218	0.00148	0.00147	0.00065	-0.00204	-0.00139	0	-4	-168	155	139	122	-166	-44
Mid 2011 - Mid 2016	610	0.0001	0.0003	-0.0010	-0.0012	-0.0005	-0.0023	-0.0046	-0.0069	13	46	-12	-19	-11	17	-380	-363
Mid 2016 - Mid 2022	1,903	0.0000	0.0000	-0.0011	-0.0008	-0.0004	-0.0024	-0.0006	-0.0030	0	63	129	182	62	436	32	467
Mid 2022 - Mid 2039	4,653	-0.00003	-0.00016	0.00003	-0.00023	0.00002	-0.00038	0.00025	-0.00013	0	133	575	578	240	1,526	265	1,791

Source: Derived from Durham Region Growth Management Strategy (ongoing) and the Region of Durham Regional Transit Development Charge Background Study (2022), by Watson & Associates Economists Ltd., 2022.

Note: The 2031 Official Plan employment target of 71,800 is forecast to be achieved after 2039. An additional 4,900 jobs would be assumed for Northeast Pickering, in accordance with the Official Plan.

¹ Statistics Canada defines non fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same work place location at the beginning of each shift". Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.



Appendix B

Proposed C.B.C. By-law

The City of Pickering

By-law Number ____/22

A By-Law to Establish Community Benefits Charges for the City of Pickering and herby establish the Community Benefits Charges Reserve Fund

WHEREAS The City of Pickering (the “City”) will experience growth through development and re-development;

AND WHEREAS Council desires to impose Community Benefits Charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies;

AND WHEREAS the *Planning Act, 1990* (the “Act”) provides that the council of a municipality may by by-law impose Community Benefits Charges against higher density residential development or redevelopment;

AND WHEREAS a Community Benefits Charge strategy report, dated May 20, 2022 and updated on June 23, 2022, has been completed which identifies the facilities, services and matters that will be funded with Community Benefits Charges and complies with the prescribed requirements;

AND WHEREAS the City has consulted with the public and such persons and public bodies as the City considers appropriate;

AND WHEREAS on July 11, 2022, Council for the City of Pickering approved **Report No. FIN-2022-XXXX, dated June XX, 2022**, in which certain recommendations were made relating to the Community Benefits Strategy and By-law.

The Council of the City enacts as follows:

1. **INTERPRETATION**

1.1 In this By-law, the following items shall have the corresponding meanings:

“Act” means the *Planning Act*, R.S.O. 1990, CHAPTER P.13;

“Apartment” means a dwelling unit in an apartment building;

“Apartment Building” means a residential building or the residential portion of a mixed-use building consisting of more than 3 dwelling units, which dwelling units have a common entrance to grade, but does not include a triplex, duplex, or townhouse. Notwithstanding the forgoing an Apartment Building includes a Stacked Townhouse;

“Bedroom” means any room used, or designed or intended for use, as sleeping quarters

“Building” means any structure or building as defined in the *Ontario Building Code* (O Reg 332/12 under the Building Code Act, but does not include a vehicle;

“Building Code Act” means the *Building Code Act, 1992*, SO 1992, c 23 as amended;

“Capital Costs” means growth-related costs incurred or proposed to be incurred by the City or a Local Board thereof directly or by others on behalf of, and as authorized by, the City or Local Board,

- (a) to acquire land or an interest in land, including a leasehold interest,
- (b) to improve land,
- (c) to acquire, lease, construct or improve buildings and structures,
- (d) to acquire, construct or improve facilities including,
 - (i) furniture and equipment, and;
 - (ii) rolling stock;
- (e) to undertake studies in connection with any of the matters referred to in clauses (a) to (d) above, including the Community Benefits Charge strategy study,

required for the provision of Services designated in this By-law within or outside the City, including interest on borrowing for those expenditures under clauses (a) to (e) above;

“City” means The City of Pickering or the geographic area of the municipality, as the context requires;

“Community Benefits Charge” means a charge imposed pursuant to this By-law;

“Council” means the Council of the City of Pickering;

“Development” means the construction, erection, or placing of one or more Buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or usability thereof or any development requiring any of the actions described in subsection 2.4 (a), and includes Redevelopment;

“Dwelling Unit” means a room or suite of rooms used, or designed or intended for use by one person or persons living together, in which culinary and sanitary facilities are provided for the exclusive use of such person or persons;

“Grade” means the average level of proposed or finished ground adjoining a building at all exterior walls;

“Land” (or “Lot”) means, for the purposes of this By-law, the lesser of the area defined as:

- (a) The whole of a parcel of property associated with the Development or Redevelopment and any abutting properties in which a person holds the fee or equity of redemption in, power or right to grant, assign or exercise a power of appointment in respect of, or;
- (b) The whole of a lot or a block on a registered plan of subdivision or a unit within a vacant land condominium that is associated with the Development or Redevelopment;

But not including any hazard lands, natural heritage features, or ecological buffers identified in the City’s Official Plan, an approved Secondary Plan, or through an environmental impact study accepted by the City.

“Owner” means the owner of Land or a person who has made application for an approval for the Development of land for which a Community Benefits Charge may be imposed;

“Prescribed” means prescribed in the regulations made under the Act;

“Redevelopment” means the construction, erection or placing of one or more Buildings on Land where all or part of a Building on such Land has previously been demolished, or changing the use of a Building from a Non-Residential Use to a Residential Use, or changing a Building from one form of Residential Use to another form of Residential Use and including any development or redevelopment requiring any of the actions described in subsection 2.4 (a);

“Residential Unit” means a room or suite of rooms used, or designed or intended for use by one person or persons living together, in which culinary and sanitary facilities are provided for the exclusive use of such person or persons;

“Residential Use” means lands, buildings or structures used, or designed or intended for use as a home or residence of one or more individuals, and shall include, but is not limited to, a single detached dwelling, a semi detached dwelling, a townhouse, a plex, a stacked townhouse, an apartment building, a mobile home, a retirement residence and a residential dwelling unit accessory to a non-residential use;

“Service” means a service designated in subsection 1.3, and “Services” shall have a corresponding meaning;

“Stacked Townhouse” means a building, other than a duplex, triplex, townhouse, or apartment building, containing at least 3 dwelling units, each dwelling unit

separated vertically and/or horizontally and each dwelling unit having a separate entrance to grade;

“Storey” means the portion of a building, excluding roof top enclosure space used for no other purpose than roof top access, and/or elevators and other building service equipment, that is:

- (a) that is situated between the top of any floor and the top of the floor next above it, or
- (b) that is situated between the top of the floor and the ceiling above the floor, if there is no floor above it.

“Valuation date” means, with respect to land that is the subject of development or redevelopment,

- (a) the day before the day the building permit is issued in respect of the development or redevelopment, or
- (b) if more than one building permit is required for the development or redevelopment, the day before the day the first permit is issued.

“Zoning By-Law” means any by-laws enacted by the City under section 34 of the *Planning Act*.

- 1.2 The reference to any applicable statute, regulation, by-law, or to the Official Plan in this Community Benefits Charge By-law shall be deemed to refer to the statute, regulation, by-law, and/or Official Plan as they may be amended from time to time and shall be applied as they read on the date on which Community Benefits Charges are due to the City.

DESIGNATION OF SERVICES

1.3 A Community Benefits Charge may be imposed in respect of the following:

- (a) Land for park or other public recreational purposes in excess of lands dedicated or cash-in-lieu payments made under section 42 or subsection 51.1 of the *Planning Act*.
- (b) Services not provided under subsection 2 (4) of the *Development Charges Act*.
- (c) As per the May 20, 2022, Community Benefits Charges Strategy, the City intends to recover Capital Costs relating to the following services through this by-law:
 - (i) Arts, Culture, and Museum
 - (ii) Animal Adoptions; and
 - (iii) Administration

2. PAYMENT OF COMMUNITY BENEFITS

2.1 Community Benefits Charges shall be payable by the Owner of Land proposed for Development in the amounts set out in this By-law where:

- (a) the Land proposed for Development is located in the area described in subsection 3.2; and
- (b) the proposed Development requires any of the approvals set out in subsection 2.4 (a).

Area to Which By-law Applies

2.2 Subject to subsection 2.3, this By-law applies to all lands in the City.

2.3 This By-law shall not apply to lands that are owned by and used for the purposes of:

- (a) The City or a Local Board thereof;
- (b) a Board of Education;
- (c) The Region of Durham, or a Local Board thereof.

Approvals for Development

2.4

- (a) A Community Benefits Charge shall be imposed only with respect to Development that requires one or more of the following approvals:
 - (i) the passing of a Zoning By-Law or of an amendment to a Zoning By-Law under section 34 of the *Planning Act*;
 - (ii) the approval of a minor variance under section 45 of the *Planning Act*;
 - (iii) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
 - (iv) the approval of a plan of subdivision under section 51 of the *Planning Act*;
 - (v) a consent under section 53 of the *Planning Act*;
 - (vi) the approval of a description under section 9 of the *Condominium Act, 1998*, SO 1998, c 19, as amended, or any successor thereof; or
 - (vii) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.
- (b) Despite subsection 2.4 (a) above, a Community Benefits Charge shall not be imposed with respect to:

- (i) Development of a proposed building or structure with fewer than five storeys at or above ground;
 - (ii) Development of a proposed building or structure with fewer than 10 residential units;
 - (iii) Redevelopment of an existing building or structure that will have fewer than five storeys at or above ground after the redevelopment;
 - (iv) Redevelopment that proposes to add fewer than 10 residential units to an existing building or structure; or
 - (v) such types of Development or Redevelopment as are prescribed.
- (c) For the purposes of this section, the first Storey at or above ground is the Storey that has its floor closest to Grade and its ceiling more than 1.8m above Grade.

Exemptions

2.5 Notwithstanding the provisions of this By-law, Community Benefits Charges shall not be imposed with respect to:

- (a) Development or Redevelopment of a building or structure intended for use as a long-term care home within the meaning of subsection 2 (1) of the *Long-Term Care Homes Act, 2007*
- (b) Development or Redevelopment of a building or structure intended for use as a retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act, 2010*;
- (c) Development or Redevelopment of a building or structure intended for use by any of the following post-secondary institutions for the objects of the institution:
 - (i) a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario;
 - (ii) a college or university federated or affiliated with a university described in subparagraph (i);
 - (iii) an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 2017*.
- (d) Development or Redevelopment of a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion.;
- (e) Development or Redevelopment of a building or structure intended for use as a hospice to provide end-of-life care;

- (f) Development or Redevelopment of a building or structure intended for use as residential premises by any of the following entities:
- (i) a corporation to which the *Not-for-Profit Corporations Act, 2010* applies, that is in good standing under that Act and whose primary object is to provide housing;
 - (ii) a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing;
 - (iii) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*.

Amount of Charge

2.6 The amount of a Community Benefits Charge payable in any particular case shall be determined based on the charges set out in Schedule "A" to this by-law.

In-Kind Contributions

- 2.7 The City may, at its discretion, allow an Owner of Land to provide to the City facilities, services or matters required because of Development or Redevelopment in the area to which the By-law applies in lieu, or partially in lieu of a Community Benefits Charge that would otherwise be payable.
- 2.8 For in-kind contributions pursuant to the preceding subsection to be considered, an application for consideration of in-kind contributions must be submitted to the City with supporting documentation as to the suggested value thereof no less than 180 days prior to the first building permit being granted for the proposed Development or Redevelopment.
- 2.9 In-kind contributions pursuant to subsection 2.7 shall only be accepted as if the same are approved by resolution of Council. The determination of Council as to whether in-kind contributions shall be accepted in full or partial satisfaction of Community Benefits Charges shall be final and binding.
- 2.10 The value attributed to an in-kind contribution under subsection 2.7 shall be as determined by Council, based on one or more third-party valuations to the satisfaction of Council. Council's determination of the value to be attributed to any in-kind contribution shall be final and binding.

Time of Payment of Community Benefits Charges

2.11 Community Benefits Charges imposed under this By-law shall be payable prior to the issuance of any building permit for the proposed Development or Redevelopment.

- 2.12 Notwithstanding subsection 2.11, Community Benefit Charges shall not apply to building permit applications received prior to July 1, 2022, provided:
- (a) the permit application is complete in terms of the applicant's submission requirements set out in the building code and the City's Building By-law;
 - (b) applicable law approvals prescribed in the building code have been obtained or applied for; and
 - (c) the building permit or a conditional building permit is issued for all or part of the building by August 15, 2022.

Interest on Refunds

- 2.13 If it is determined that a refund is required, the City shall pay interest on a refund in accordance with subsections 37 (28) and 37 (29) of the Act at a rate not less than the prescribed minimum interest rate, from the day the amount was paid to the municipality to the day it is refunded.

Indexing

- 2.14 The Community Benefits Charges referred to in Section 2.6 shall be adjusted annually, without amendment to this By-law, as of July 1 each year.
- (a) The rates in Schedule "A" shall be adjusted annually in accordance with the change in the index for the most recently available annual period ending March 31 for the Statistics Canada Non-Residential Building Construction Price Index for Toronto.
 - (b) The indexed Community Benefits Charges effective July 1 each year shall not apply to building permit applications received prior to the July 1 effective date, provided:
 - (i) the permit application is complete in terms of the applicant's submission requirements set out in the building code and the City's Building By-law;
 - (ii) applicable law approvals prescribed in the building code have been obtained or applied for; and
 - (iii) the building permit or a conditional building permit is issued for all or part of the building by the date set out in the Region of Durham's annual report on the indexing of Development Charges.

3. SEVERABILITY

- 3.1 If, for any reason, any provision of this By-law is held to be invalid, it is hereby declared to be the intention of Council that all the remainder of this By-law shall continue in full force and effect until repealed, re-enacted, amended or modified.

DATE BY-LAW IN FORCE

3.2 This By-law shall come into effect at 12:01 A.M. on July 12, 2022.

Passed this 11th day of July 2022.

MAYOR

CITY CLERK

Schedule "A"
Schedule of Community Benefits Charges

Description	Residential	
	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom
C.B.C. by Dwelling Unit Type	1,070	657