



# Community Benefits Charge Public Open House Meeting

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City of Guelph  
April 27, 2022

# Agenda



- What is a Community Benefits Charge (C.B.C.)
- Methodology
- C.B.C. Land Valuation and Eligible Growth
- Cost Allocations
- Capital Costs and Maximum Charge
- Outstanding Items to be Confirmed
- Next Steps



# What is a Community Benefits Charge

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City of Guelph 2022 C.B.C. Strategy

# What is a Community Benefits Charge?



## Current Legislation

The COVID-19 Economic Recovery Act (Bill 197) received Royal Assent on July 21, 2020, and amendments came into effect on September 18, 2022

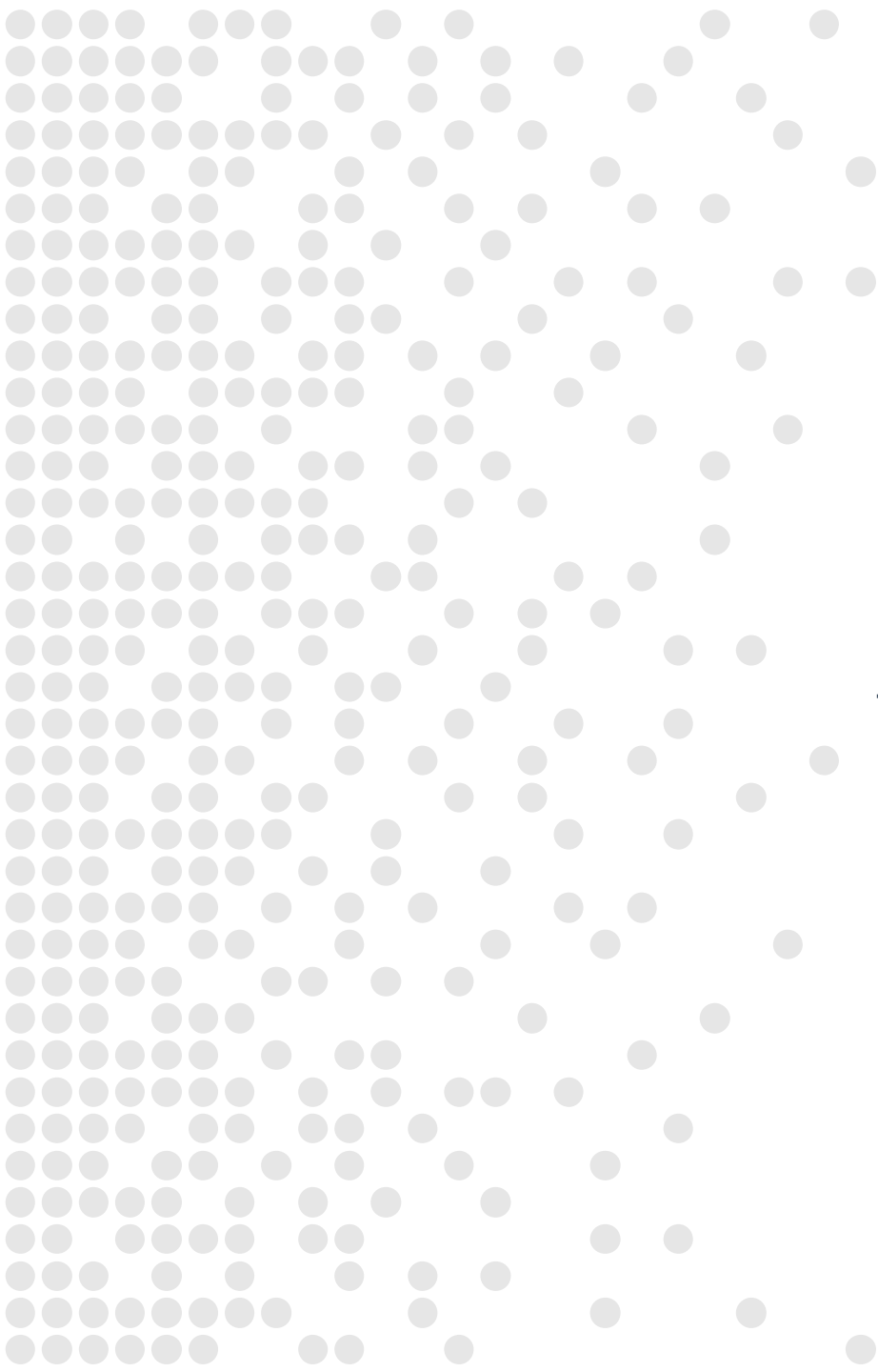
- D.C.A. amendments include changes to eligible services
  - All services included in the City's current D.C. By-law remain eligible under the D.C.A., except for Parking Services and some Studies.
- Planning Act Amendments
  - Community Benefits Charges may be imposed by By-law for buildings or structures with five storeys or more **and** with 10 or more residential units.
  - The prescribed maximum C.B.C. rate (as per O. Reg. 509/20) is 4% of the property's land value prior to the day of building permit issuance.

# What is a Community Benefits Charge?



## Under Bill 197

- Section 37(2) allows local/single tier municipalities to impose community benefits charges against land to pay for the capital costs of facilities, services and matters required due to development/redevelopment.
- To implement a charge, a C.B.C. by-law must be passed by Council.
- Before passing a C.B.C by-law under subsection (2), a strategy must be prepared that:
  - identifies the facilities, services and matters that will be funded with community benefits charges; and
  - complies with any prescribed requirements (defined by O. Reg. 509/20)



# Methodology

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City of Guelph 2022 C.B.C. Strategy



# Methodology of C.B.C. Strategy

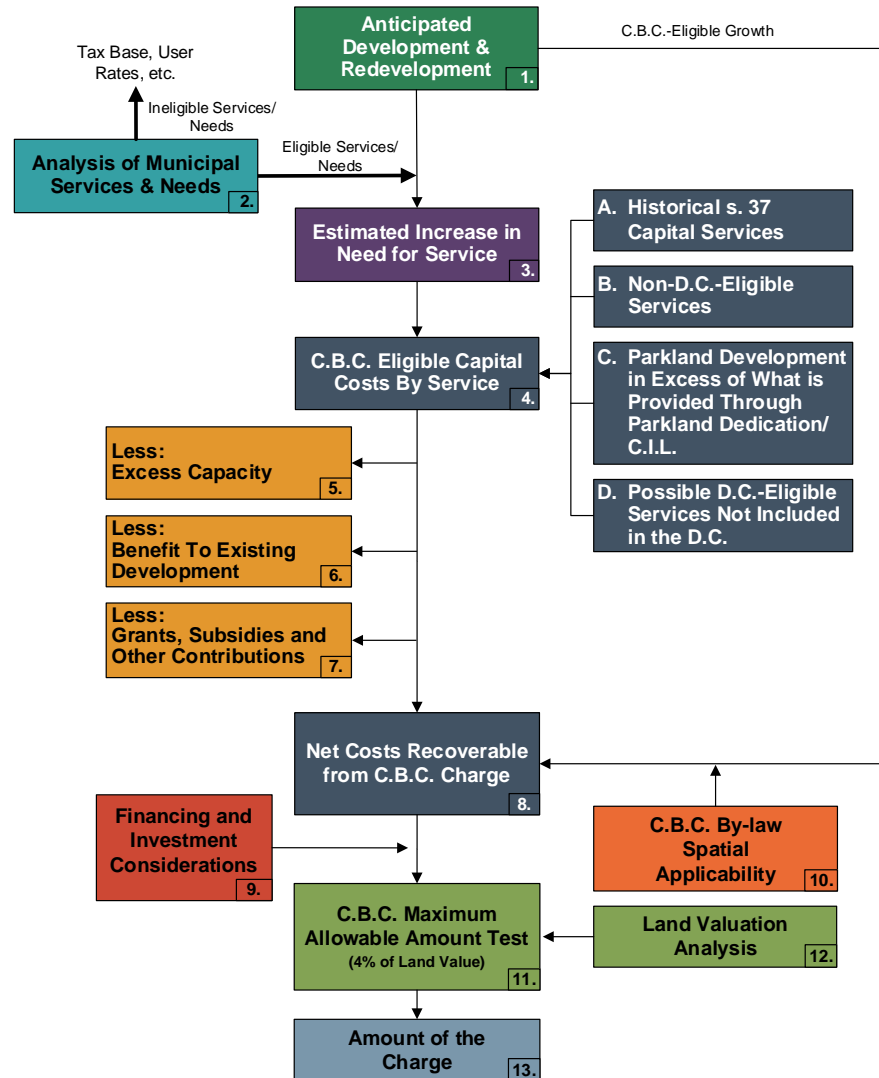
Community Benefits Charges will only apply to developments that are 5 storeys or more and have a minimum of 10 residential units. As such the following must be assessed to determine the C.B.C. for the City:

1. Determine the amount of anticipated development and redevelopment that will be eligible to have a C.B.C. imposed on it by reviewing the most recent growth forecast information, applications in the development process, etc.
2. Estimate the land values of the eligible developments/redevelopments in consultation with City Realty staff based on recent appraisal available and/or through information provided by an appraiser contracted for purposes of the C.B.C. strategy.
3. Determine the estimated funding envelope based on 4% of the land values.
4. Estimate the increase in the need for services and the share of the capital costs required because of the development/redevelopment.
5. Determine how much of the capital costs relate to the eligible development & redevelopment and complete the formal calculations to determine the percentage to impose for a C.B.C. (to a maximum of 4%)

# C.B.C. Methodology



The Process of Calculating a Community Benefits Charge under the Act that must be followed





# Eligible Growth

Estimate the anticipated amount, type, and location of eligible development and redevelopment for a C.B.C.:

- High Density Development Only – a minimum 5 storeys with at least 10 residential units
- Amount and Location – The location of the high-density growth anticipated has been broken down into 7 areas.
- Consideration for the timing of eligible development (i.e. 10 years (Mid-2022 – Mid-2032))

Note the results of the Growth Forecast portion of the study is provided later in this presentation

# Land Valuation



Estimate the land values of the eligible developments/redevelopments in consultation with City staff and their land appraiser, by location as identified through the growth forecast.

- The average land valuations have been provided by location, based on the appraisal assessment and an average value per acre is calculated.
- The growth forecast has also been provided by location to coincide with the land appraisal assessment.



# Identifying the Increase in Need

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, will be considered:

- Similar wording is included in the D.C.A., "increase in need....resulting from new development or redevelopment"
- The above suggests a link or attribution between the anticipated development and the estimated increase in the need for service
- The approach is similar to a D.C. study but will need to attribute benefit to high-density units

# Potential Services to be Considered



The types of growth-related capital that can be included in a C.B.C. can include:

- Non-D.C. eligible services:
  - Services Recently Removed from D.C.: Parking, Airport, Certain Studies,
  - Other Non-eligible D.C. Services: Municipal Administration Building Expansion, Museum, Arts Centre, Public Art, Heritage Preservation, Landfill, Public Realm Improvements, Community Gardens, Space for Non-Profits, etc.;
- Former Services recovered under Section 37 of the Planning Act;
- Parkland Acquisition, except for parkland dedication related; and
- D.C. eligible services (Growth-related capital not included in D.C.).



# C.B.C. Land Valuation and Eligible Growth

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City of Guelph 2022 C.B.C. Strategy



# Land Valuation

Area	Location	Average Land Value per Acre		
		High	Low	Guelph Average
1	Downtown Secondary Plan Area (Urban Growth Centre - U.G.C.)	\$10,000,000	\$5,000,000	\$6,250,000
2	Clair Maltby Secondary Plan Area			\$2,000,000
3	Guelph Innovation District			\$1,250,000
4	Dolime Quarry Area			\$2,000,000
5	Gordon Street Corridor Area	\$1,650,000	\$2,850,000	\$2,000,000
6	Infill Areas:			
6a	Downtown Fringe-University of Guelph District - Stone Road Corridor Sub-Area	\$2,880,000	\$3,520,000	\$3,200,000
6b	Other Neighbourhoods Sub-Area	\$750,000	\$1,750,000	\$1,250,000

As per S.W. Irvine & Associates Real Estate Appraisals & Consulting

# Growth Forecast 10-Year



## Residential Growth Forecast:

Development Location	Timing	Single & Semi-Detached	Multiples <sup>1</sup>	Apartments <sup>2</sup>			Total Residential Units	Gross Population in New Units	Existing Unit Population Change	Net Population Increase, Excluding Institutional	Institutional Population	Net Population Including Institutional
				Units in C.B.C. Ineligible	Units in C.B.C. Eligible	Total Apartment Units						
<b>Designated Greenfield Area</b>	<b>2022 - 2032</b>	<b>1,813</b>	<b>2,447</b>	<b>401</b>	<b>2,587</b>	<b>2,988</b>	<b>7,248</b>	<b>17,059</b>	<b>-294</b>	<b>16,765</b>	<b>144</b>	<b>16,909</b>
Clair-Maltby Secondary Plan	2022 - 2032	997	1,120	0	1,250	1,250	3,367	8,168	0	8,168	0	8,168
Guelph Innovation District	2022 - 2032	60	470	0	115	115	645	1,547	0	1,547	0	1,547
Dolime Quarry Lands	2022 - 2032	300	140	59	529	588	1,028	2,329	0	2,329	0	2,329
Remaining Designated Greenfield Area	2022 - 2032	456	717	342	693	1,035	2,208	5,015	-294	4,721	144	4,865
<b>Built-Up Area</b>	<b>2022 - 2032</b>	<b>125</b>	<b>1,324</b>	<b>1,100</b>	<b>2,966</b>	<b>4,066</b>	<b>5,515</b>	<b>10,486</b>	<b>-1,637</b>	<b>8,849</b>	<b>185</b>	<b>9,034</b>
Urban Growth Centre/Downtown Secondary Plan Area	2022 - 2032	0	100	78	1,477	1,555	1,655	2,853	-63	2,790	0	2,790
Remaining Built-Up Area	2022 - 2032	125	1,224	1,022	1,489	2,511	3,860	7,633	-1,574	6,059	185	6,244
<b>City of Guelph</b>	<b>2022 - 2032</b>	<b>1,938</b>	<b>3,771</b>	<b>1,501</b>	<b>5,553</b>	<b>7,054</b>	<b>12,763</b>	<b>27,545</b>	<b>-1,931</b>	<b>25,614</b>	<b>329</b>	<b>25,943</b>
<b>Average Persons Per Unit by Unit Type</b>		3.332	2.455	1.677	1.677	1.677						
<b>Gross Population in New Units</b>		<b>6,457</b>	<b>9,258</b>	<b>2,517</b>	<b>9,312</b>	<b>11,830</b>		<b>27,545</b>				

Source: Derived from the City of Guelph 2021 Growth Management Strategy: Shaping Guelph.

<sup>1</sup> Includes townhouses and apartments in duplexes.

<sup>2</sup> Includes accessory apartments, bachelor, 1-bedroom and 2-bedroom+ apartments.

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

## Non-Residential Growth Forecast:

Non-Residential Employment Growth Forecast by Industry	Job Growth (Mid-2022 - Mid-2032)
Primary	-80
Industrial	2,926
Commercial	5,781
Institutional	3,084
<b>Total Excluding WAH &amp; NFPOW</b>	<b>11,711</b>
Work at Home	1,146
No Fixed Place of Work	1,383
<b>Total</b>	<b>14,240</b>

# C.B.C. Eligible Units in the Planning Process



Based on information provided by Planning Department, the following provides a summary of the eligible high-density growth in various stages of the planning application process.

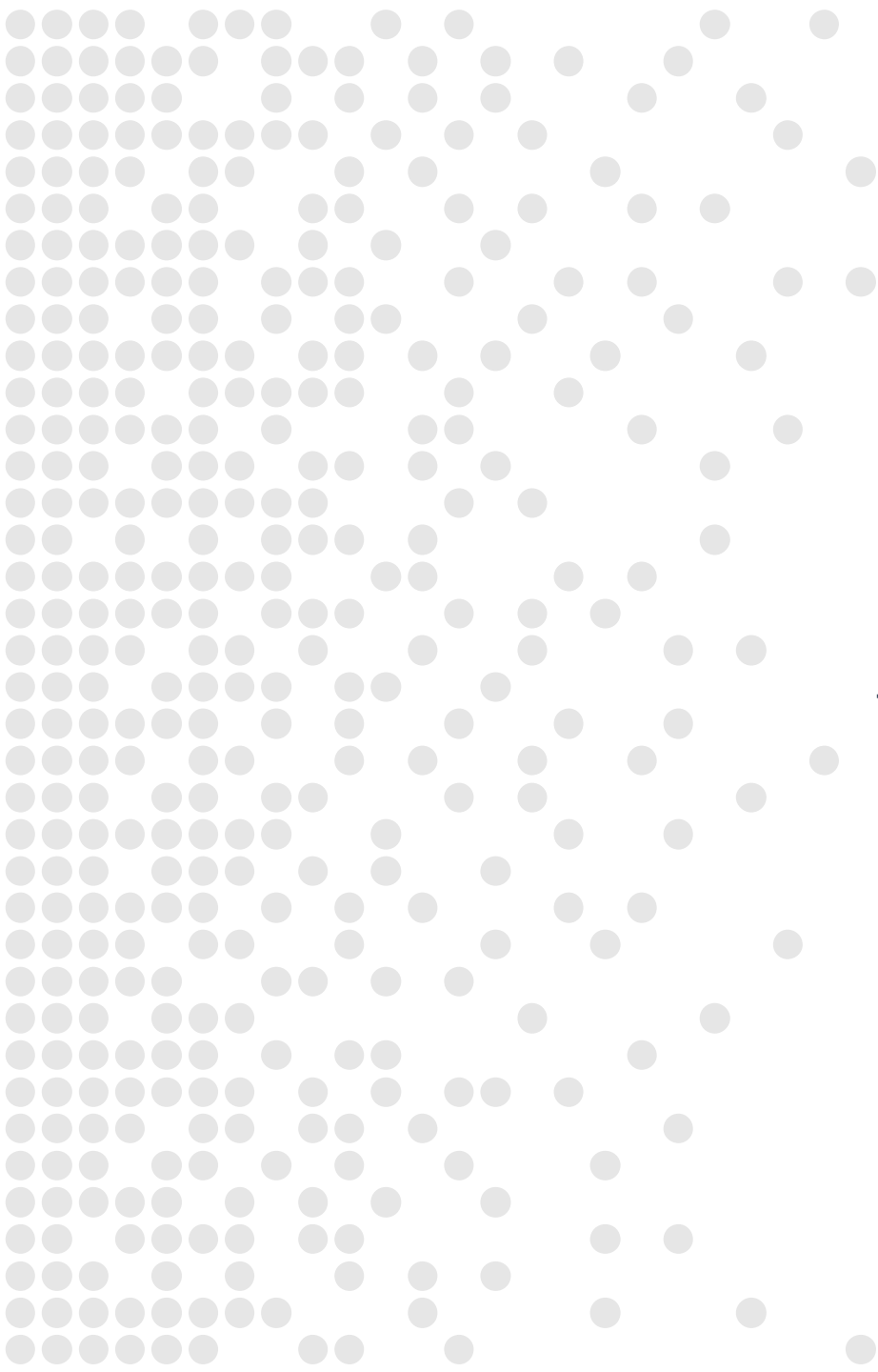
Area	C.B. C. Eligible Units in the Planning Process					Average Land Value Per Acre
	Registered	Approved	Draft Approved	Under Review, Zoned or No Current	Total	
Clair-Maltby Secondary Plan	-	-	-	1,250	1,250	\$2,000,000
Guelph Innovation District	-	-	-	115	115	\$1,250,000
Dolime Quarry Lands	-	-	-	529	529	\$2,000,000
Urban Growth Centre/Downtown Secondary Plan Area	-	124	-	1,353	1,477	\$6,250,000
Remaining Designated Greenfield Area	113	124	78	69	385	\$1,250,000
Remaining Built-Up Area:						
Gordon Street Corridor Area	239	283	168	202	892	\$2,000,000
Downtown Fringe-University of Guelph District -Stone Road Corridor Sub-Area	-	-	-	80	80	\$3,200,000
Other Neighbourhoods Sub-Area	243	268	168	147	825	\$1,250,000
<b>Total</b>	<b>595</b>	<b>799</b>	<b>414</b>	<b>3,745</b>	<b>5,553</b>	

# Total Land Values for Growth Forecast



- Based on applications in the planning process and assumption included in the Clair-Maltby Secondary Plan, average densities were assigned to each area (e.g., 290 units per acre in the downtown secondary plan, 70 units/acre in Clair-Maltby, etc.) to generate the estimated total acres of high-density land to be developed.
- The land valuations by area were then multiplied by the estimated acres to calculate the total land value by area.

Area	C.B. C. Eligible Units in the Planning Process					Average Land Value Per Acre
	Registered	Approved	Draft Approved	Under Review, Zoned and Anticipated Applications	Total	
Clair-Maltby Secondary Plan	-	-	-	1,250	1,250	\$2,000,000
Guelph Innovation District	-	-	-	115	115	\$1,250,000
Dolime Quarry Lands	-	-	-	529	529	\$2,000,000
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<b>Total</b>	<b>595</b>	<b>799</b>	<b>414</b>	<b>3,745</b>	<b>5,553</b>	

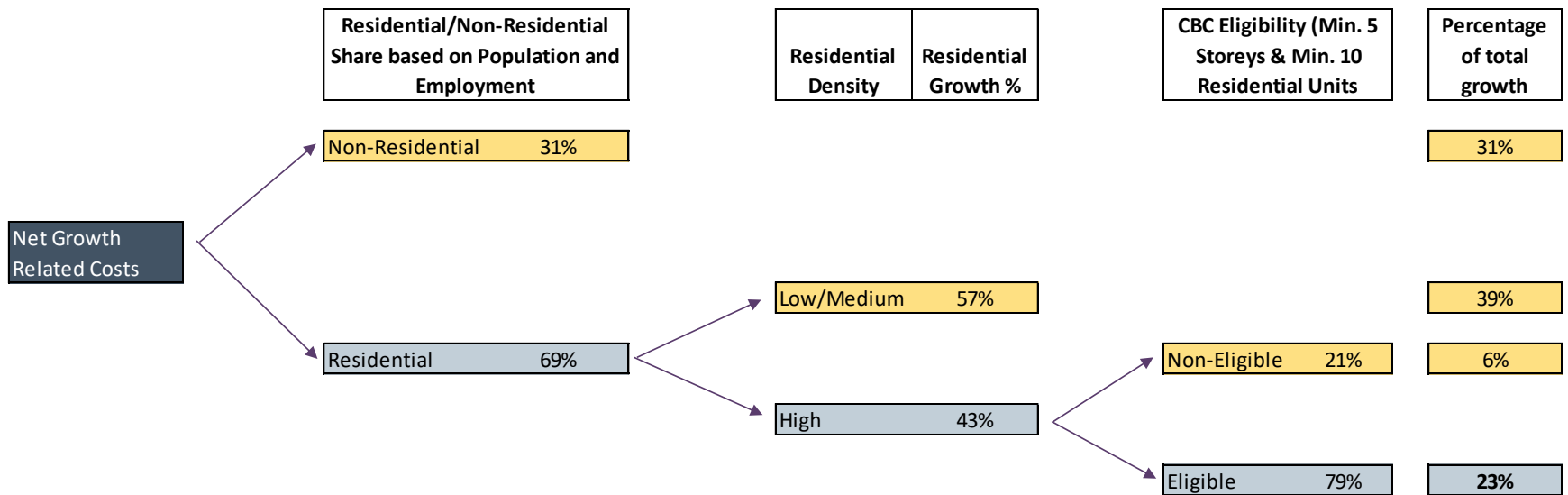


# Cost Allocations

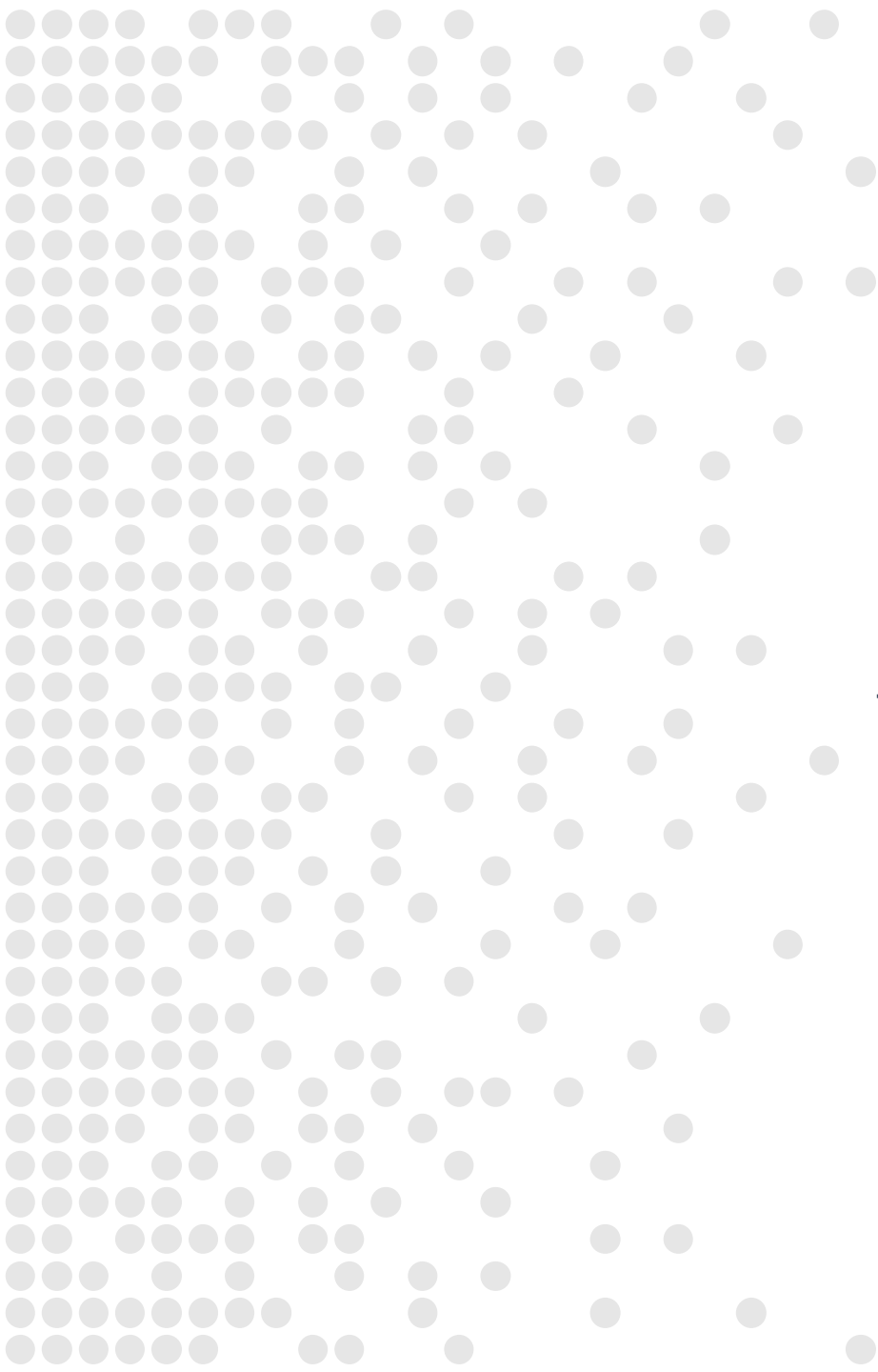
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City of Guelph 2022 C.B.C.  
Strategy

# Cost Allocations – City-Wide Services



- Allocation between residential and non-residential growth are based on the incremental growth in population and employment as provided by the 10-year growth forecast.
- Approx. 23% of City-wide C.B.C. eligible cost could be recovered (e.g., parking services and growth studies).
- Note that for Parkland and Cultural projects, the Residential/Non-Residential split would change to 95%/5% resulting in approx. 32% of C.B.C. eligible costs to be recovered.



# Capital Costs and Maximum Charge

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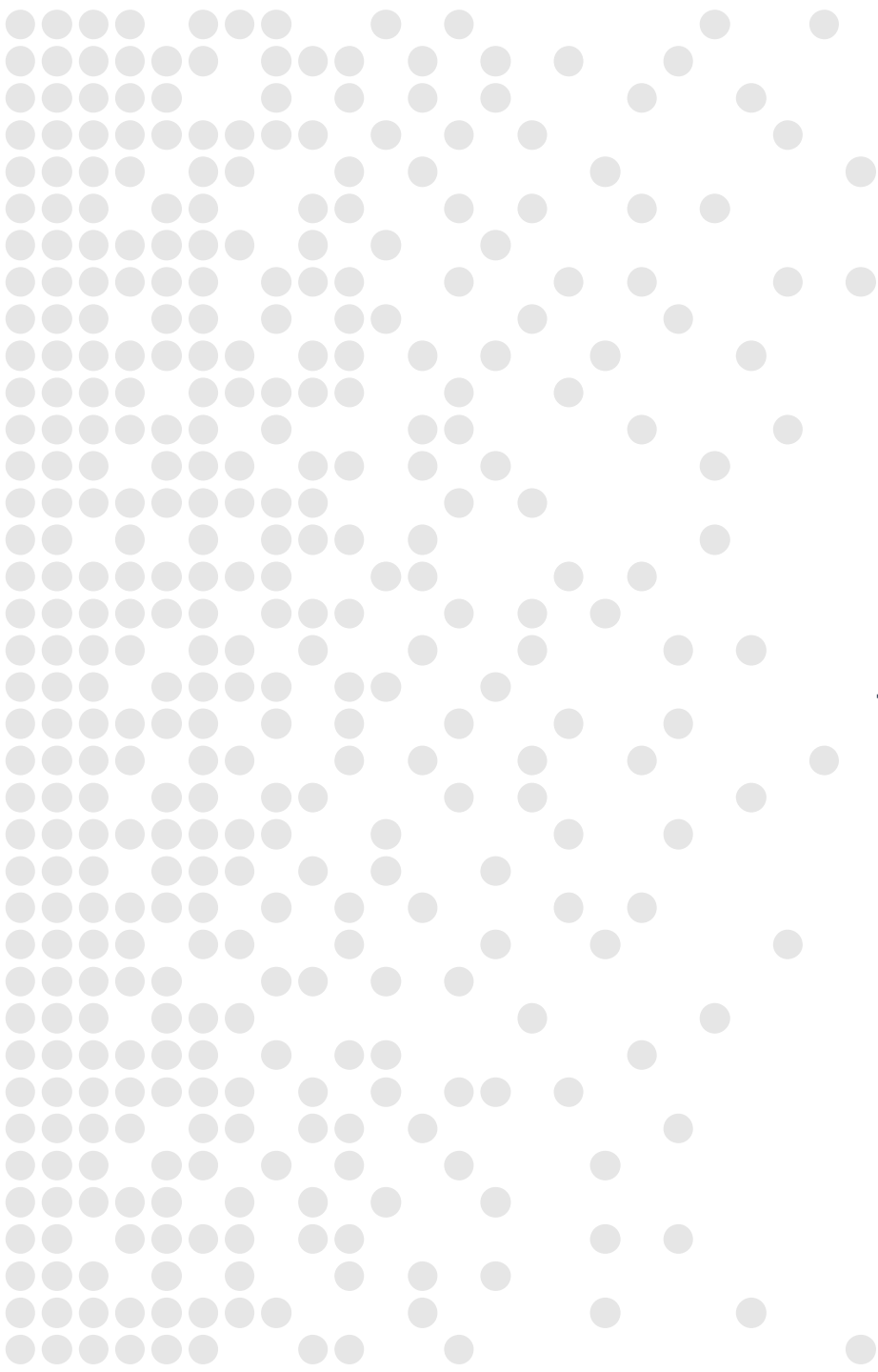
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# Increased Needs and Capital Costs



Service	Gross Cost	Deductions		Net Growth-Related Cost	Ineligible High Density Residential	Eligible High Density Residential
		Benefit to Existing Development	Grants, Subsidies and Other Contributions			
C.B.C. Strategies	370,000	-	-	370,000	-	370,000
Growth Studies	2,055,000	1,155,200	-	899,800	56,100	211,000
Municipal Parking	31,775,000	6,870,000	-	24,905,000	1,551,800	5,837,500
Culture	13,685,000	31,250	-	13,653,750	1,171,300	4,406,300
Parkland Acquisition	13,500,000	-	7,480,000	6,020,000	516,400	1,942,800
<b>Total</b>	<b>61,385,000</b>	<b>8,056,450</b>	<b>7,480,000</b>	<b>45,848,550</b>	<b>3,295,600</b>	<b>12,767,600</b>
<b>Total Land Value</b>						<b>136,927,000</b>
<b>Calculated Percentage to Recover all Costs Identified</b>						<b>9.3%</b>

As the capital need identified would require 9.3% to be imposed against the land, the C.B.C. maximum 4% is justified to be imposed.



# Next Steps

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City of Guelph 2022 C.B.C. Strategy

# Next Steps



- Receive Council (April 13) and public input (April 19 - May 3)
- By-law passage (July 18, 2022)

# Discussion

