

Consolidated Report

Prepared by Hemson for the Municipality of Clarington

Community Benefits Charges Strategy

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Contents

Consolidated Study Forward	1
List of Acronyms	2
Executive Summary	3
1. Introduction & Background	6
A. CBC Strategy Requirements	6
B. Legislative Context	7
C. Consultation of Proposed CBCs in Clarington	9
2. Purpose of the 2025 Community Benefits Charge Strategy	10
A. Key Steps in Determining CBCs	10
B. Proposed Methodology and Approach	10
C. CBC Capital Program Summary	11
D. Relationship to Other Growth Funding Tools and Ongoing Studies	14
E. Implementation and Administration	14
3. Development Forecast	15
A. Proposed 10-Year Planning Horizon	15
B. Development Forecast Assumptions	15
4. CBC Capital Program	18
A. Facilities, Services, and Matters Considered	18
B. Projects Funded by Multiple Growth Funding Tools (GFTs)	19
C. Capital Needs by Service	20
D. Parking Services	20
E. CBC Administration	23
F. Climate Change Initiatives	24
G. Cemeteries	26

H.	Public Art, Heritage, Culture and Events	27
I.	Affordable Housing	29
J.	Parks & Recreation Infrastructure	31
K.	Legislative Services	33
5.	CBC Revenue Analysis and Rate Structure	35
A.	CBC Capital Needs Greater than Projected CBC Revenue	35
B.	Rate Structure Considerations	36
C.	Land Appraisal Process	36
D.	CBC Special Account	37
E.	Statutory Exemptions	38
6.	Implementation & Administration	40
A.	Consultation	40
B.	By-Law Passage, Notice and Appeal Provisions	40
C.	Treatment of In-Kind Contributions	41
D.	CBC Payment Dispute Mechanism	42

Consolidated Study Forward

This consolidated version of the Municipality's 2025 Community Benefits Charges (CBC) Strategy released on March 24, 2025, reflects changes arising from the public and stakeholder engagement process and updates to the capital program. The consolidated Community Benefits Strategy supports the Municipality's CBC By-law # 2025-069.

List of Acronyms

Act Planning Act (Ontario), R.S.O. 1990, c. P.13

BTE Benefit to Existing

CBC Community Benefits Charge

DC Development Charges

DCA Development Charges Act, 1997

GFA Gross Floor Area

GFT Growth Funding Tools

PPU Persons per Unit

Executive Summary

A. Purpose of the 2025 CBC Strategy

i. What is a Community Benefits Charge?

A Community Benefits Charge (CBC) is a funding tool authorized under the Planning Act, 1990 (the Act) that allows municipalities to impose a charge against higher density development to pay for development-related capital costs. The CBC provisions replace former section 37 height and density bonusing provisions in the Act, subject to transition rules.

Municipalities can use CBCs to pay for “facilities, services, and other matters attributable to the anticipated development and redevelopment to which the community benefits charge by-law would relate.” CBCs can be used with development charges (DCs), parkland, and other public recreation amenities contributions by developers under section 42 of the Act, provided the same shares of a project are not also funded from DCs or section 42 contributions.

ii. Legislative Context

This Municipality of Clarington 2025 Community Benefits Charge Strategy (CBC Strategy) is presented as part of the process to lead to the approval of a CBC By-law in compliance with the Act. The CBC Strategy is prepared in accordance with the Act and associated Ontario Regulations 509/20 (O.Reg. 509/20).

iii. CBCs Levied on Higher Density Development

A CBC can only be levied against mid to high-density development, limited by the Act to buildings that are:

- five or more storeys, and
- contains 10 or more residential units.

Mixed-use development, meaning a building that contains both residential and non-residential uses, can also be subject to a CBC if it meets the above criteria.

Ontario Regulation 509/20 provides for a number of development types which are exempt from the payment of a CBC, namely:

- Long-term care and retirement homes;
- Colleges, universities and post-secondary indigenous institutes;
- Royal Canadian Legion buildings or structures;
- Hospices for end of life care; and
- Non-profit housing.

The Act was also recently amended to exempt affordable and attainable housing developments from the payment of CBCs as defined by section 4.1 of the *Development Charges Act*.

B. CBC Strategy

Subsection 37(32) of the Act prescribes that the maximum permitted CBC that can be levied against any particular development is 4% of land value on the day before issuance of the building permit. Several key steps must be undertaken in order to levy CBCs. They include preparing a CBC Strategy prior to passing a CBC By-law. Through the CBC Strategy, the Municipality must:

- Prepare a development (growth) forecast;
- Determine the increased infrastructure need arising from development;
- Estimate the capital costs of providing the necessary infrastructure;
- Determine the share of these costs attributed to CBC development, by identifying and deducting:

- Excess capacity;
- Benefit to existing development; and
- Grants, subsidies or other contributions.

C. Development Forecast

Over the 10-year planning period from 2025 – 2034, Clarington is anticipated to grow by approximately 1,315 occupied dwellings in buildings subject to a CBC. As set out in Section 3 of O.Reg. 509/20 the maximum permissible CBC is capped at 4% of the land value of development sites.

D. CBC Capital Needs Exceed Revenue Forecast

The estimated CBC eligible costs of the development-related capital program total \$4.2 million (see Section 4) over the 10-year period 2025 – 2034. A high-level estimate of CBC revenues, over the same 10-year period, is \$1.5 million, based on the 4% legislated cap (based on a high CBC development scenario). As such, the CBC eligible costs exceed the anticipated 10-year revenue potential by a significant margin, supporting the application of a CBC charge that is based on the 4% cap or some other rate variation.

E. Application of CBCs

It is recommended that the Municipality of Clarington levy CBCs at 4% of land value of the development prior to the issuance of a building permit, or the first permit, if the development requires multiple permits. The charges will be applied on a Municipal-wide basis to all eligible developments notwithstanding statutory exemptions in subsection 37(4)(e) of the Act and the Municipality's CBC By-law.

1. Introduction & Background

This Municipality of Clarington Community Benefits Charge (CBC) Strategy is presented as part of a process to lead to the approval of a new community benefits charge by-law in compliance with the Planning Act, 1990 (the Act).

CBCs are a relatively new revenue source for municipalities. Generally, the framework for CBCs is as follows:

- CBCs can only be used to fund growth-related shares of capital infrastructure – there are no restrictions on which services can be funded through CBCs;
- Projects identified for CBC funding can overlap with other revenue sources such as development charges and parkland dedication, but cannot be “doubled counted” for recovery through revenue sources;
- In-kind contributions are permitted and municipalities may require an agreement with a landowner be registered on title;
- CBCs are “capped” at 4% of the land value;
- CBCs can only be imposed on developments with 5 or more storeys and 10 or more residential units; and
- Only single-tier and lower-tier municipalities can charge CBCs on development.

A. CBC Strategy Requirements

Subsection 37(9) of the Act and section 2 of O. Reg. 509/20 require that a CBC Strategy shall:

- a) Include estimates of the anticipated amount, type and location of development and redevelopment with respect to which community benefits charges will be imposed;
- b) Include estimates of the increase in need for facilities, services and matters attributable to the anticipated development and redevelopment to which the CBC By-law would relate;
- c) Identify the excess capacity that exists in relation to the facilities, services and matters referred to in clause (b);
- d) Include estimates of the extent to which an increase in a facility, service or matter referred to in clause (b) would benefit existing development;
- e) Include estimates of the capital costs necessary to provide the facilities, services and matters referred to in clause (b); and
- f) Identify 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 referred to in clause (e).

This Strategy presents the estimated CBC development-related net capital costs attributable to CBC eligible development that is forecast to occur in the Municipality. The apportionment of the net capital costs among various development-related funding sources, including development charges, parkland dedication and others, is also provided.

B. Legislative Context

Community benefits charges have replaced what was previously referred to as section 37 “Increased Density” or “Density Bonusing” in the Act. The change was finalized through the COVID-19 Economic Recovery Act, 2020,

which built on the More Homes, More Choice Act, 2019 and Plan to Build Ontario Together Act, 2019.

The new section 37 authorizes municipalities to impose CBCs against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the municipality. Reductions for developments containing affordable and attainable residential units, which were introduced through Bill 23, the More Homes Built Faster Act, 2022.

The new section 37 sets out the relationship between CBCs and other development-related funding tools, including development charges levied under the Development Charges Act, 1997 (DCA). Capital costs identified for funding from development charges or parkland dedication cannot be funded from CBCs (i.e. “double counted”).

- The legislation also sets out requirements for the adoption of a CBC By-law, including:
- Consultation with the public is required but not defined;
- Only one CBC By-law is allowed to be enforce at a time;
- Notice of the CBC By-law passing must be given (similar to a development charges by-law);
- The By-law is appealable to the Ontario Land Tribunal.

Moreover, various administration and reporting requirements must be implemented:

- A municipality with a CBC By-law must establish a “special account”;
- In each calendar year a municipality must “spend or allocate” at least 60% of the monies;

- A municipality with a CBC By-law must maintain a list of at least three appraisers; and
- An “annual report” must be produced showing the opening/closing of a special account and all transactions.

Finally, a CBC Strategy must be reviewed every 5-years to determine if the by-law needs to be updated.

C. Consultation of Proposed CBCs in Clarington

The Act requires that municipalities consult with the public when implementing a CBC by-law. Accordingly, the Municipality will make a draft CBC Strategy and draft CBC By-law available for public comment prior to Council’s consideration and passage of the By-law. A public meeting of Council occurred on **April 7, 2025**, following the public release of the CBC Strategy and associated By-law. Prior to the formal release of the CBC Strategy, consultation was held with stakeholders (summarized in Section 6).

Council reviewed the Strategy and comments received during the public consultation process prior to adopting the CBC By-law on **December 15, 2025**.

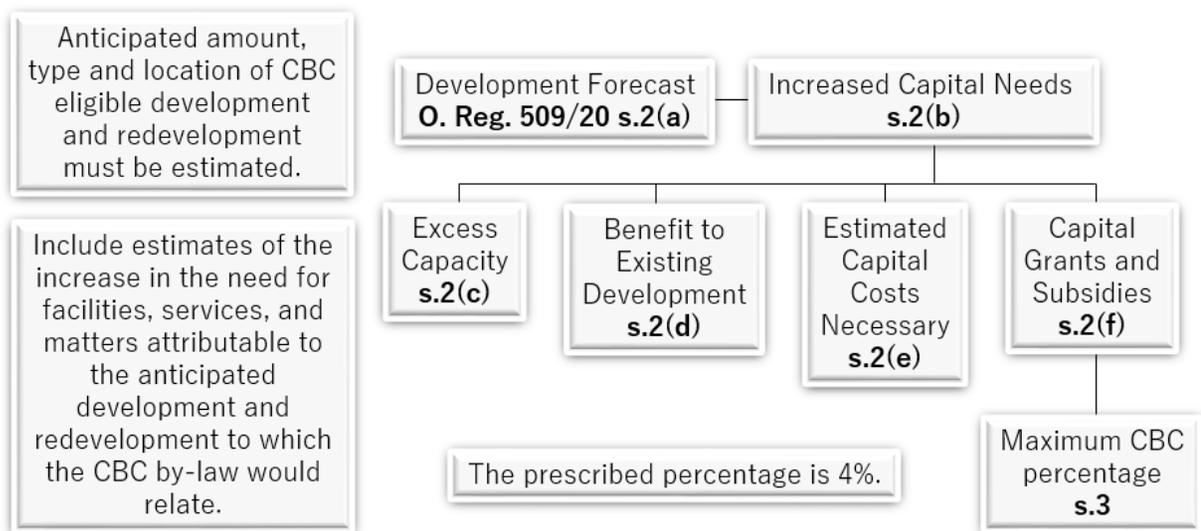
2. Purpose of the 2025 Community Benefits Charge Strategy

This section describes the methodology for determining the CBC rate for the Municipality and provides details on the capital works and service categories used to establish CBC eligible costs.

A. Key Steps in Determining CBCs

As shown in Figure 1, the Act requires that the CBC Strategy include various components in order to validate the resulting charge.

Figure 1 Key Steps in Determining CBCs



B. Proposed Methodology and Approach

The Act does not specify the method by which a CBC is levied. In developing a CBC, a municipality can consider charges based on a percentage of land value, a per-unit charge, or a charge based on gross floor area. Most municipalities with CBCs have adopted the first option, based on a charge calculated as 4% of land value at the time of first building permit issuance.

The CBC capital program, summarized in the section below and in Section 4, was developed with Municipal staff and relies on simultaneous work completed for the Municipality’s capital budget and forecast, the 2025 DC Background Study, various master servicing plans, the Municipality’s Official Plan, and other planning documents.

As required by the legislation, all CBC revenues will be paid into a single reserve fund (or special account). In each calendar year, the Municipality must allocate or spend at least 60% of the monies in the special account at the beginning of the year. A separate policy, outside the framework of this Strategy, will be developed to prioritize CBC project allocation and spending.

The CBC Strategy serves to substantiate levying a CBC rate per unit and to satisfy the legislative and regulatory requirements and is a point in time analysis of eligible capital programs and projects to which the Municipality may allocate CBC monies. From a legislative perspective, the CBC Strategy does not represent any expression of Council policy, prioritization, or other formal expression of intent to fund or allocate any funds specific services, facilities, or projects set out in the CBC capital program.

C. CBC Capital Program Summary

The gross cost of the CBC capital program of projects eligible for partial or full funding from CBCs is \$75.7 million. Approximately \$69.0 million of this gross capital cost is ineligible for CBC funding, having been removed from consideration as excess capacity, costs that benefit existing residents of the Municipality (BTE shares), or costs to be funded from other growth funding tools such as development charges or other revenue sources (e.g. property tax or alternative revenue source).

No grants or subsidies have been identified to cover the gross cost of the program. Replacement or BTE shares are removed from the eligible recovery costs total \$2.5 million. Of the remaining \$73.2 million:

- \$4.2 million is considered to benefit development in buildings of five or more storeys and containing 10 or more residential units, and as such, is eligible for CBC funding;
- No funding from DCs is expected; and
- \$69.0 million will be funded from other revenue sources.

The capital program is based on service levels planned for and provided by the Municipality. These service levels are not exclusively tied to a particular time horizon. The capital facilities set out herein are a snapshot of what the Municipality currently needs to fund to maintain those service levels during the 10-year planning period of 2025 – 2034. As projects are completed, the Municipality will continue with additional capital projects to provide the same or similar service levels, and therefore the capital facilities listed will continue to evolve. The CBC capital program is summarized in Table 1 below.

TABLE 1

MUNICIPALITY OF CLARINGTON
SUMMARY OF CBC CAPITAL PROGRAM (\$000)

Service	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	Ineligible Shares	Total Development-Related Cost	Development Charge Funding	Other Funding Sources	Total CBC Eligible Costs
1.0 Parking Services	\$500	\$0	\$500	\$0	\$500	\$0	\$478	\$22
2.0 CBC Administration	\$200	\$0	\$200	\$0	\$200	\$0	\$0	\$200
3.0 Climate Change Initiatives	\$2,800	\$0	\$2,800	\$325	\$2,475	\$0	\$2,336	\$139
4.0 Cemeteries	\$599	\$0	\$599	\$213	\$386	\$0	\$364	\$22
5.0 Public Art, Heritage and Culture	\$8,000	\$0	\$8,000	\$2,000	\$6,000	\$0	\$5,740	\$260
6.0 Affordable Housing	\$2,000	\$0	\$2,000	\$0	\$2,000	\$0	\$1,888	\$112
7.0 Parks & Recreation Infrastructure	\$59,063	\$0	\$59,063	\$0	\$59,063	\$0	\$55,744	\$3,319
8.0 Legislative Services	\$2,575	\$0	\$2,575	\$0	\$2,575	\$0	\$2,430	\$145
Total	\$75,736	\$0	\$75,736	\$2,538	\$73,198	\$0	\$68,980	\$4,218

D. Relationship to Other Growth Funding Tools and Ongoing Studies

This CBC Strategy is being completed in advance of the other studies recognizing that applications for CBC eligible high-density developments are imminent. The projects identified in this Strategy account for any known contributions from other growth funding tools such as development charges and parkland dedication revenues. The Municipality has completed a 2025 DC Background Study simultaneously with this CBC Strategy. The capital project allocations have been reviewed and updated to reflect anticipated funding from other revenue sources.

E. Implementation and Administration

The implementation and administration of the CBC will be determined by the CBC By-law, prevailing legislation and the CBC policies and practices to be established by Council.

3. Development Forecast

This section describes the methodology and results of the development forecast that forms the basis of the capital program. This section portrays the results of the housing unit and population forecast in line with the requirements of O. Reg. 509/20 s.2(a).

A. Proposed 10-Year Planning Horizon

The time frame for the development forecast and the capital programs in this CBC Strategy is 2025 – 2034.

B. Development Forecast Assumptions

The development forecast is based on estimates of growth occurring within approved Official Plan designated urban areas. The forecast has been largely informed by discussions with Municipal staff. Table 2 provides a summary of the “high growth” scenario of CBC eligible units, which is described in Section 5.

Table 2: Forecast of Municipal-wide Units Subject to CBCs

Year	Total
Total 2025 – 2034	1,315

Table 3 shows the calculation of persons in units subject to CBCs as a percentage of persons in all units. This calculation uses the occupancy factors or “persons per unit” (PPU). The average apartment unit PPU is 1.46 for blended apartments; this, when applied by the total 10-year CBC unit forecast (1,315), results in an estimate of 1,920 persons in units subject to a CBC. This represents 6% of the overall 10-year forecast of people in all units (34,175).

The share of CBC eligible units (6%) is used to inform the CBC-eligible percentage of projects that are anticipated to benefit all residential and mixed-use development, as shown in Section 4. It is noted that, for certain projects a non-residential benefit is recognized resulting in a CBC-eligible share of 4%.

The 10-year non-residential forecast is consistent with the Municipality's 2025 DC Background Study. Anticipated residential and non-residential growth is used to determine shares of capital costs related to growth in CBC-eligible development where a project benefits both residential and non-residential development. The 10-year forecasted population in new dwelling units plus place of work employment totals 44,370; of this total growth, 77% (34,175 persons) is anticipated to occur within residential development while the remaining 23% (10,195 employees) is related to non-residential development. The CBC eligible share of projects which have a residential and non-residential benefit is 4%.

TABLE 3

MUNICIPALITY OF CLARINGTON
MUNICIPAL-WIDE FORECAST OF PERSONS IN UNIT STARTS (2025 - 2034)

Residential	Single/Semi	Row	Apartment	Total
Units Subject to CBC	0	0	1,315	1,315
All Units	6,663	3,002	2,630	12,294
PPU Assumptions	3.32	2.73	1.46	
Persons in Units Subject to CBCs	0	0	1,921	1,921
Persons in All Units	22,145	8,191	3,841	34,176
% of Persons in Units Subject to CBCs (Residential Only)				6%
Non-Residential				Total
Employment Growth				10,193
Residential & Non-Residential Allocation				
Total Gross Population & Employment Growth				44,369
% of Persons in Units Subject to CBCs (Residential/Non-Residential)				4%

4. CBC Capital Program

A. Facilities, Services, and Matters Considered

Before passing a CBC By-law, the Act requires municipalities to prepare a CBC Strategy that identifies the facilities, services and matters that will be funded with community benefits charges. The Act does not prescribe the specific facilities, services or matters to which CBC funding may be allocated.

Section 5 outlines the CBC revenue analysis and rate structure. Detailed in this section is evidence that the anticipated CBC revenue permitted for collection under the 4% cap, is insufficient to meet the increased needs arising from the CBC-eligible development. Through consultation with Municipal staff, a priority list of service categories have been identified. The list is based on projects that have lost eligibility for DC funding, projects anticipated to provide service for new high-density developments not currently identified in the Municipality's 10-year capital plan, and projects where DC legislation limits funding due to historical service level. The following services have been included as related to developments subject to the CBC:

- Parking Services;
- CBC Administration;
- Climate Change Initiatives;
- Cemeteries;
- Public Art, Heritage and Culture;
- Affordable Housing;
- Parks & Recreation Infrastructure; and
- Legislative Services.

Under each of these services, the Municipality anticipates development-related costs that are fully or partially driven by mid and high-density residential and mixed-use development. The identified CBC-eligible project

costs for these services are beyond the costs anticipated to be funded through other growth funding tools (GFTs) – including development charges and parkland dedication.

The CBC capital program is a point-in-time analysis of the needs anticipated over the 2025 – 2034 planning period. It is recognized that these needs may change over time through the Municipality’s normal annual budgeting processes. While certain projects are listed within the CBC capital program, the identified capital project listings do not preclude the Municipality from assigning CBC funds to another facility or project under that service.

Each service area covers the following matters:

- Service Description;
- Service Delivery and Service Levels Consideration;
- Estimate of Need;
- Consideration of Excess Capacity;
- Capital Cost;
- Identification of any Anticipated Capital Grants, Subsidies or Other Contributions;
- Consideration of BTE;
- Relation to funding from Other GFTs (if applicable) and Other Funding;
- Share of Net Capital Costs related to CBC Eligible Developments.

B. Projects Funded by Multiple Growth Funding Tools (GFTs)

When a project is identified for funding from both DCs and CBCs, it recognizes the CBC development places an incrementally higher demand for the service/project than is permitted under the 15-year service level restrictive funding envelope cap required for DCs. There is no funding of the same share of project from both DC and CBCs.

C. Capital Needs by Service

Table 4 below includes the details by service of the capital needs associated with the forecasted CBC eligible developments in the Municipality over the 10-year period 2025 – 2034. The capital costs included in this Strategy reflect a point in time for this framework, however, the need for the services is estimated to continue beyond the 10-year period relative to the amount of CBC development.

Although no formal policy on the application of funds has yet to be developed outside of the statutory requirements, the Municipality may choose to prioritize projects with no other GFT sources for CBC funds. This will continue to be monitored and evaluated on an ongoing basis.

D. Parking Services

i. Service Description

The Municipality is responsible for planning, managing, rehabilitating and maintaining parking facilities to meet the needs of the community.

ii. Service Delivery and Service Levels Consideration

There is a need in the Municipality to expand servicing capacity to accommodate needs of development. Historically, the Municipality has funded parking expansion through DCs; however, parking services is now ineligible for DC funding. CBCs are a new funding tool that can be leveraged for parking-related investments in developing areas.

iii. Estimate of Need

The need for future parking infrastructure has been identified in the CBC capital program. This need is driven by residential and non-residential development across the entire Municipality.

TABLE 4

MUNICIPALITY OF CLARINGTON
SUMMARY OF CBC CAPITAL PROGRAM

Project Description	Timing	Gross Project Cost	Grants / Subsidies / Other Recoveries	Net Cost	BTE Shares (%)	BTE Shares (\$)	(A) Total Development Related Costs	(B) DC Funded Share	(C) = A - B Remaining Development-Related	(D) = A - B - E Other Funding	CBC Share (%)	(E) Total CBC Related Costs
1.0 Parking Services												
1.1 Provision for Future Parking Infrastructure	2025 - 2034	\$500,000	\$0	\$500,000	0%	\$0	\$500,000	\$0	\$500,000	\$478,358	4%	\$21,642
2.0 CBC Administration												
2.1 Implementation of CBC By-law	2025 - 2034	\$200,000	\$0	\$200,000	0%	\$0	\$200,000	\$0	\$200,000	\$0	100%	\$200,000
3.0 Climate Change Initiatives												
3.1 Implementation of Green Development Standard Incentives	2025 - 2034	\$500,000	\$0	\$500,000	0%	\$0	\$500,000	\$0	\$500,000	\$471,903	6%	\$28,097
3.2 Implementation of Climate Change Adaptation Strategy	2025 - 2034	\$500,000	\$0	\$500,000	50%	\$250,000	\$250,000	\$0	\$250,000	\$235,951	6%	\$14,049
3.3 Urban Tree Canopy	2025 - 2034	\$1,500,000	\$0	\$1,500,000	0%	\$0	\$1,500,000	\$0	\$1,500,000	\$1,415,708	6%	\$84,292
3.4 Electric Vehicle Charging Stations	2025 - 2034	\$150,000	\$0	\$150,000	0%	\$0	\$150,000	\$0	\$150,000	\$141,571	6%	\$8,429
3.5 District Energy Feasibility Study & Implementation	2025 - 2034	\$150,000	\$0	\$150,000	50%	\$75,000	\$75,000	\$0	\$75,000	\$70,785	6%	\$4,215
4.0 Cemeteries												
4.1 Columbarium	2025 - 2027	\$144,120	\$0	\$144,120	0%	\$0	\$144,120	\$0	\$144,120	\$136,021	6%	\$8,099
4.2 Bowmanville Cemetery Road Paving Phases 2	2025 - 2027	\$282,180	\$0	\$282,180	50%	\$141,090	\$141,090	\$0	\$141,090	\$133,162	6%	\$7,928
4.3 Bowmanville Cemetery Road Paving Phases 3	2025 - 2027	\$144,095	\$0	\$144,095	50%	\$72,048	\$72,048	\$0	\$72,048	\$67,999	6%	\$4,049
4.4 Columbarium Concrete Pad	2025 - 2027	\$28,490	\$0	\$28,490	0%	\$0	\$28,490	\$0	\$28,490	\$26,889	6%	\$1,601
5.0 Public Art, Heritage, Culture and Events												
5.1 Provision for Public Art	2025 - 2034	\$1,000,000	\$0	\$1,000,000	25%	\$250,000	\$750,000	\$0	\$750,000	\$717,536	4%	\$32,464
5.2 Provision for Future Cultural Space	2025 - 2034	\$6,000,000	\$0	\$6,000,000	25%	\$1,500,000	\$4,500,000	\$0	\$4,500,000	\$4,305,218	4%	\$194,782
5.3 Provision for Special Events and Festivals	2025 - 2034	\$1,000,000	\$0	\$1,000,000	25%	\$250,000	\$750,000	\$0	\$750,000	\$717,536	4%	\$32,464
6.0 Affordable Housing												
6.1 Affordable Housing Implementation	2025 - 2034	\$2,000,000	\$0	\$2,000,000	0%	\$0	\$2,000,000	\$0	\$2,000,000	\$1,887,611	6%	\$112,389
7.0 Parks & Recreation Infrastructure												
7.1 2 Arenas (Ice Pads) - South Courtice Arena Expansion	2031 - 2034	\$59,062,500	\$0	\$59,062,500	0%	\$0	\$59,062,500	\$0	\$59,062,500	\$55,743,508	6%	\$3,318,992
8.0 Legislative Services												
8.1 Provision for New Animal Shelter	2025 - 2034	\$2,500,000	\$0	\$2,500,000	0%	\$0	\$2,500,000	\$0	\$2,500,000	\$2,359,514	6%	\$140,486
8.2 Furniture and Equipment for New Animal Shelter	2025 - 2034	\$75,000	\$0	\$75,000	0%	\$0	\$75,000	\$0	\$75,000	\$70,785	6%	\$4,215
TOTAL		\$75,736,385	\$0	\$75,736,385		\$2,538,138	\$73,198,248	\$0	\$73,198,248	\$68,980,055		\$4,218,193

While the Parking Service CBC capital program represents a point-in-time analysis of the anticipated CBC-eligible project costs over the 2025 – 2034 period, similar service levels are anticipated to be provided by the Municipality beyond the 10-year planning horizon.

iv. Consideration of Excess Capacity

No excess capacity exists in the Parking Services CBC capital program.

v. Capital Cost

The gross cost included in the capital program totals \$500,000 over the 10-year planning period.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies, or other contributions identified for this service area and as such, no deductions are made.

vii. Consideration of Benefit to Existing

No replacement or benefit to existing shares have been identified for this service area.

viii. Relation to Funding from GFT (if applicable)

No DCs or other GFTs have been identified for this service area.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The amount eligible for recovery from CBCs is about 4% or \$21,640, which reflects that the project will provide a benefit to both residential and non-residential development as well as non-CBC eligible developments.

x. Other Funding

A share of \$478,360 represents other funding related to development but is not currently funded from DCs or CBCs within the 10-year planning horizon.

E. CBC Administration

i. Service Description

The cost of the CBC Strategy itself is eligible under the Act and included in this service category. Costs related to supporting the administration of the CBC Strategy and By-law, including a provision for land appraisals, is also included.

ii. Service Delivery and Service Levels Consideration

Inclusion of the CBC Strategy and implementation is intended to address new requirements of administering the program in response to growth.

iii. Estimate of Need

Included in the cost provision are regular updates to the CBC Strategy as well as the cost of dispute resolutions, legal costs, and other costs related to implementing and administering the Strategy and By-law. While the capital program represents a point-in-time analysis of the anticipated CBC-eligible project costs over the 2025 – 2034 period, similar needs are anticipated to continue beyond the 10-year planning horizon.

iv. Consideration of Excess Capacity

No excess capacity exists for this service.

v. Capital Cost

The gross cost included in the capital program totals \$200,000 over the 10-year planning period.

vi. Identification of Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies, or other contributions identified for this service area.

vii. Consideration of Benefit to Existing

No replacement or benefit to existing shares have been identified for this service area.

viii. Relation to Funding from Other GFT (if applicable)

No DCs or other GFTs have been identified for this service area.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The entire cost of the CBC Strategy implementation of \$200,000 is deemed eligible for funding through CBCs.

F. Climate Change Initiatives

i. Service Description

This service accounts for a provision for future climate changes studies and initiatives in the Municipality. This includes projects related to Clarington's Green Initiatives.

ii. Service Delivery and Service Levels Consideration

Climate Change Initiatives encompass the implementation of various strategies and incentives such as the Green Development Standard, Climate Change Adaptation Strategy, and District Energy Feasibility Study & Implementation as well as the expansion of the urban tree canopy and electric vehicle charging stations

iii. Estimate of Need

The capital needs included in the CBC Strategy for recovery from CBC eligible developments is based on discussions with the Climate Change Response Coordinator.

iv. Consideration of Excess Capacity

No excess capacity exists for this service.

v. Capital Cost

The total cost of the provision for future climate changes studies, incentives and projects is \$2.8 million.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies, or other recoveries have been identified for climate change initiatives.

vii. Consideration of Benefit to Existing

A 50% or \$325,000 benefit to existing share is removed from the total development related costs for the implementation of the Climate Change Adaptation Strategy and the District Energy Feasibility Study & Implementation. All other projects are deemed to be 100% related to future development and therefore, no BTE adjustment is made.

viii. Relation to Funding from GFT (if applicable)

No other development charges or other growth-funding tools have been identified for this service. In total, \$2.3 million has been identified through other funding sources.

ix. Share of Net Capital Costs Related to CBC Eligible Developments

In total, \$139,080 (6%) of the Climate Change Initiatives is included in the CBC-related cost and is eligible for recovery from CBC developments. This reflects that the project will provide a benefit to primarily residential development and non-CBC eligible development.

G. Cemeteries

i. Service Description

Inclusion of the Cemeteries and associated works relates to infrastructure needs arising from future growth across the Municipality. The Municipality maintains five non-denominational cemeteries and 33 inactive cemeteries.

ii. Service Delivery and Service Levels Consideration

This service area includes various capital costs related to columbarium's, columbarium concrete pad, and paving at Bowmanville Cemetery Road (Phases 2 and 3).

iii. Estimate of Need

The capital needs included in the CBC Strategy for recovery from CBC eligible developments is based on discussions with Finance and a review of the Municipality's capital budget.

iv. Consideration of Excess Capacity

No excess capacity exists for this service.

v. Capital Cost

The gross capital cost included is \$598,890 for Cemeteries.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies, or other contributions have been identified for this service.

vii. Consideration of Benefit to Existing

A 50% or \$213,140 benefit to existing share is removed from the total development related costs to the Bowmanville Cemetery Road Paving Phases 2 and 3.

viii. Relation to Funding from GFT (if applicable)

No other development charges or other growth-funding tools have been identified for this service.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The total growth-related cost related to CBC development is \$21,680 (6%). This reflects that the project will mainly provide a benefit to residential development, including non-CBC eligible development.

x. Other Funding

A share of \$364,070 represents funding required from other sources and is not currently funded from CBCs or other GFTs over the planning period.

H. Public Art, Heritage, Culture and Events

i. Service Description

This service area includes provision for public art, a future cultural space, and a provision for special events and festivals. Public art can take many forms and is a way to express community values and brings a shared experience into the Municipality of Clarington. The capital costs included are

those which are ineligible for funding through DCs. Public Art, investments are important to ensure functional and liveable communities.

ii. Service Delivery and Service Levels Consideration

Municipal staff and findings from the Parks Recreation and Culture Master Plan (PRCMP) have been used to inform the capital costs needs.

iii. Estimate of Need

The capital needs included in the CBC Strategy for recovery from CBC eligible developments is based on discussions with staff.

The Municipality proposes to spend \$100,000 per year on special events and festivals. The Municipality plans to spend \$6.0 million on the future cultural space as well as special events and festival equipment and associated infrastructure.

iv. Consideration of Excess Capacity

There is no excess capacity in the Public Art, Heritage, Culture and Events CBC capital program.

v. Capital Cost

The total gross cost of the Public Art, Heritage, Culture, and Events program is \$8.0 million.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies, or other contributions have been identified for the projects included in the capital program.

vii. Consideration of Benefit to Existing

A 25% or \$2.0 million benefit to existing share is removed from the total development related capital costs.

viii. Relation to Funding from GFT (if applicable)

None of the identified projects have funding from other growth funding tools.

ix. Share of Net Capital Costs Related to CBC Eligible Developments

In total, 4% or \$259,710 of the Public Art, Heritage, Culture, and Events capital program have been allocated to CBC eligible developments as the infrastructure needs will primarily benefit residential development.

x. Other Funding

A share of \$5.7 million represents funding required from other sources and is not currently funded from CBCs over the planning period.

I. Affordable Housing

The need for affordable housing increases as a Municipality's population grows. The Municipality is permitted to use CBCs as a growth funding tool to create affordable housing units.

There are increasing opportunities for the Municipality to partner with the Region of Durham to provide affordable housing. The provision for affordable housing in the CBC Strategy is intended to fund the construction of affordable housing.

i. Service Delivery and Service Levels Consideration

Discussions with Municipal staff suggest that an affordable housing implementation provision should be included in the Municipality’s CBC capital program to meet affordable housing targets.

ii. Estimate of Need

Affordable housing is currently the responsibility of Durham Region. However, funding from the Region varies year over year. Therefore, it is important that the Municipality allocate funds for affordable housing initiatives and construction to maintain funding consistency.

iii. Consideration of Excess Capacity

No deductions for excess capacity have been made for the affordable housing provision identified in the CBC capital program.

iv. Gross Capital Cost

The gross capital cost of the program is \$2.0 million over the 10-year period from 2025 – 2034. Eligible costs may include construction, planning application fees, development incentives, and other capital costs associated with the development of affordable housing units.

v. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies, or other contributions identified for this service area.

vi. Consideration of Benefit to Existing

No BTE share applies to Affordable Housing Implementation as new housing construction is entirely growth-related.

vii. Relation to Funding from GFT (if applicable)

Given the legislative changes arising from Bill 23, affordable housing will not be included as a service in future DC Studies. As such, no DCs have been identified for this service area. In total, \$1.9 million has been identified through other funding sources.

viii. Share of Net Capital Costs related to CBC Eligible Developments

The amount eligible for recovery from CBCs is 6% or \$112,390. This reflects that the project will provide a benefit to residential development, including non-CBC eligible development.

J. Parks & Recreation Infrastructure

i. Service Description

This service area includes various capital costs related to two arena ice pads at South Courtice Arena.

ii. Service Delivery and Service Levels Consideration

The Municipality's Parks, Recreation, and Culture Master Plan (PRCMP) identifies future capital needs to service development. Capital costs included in the CBC include projects which exceed the 15-year historical service level as identified in the Municipality's 2025 DC Background Study.

iii. Estimate of Need

Based on the recommendations within Municipality's PRCMP, Clarington will require two arenas (ice pads) in the South Courtice Arena Expansion.

iv. Consideration of Excess Capacity

No deductions for excess capacity have been made for the parks and recreation infrastructure as identified in the CBC capital program.

v. Gross Capital Cost

The gross capital cost of the program is about \$59.1 million over the 10-year period from 2025 – 2034.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies, or other contributions have been identified for this service.

vii. Consideration of Benefit to Existing

No BTE shares have been identified for this service area, as all capital items are net new and will meet the increase in need for servicing arising from future development.

viii. Relation to Funding from GFT (if applicable)

No DCs have been identified for this service area. In total, \$55.7 million has been identified through other funding sources.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The total growth-related cost related to CBC development is \$3.3 million (6%). This reflects that the projects will mainly provide a benefit to residential development, including non-CBC eligible development.

x. Other Funding

A share of \$55.7 million represents funding required from other sources and is not currently funded from DCs and CBCs over the planning period.

K. Legislative Services

i. Service Description

Inclusion of the Legislative Services in the CBC strategy is intended to address requirements due to new growth. Legislative Services include infrastructure needs related to Municipal Law Enforcement and Animal Services.

ii. Service Delivery and Service Levels Consideration

Discussions with Municipal staff have identified that a new animal shelter and furnishings for the new animal shelter are required to meet the servicing needs of the growing population over the next 10-years.

iii. Estimate of Need

Based on discussions with Municipal staff, a provision for a new animal shelter with an estimated square footage of 5,000 square feet is required as well as furniture and equipment for the new shelter.

iv. Consideration of Excess Capacity

No deductions for excess capacity have been made for the affordable housing provision identified in the CBC capital program.

v. Gross Capital Cost

The gross capital cost of the program is about \$2.6 million over the 10-year period from 2025 – 2034. Approximately \$2.5 million is related to the new animal shelter, and the remaining \$75,000 is related to the furniture and equipment required for the new shelter.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies, or other contributions have been identified for this service.

vii. Consideration of Benefit to Existing

No BTE shares have been identified for this service area, as all capital items are net new and will meet the increase in need for servicing arising from future development.

viii. Relation to Funding from GFT (if applicable)

None of the identified projects have funding from other growth funding tools.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The total growth-related cost related to CBC development is \$144,700 (6%). This reflects that the projects will mainly provide a benefit to residential development, including non-CBC eligible development.

x. Other Funding

A share of \$2.4 million represents funding required from other sources and is not currently funded from CBCs over the planning period.

5. CBC Revenue Analysis and Rate Structure

A. CBC Capital Needs Greater than Projected CBC Revenue

The average per-unit land value in current (2025) dollars is calculated at \$28,000. These land values are based on recent land appraisals within the Municipality of Clarington.

Applying the legislated 4% cap, the average unit will contribute \$1,120 in CBCs. Recognizing that the forecast unit mix (e.g. shares of low density, medium density and high-density units) may vary over the 10-year planning period, three development scenarios are provided to test anticipated CBC revenues. A brief description of the scenarios is provided:

- **Reference** – maintains the same unit mix as presented in the 2025 DC Background Study and assumes that 34% of all future apartments will be CBC eligible. The 34% is informed by available Statistics Canada data for the 2016 – 2021 Census period. This reflects recent trends that the Municipality is shifting towards a greater increase of higher density units.
- **Low** – maintains the same unit mix as presented in the 2025 DC Background Study and assumes that 29% of all future apartments will be CBC eligible. The 29% is informed by available Statistics Canada data for the 2011 – 2021 Census period.
- **High** – shifts the overall unit mix towards higher density apartment units. This scenario results in changes to the unit mix identified in the 2025 DC Background Study.

Applying the high-development scenario against the projected 1,315 CBC eligible apartment units results in an estimate of potential CBC revenues of approximately \$1.5 million over the 2025 – 2034 period. In contrast, the reference and low scenarios result in \$398,500 and \$340,700 in CBC revenues, respectively.

As set out in Section 4, the total cost of the CBC-eligible shares of the capital program over the same 2025 – 2034 period is approximately \$4.9 million. As such, the CBC capital needs cannot be fully funded from potential CBC revenues under any scenario.

Table 5: Estimate of Potential CBC Revenues, 2025 – 2034

Development Scenarios	Land Value per Unit	Average CBC (4% cap)	# of Units	Potential CBC Revenue
Reference	\$28,000	\$1,120	356	\$398,500
Low	\$28,000	\$1,120	304	\$340,700
High	\$28,000	\$1,120	1,315	\$1,472,600

B. Rate Structure Considerations

Recognizing that the CBC eligible shares of the capital program is well in excess of anticipated CBC revenues, it is proposed that the CBC be a uniform 4% of land value across the Municipality. All development that meets the criteria set out in Section 37(4) of the Act would be subject to the CBC excluding those listed as exempt under O.Reg. 509/20.

C. Land Appraisal Process

Payment is required prior to the issuance of a building permit by the Municipality. In accordance with subsection 37 (44) of the Act, if the developer considers the charge to be higher than 4% of land value, they submit a payment under protest and must provide an alternate appraisal within 30 days. The Municipality then has 45 days to provide the appraisal upon which the charge was based.

D. CBC Special Account

i. CBC Reserve

Subsection 37(45) of the Act requires that a single CBC special account be established. This is unlike DC reserves, which require separate reserves dedicated to specific service areas as defined in the DC by-law. The funds in the CBC reserve will include any existing reserves from non-eligible DC services and CBC monies collected.

Annually, the Municipality must allocate or spend 60% of the funds in the special account to CBC-eligible projects. The following information shall be provided to the public each year in the respect of the preceding year:

1. Statements of the opening and closing balances of the special account and of the transactions relating to the account.
2. In respect of the special account referred to in subsection 37 (45) of the Act, statements identifying,
 - i. facilities, services and matters acquired during the year with funds from the special account;
 - ii. details of the amounts spent; and
 - iii. for each facility, service or matter mentioned in subparagraph i, the manner in which any capital cost not funded from the special account was or will be funded.
3. In respect of the special account referred to in subsection 42 (15) of the Act, statements identifying,
 - i. land and machinery acquired during the year with funds from the special account;

- ii. buildings erected, improved or repaired during the year with funds from the special account;
 - iii. details of the amounts spent; and
 - iv. for each asset mentioned in subparagraphs i and ii, the manner in which any capital cost not funded from the special account was or will be funded.
- 4. The amount of money borrowed from the special account and the purpose for which it was borrowed.
 - 5. The amount of interest accrued on any money borrowed from the special account.

E. Statutory Exemptions

O. Reg. 509/20 includes the following statutory exemptions:

- 1. 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.
- 2. 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.
- 3. 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.
4. 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.
 5. Development or redevelopment of a building or structure intended for use as a hospice to provide end of life care.
 6. 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. O. Reg 509/20, s. 1, 8.

In addition, recent legislative changes have provided exemptions for attainable and affordable housing. In accordance with section 37 (32.1) of the Planning Act developments or redevelopment which includes affordable residential units or attainable residential units, as defined in subsection 4.1 (1) of the Development Charges Act or residential units described in subsection 4.3(2) of that Act, receive a discount from the applicable CBC.

6. Implementation & Administration

A. Consultation

The Act requires that a municipality consult with such persons and public bodies as the municipality considered appropriate. Subsection 37 (10) indicates that, at the discretion of the Municipality, consultation shall be conducted. For the CBC Strategy, the Municipality met with Council in early 2025 and has adhered to the following timeline:

- Two stakeholder consultation information meetings were held with the development industry on **January 7, 2025** and **February 28, 2025**.
- An information meeting was held with the General Government Committee (Council) on **February 3, 2025**.
- The draft CBC Strategy was made available on the Municipality's website in **March 2025**, in advance of a formal public meeting.
- A formal public meeting was held on **April 7, 2025**, ahead of the by-law being presented to Council for passage.
- The CBC By-law was passed on **December 15, 2025**.

B. By-Law Passage, Notice and Appeal Provisions

The CBC By-law was passed on **December 15, 2025**. The commencement of the by-law will be on the date the by-law is passed or the specified in the by-law, whichever is later in accordance with subsection 37 (11) of the Act.

A notice of By-law passage must be provided no later than 20 days after passing a CBC By-law subsection 37(13) of the Act. Furthermore, O.Reg. 509/20 subsection 4(2) states that a notice shall be given by personal service, fax, mail or email to every owner of land in the area to which the by-

law applies, every person and organization that has written request for the notice, upper-tier municipalities and school boards. Alternatively, notice may be giving in a newspaper that is, in the clerk's opinion, of sufficiently general circulation in the area to which the by-law applies to give the public reasonable notice of the passing of the by-law.

A CBC by-law may be appealed to the Ontario Land Tribunal within 40 days of passage by filing with the clerk of the Municipality. The Tribunal is limited in its ability to amend the CBC By-law including not being able to increase the amount of CBCs that will be payable in any particular case, add, remove or reduce the scope of an exemption, change a provision for a phasing in so as to make the charges payable earlier and change the date the by-law will expire.

C. Treatment of In-Kind Contributions

The Municipality may allow developers to pay CBCs in part or in whole with in-kind contributions. Such contributions will be evaluated on a case-by-case basis. The Municipality may require that an agreement be registered on title for the provision of these contributions.

Paragraphs 6-8 of subsection 37 of the Act guide the legislative framework for the consideration of in-kind contributions:

In-kind contributions

(6) A municipality that has passed a community benefits charge by-law may allow an owner of land to provide to the municipality facilities, services or matters required because of development or redevelopment in the area to which the by-law applies. 2020, c. 18, Sched. 17, s. 1.

Notice of value of in-kind contributions

(7) Before the owner of land provides facilities, services or matters in accordance with subsection (6), the municipality shall advise the owner of land of the value that will be attributed to them. 2020, c. 18, Sched. 17, s. 1.

Agreement re facilities, services or matters

(7.1) If the municipality intends to allow an owner of land to provide facilities, services or matters in accordance with subsection (6), the municipality may require the owner to enter into an agreement with the municipality that addresses the provision of the facilities, services, or matters. 2022, c. 21, Sched. 9, s. 10 (1).

Registration of agreement

(7.2) An agreement entered into under subsection (7.1) may be registered against the land to which it applies, and the municipality is entitled to enforce the agreement against the owner and, subject to the *Registry Act* and the *Land Titles Act*, against any and all subsequent owners of the land. 2022, c. 21, Sched. 9, s. 10 (1).

Deduction of value of in-kind contributions

(8) The value attributed under subsection (7) shall be deducted from the amount the owner of land would otherwise be required to pay under the community benefits charge by-law. 2020, c. 18, Sched. 17, s. 1.

The CBC by-law will provide for the potential acceptance of CBC in-kind contributions consistent with the legislative requirements.

D. CBC Payment Dispute Mechanism

Developers may dispute the CBC charge by paying in protest and submitting an alternate appraisal. If the appraisals are within 5% (5%) of each other the

Municipality must refund the difference (see outcome in Table 6). However, if the appraisal difference is greater than 5% (5%), the Municipality will request the developer to select one of three appraisers from a Municipal list. That will be the final appraisal and if it results in a lower CBC rate than paid, the Municipality must refund the difference. Table 6 below provides a summary of the appraisal and dispute process.

Table 6: Payment Dispute Mechanism

	Planning Act	Timing	Action	Outcome
Charge as set by Municipality	37(44)	Building permit	Developer pays	Payment received – process complete
			Developers pays under protest	New appraisal required
Payment under protest	37(33)	30 days	Developer submits appraisal to Municipality	Municipality review need for new appraisal or accept value
Municipality disputes developer’s value	37(35)	45 days	Municipality submits appraisal to applicant	Joint review - if less than 5 percent difference, use higher value
Arbitrated value	37(38)	60 days	Applicant picks appraiser from Municipal roster	New appraisal sets value
In-kind contribution	37(7)	Before providing service / facility	Municipality to advise applicant of in-kind value	No appeal process, value is deducted from charge