

**Report for Public Consultation**

Prepared by Hemson for the City of Brampton

# Community Benefits Charge Strategy

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# 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

PPU Persons Per Unit

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# Executive Summary

## A. Purpose of 2022 CBC Strategy

### i. What is a Community Benefits Charge?

A Community Benefits Charge (CBC) is a new growth-funding tool (GFT) under the Planning Act (Act) that allows municipalities to levy a charge against certain forms of higher density development to fund associated development-related capital infrastructure needs. The CBC provisions replace the former section 37 height and density bonusing in the Act, subject to transition rules. A CBC can be levied in addition to development charges (DCs) and collections under Section 42/51 of the Planning Act under the provisions and restrictions of the Act.

Municipalities can use CBCs to fund a wide-range of capital costs, of any public service, that are related to the needs associated with new growth if those costs are not already recovered from development charges and parkland provisions. A CBC can be used to fund services provided for under a DC by-law, and for parkland acquisitions, as long as there is no duplication of recovery of the same capital costs under another GFT.

### ii. Legislative Context

The City of Brampton 2022 Community Benefits Charge Strategy (herein referred to as the “CBC Strategy”) is presented as part of the process to lead to the approval of a CBC By-law in compliance with the *Planning Act*, 1990 (the “Act”). The report is prepared in accordance with the Act and associated Ontario Regulations 509/20 (O.Reg. 509/20), including the amendments that came into force on September 18, 2020.

### iii. CBCs Levied on Higher Density Residential Development

A CBC can only be levied against higher density residential development, limited by the Act to developments that are:

- Five or more storeys, **and**
- Contain 10 or more residential units.

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

The regulations to s.37 of the Act, O. Reg. 509/20, also provide for a number of statutory exemptions from the payment of a CBC, namely:

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

### iv. CBC Strategy

Subsection 37(32) of the Planning Act prescribes that the maximum permitted charge that can be levied is four per cent of land value for a development with five or more storeys and ten or more residential units on the day before issuance of the building permit. Several key steps must be undertaken in order to levy CBCs. They include:

- Preparing a development (growth) forecast;
- Determining the increased need arising from development;
- Determining how these costs are attributed to CBC development;
- Identifying any excess capacity that exists; and
- Estimated benefit to existing shares, grants, subsidies or other contributions.

## **v. Brampton and CBCs**

In the last few years the City of Brampton has seen an increase in the number of medium-high density type developments. The City's Housing Strategy and Action Plan ("Housing Brampton") was approved by City Council on May 19, 2021 and one of the recommendations included the timely advancement of various regulatory tools to support the provision of affordable housing, such as Section 37 (Density Bonusing and/or Community Benefit Charge). As a result, City staff brought forward a report and proposal to pursue density bonusing as originally prescribed under S.37 of the Planning Act, as an interim measure until the establishment of a CBC Strategy and By-law.

The Brampton 2040 Vision is a key document that provides thoughtful densification while ensuring that quality of life and provision of community amenities match with planned densification. Overall, the CBC is a tool that can support this goal, and help the City obtain not just affordable housing, but many other community benefits such as public art, improved parkland and enhanced urban spaces, public institutional space (daycare, community centres, cultural spaces, etc.), improved streetscaping, heritage building preservation and others.

## **B. Development Forecast**

Over the ten-year planning period from 2022 to 2031, the City is anticipated to grow by approximately 5,180 occupied dwelling units in buildings which would be subject to a community benefits charge. As set out in Section 3 of O.Reg. 509/20 the maximum permissible CBC is capped at four per cent. At the four per cent cap, a high-level estimate of the CBC revenue potential associated with these units is approximately \$6.3 million. Additional details are provided in Section 5.

### **C. CBC Capital Needs Exceed Revenue Forecast**

The estimated net CBC eligible costs of the growth-related capital program totals \$22.5 million. The CBC eligible costs exceed the amount that can be funded under the four per cent cap.

### **D. Application of CBCs**

The City of Brampton will levy CBCs as a per cent 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 City-wide basis to all eligible developments notwithstanding statutory exemptions in subsection 37 (4) (e) of the Act and the City's CBC By-law.

# 1. Introduction

## A. Introduction and Background

The City of Brampton Community Benefits Charge 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 (Act).

Subsection 37(9) of the Act and section 2 of O. Reg. 509/20 require that a community benefits charge 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 the need for facilities, services and matters attributable to the anticipated development and redevelopment to which the community benefits charge 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 City.

The Act requires that municipalities consult with the public. Accordingly, the City will make this CBC Strategy and the draft CBC by-law available for public comment before Council’s passage of the by-law. A number of industry information and engagement sessions were held prior to Council’s consideration of the CBC Strategy and by-law and a council workshop in a public forum was held on June 27<sup>th</sup>, 2022. Following completion of this consultation process, Council will review the strategy, the comments received regarding this report and any other information brought to Council’s attention regarding the proposed rate. Finally, Council will pass a new Community Benefits Charge by-law for the City.

The remainder of this strategy report sets out the information and analysis upon which the proposed charge is based.

## **B. Legislative Context & Regulatory Requirement**

The community benefits section of the Planning Act has replaced what was previously referred to as section 37 “Increased Density.” This change was introduced through the COVID-19 Economic Recovery Act, 2020 and previous versions in the More Homes, More Choice Act, 2019 as well as the Plan to Build Ontario Together Act, 2019. The new section 37 enables municipalities to impose community benefits charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the municipality.

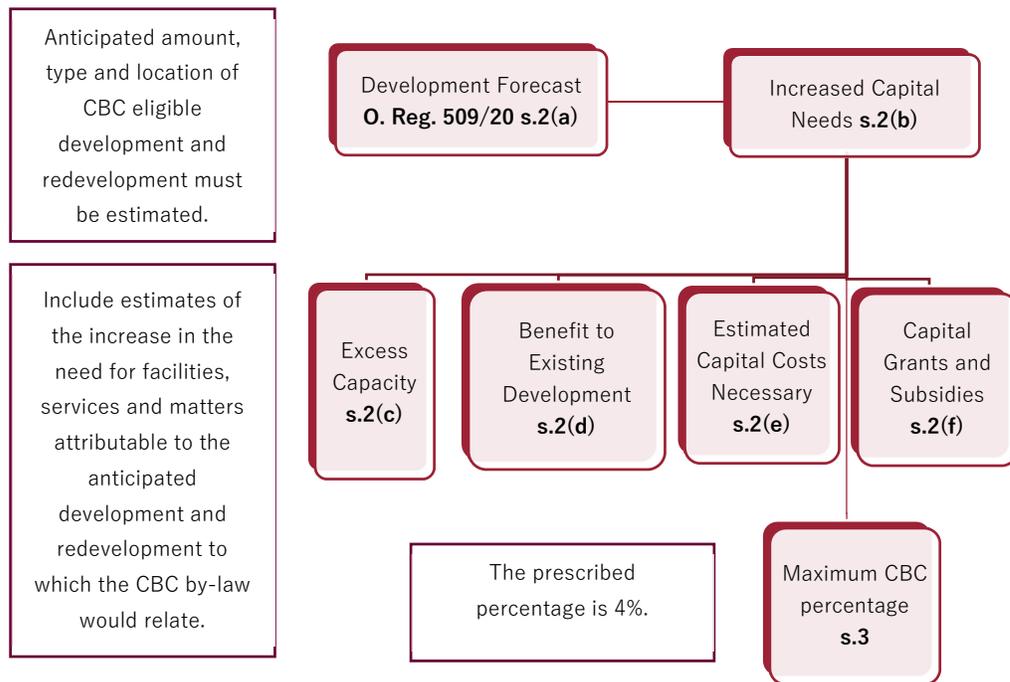
The new section 37 sets out the relationship between community benefits charges and other growth-related funding tools, including the development charges levied under the *Development Charges Act, 1997*.

## 2. Purpose of the 2022 Community Benefits Charge Strategy

### A. Key Steps in Determining CBCs

As shown in Figure 1, the CBC Strategy needs to include various components to validate the applied charge. In the case of the City of Brampton, the charge is levied on a land value basis not exceeding the legislated maximum of four per cent.

**Figure 1. Key Steps in Determining CBCs**



## **B. Proposed Methodology & Approach**

The Community Benefits Charges legislation does not specify the method by which a CBC is levied. Various options could be applied by a municipality, such as charges based on a per cent of land value, a per-unit charge, or a charge based on gross floor area of development. It is proposed the City use the first option, based on four per cent of land value at the time of building permit issuance, for the collection of CBCs levied on a City-wide basis. This approach adjusts for variability in land values across City geographies and building typologies. An area specific approach is not necessary as the per cent of land value rate structure will account for variable land values across the City.

The CBC capital program, summarized in the section below and in Section 4 of the Strategy, was developed with City staff and relies on the capital budgets, the 2019 DC Background Study, ongoing Business Plans, Official Plan policies and Brampton's Parkland Dedication Guidelines.

As required by legislation, all CBC collections shall be paid into a special account. Furthermore, subsection 37 (47) of the Act directs that a minimum of 60 per cent of the monies in the special account must be allocated or spent annually. A process outside of this CBC Strategy may be established to outline the details for determining priorities for spending, as approved by Council.

The CBC Strategy serves to substantiate levying a 4 per cent CBC and to satisfy the legislative and regulatory requirements, and is a point in time analysis of eligible capital programs and projects to which the City 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

The total gross capital program identified for recovery from CBCs is \$309.5 million. The entire gross capital cost is not eligible to be funded by CBCs and a series of legislated deductions have been made including consideration for excess capacity, replacement or benefit to existing shares and shares to be funded from other growth-funding tools.

As no grants and subsidies have been identified, there is no deduction to the gross program and the net municipal cost remains at \$309.5 million.

Replacement or benefit to existing shares are removed from the eligible recovery costs and totals \$39.4 million and relate to heritage assets, parking infrastructure, community safety measures, active transportation works and housing projects. This yields a total development related cost of \$270.1 million.

A share totaling \$5.9 million that is intended to be funded through existing development charges reserves and has been removed from the CBC eligible costs. Of the remaining \$264.3 million, \$22.5 million is considered to relate to developments that are five or more storeys and contain 10 or more residential units, and as such, eligible for recovery from CBCs. The remaining amount of approximately \$241.7 million may be considered for funding from future development charge studies or for funding from other sources.

The capital program is based on service levels planned for and provided by the City. The capital facilities set out herein are a snapshot of what the City currently needs to fund to maintain those service levels during the ten-year planning period. As projects are completed, the City 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 capital program is summarized in Table 1 below.

**Table 1. Summary of CBC Capital Program (\$000s)**

Service	Gross Project Cost	Grants/ Subsidies & Other Recoveries	Net Cost	Replacement & BTE	Total Development Related Cost	Existing DC Share	Remaining Development Related	Total CBC Related Costs
1.0 HOUSING	\$21,517.0	\$0.0	\$21,517.0	\$11,981.0	\$9,536.0	\$0.0	\$9,536.0	\$695.2
2.0 PUBLIC REALM	\$5,000.0	\$0.0	\$5,000.0	\$1,151.0	\$3,849.0	\$0.0	\$3,849.0	\$3,517.5
3.0 COMMUNITY FACILITIES	\$117,900.0	\$0.0	\$117,900.0	\$0.0	\$117,900.0	\$0.0	\$117,900.0	\$8,594.7
4.0 ACTIVE TRANSPORTATION	\$17,150.0	\$0.0	\$17,150.0	\$1,573.0	\$15,577.0	\$0.0	\$15,577.0	\$783.2
5.0 PARKS & TRAILS	\$86,200.0	\$0.0	\$86,200.0	\$0.0	\$86,200.0	\$0.0	\$86,200.0	\$6,283.8
6.0 PARKING	\$53,800.2	\$0.0	\$53,800.2	\$19,009.1	\$34,791.1	\$5,854.0	\$28,937.1	\$1,455.0
7.0 HERITAGE ASSETS	\$6,100.0	\$0.0	\$6,100.0	\$4,347.0	\$1,753.0	\$0.0	\$1,753.0	\$684.1
8.0 ADMINISTRATION	\$500.0	\$0.0	\$500.0	\$0.0	\$500.0	\$0.0	\$500.0	\$500.0
<b>TOTAL COST</b>	<b>\$308,167.2</b>	<b>\$0.0</b>	<b>\$308,167.2</b>	<b>\$38,061.2</b>	<b>\$270,106.0</b>	<b>\$5,854.0</b>	<b>\$264,252.0</b>	<b>\$22,513.6</b>

Note: Values have been rounded.

### **3. Development Forecast**

This section describes the basis and results of the development forecast that forms the basis of the capital program. The development forecast is based on the City's 2019 Development Charges Study forecast with updated 2021 Census data (where available) as well as some modifications to the short-term growth to account for recent trends. The results of the housing unit and population forecast are in line with the requirements of O.Reg. 509/20 s.2(a).

#### **A. Proposed 10-Year Planning Horizon**

The City establishes capital budgets on a 5-10-year basis and the CBC Strategy capital programs are in line with the internal City capital planning time-frame. The time-frame for the development forecast and the capital programs in this CBC Strategy is 2022-2031.

#### **B. Consistent with the DC Development Forecast**

The forecast for the CBC Strategy was based on the forecast used in the City's 2019 DC Background Study (DC Study), although, some modifications to the forecast have been made to reflect recent census data and development trends, particularly for apartment units.

Based on discussions with City staff and reviewing current development pipeline data, it is estimated that approximately 90 per cent of apartment units over the 2022 to 2031 period will meet the CBC criteria of being five or more storeys and containing 10 or more residential units. As shown in Table 2, the total forecast of units in the City totals about 37,770.

**Table 2. Forecast of Annual Housing Units – City-Wide**

Year	Single/Semi	Row	Apartment	Total
2022	2,170	897	382	3,449
2023	2,208	932	386	3,526
2024	2,245	969	391	3,605
2025	2,284	1,006	396	3,686
<b>2026</b>	<b>2,323</b>	<b>1,046</b>	<b>400</b>	<b>3,769</b>
2027	2,144	912	729	3,785
2028	2,178	942	744	3,864
2029	2,211	973	760	3,944
2030	2,246	1,005	776	4,027
<b>2031</b>	<b>2,281</b>	<b>1,038</b>	<b>791</b>	<b>4,110</b>
<b>Total 2022-2031</b>	<b>22,290</b>	<b>9,720</b>	<b>5,755</b>	<b>37,765</b>

As shown in Table 3, the total forecast of units subject to CBCs is approximately 5,180 apartment units over the 2022 to 2031 period. The figure used in the analysis represents the top-end range to meet the CBC criteria; being 90 per cent of the total 10-year forecast of apartment units or 14 per cent of all unit types.

**Table 3: Forecast of Annual Housing Units – Units Subject to CBCs**

Year	Single/Semi	Row	Apartment	Total
2022	0	0	344	344
2023	0	0	347	347
2024	0	0	352	352
2025	0	0	356	356
<b>2026</b>	0	0	<b>360</b>	<b>360</b>
2027	0	0	656	656
2028	0	0	670	670
2029	0	0	684	684
2030	0	0	698	698
<b>2031</b>	0	0	<b>712</b>	<b>712</b>
<b>Total 2022-2031</b>	<b>0</b>	<b>0</b>	<b>5,180</b>	<b>5,180</b>

Table 4 shows the calculation of persons in units subject to CBCs as a percentage of persons in all new units. This calculation uses the occupancy factors or “persons per unit” (PPU) assumptions established as part of the 2019 DC Background Study. The average apartment unit PPU is 1.94 and this, when applied to the total 10-year CBC unit forecast (5,180), results in an estimate of 10,033 persons. This represents 7 per cent of the overall 10-year forecast of people in all units (137,624). This 7 per cent figure 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 in certain cases, a potential non-residential benefit is recognized resulting in a CBC-eligible share lower than 7 per cent.

**Table 4. Forecast of Persons in New Units, 2022-2031**

	<b>Single/Semi</b>	<b>Row</b>	<b>Apartment</b>	<b>Total</b>
Units Subject to CBC	0	0	5,180	5,180
All Units	22,290	9,720	5,755	37,765
<b>PPU Assumptions</b>	<b>4.29</b>	<b>3.18</b>	<b>1.94</b>	
Persons in New Units Subject to CBC	0	0	10,033	10,033
Persons in All New Units	95,571	30,906	11,147	137,624
<b>% of Persons in Units Subject to CBC</b>				<b>7%</b>

For determining shares of capital costs related to growth in CBC-eligible development where a project benefits both residential and non-residential developments a non-residential allocation is presented in Table 5. The ten year, 2022 to 2031, forecasted population in new dwelling units plus place of work employment totals about 199,520. Of this total growth, 5 per cent is anticipated to occur in CBC-eligible developments.

**Table 5. Summary of Shares of Population, Employment Development vs CBC Eligible Population Growth, 2022-2031**

<b>Population in New Dwellings (a)</b>	137,624
<b>Place of Work Employment (b)</b>	61,900
<b>Population and Employment (a+b=c)</b>	199,524
<b>CBC Eligible Units Population (d)</b>	10,033
<b>Share of CBC Eligible Pop. Vs Total City-Wide Pop. &amp; Emp. (%) (d)/(c)</b>	5%

## 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.

In Section 5, it is evident that there is not sufficient CBC revenue anticipated to be collected under the four per cent cap to meet the increased needs arising from CBC-eligible development. As such, through work with City staff, a priority list of service categories have been identified. The list is based on projects that have lost eligibility for DC funding, projects that have been tax funded (but growth-related) or projects that would have attracted s.37 collections. The following services have been included as related to developments subject to the CBC:

- Housing;
- Public Realm;
- Community Facilities;
- Active Transportation;
- Parks & Trails;
- Parking;
- Heritage Assets;
- Administration

Under each of these services, the City anticipates development-related project costs to arise, fully or partially driven by mid- to high-density residential and mixed-use development, to which CBCs will apply. The identified CBC-eligible project costs for these services are beyond the costs

anticipated to be funded through other growth funding tools, including development charges and parkland dedication. It is noted that the CBC capital program is a point-in-time analysis of the needs anticipated over the 2022-2031 planning period. It is recognized that these needs may change over time through the City's normal annual budgeting processes. While certain projects, and types of projects, are listed within the CBC capital program, the identified capital project listings within each of the service categories do not preclude the City 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 Benefit to Existing;
- Relation to funding from DCs (if applicable);
- Share of Net Capital Costs related to CBC Eligible Developments.

Table 6 below includes the details by service of the capital needs associated with the forecasted CBC eligible developments in the City over the ten-year period 2022 to 2031.

CITY OF BRAMPTON  
DEVELOPMENT-RELATED CAPITAL PROGRAM - CBC STUDY

Project Description	Gross Project Cost	Grants / Subsidies / Other Recoveries	Net Cost	BTE (%)	Replacement & BTE (\$)	Total Development Related Cost	DC Share (%)	DC Share (\$) <sup>(1)</sup>	Remaining Development Related Costs	CBC Share (%)	Total CBC Related Costs <sup>(2)</sup>	Other Funding (incl. PPB) <sup>(3)</sup>
<b>1.0 HOUSING</b>												
1.1 Housing Catalyst Capital Project <sup>(4)</sup>	\$8,000,000	\$0	\$8,000,000	56%	\$4,454,532	\$3,545,468	0%	\$0	\$3,545,468	7%	\$258,459	\$3,287,009
1.2 Land to facilitate housing project	\$13,517,000	\$0	\$13,517,000	56%	\$7,526,489	\$5,990,511	0%	\$0	\$5,990,511	7%	\$436,699	\$5,553,812
<b>TOTAL HOUSING</b>	<b>\$21,517,000</b>	<b>\$0</b>	<b>\$21,517,000</b>		<b>\$11,981,021</b>	<b>\$9,535,979</b>		<b>\$0</b>	<b>\$9,535,979</b>		<b>\$695,158</b>	<b>\$8,840,821</b>
<b>2.0 PUBLIC REALM</b>												
2.1 Provision for Public Art (murals, art, sculptures)	\$3,000,000	\$0	\$3,000,000	0%	\$0	\$3,000,000	0%	\$0	\$3,000,000	100%	\$3,000,000	\$0
2.2 Vertical Gardens (10-year program)	\$500,000	\$0	\$500,000	0%	\$0	\$500,000	0%	\$0	\$500,000	100%	\$500,000	\$0
2.3 Community Safety & Well-Being Measures	\$1,500,000	\$0	\$1,500,000	77%	\$1,151,010	\$348,990	0%	\$0	\$348,990	5%	\$17,548	\$331,442
<b>TOTAL PUBLIC REALM</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$5,000,000</b>		<b>\$1,151,010</b>	<b>\$3,848,990</b>		<b>\$0</b>	<b>\$3,848,990</b>		<b>\$3,517,548</b>	<b>\$331,442</b>
<b>3.0 COMMUNITY FACILITIES</b>												
3.1 Provision for Cultural Space (45,000 sq.ft)	\$30,100,000	\$0	\$30,100,000	0%	\$0	\$30,100,000	0%	\$0	\$30,100,000	7%	\$2,194,243	\$27,905,757
3.2 Multipurpose Cricket Facility	\$49,000,000	\$0	\$49,000,000	0%	\$0	\$49,000,000	0%	\$0	\$49,000,000	7%	\$3,572,024	\$45,427,976
3.3 Community Hub (Uptown) - Provision for Eligible Costs	\$38,800,000	\$0	\$38,800,000	0%	\$0	\$38,800,000	0%	\$0	\$38,800,000	7%	\$2,828,460	\$35,971,540
<b>TOTAL COMMUNITY FACILITIES</b>	<b>\$117,900,000</b>	<b>\$0</b>	<b>\$117,900,000</b>		<b>\$0</b>	<b>\$117,900,000</b>		<b>\$0</b>	<b>\$117,900,000</b>		<b>\$8,594,727</b>	<b>\$109,305,273</b>
<b>4.0 ACTIVE TRANSPORTATION</b>												
4.1 Bike Storage and Scooter Program	\$750,000	\$0	\$750,000	77%	\$575,505	\$174,495	0%	\$0	\$174,495	5%	\$8,774	\$165,721
4.2 Traffic Calming Measures (speed cushions, humps, etc.)	\$1,300,000	\$0	\$1,300,000	77%	\$997,542	\$302,458	0%	\$0	\$302,458	5%	\$15,208	\$287,249
4.3 Provision for Riverwalk Project (Active Transportation Portion)	\$15,100,000	\$0	\$15,100,000	0%	\$0	\$15,100,000	0%	\$0	\$15,100,000	5%	\$759,267	\$14,340,733
<b>TOTAL ACTIVE TRANSPORTATION</b>	<b>\$17,150,000</b>	<b>\$0</b>	<b>\$17,150,000</b>		<b>\$1,573,047</b>	<b>\$15,576,953</b>		<b>\$0</b>	<b>\$15,576,953</b>		<b>\$783,250</b>	<b>\$14,793,703</b>
<b>5.0 PARKS &amp; TRAILS</b>												
5.1 Downtown Corridor Trail Development	\$13,000,000	\$0	\$13,000,000	0%	\$0	\$13,000,000	0%	\$0	\$13,000,000	7%	\$947,680	\$12,052,320
5.2 Lake Enhancements for Recreational Use	\$8,000,000	\$0	\$8,000,000	0%	\$0	\$8,000,000	0%	\$0	\$8,000,000	7%	\$583,188	\$7,416,812
5.3 Eco Park Development (100 Acres) - West end	\$13,100,000	\$0	\$13,100,000	0%	\$0	\$13,100,000	0%	\$0	\$13,100,000	7%	\$954,970	\$12,145,030
5.4 Eco Park Development (100 Acres) - East end	\$13,100,000	\$0	\$13,100,000	0%	\$0	\$13,100,000	0%	\$0	\$13,100,000	7%	\$954,970	\$12,145,030
5.5 Sheridan College Inter-trail Connection	\$2,000,000	\$0	\$2,000,000	0%	\$0	\$2,000,000	0%	\$0	\$2,000,000	7%	\$145,797	\$1,854,203
5.6 North East Active Recreation	\$15,000,000	\$0	\$15,000,000	0%	\$0	\$15,000,000	0%	\$0	\$15,000,000	7%	\$1,093,477	\$13,906,523
5.7 Stephen Llewellyn Trail	\$2,000,000	\$0	\$2,000,000	0%	\$0	\$2,000,000	0%	\$0	\$2,000,000	7%	\$145,797	\$1,854,203
5.8 Provision for Riverwalk Project (Parks Portion)	\$20,000,000	\$0	\$20,000,000	0%	\$0	\$20,000,000	0%	\$0	\$20,000,000	7%	\$1,457,969	\$18,542,031
<b>TOTAL PARKS &amp; TRAILS</b>	<b>\$86,200,000</b>	<b>\$0</b>	<b>\$86,200,000</b>		<b>\$0</b>	<b>\$86,200,000</b>		<b>\$0</b>	<b>\$86,200,000</b>		<b>\$6,283,846</b>	<b>\$79,916,154</b>

CITY OF BRAMPTON  
DEVELOPMENT-RELATED CAPITAL PROGRAM - CBC STUDY

Project Description	Gross Project Cost	Grants / Subsidies / Other Recoveries	Net Cost	BTE (%)	Replacement & BTE (\$)	Total Development Related Cost	DC Share (%)	DC Share (\$) <sup>(1)</sup>	Remaining Development Related Costs	CBC Share (%)	Total CBC Related Costs <sup>(2)</sup>	Other Funding (incl. PPB) <sup>(3)</sup>
<b>6.0 PARKING</b>												
6.1 Parking Structure (550 spaces )	\$30,250,000		\$30,250,000	0%	\$0	\$30,250,000	0%	\$1,312,933	\$28,937,067	5%	\$1,455,031	\$27,482,037
6.2 Parking Garage Remaining Lease Payments	\$23,550,186	\$0	\$23,550,186	81%	\$19,009,119	\$4,541,067	100%	\$4,541,067	\$0	5%	\$0	\$0
<b>TOTAL PARKING</b>	<b>\$53,800,186</b>	<b>\$0</b>	<b>\$53,800,186</b>		<b>\$19,009,119</b>	<b>\$34,791,067</b>	<b>100%</b>	<b>\$5,854,000</b>	<b>\$28,937,067</b>		<b>\$1,455,031</b>	<b>\$27,482,037</b>
<b>7.0 HERITAGE ASSETS</b>												
7.1 Heritage Facility Refurbishments (City costs associated with relocation)	\$600,000	\$0	\$600,000	0%	\$0	\$600,000	0%	\$0	\$600,000	100%	\$600,000	\$0
7.2 Heritage Theatre - refurbishment for programming	\$4,000,000	\$0	\$4,000,000	79%	\$3,161,441	\$838,559	0%	\$0	\$838,559	7%	\$61,130	\$777,430
7.3 Former OPP Station - refurbishment for programming	\$1,000,000	\$0	\$1,000,000	79%	\$790,360	\$209,640	0%	\$0	\$209,640	7%	\$15,282	\$194,357
7.4 Provision for other domestic structure - refurbish for programming	\$500,000	\$0	\$500,000	79%	\$395,180	\$104,820	0%	\$0	\$104,820	7%	\$7,641	\$97,179
<b>TOTAL HERITAGE ASSETS</b>	<b>\$6,100,000</b>	<b>\$0</b>	<b>\$6,100,000</b>		<b>\$4,346,981</b>	<b>\$1,753,019</b>		<b>\$0</b>	<b>\$1,753,019</b>		<b>\$684,053</b>	<b>\$1,068,966</b>
<b>8.0 ADMINISTRATION</b>												
8.1 CBC Strategy & Implementation	\$500,000	\$0	\$500,000	0%	\$0	\$500,000	0%	\$0	\$500,000	100%	\$500,000	\$0
<b>TOTAL ADMINISTRATION</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$500,000</b>		<b>\$0</b>	<b>\$500,000</b>		<b>\$0</b>	<b>\$500,000</b>		<b>\$500,000</b>	<b>\$0</b>
<b>TOTAL CBC CAPITAL PROGRAM</b>	<b>\$309,467,186</b>	<b>\$0</b>	<b>\$309,467,186</b>		<b>\$39,361,178</b>	<b>\$270,106,008</b>		<b>\$5,854,000</b>	<b>\$264,252,008</b>		<b>\$22,513,613</b>	<b>\$241,738,395</b>

Note 1: DC Share relates to projects that were identified in the City's 2019 DC Background Study and available existing DC Reserves on hand which can be applied to the project

Note 2: Figures may not add precisely due to rounding

Note 3: Other funding related to development but not identified for funding from the 2019 DC Study or 2022 CBC Strategy. Can be considered for funding from future Growth Funding Tools

Note 4: Or any related City-wide incentive program for housing

**i. Housing**

**a) Service Description**

The City, cooperatively with the Region, evaluates the need and method for delivering affordable housing, recognizing that the Region has the prime service delivery responsibility. The need for affordable housing increases as a municipality's population grows, but the City has limited tools available to address housing affordability. CBCs are one growth funding tool at the municipality's disposal to fund the creation of affordable housing units. The Region lacks the ability to levy CBCs, for housing or any service, under provincial statute.

**b) Service Delivery and Service Level Consideration**

The City participates in the creation of new affordable housing through Official Plan policies, funding partnerships and land disposition. Current funding is from general taxation.

**c) Estimate of Need**

As identified in Peel Region's Home for All: the Region of Peel's Housing and Homelessness Plan 2018-2028, 316 low income and 410 middle income (below market) additional units are needed in Brampton annually. The City's capital budget includes the Housing Catalyst project that considers these needs and is included in this CBC Strategy. One of the main purposes of the project is to engage the non-profit sector in the construction of affordable housing units.

**d) Consideration of Excess Capacity**

The units included in the capital program address ownership or rental housing needs for Brampton's income deciles 1-6. This target excludes supportive housing, emergency or temporary housing. Inclusionary zoning is anticipated to be used to also offset the middle income housing gap.

**e) Capital Cost**

The gross capital cost of the program is estimated at \$21.5 million over the ten-year period from 2022 to 2031. The cost is based on the City's Housing Catalyst program as part of the annual capital budgets, as well as costs for the land required to facilitate future phases of the project.

**f) 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.

**g) Consideration of Benefit to Existing**

The City currently does not have ownership over any existing housing, as such, there is no replacement of existing assets however, there is some benefit identified from the capital program for existing residents. The benefit to existing share rate is based on the Region's benefit to existing (BTE) share of 56 per cent as identified in their 2020 DC Background Study. The total cost related to the BTE netted off the eligible development-related cost is \$12.0 million.

**h) Relation to funding from DCs (if applicable)**

The projects included will not be funded through any in-period DC shares.

**i) Share of Net Capital Costs related to CBC Eligible Developments**

The amount eligible for recovery from CBCs is 7 per cent, based on the share of the ten-year population growth that is forecast to be in development subject to a CBC, or about \$695,160.

**ii. Public Realm**

**a) Service Description**

This service area includes items within Public Realm, Art & Cultural services and Community Safety measures in the City. Included in the capital program are a provision for public art (including murals, art and sculptures), a 10-year vertical garden program which will be initiated to support the high-

density developments coming online, and community safety and well-being measures (including annual crime prevention and social development measures).

These types of infrastructure improvements are very important in areas of redevelopment and medium-to-high-density areas to create a diverse and purposeful City as it fosters community engagement and gives a sense of belonging, involvement, and local experiences. Moreover, the installation of public art in neighbourhood parks supports the following Council policies and corporate plans.

The City has used general taxation to fund a range of Public Realm ventures in the past, although, it intends to use CBCs to help offset these costs moving forward. Importantly, the City adopted new s.37 by-law just before the legislation changed to transition to a CBC structure – this by-law included the use of those funds for public art.

**b) Service Delivery and Service Level Consideration**

The City has been delivering Public Realm services through general taxation.

**c) Estimate of Need**

The need included in the CBC Strategy for recovery from CBC eligible developments is based discussions with staff and the City's 2022 capital budget.

The Public Realm CBC capital program is a point-in-time estimate of the 2022-2031 CBC-eligible project needs.

**d) Consideration of Excess Capacity**

Available excess capacity is considered as part of the City's budget and planning processes. The costs included in the CBC strategy relate to incremental needs arising from development and are net of excess capacity.

**e) Capital Cost**

The total gross cost of the program is \$5.0 million which includes a provision for public art, vertical gardens and community safety measures over the ten year planning period.

**f) 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.

**g) Consideration of Benefit to Existing**

Most of the projects included in the Public Realm capital program are entirely related to growth and therefore no BTE shares have been identified, with the exception of the community safety measures. A 77 per cent BTE share is identified, based on shares of population and employment growth over the planning period.

**h) Relation to funding from DCs (if applicable)**

The projects included will not be funded through any in-period DC shares.

**i) Share of Net Capital Costs related to CBC Eligible Developments**

Most projects under Public Realm are deemed 100 per cent CBC eligible. Specifically, the public art installations and vertical gardens are related to the need driven only by CBC eligible developments and are therefore eligible to be fully funded from CBC developments. For the provision of community safety and well-being measures, 5 per cent has been allocated to CBC development with the remaining amount to be recovered from other sources. This accounts for the need for these measures to be in part driven by overall residential and non-residential growth in the City over the ten-year period from 2022-2031.

### **iii. Community Facilities**

#### **a) Service Description**

The Community Facilities service area encompasses a variety of facilities available to residents of Brampton. Community Facilities include a provision for new cultural space (approximately 45,000 square feet), a Multipurpose Cricket Facility and eligible portions of a new Community Hub in the planning stages. The project provisions generally include studies, design and building construction.

The City of Brampton is a vibrant city with a wide range of community facilities. As the City continues to grow, largely through redevelopment and intensification, there is a need to construct new community facilities and/or expand existing facilities. Some of these needs are funded from development charges, such as Recreation, but the DCA has limitations. The capital costs included as CBC-eligible in the CBC Strategy are those which are not included in the 2019 DC Study. These costs will be re-evaluated in the forthcoming update as well as the share of funding between DC and CBCs to ensure there is no duplication of recovery of the same capital costs under another GFT.

#### **b) Service Delivery and Service Level Consideration**

Community facilities and amenities, to the extent permitted under the DCA, have been paid for in part through DCs, property taxes, grants and other sources.

The existing service level for the major community facilities is included in the DC Recreation services capital programs as part of the 2019 DC Study.

Recognizing the CBC capital program is a point-in-time estimate of the 2022-2031 CBC-eligible project needs, similar service levels are anticipated to continue to be provided beyond the ten-year planning horizon.

**c) Estimate of Need**

The need for community facilities and amenities is driven by CBC developments and planned capital projects.

The costs brought forward for possible CBC funding are net of any anticipated DC shares – this allocation will be reevaluated in the forthcoming update to ensure there is no duplication of recovery of the same capital costs under another GFT.

**d) Consideration of Excess Capacity**

Available excess capacity is considered as part of the City’s budgeting and planning processes. The costs included in the CBC strategy relate to incremental needs arising from development over the ten-year planning horizon and are net of any excess capacity.

**e) Capital Cost**

The capital cost included in the CBC Strategy totals \$117.9 million. This amount is made up of:

- \$30.1 million for the construction of new cultural space (anticipated to be about 45,000 square feet);
- \$49.0 million for a new Cricket Stadium, which includes provisions for studies and design and building construction; and
- \$38.8 million provision for eligible costs related to a Community Hub located Uptown.

**f) 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.

**g) Consideration of Benefit to Existing**

All of the projects included in the Community Facilities capital program are entirely related to growth and therefore no BTE shares have been identified.

**h) Relation to funding from DCs (if applicable)**

The projects included were not included as part of the 2019 DC study and therefore no in-period DC shares are identified.

**i) Share of Net Capital Costs related to CBC Eligible Developments**

The net capital cost associated with CBC eligible developments is \$8.6 million. All projects identified have a CBC eligibility of 7 per cent which is based on a share of growth of population in new medium-high density units relative to total units - these projects are considered to benefit only the residential sector. The remaining amount of approximately \$109.3 million may be considered for funding from future development charge studies or for funding from other sources.

**iv. Active Transportation**

**a) Service Description**

This service area includes various capital costs related to active transportation infrastructure within road right-of-way, in greenspaces and other areas. Examples of infrastructure included in this service are the bike storage and scooter program as well as traffic calming measures.

The City of Brampton has been investing significantly in a comprehensive plan to expand active transportation infrastructure across the City. A portion of the City's future growth is achieved through redevelopment and intensification, and these land uses will reduce on-site parking requirements, display lower use of single-occupancy motorized vehicles and higher active transportation modes of transportation. Some of these needs are funded from development charges however the increased needs arising from high density are not fully eligible to be recovered from DCs; CBCs are a tool that can be used to fund a share of these increased needs.

**b) Service Delivery and Service Levels Consideration**

The service is delivered by the City and funded from property taxes, DCs, grants and subsidies. The existing service level is included in the DC Roads and Related Infrastructure services.

**c) Estimate of Need**

The transportation mode shares of denser urban built environments generally skew to non-car mode shares such as biking, walking and other forms of active transportation. Therefore, costs related to active transportation are included in the CBC capital program.

**d) Consideration of Excess Capacity**

There is no excess capacity available within the City's existing active transportation infrastructure and the costs included in the CBC strategy relate to incremental needs arising from development over the ten-year planning horizon.

**e) Capital Cost**

The gross capital cost included in Table 6 is \$17.2 million. This includes a provision for the bike storage and scooter program at \$750,000 and traffic calming measures (including speed cushions, humps, etc.) at \$1.3 million. The capital costs have also been updated to include preliminary costing for the City's Riverwalk Project, totalling \$15.1 million under active transportation section (includes walkways, bridges, etc.). An additional portion of costs associated with this project has also been included under Parks & Trails section below. It is important to note that the cost estimates and recovery shares of this project will be further reviewed in the upcoming DC Study and subsequent CBC Strategies.

**f) Identification of any Anticipated Capital Grants, Subsidies or Other Contributions**

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

**g) Consideration of Benefit to Existing**

Benefit to existing shares of 77 per cent are allocated to the provision for active transportation infrastructure (excluding the Riverwalk Project as this is deemed entirely growth-related). As the other two projects are not entirely related to growth, shares based on population and employment growth over the planning period have been net off from the calculation.

**h) Relation to funding from DCs (if applicable)**

The projects identified are not included as part of the 2019 DC study and therefore no in-period DC shares are identified.

**i) Share of Net Capital Costs related to CBC Eligible Developments**

All projects in the active transportation service category are allocated 5 per cent to CBC development with the remaining amount to be recovered from other sources. This accounts for the need for these projects to be in part driven by overall residential and non-residential growth in the City over the ten-year period from 2022-2031.

**v. Parks & Trails**

**a) Service Description**

The Parks & Trails service area capital program includes costs related to the delivery and development of park space and trails throughout the City. The service area includes the development of trails, lake enhancements for recreational use, development of eco parks, and a provision for the Riverwalk project.

The City recognizes the importance of providing passive and development parkland for its residents. As the City continues to intensify and as development densities increase, the need for public greenspace also increases given many new households do not have private outdoor space. The other growth funding tools, DCs and *Planning Act* s.42 parkland conveyance, will not fully meet the parkland needs arising from high density

residential development; CBCs provide a mechanism to fund a share of the increased development need.

**b) Service Delivery and Service Levels Consideration**

In the past, the City has collected both monies and infrastructure related to parks through DCs.

**c) Estimate of Need**

Dense urban development places a greater demand for public parks, trails and associated amenities. Decreased access to private greenspace leads to higher use of new and existing parks in high density neighbourhoods. Further exacerbated by COVID-19, parks and trails now more than ever are seen as a vital component of a complete community.

**d) Consideration of Excess Capacity**

There is no excess capacity available within the City's existing parks network in areas that will experience high-density residential development. The costs included in the CBC strategy are related to incremental needs arising from development over the ten-year planning horizon.

**e) Capital Cost**

The gross capital cost of the service identified in Table 6 is \$86.2 million. This cost includes a provision for the Downtown Corridor Trail Development (\$13.0 million), Lake Enhancements for Recreational Use (\$8.0 million), Eco Park Development in the West and East Ends (\$26.2 million), Sheridan College Inter-trail Connection (\$2.0 million), North East Active Recreation (\$15.0 million), the Stephen Llewellyn Trail (\$2.0 million), and the Parks provision for the Riverwalk Project (\$20.0 million).

**f) Identification of any Anticipated Capital Grants, Subsidies or Other Contributions**

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

**g) Consideration of Benefit to Existing**

Benefit to existing shares have not been identified for this service area as the costs included are entirely related to growth.

**h) Relation to funding from DCs (if applicable)**

The projects included were not included as part of the 2019 DC study and therefore no in-period DC shares are identified.

**i) Share of Net Capital Costs related to CBC Eligible Developments**

All projects are allocated 7 per cent to CBC development with the remaining amount to be recovered from other sources (including future DC Studies), with the total CBC eligible amount equal to \$6.3 million. This accounts for the need for these projects to be in part driven by overall residential growth in the City over the ten-year period from 2022-2031.

**vi. Parking**

**a) Service Description**

Parking services includes capital costs related to a future parking structure of 550 spaces and the remaining parking garage lease payments from the South West Quadrant (as identified from the 2019 DC Study). Investment in parking infrastructure improvements is very important to maintain accessibility and usability of the transportation network particularly in denser neighbourhoods. Under the previous legislative regime, parking was a service included in the City's Development Charges (DC).

**b) Service Delivery and Service Level Consideration**

The 2019 DC Study included parking related works as a standalone service area. The costs proposed for recovery are expected to be consistent with service levels already provided by the City.

**c) Estimate of Need**

On-street City provided parking as well as parking structures are required as the City continues to grow. The City will continue to experience demand for additional parking arising from development/redevelopment.

**d) Consideration of Excess Capacity**

The costs included in the CBC strategy are related to incremental needs arising from development and no excess capacity exists.

**e) Capital Cost**

The gross capital cost associated with the parking program is \$53.8 million, which accounts for a new parking structure (estimated provision of 550 spaces) and the remaining garage lease payments as identified in the 2019 DC Study.

**f) Identification of any Anticipated Capital Grants, Subsidies or Other Contributions**

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

**g) Consideration of Benefit to Existing**

A benefit to existing share of 81 per cent has been applied to the remaining garage lease payments. This is consistent with the BTE used in the 2019 DC Study which is set to recover only for the publicly available parking spaces.

**h) Relation to funding from DCs (if applicable)**

Provisions for parking are now ineligible for funding from development charges, however existing reserve funds remain and can fund a portion of the total costs for the duration of the lease payments to 2040. Currently there is roughly \$5.9 million in existing DC Parking reserves. These shares have been applied in full to the capital program, with a total development related cost of \$28.9 million remaining. The entirety of the existing lease payments within the period are covered by DC reserves. This project may be

considered for funding under future CBC Strategies as there will be no further DC reserves to offset future lease payments.

**i) Share of Net Capital Costs related to CBC Eligible Developments**

The total CBC eligible cost is approximately \$1.5 million or 5 per cent of the development related costs for the new parking structure. The cost allocation to CBCs assumes the projects also relate to the non-residential sector.

Therefore, the CBC attributable share is based on total forecasted population in new units and employment growth in the City from 2022 to 2031 and the population in new units anticipated to occur in CBC eligible developments in the same period. As only 5 per cent of costs are eligible for CBCs, the residual \$27.5 million may be recovered from other sources.

**vii. Heritage Assets**

**a) Service Description**

Heritage Assets encompasses various refurbishments to existing heritage facilities to create space that is needed for City programming. This includes costs the City would incur associated with relocation of existing heritage facilities, refurbishment of the Heritage Theatre, Former OPP station and other domestic structures for programming.

**b) Service Delivery and Service Level Consideration**

The City generally funds Heritage preservation through general taxation.

**c) Estimate of Need**

The need for Heritage Asset enhancements to create space for programming is based discussions with staff.

**d) Consideration of Excess Capacity**

Available excess capacity is considered as part of the City's budgeting and planning processes. The costs included in the CBC strategy relate to incremental needs arising from development over the ten-year planning horizon and are net of any excess capacity.

**e) Capital Cost**

The capital cost included in the CBC Strategy totals \$6.1 million. This amount is made up of:

- \$600,000 cost that the City would incur for the relocation of a heritage facility (2 assumed relocations in this planning period).
- \$4.0 million for the refurbishment of the Heritage Theatre for future programming
- \$1.0 million for the refurbishment of the Former OPP Station for future programming
- \$500,000 provision for other domestic structures for future programming

**f) 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.

**g) Consideration of Benefit to Existing**

With the exception of the heritage facility relocation (to which no BTE is applied), a BTE of 79 per cent has been applied to the remaining projects. This is based on a calculation of the growth in population over the planning period over the existing base to ensure the CBC eligible costs only reflect those related to growth. This share recognizes that some refurbishments would occur as part of regular state of good repair maintenance.

**h) Relation to funding from DCs (if applicable)**

The projects included are not DC eligible and therefore no in-period DC shares are identified.

**i) Share of Net Capital Costs related to CBC Eligible Developments**

The net capital cost associated with CBC eligible developments is estimated at \$684,100. All projects identified, with the exception of the heritage facility relocation, have a CBC eligibility of 7 per cent which is based on a share of

growth of population in new medium-high density units relative to total units - these projects are considered to benefit only the residential sector. The heritage facility relocation works are deemed 100 per cent CBC eligible and the entire share has been brought forward into the analysis as this share of costs represent those the City would incur only as a result of medium-high density developments coming online. This line items only represents the City share of expenses associated with facility relocations.

### **viii. Civic Administration/Studies**

#### **a) Service Description**

The cost of the CBC Strategy itself is eligible under the Act and included in this service category is the implementation of the strategy. Therefore, costs related to supporting the administration of the CBC Strategy and By-law are included.

#### **b) Service Delivery and Service Levels Consideration**

Inclusion of the CBC Strategy and implementation does not increase the level of service provided to existing residents as the CBC Strategy and implementation is undertake solely in response to growth-related needs.

#### **c) Estimate of Need**

Included in the cost is a CBC Strategy as well as the cost of other works related to the implementation of the strategy and by-law.

#### **d) Consideration of Excess Capacity**

No excess capacity exists for this service.

#### **e) Capital Cost**

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

**f) Identification of any Anticipated Capital Grants, Subsidies or Other Contributions**

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

**g) Consideration of Benefit to Existing**

No benefit to existing has been identified as these costs relate entirely to CBC eligible development.

**h) Relation to funding from DCs (if applicable)**

The project included will not be funded through any in-period DC shares.

**i) Share of Net Capital Costs related to CBC Eligible Developments**

The entire cost of \$500,000 is eligible for recovery from CBC developments. The need for this is solely driven by CBC eligible development and so no shares are netted off for other residential and non-residential growth in the City.

## 5. CBC Revenue Analysis & Rate Structure

### A. CBC Capital Needs Greater than Projected CBC Revenue

As described above in Section 4, the net CBC eligible cost of the capital program is \$22.5 million. However, as the total forecasted revenue identified is approximated at \$6.3 million based on the 4 per cent cap, it is evident that the capital needs cannot be fully funded by potential CBC revenues.

Based on current City development data, a sample of potential CBC eligible developments was utilized and current market land values were estimated based on recent land sales. It is noted, that land values at the time of building permit can vary considerably across, and within, geographies and the land values used to the revenue forecast represent various lands across the City.

Applying the legislated four per cent cap, it is anticipated that the average unit will contribute approximately \$1,210 in CBCs. This results in a high-level estimate of potential CBC revenues of approximately \$6.3 million for the City over the 2022-2031 period.

***Table 7. Estimate of Potential CBC Revenues, 2022-2031***

Area	# of CBC Eligible Units	4% of Land Value per Unit	CBC Revenue (rounded)
Total Units	5,180	\$1,210	\$6,267,000

## **B. Proposed Rate Structure is as a Percentage of Site Land Value**

It is proposed that the CBC levy rate will be based on a uniform 4 per cent of land value across the city. Developments that meet the criteria set out in Section 37 (4) of the Act will be subject to the charge excluding those listed as exempt under O.Reg. 509/20.

## **C. Land Appraisal Process**

Individual CBC obligations will be calculated based on the market value of the site on the day before issuance of the first building permit. Payment is required prior to the issuance of a building permit by the City. In accordance with subsection 37 (44) of the Act. If the developer considers the charge is higher than four per cent of land value, they submit a payment under protest and must submit an alternate appraisal within 30 days. The City then has 45 days to provide the appraisal upon which the charge was based.

## **E. CBC Special Account**

### **i. Existing Reserves**

Existing reserves to be transferred to the CBC Special Account include any unspent or unallocated portions of the existing funds in the legacy Section 37 bonus zoning reserve less any prior commitments.

### **ii. CBC Reserve**

Subsection 37 (45) of the Act requires that a single CBC special account be established. This is unlike DC reserves which are dedicated to specific service areas as defined in the DC by-law. The funds in the CBC reserve will include all CBC monies collected.

Annually, the City must allocate or spend 60 per cent of the funds in the special account to CBC-eligible projects and 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.

## **D. 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.

## **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 City, consultation shall be conducted. For this 2022 CBC Strategy, the City has met with the development industry on multiple occasions in 2022 and has provided the industry and Council with information for public review:

- An information meeting was held with the development industry on June 13, 2022 and July 13, 2022.
- A Council Workshop, in a public forum, was held on June 27<sup>th</sup> 2022.
- The draft CBC by-law will be made public in August of 2022 under separate cover.
- The City set-up a consultation portal and dedicated section of the website for the CBC Strategy and By-law.

### **B. By-Law Passage, Notice and Appeal Provisions**

The CBC By-law is anticipated to be passed at a special Council meeting in September 2022. 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 passage is required to be provided no later than twenty days after passage, subsection 37 (13) of the Act. Furthermore, O.Reg. 509/20 subsection 4(2) states that a notice shall be given 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, school boards and by publication in a newspaper of sufficient general circulation.

A CBC by-law may be appealed to the Ontario Land Tribunal within forty days of passage by filing with the clerk of the City. 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 City 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.

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.

#### **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 submitting a payment in protest and submitting an alternate appraisal. If the appraisals (City and developer) are within 5 per cent of each other the City must refund the difference.

However, if the appraisal difference is greater than 5 per cent, the City will request the developer to select one of three appraisers from a City list. That will be the final appraisal and if it results in a lower CBC rate than paid, the City must refund the difference. Figure 2 provides a summary of the appraisal and dispute process.

**Figure 2: Payment Dispute Mechanism**

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

**Appendix**  
**Draft CBC By-law**  
**(To Be Made Available**  
**Under Separate Cover)**