

**Subject: Parkland Dedication By-law Replacement and Cash-in-lieu of
Parkland Funds Policy Revision**

File Number: ACS2022-RCFS-GEN-0014

**Report to Planning Committee on 7 July 2022
and Council 31 August 2022**

**Submitted on June 27, 2022 by Kevin Wherry, Manager, Parks and Facilities
Planning, Recreation, Cultural and Facility Services Department**

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Ward: Citywide

**Objet : Remplacement du règlement sur la cession de parcs et révision de la
politique relative au paiement en lieu et place des fonds pour les
parcs**

Dossier : ACS2022-RCFS-GEN-0014

**Rapport au Comité de l'urbanisme le 7 juillet 2022
et au Conseil le 31 août 2022**

**Soumis le 27 juin 2022 par Kevin Wherry, Gestionnaire, Planification des
installations et des parcs, Direction générale des loisirs, de la culture et des
installations**

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

- 1. That Planning Committee recommend that Council repeal By-law 2009-95,
as amended, being the Parkland Dedication By-law, and adopt a new**

- Parkland Dedication By-law as detailed in Document 1.**
- 2. That Planning Committee recommend that Council direct the ‘Cash-in-lieu of Parkland Funds Policy’ be revised as per Document 2.**
 - 3. That Planning Committee recommend that Council direct Recreation, Cultural and Facilities Services, Parks and Facility Planning, to:**
 - a. further review the distribution of cash-in-lieu of parkland funds within the Parkland Dedication By-law and the Cash-in-lieu of Parkland Funds Policy;**
 - b. bring forward recommended revisions to the Parkland Dedication By-law and Cash-in-Lieu of Parkland Funds Policy including an approach to:**
 - i. reflect the transect needs found within the Parks and Recreation Facilities Master Plan; and**
 - ii. address how parkland can be provided for vulnerable communities;**
 - c. bring forward the recommended revisions to the Parkland Dedication By-law and Cash-in-Lieu of Parkland Funds Policy by Q4 of 2023.**

RECOMMANDATION(S) DU RAPPORT

- 1. Que le Comité de l’urbanisme recommande au Conseil d’abroger le Règlement sur l’affectation de terrains à la création de parcs (no 2009-95), dans sa version modifiée, et d’adopter un nouveau règlement en la matière, comme le précise le document 1.**
- 2. Que le Comité de l’urbanisme recommande au Conseil de demander une révision de la Politique sur les frais relatifs aux terrains à vocation de parc conformément au document 2.**
- 3. Que le Comité de l’urbanisme recommande au Conseil de demander à la Direction générale des loisirs, de la culture et des installations et aux Services de planification des installations et des parcs :**
 - a. d’effectuer un examen plus poussé de la ventilation des frais relatifs aux terrains à vocation de parc dans le Règlement sur l’affectation**

de terrains à la création de parcs et la Politique sur les frais relatifs aux terrains à vocation de parc;

- b. de présenter les révisions qu'il est recommandé d'apporter au Règlement sur l'affectation de terrains à la création de parcs et à la Politique sur les frais relatifs aux terrains à vocation de parc pour :**
 - i. tenir compte des transects nécessaires prévus dans le Plan directeur des infrastructures des parcs et des loisirs; et**
 - ii. déterminer la façon dont les terrains à vocation de parc sont établis dans les communautés vulnérables;**
- c. de présenter ces révisions recommandées d'ici le quatrième semestre de 2023.**

EXECUTIVE SUMMARY

Assumption and Analysis

The Planning Act outlines the ground rules for development and growth in Ontario, including the authority for municipalities to require parkland dedication when development or redevelopment occurs. The Planning Act outlines the maximum rate at which parkland dedication, or cash-in-lieu of parkland dedication, may be collected by the municipality. Municipalities may choose, via a by-law, to apply these rates directly or to adapt them to address the specific needs of the municipality. One of the rates outlined in the Planning Act is the 'alternative' requirement for residential development. The alternative requirement permits municipalities to use this higher rate in place of the standard rate, which is 5% of the site area, for residential development only. To maintain the alternative requirement that the City of Ottawa currently uses, the COVID-19 Economic Recovery Act requires that the City's Parkland Dedication By-law be replaced by September 18, 2022, as it was enacted prior to royal assent of the COVID-19 Economic Recovery Act on July 21, 2020.

The replacement of the City's Parkland Dedication By-law not only represents an opportunity to continue using the alternative requirement for residential development, but also to review the current by-law – which is 13 years old – to understand if changes to the by-law provisions are appropriate. In order to understand if changes are appropriate, the City engaged the consulting firm Watson and Associates Economics Limited ("Watson") to conduct an analysis of the current by-law with respect to the City's anticipated growth and parkland targets as approved by Council in the Parks and

Recreation Facilities Master Plan in October 2021. Watson's analysis also included a scan of other municipalities within Ontario to understand how the Planning Act's parkland dedication legislation is being implemented elsewhere.

In consideration of the projected growth for Ottawa to 2031, including a review of the anticipated dwelling typologies within each transect, Watson found that the current Parkland Dedication By-law will not yield sufficient parkland to meet the City's target of 2.0 hectares of parkland per 1,000 residents within all transects, except the Rural transect. Watson noted that this deficit is highest within the densest transects, those being the Downtown Core, Inner Urban, and Outer Urban transects.

While Watson observed that a cap on parkland dedication requirements is used for dense developments within most of the Ontario municipalities they scanned, they also found that the City of Ottawa was the only municipality that limits parkland dedication to development that is subject to a planning application, those planning applications being plans of subdivision and condominium, part lot control, site plan control, and consent to sever.

The results of Watson's analysis with respect to the conveyance cap on dense development, the City's review of the qualitative components of the current Parkland Dedication By-law, and input from stakeholders, have resulted in the recommendations for a new by-law as detailed herein. In summary, these recommendations are as follows:

- Changing the 10% cap on conveyance requirements for dwelling units within mid-rise and high-rise buildings to 15% and 25%, respectively;
- Requirement that all development, even development not subject to a planning application, be subject to the provisions of the by-law;
- Clarification of the conditional exemption for colleges, universities, and schools;
- Revision to require conveyance for ancillary uses within places of worship;
- Flat rate fee of \$500 for secondary dwelling units and coach houses;
- Clarification of land valuation timelines and expiration; and
- Technical revisions to definitions and terminology to reflect current legislative and policy framework.

Technical revisions to the Cash-in-lieu of Parkland Funds Policy are also recommended

to reflect the City's current departmental organization.

Public Consultation/Input

Initial consultation with identified stakeholders was undertaken from December 2, 2021 to January 17, 2022, which resulted in a 'What We Learned' report. This report summarizes feedback received from community associations, the Greater Ottawa Home Builders' Association ("GOHBA"), and the Federation of Citizens Associations. Subsequent to this initial consultation period, two online information sessions were held on March 31 and April 5, 2022 where observations on the City's current Parkland Dedication By-law and considerations for changes to the by-law were presented by the project team. In addition to the online information sessions, individual meetings were held with GOHBA, school boards (upon request), and Members of Council (upon request). A project page on Engage Ottawa/Participons Ottawa was created in December 2021 and kept up-to-date with project details and updates, as well as links to additional resources.

The current Parkland Dedication By-law applies city-wide, with only one provision that applies specifically to the rural wards, that being the conveyance requirement for rural severances. As this provision is not proposed to change, and as there are no rural-specific recommendations for the new Parkland Dedication By-law, and in accordance with Subsection 88(1)(a) of the Procedure By-law, the chairs for Planning Committee and Agricultural and Rural Affairs Committee have agreed that it is appropriate for the staff report and recommendations to be presented only to Planning Committee.

RÉSUMÉ

Hypothèse et analyse

La *Loi sur l'aménagement du territoire* énonce les règles de base de l'aménagement et de la croissance en Ontario, y compris le pouvoir des municipalités d'exiger l'affectation de terrains à la création de parcs lors d'un aménagement ou d'un réaménagement. La *Loi sur l'aménagement du territoire* énonce le taux maximal auquel la municipalité peut percevoir l'affectation de terrains à la création d'un parc ou l'argent tenant lieu d'affectation de terrains à la création d'un parc. Les municipalités peuvent choisir, par le biais d'un règlement, d'appliquer ces taux directement ou de les adapter pour répondre aux besoins particuliers de la municipalité. L'un des taux décrits dans la Loi sur l'aménagement du territoire est l'exigence « alternative » pour les aménagements résidentiels. L'exigence alternative permet aux municipalités d'utiliser ce taux plus élevé au lieu du taux standard, qui est de 5 % de la superficie du site, pour les

aménagements résidentiels seulement. Pour maintenir l'exigence alternative que la Ville d'Ottawa utilise actuellement, la *Loi de 2020 visant à favoriser la reprise économique face à la COVID-19* exige que le *Règlement sur l'affectation de terrains à la création de parcs* soit remplacé d'ici le 18 septembre 2022, car il a été adopté avant la sanction royale de la *Loi de 2020 visant à favoriser la reprise économique face à la COVID-19* le 21 juillet 2020.

Le remplacement du *Règlement sur l'affectation de terrains à la création de parcs* de la Ville représente non seulement une occasion de continuer à utiliser l'exigence de remplacement pour les aménagements résidentiels, mais aussi d'examiner le règlement actuel - qui date de 13 ans - afin de comprendre si des changements aux dispositions du règlement sont appropriés. Pour ce faire, la Ville a engagé la société d'experts-conseils Watson and Associates Economics Limited (« Watson ») pour effectuer une analyse du règlement actuel en fonction de la croissance prévue de la Ville et des objectifs en matière de parcs approuvés par le Conseil dans le Plan directeur des infrastructures des parcs et des loisirs combiné en octobre 2021. L'analyse de Watson comprenait également un examen d'autres municipalités de l'Ontario afin de comprendre comment la législation sur l'affectation des parcs de la Loi sur l'aménagement du territoire est mise en œuvre ailleurs.

En tenant compte de la croissance projetée pour Ottawa jusqu'en 2031, y compris un examen des typologies d'habitation prévues dans chaque transect, M. Watson a constaté que le *Règlement sur l'affectation de terrains à la création de parcs* actuel ne produira pas suffisamment de parcs pour atteindre l'objectif de la Ville de 2,0 hectares de parcs par 1 000 résidents dans tous les transects, sauf le transect rural. M. Watson a noté que ce déficit est le plus élevé dans les transects les plus denses, soit les transects Centre-ville, Ville intérieure et Ville extérieure.

Bien que M. Watson ait observé qu'un plafond sur les exigences en matière de dédoublement des parcs est utilisé pour les développements denses dans la plupart des municipalités ontariennes qu'il a analysées, il a également constaté que la Ville d'Ottawa était la seule municipalité qui limite le dédoublement des parcs aux développements qui font l'objet d'une demande de planification, ces demandes de planification étant des plans de subdivision et de condominium, le contrôle des lots partiels, le contrôle des plans d'implantation et le consentement à la division.

Les résultats de l'analyse de Watson concernant le plafond de cession sur le développement dense, l'examen par la Ville des composantes qualitatives de l'actuel *Règlement sur l'affectation de terrains à la création de parcs* et les commentaires des

intervenants ont permis de formuler les recommandations pour un nouveau règlement, telles que détaillées dans le présent document. En résumé, ces recommandations sont les suivantes :

- Modification du plafond de 10 % des exigences en matière d'acheminement des unités d'habitation dans les immeubles de moyenne et de grande hauteur, qui passe à 15 % et 25 %, respectivement;
- Obligation de soumettre tout aménagement, même celui qui ne fait pas l'objet d'une demande d'aménagement, aux dispositions du règlement;
- Clarification de l'exemption conditionnelle pour les collèges, les universités et les écoles;
- Révision afin d'exiger une cession pour les utilisations auxiliaires dans les lieux de culte;
- Frais forfaitaires de 500 \$ pour les unités d'habitation secondaires et les annexes résidentielles;
- Clarification des délais et de l'expiration de l'évaluation des terres;
- Révisions techniques des définitions et de la terminologie afin de refléter le cadre législatif et politique actuel.

Il est également recommandé d'apporter des révisions techniques à la Politique sur les frais relatifs aux terrains à vocation de parc afin de refléter l'organisation actuelle des services de la Ville.

Consultation/contribution publique

Une consultation initiale avec les intervenants identifiés a été entreprise du 2 décembre 2021 au 17 janvier 2022, ce qui a donné lieu à un rapport intitulé « Ce que nous avons appris ». Ce rapport résume les commentaires reçus des associations communautaires, de la Greater Ottawa Home Builders' Association (« GOHBA ») et de la Fédération des associations de citoyens. À la suite de cette période de consultation initiale, deux séances d'information en ligne ont eu lieu le 31 mars et le 5 avril 2022, au cours desquelles l'équipe du projet a présenté ses observations sur le *Règlement sur l'affectation de terrains à la création de parcs* actuel de la Ville et sur les modifications à y apporter. En plus des séances d'information en ligne, des rencontres individuelles ont eu lieu avec la GOHBA, les conseils scolaires (sur demande) et les membres du

Conseil (sur demande). Une page de projet sur Engage Ottawa/Participons Ottawa a été créée en décembre 2021 et tenue à jour avec les détails et les mises à jour du projet, ainsi que des liens vers des ressources supplémentaires.

L'actuel *Règlement sur l'affectation de terrains à la création de parcs* s'applique à l'ensemble de la ville, avec une seule disposition qui s'applique spécifiquement aux quartiers ruraux, à savoir l'exigence de cession pour les disjonctions rurales. Puisque nous ne proposons aucun changement à la présente disposition et comme il n'y a aucune recommandation liée aux zones rurales quant au nouveau Règlement sur l'affectation de terrains à la création de parcs, les présidents du Comité de l'urbanisme et du Comité de l'agriculture et des affaires rurales ont convenu qu'il convient que le rapport du personnel et ses recommandations ne soient présentés qu'au Comité de l'urbanisme, conformément à l'alinéa 88(1)(a) du Règlement de procédure.

BACKGROUND

The Planning Act

The Planning Act sets out the provisions for the requirement of parkland conveyance or cash-in-lieu of parkland for development or redevelopment when there is a net increase in density for any use. Importantly, the Planning Act's rates for parkland dedication are maximum amounts with municipalities having the choice to implement the rates as stated in the Planning Act, or at a lower rate. The Planning Act does not place any limitations on the municipality's ability to exempt development from the parkland conveyance requirements, thus municipalities can tailor their requirements based on their own strategic direction.

The Planning Act sets the rates based on the type of development, with conveyance for commercial and industrial calculated as 2% of the site area and all other development types, including residential, calculated as 5% of the site area. It is important to note that the Planning Act also permits a municipality to use a higher 'alternative' requirement – or rate – for residential development. The 'alternative' rate permits municipalities to calculate the required conveyance at a rate of one hectare per 300 dwelling units when parkland is to be conveyed, and one hectare per 500 dwelling units for cash-in-lieu of parkland. Of note is that the municipality must include policies within their Official Plan concerning the alternative requirement and, in order to have these policies, the municipality must also have a 'parks plan' that outlines its parkland targets.

COVID-19 Economic Recovery Act

On July 21, 2021, the COVID-19 Economic Recovery Act received royal assent and introduced changes to the Planning Act, including changes to the parkland dedication provisions. Specifically, the COVID-19 Economic Recovery Act implemented legislation that requires Ontario municipalities to review and replace their Parkland Dedication By-law by September 18, 2022, if they intend on maintaining the alternative requirement after that date.

Parks and Recreation Facilities Master Plan

When City Council adopted the Parks and Recreation Facilities Master Plan (“PRFMP”) on October 13, 2021, it became the City’s parks plan under the Planning Act. The PRFMP identifies the City’s parkland target for the period of 2021 to 2031 and considers future population growth within the City’s transects, as delineated in the New Official Plan. Both the current Official Plan and the New Official Plan permit the use of the alternative requirement for parkland dedication in Sections 4.10(3) and Section 4.4.1(4), respectively.

The PRFMP undertook a thorough analysis of existing and anticipated parkland, recreation facilities, and recreation amenities to understand where there will be deficiencies as the population grows with respect to the parkland target of 2.0 hectares per 1,000 people. The PRFMP was prepared using the same population projections and transect model as the New Official Plan to support the inclusion of policies that permit the use of the ‘alternative’ rate for parkland dedication.

In addition to adopting the PRFMP, Council recommended that the Parkland Dedication By-law be reviewed and that parkland acquisition and ‘land first’ policies be developed. The review and replacement of the Parkland Dedication By-law, as discussed herein, is the first project to be presented to Council in a suite of tools that will strengthen the provision and acquisition of parkland within Ottawa.

Current City of Ottawa Parkland Dedication By-law

On March 11, 2009, By-law 2009-95, the current Parkland Dedication By-law, was adopted by City of Ottawa Council. This by-law was adopted to regulate parkland dedication for the entire City of Ottawa, whereas prior to this date the parkland dedication by-laws for each former municipality were being used, even after amalgamation in 2001.

At the time that By-law 2009-95 was adopted, the Planning Act legislation included the

same parkland dedication rates as the current Planning Act, those being the following:

- Commercial and industrial uses: 2% of site area
- All other uses (including residential): 5% of site area
- Alternative requirement for residential: 1 hectare/300 dwelling units (for parkland dedication) or 1 hectare/500 dwelling units (for cash-in-lieu of parkland)

These rates were used to shape By-law 2009-95, along with key provisions to address the following, among others:

- exemptions to parkland conveyance, including specific uses and developments that are not subject to a planning application;
- when the alternative requirement is used for residential development;
- placing a cap on the amount of parkland or cash-in-lieu for high-density development; and
- distribution of cash-in-lieu funds between wards and the City as a whole

Since the adoption of the current Parkland Dedication By-law in 2009, there has not been a major review of the by-law to understand if it is meeting the current or future parkland needs of Ottawa.

Cash-in-Lieu of Parkland Funds Policy

In February of 2011, Council adopted the 'Cash-in-Lieu of Parkland Funds Policy' (the "Policy"). The Policy delegates authority, as appropriate, for the expenditure of cash-in-lieu funds collected pursuant to Parkland Dedication By-law 2009-95, as amended.

Specifically, the Policy addresses the following components:

- The purposes for which cash-in-lieu funds can and cannot be used;
- Who has delegated authority to use the Ward and City-wide funds; and
- When monitoring and reporting will occur.

This policy supports the current Parkland Dedication By-law, which directs 60% of funds to the ward in which the development is located and 40% of funds to a City-wide fund. Exceptions to this distribution are for special districts where 100% of funds can be directed to a specific development area, and which must be identified within the

Parkland Dedication By-law.

DISCUSSION

Replacement of the Parkland Dedication By-law

As discussed herein, in order to keep using the 'alternative' rate for parkland dedication, the City's current by-law has to be replaced. Further to this, since the by-law had not been comprehensively reviewed since its original adoption in 2009, this replacement is an opportunity to understand if other changes need to be made at the same time.

In order to understand how the current by-law will meet the needs of future populations, the City hired Watson and Associates Economists Ltd. ("Watson"). Watson undertook a review of the current parkland dedication by-law as it relates to the city's projected population growth to understand the anticipated yield of parkland as a result of development. In conducting this review, Watson found that there will be a parkland yield shortfall over the next ten years for all transects, except within the Rural transect. Further to this, it was determined that the denser the population, the larger the deficit will be.

Together with the analysis provided by Watson, the City considered input from internal and external stakeholders to understand where changes to the Parkland Dedication By-law were appropriate.

Stakeholder Input

As discussed herein, stakeholders were invited to participate in the initial consultation phase to identify issues with the current Parkland Dedication By-law. Specific stakeholders were also engaged with respect to particular sections of the by-law, those being Members of Council to discuss the distribution of cash-in-lieu of parkland funds, and school boards to discuss the exemptions for schools.

As detailed in Documents 3 and 4 herein, the following general themes were identified within the stakeholder feedback. These themes are addressed or not addressed within the recommended new Parkland Dedication By-law as follows:

- **Affordability of housing:** Some stakeholders indicated that the cost of cash-in-lieu of parkland is high and impacts the affordability of housing. Stakeholders also noted that the cost is higher for smaller developments that are desired by the City, such as 'missing middle' development, because the 10% cap applies equally from low-rise development to high-rise development. To address the

inequity of the 10% cap, staff recommend that the cap be based on the building typology, with different caps for low-rise, mid-rise, and high-rise development. With respect to affordability of housing, the 10% cap has been in place for well over 10 years and is not proposed to change for low-density residential development. The cap is proposed to change for higher-density residential units and while this will represent an overall increase of costs to the developer, it recognizes that residents within high-density developments and neighbourhoods also need access to parkland.

- Targeted areas or neighbourhoods for cash-in-lieu funds, particularly those neighbourhoods deficient in parkland as identified by the PRFMP: Stakeholders requested that special administrative areas be created to direct 100% of cash-in-lieu funds for neighbourhoods deficient in parkland. The recommended new by-law does not include any new administrative areas as the scope of the by-law review did not include a comprehensive review of neighbourhoods. Future changes to the by-law to delineate special districts can be made on a case-by-case basis, if determined appropriate.
- Application of the by-law to all development, including development only subject to a building permit: The recommended new by-law addresses this concern from stakeholders by requiring that all development – not just development subject to a planning application – is subject to the provisions of the Parkland Dedication By-law.
- Revision to the cash-in-lieu distribution in order to better address wards that are deficient in parkland: Stakeholders identified that the City should review the ward/City wide distribution to also take transect parkland needs, as described in the PRFMP, into consideration.
- Consideration of encumbered lands (e.g., lands that are burdened by other rights or development that affects the use of the property) as meeting parkland dedication requirements: Stakeholders identified that more consideration and clearer provisions for encumbered lands should be included within the new by-law. Examples of encumbrances include subsurface uses (utilities, parking garages) and surface uses such as storm water storage. The current Parkland Dedication By-law provides discretion to the General Manager to consider encumbered lands for parkland dedication. Staff have not recommended any changes to this provision as the current provision allows for a review on a case-by-case basis, however, a definition for ‘encumbrance’ has been recommended

to ensure clarity within the by-law.

- Clarification of the 'gross land area' definition: Stakeholders identified that the definition does not provide enough clarity and should be revised to pertain only to the area of a site that is being developed at the time the development proposal is put forward. Staff are of the opinion that it is important to recognize the entirety of the development area, even if this will occur in phases. As such, staff have recommended that the definition be revised to clearly identify that the gross land area includes all lands to be developed whether at one time or in phases. Additionally, the recommendations address a frequent question that arises, being the question of whether public roads, stormwater ponds, or park blocks are to be included. While providing clarity to developers, staff are of the opinion that this revised definition also is intended to preclude piecemeal development of sites to avoid parkland dedication requirements.
- Clarification of the valuation process: Stakeholders identified that the by-law should clearly identify the required valuation date for cash-in-lieu of parkland and ensure that the valuation date is in keeping with the Planning Act. The recommended changes include provisions that address the valuation date for cash-in-lieu of parkland, as well as provisions regarding the expiration of a valuation.

Recommended Changes

The Parkland Dedication By-law is proposed to be replaced in its entirety with a new by-law that includes the changes as follows:

Caps on Residential Development

The current Parkland Dedication By-law caps the required conveyance for apartment development to 10% of the gross land area. Further to this, for all residential development where the conveyance is entirely cash-in-lieu of parkland, the value is capped at 10% of the value of the land (e.g., 10% of the gross land area).

In order to better meet the needs of current and future residents, and in consideration that the current Parkland Dedication By-law will not yield sufficient parkland to meet the City's parkland target of 2.0 hectares per 1,000 people as the population grows, the following provisions for residential development are recommended within the new Parkland Dedication By-law:

- Low density residential development: As Watson's analysis determined that the current by-law provisions address parkland targets within the Rural transect, which represents the majority of low-density residential development in the city, the by-law proposes to maintain the standard conveyance rate of 5% of gross land area. As with the current by-law, this rate is only proposed for development that has a density equal to or less than 18 dwelling units per net hectare.
- Residential development greater than 18 dwelling units per net hectare: Conveyance rates for low-rise residential development are recommended to stay the same, with the 10% cap maintained and applied for apartments or when the conveyance is entirely as cash-in-lieu. For dwelling units within a mid-rise building (i.e., five to nine storeys), the cap is proposed to be 15% and for high-rise buildings (i.e., 10 or more storeys) the cap is proposed to be 25%.

The Watson report included the use of scenarios to determine the cap that would enable the City to reach their parkland target of 2.0 hectares of parkland per 1,000 residents. Watson determined that using a cap of 10% for low-density (i.e., detached, semi-detached, and duplex dwellings), 15% for medium-density (i.e., townhouses and three-unit), and 40% for high-density (i.e., apartments) residential development would enable the City to meet their parkland target.

The City's Official Plan, Zoning By-law, and design guidelines mainly focus residential development typologies into three categories pertaining to height, those generally being low-rise (up to and including four storeys), mid-rise (five storeys up to and including nine storeys), and high-rise (10 storeys and greater). As such, staff recommend the caps reflect these residential development typologies and that a 25% cap is appropriate for high-rise development, as compared to the 40% cap used in Watson's analysis, to ensure that development does not become unfeasible. Further to this, staff recommend that for land zoned as Transit Oriented Development, if the type of development results in a conveyance requirement that exceeds 10% of the gross land area, that a maximum of 10% of gross land area is to be conveyed as parkland with the remainder of the conveyance requirement to be provided as cash-in-lieu of parkland. This recommendation supports the new Official Plan's residential density targets while also supporting the City's parkland targets.

Applicability of the Parkland Dedication By-law

At the time that By-law 2009-95 was adopted, it was decided that the by-law would only

apply to development subject to a planning application and not to development subject to only a building permit. This has resulted in scenarios in which some development is not subject to the provision parkland conveyance or cash-in-lieu of parkland even though the development represents an increase in density. Such scenarios mainly occur with intensification of an existing site, which often require only a building permit and, thus, the current Parkland Dedication By-law does not apply.

As such, it is recommended that the new Parkland Dedication By-law apply to all development and redevelopment, including those projects only requiring a building permit. The majority of the time, these development projects are small-scale and on smaller lots and, therefore, cash-in-lieu of parkland will the method of conveyance. However, as legislation or City procedures change, if more development projects require only a building permit process and not a planning application, the provisions of the new Parkland Dedication By-law will also allow for the conveyance of parkland if deemed appropriate.

Exemptions

The Planning Act permits that lower amounts of parkland conveyance or cash-in-lieu are permitted at the discretion of the municipality. As such, the current Parkland Dedication By-law includes development scenarios and uses that are exempt from the provision of parkland conveyance or cash-in-lieu of parkland. The following revisions are recommended to best address how development occurs within Ottawa:

- Colleges, Universities and School Development: Clarification that on-site recreation needs to be provided and maintained in order to be exempt from the provisions of the by-law and that the determination whether these on-site recreation needs are adequate shall be to the satisfaction of the General Manager.
- Places of Worship: Ancillary uses developed in association with places of worship, such as banquet halls or other retail uses, were identified as being appropriate to include within the requirements for conveyances, as is required for other similar uses not located within places of worship.
- Secondary Dwelling Units and Coach Houses: The development of secondary dwelling units and coach houses represents an increase in density within a neighbourhood, which increases the demand for parkland. As such, it is appropriate to require conveyance to support this additional density within neighbourhoods. Through consultation with Building Code Services, it was noted

that a balance between adding extra fees and supporting secondary dwelling units needs to be achieved. This will ensure that the costs do not drive secondary dwelling units 'underground', which was seen in the past with the development of illegal basement suites. Implementing a nominal fee of \$500 per unit will ensure that property owners continue to obtain building permits for secondary dwelling units and coach houses, which further ensures that safety and fire standards are being met for these units.

- Agriculture Uses: To support the provincial direction regarding protection of agricultural uses and land, agriculture uses are recommended to be exempt from the provisions of the new Parkland Dedication By-law.

Valuation Process

To ensure clarity within the new Parkland Dedication By-law, provisions for valuation that correspond to Planning Act legislation are recommended along with the timeline for these valuations.

Definitions

Through the review of the by-law, it was noted that some of the current definitions within the by-law did not reflect the current Zoning By-law or were no longer relevant given the proposed changes to the by-law. As such, the following definitions were changed or removed:

- Cash-in-lieu: new definition to convey the intent of terminology used within the new Parkland Dedication By-law;
- Development: revised to conform to the Planning Act definition and to remove reference to development only subject to a planning application;
- Gross floor area: revised to conform to Zoning By-law;
- Gross land area: revised to better identify the intent of what is to be included and excluded;
- Encumbrance: new definition to clarify the intent for the purposes of the Parkland Dedication By-law;
- Parkland: new definition for clarity;
- Rural severance: revised to conform to new Official Plan; and

- Transect: new definition to clarify the geographic area as referenced in the new Official Plan.

Cash-in-lieu of Parkland Funds Policy and Distribution

In response to input from stakeholders, and in consideration of the completed PRFMP and Watson's conclusions for parkland yield, staff recommend that a review of the distribution of cash-in-lieu of parkland funds be undertaken by Q4 of 2023 and that this review consider recommendations to potentially revise the distribution to include a transect model and parkland needs.

Implementation of the New Parkland Dedication By-law

The new by-law, once in full force and effect, will be used to calculate the amount of parkland or cash-in-lieu of parkland required for development and redevelopment. For the most part, there will not be any procedural changes to how parkland dedication or cash-in-lieu funds are conveyed. Namely, the following processes will stay the same:

- Development applications will include conditions of parkland conveyance or cash-in-lieu of parkland, as applicable;
- Valuation for cash-in-lieu of parkland will be based on the day before draft approval, provisional consent, or development approval, as applicable;
- Special areas and existing landowner's agreements will be maintained.

The following new processes will be put into place to implement the changes as proposed and detailed herein:

- Valuations for development subject to a Site Plan Control application or building permit will be based on the day before issuance of the building permit, as per the Planning Act;
- Valuations will be valid for a period of one year after which time they will expire;
- Internal departments will work together to develop a process determining conveyance requirements for development or redevelopment only subject to a building permit.

The proposed by-law includes transition clauses to acknowledge in-stream development applications and building permits for a specified time after which time the proposed development or redevelopment will be required to comply with the provisions of the new

Parkland Dedication By-law.

FINANCIAL IMPLICATIONS

There are no municipal financial implications as a result of the recommendations in this report.

LEGAL IMPLICATIONS

As outlined in the report, the COVID-19 Economic Recovery Act effected changes to the Planning Act that requires the City to pass a new Parkland Dedication By-law by September 18, 2022, failing which the existing by-law will expire, and the alternative rate for parkland dedication currently provided for in the by-law would not be permitted. The new Parkland Dedication By-law can be challenged by appeal to the Ontario Land Tribunal. The right of appeal, however, is restricted to challenging the alternative rate for parkland dedication.

COMMENTS BY THE WARD COUNCILLORS

This is a city-wide report – not applicable.

CONSULTATION

The Planning Act requires that if a municipality wants to pass a by-law pertaining to the conveyance of land for park purposes that uses the ‘alternative’ requirement, the municipality must consult with stakeholders they consider appropriate. Seven key stakeholder groups that regularly prepare, review and comment on development projects were identified for preliminary consultation as follows:

- Community associations registered on the City of Ottawa’s notification list for development applications
- Federation of Citizens’ Associations (FCA)
- Greater Ottawa Home Builders Association (GOHBA)
- Building Owners and Managers Association of Ottawa (BOMA)
- School Boards
- Members of Council
- City Departments, as applicable

In December 2021 the project team notified stakeholders of its intention to review and replace the City's Parkland Dedication By-law by September 18, 2022, as required by the Province's COVID-19 Economic Recovery Act. For the initial notification and consultation with stakeholders, the goal was to identify issues that stakeholders had encountered or felt were important to address. To start issues identification, the project team posed three questions to stakeholders as follows:

- 1) Are there issues with the current by-law you feel should be addressed?
- 2) What are the specific issues?
- 3) How do you feel that these issues can be addressed?

These three questions were sent to all external stakeholders for their input, with the exception of the school boards who are exempt from the provisions of the current Parkland Dedication By-law, and who were provided with notice that the project was underway. An initial timeline of five weeks was given to stakeholders to prepare their responses to the questions asked, as well as any other comments they wanted to share with the project team. At the request of some of the stakeholders, the timeline was extended for another 10 days, for a total of 6.5 weeks (December 2, 2021 to January 17, 2022) for the initial consultation period. A 'What We Learned' report was prepared to summarize the comments that were received during the preliminary consultation and is provided in Document 3.

Two online information sessions were held on March 31, 2022 (English-only) and April 5, 2022 (Bilingual) in a webinar format where the project team presented observations and considerations, and also answered questions from attendees. Approximately 40 residents attended these two online information sessions, and the presentation was also posted online on both Engage Ottawa and Participons Ottawa for general viewing.

The project team met with Members of Council who requested a meeting, one school board, GOHBA, and internal departments in order to answer questions regarding the project as well as to discuss the observations and considerations as shared in the online information sessions.

Additional stakeholder groups that are not currently subject to the Parkland Dedication By-Law were not included within preliminary consultation but were included as part of the formal public notification process.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

ASSET MANAGEMENT IMPLICATIONS

The recommendations documented in this report are consistent with the City's Comprehensive Asset Management (CAM) Program objectives. The implementation of the Comprehensive Asset Management program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally, and economically conscious manner.

ECONOMIC IMPLICATIONS

There are no economic implications associated with this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

RURAL IMPLICATIONS

As with the current by-law, the proposed new Parkland Dedication By-law will apply to the rural area of the City of Ottawa. The current conveyance requirement for residential development will be maintained for the majority of the Rural area, with changes only applicable to residential development of five stories or more, and secondary dwelling units and coach houses, which will be required to pay a nominal cash-in-lieu of parkland fee. Further to these changes, development not subject to a planning application will now be subject to the provisions of the by-law.

TERM OF COUNCIL PRIORITIES

If implemented, the subject recommendations would have implications on the following Term of Council Priorities:

- Thriving Communities: Promote safety, culture, social and physical well-being for our residents.

SUPPORTING DOCUMENTATION

Document 1 Details of Recommended New Parkland Dedication By-law

Document 2 Details of Recommended Changes to Cash-in-Lieu of Parkland Funds

Policy

Document 3 What We Learned Report

Document 4 Consultation Details

DISPOSITION

Following Committee and Council approval, staff, in conjunction with Legal Services will prepare the new by-law for enactment by Council. The Cash-in-lieu of Parkland Funds Policy will be amended, and staff will return to Committee and Council in the new term with the results of their review and any recommended revisions to the Parkland Dedication By-law and Cash-in-Lieu of Parkland Funds Policy.

** Note: Corrections were made to Document 1 of this report in accordance with Motion No. Motion No. PLC 2022-67/3 and pursuant to the City Clerk and Solicitor's Delegated Authority to correct clerical, spelling, or minor errors of an administrative nature as set out in Schedule C, Section 7 of Delegation of Authority By-Law 2022-29. A revised report was posted with the August 31, 2022, City Council Agenda.*