

Community Benefits Charges (CBC)

An update on the CBC Strategy

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**Information contained considered to be in draft for discussion and on a without prejudice basis*

What is a Community Benefits Charge?

- A Community Benefits Charge (CBC) is a new growth-funding tool (GFT) under the Planning Act (Act);
- The CBC replaces the former Section 37 (density bonusing) provisions of the Planning Act;
- To implement the CBC, a strategy and by-law needs to be developed by the City.

What is a Community Benefits Charge?

- Can be applied to all eligible high density residential developments in Brampton, with 5 or more stories and 10 or more units
- Certain types of development can be exempted from payment of the C.B.C.
 - long-term care homes,
 - retirement homes,
 - purpose-built rental housing,
 - affordable housing and
 - non-profit housing

Community Benefits Charges Study

- The City has retained a consulting firm - Hemson, to undertake the Community Benefits Charge Assessment, strategy and by-law for Brampton;
- The City envisions the project scope to encompass two components as under:
 - CBC Assessment
 - CBC Strategy and By-Law

New Framework for “Growth-Related” Capital



Development Charges Act (DCs)

- Used to fund initial round of capital infrastructure
- Prescribed list of eligible services
- Certain “soft” services removed from list (e.g. parking, cemeteries, airports)
- No eligible services subject to 10% discount



Planning Act: Community Benefits Charges (CBCs)

- Initial round of capital, can overlap with DCs
- In-kind contributions permitted
- Capped at 4% of land value
- Imposed only on development with 5 or more storeys & 10 or more housing units
- Only local municipalities can charge



Planning Act: Parkland & Cash in Lieu (CIL)

- Parkland acquisition and CIL
- Standard rate of 5% for residential and 2% for non-residential
- Alternative, higher rate may apply based on units per ha *with Parks Plan*
- Cash In Lieu of land permitted

All tools are appealable to the Ontario Land Tribunal (OLT) (with conditions)

Planning Act:

Community Benefits Charges (CBCs)

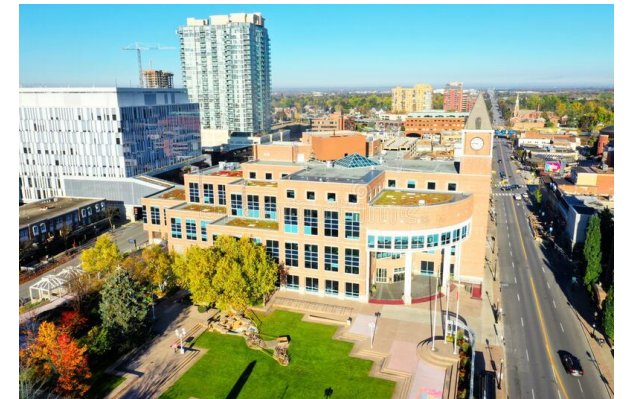
- Height/density “bonusing” under s.37 of the Planning Act is now gone
- Replaced by CBC for growth-related capital – can overlap with DCs
- In-kind contributions permitted (credits given)



CBCs – Legislative Basics

- Imposed by by-law
- Only local or single-tier municipalities can charge
- Can only be levied against higher density development:
 - 5 or more storeys, AND
 - 10 or more residential units
- Requires a comprehensive strategy
- Legislation does not prescribe CBC rate structure

Regulation sets cap at 4%
of land value the day
before a building permit
is issued



A CBC Strategy Must...

- Forecast development and redevelopment of lands where CBCs will be imposed
- Estimate increase in service needs arising from development and redevelopment
- Identify facilities, services and matters to be funded with the CBCs
- Identify excess capacity, benefit to existing and other adjustments (similar to DCs)

What Can CBCs Fund?

- Can recover any “growth-related” capital cost
- Requires nexus test to be met
 - Community benefits
 - Benefit to apartment residents
- Strategy would need to illustrate the amount of funding from other growth funding tools

- Draft services identified by the City
 - Public realm
 - Parking
 - Housing
 - Parks and Trails
 - Active Transportation
 - Community Facilities
 - Heritage Assets
 - CBC Administration

Preliminary Review of Draft Capital Projects

- Hemson and City staff have been working on developing a CBC growth-related capital program for the 2022-2031 planning period

Service Area	Projects	Gross Capital Program	CBC Related Costs (Range)
Housing	- Housing Catalyst Project - Land acquisitions	\$23M	\$0.5M - \$1.0M
Public Realm	- Provision for Public Art (murals, art, sculpture) - Vertical garden program	\$3.5M	\$3.5M
Community Facilities	- New Cultural Space - Cricket stadium - Community Hub (eligible elements)	\$112.0M	\$5.8M - \$11.4M
Active Transportation	- Traffic calming measures	\$2.1M	\$0.02M - \$0.03M
Parks and Trails	- Eco Park developments (east and west) - Lake enhancements - Trail development and corridors - North East Active Recreation	\$65.2M*	\$3.4M - \$6.6M
Parking	- Remaining Lease Payments (SWQ) - Parking Structure	\$55.1M	\$1.1M - \$2.1M
Heritage Assets	- Relocations (City cost) - Facility refurbishments for programming	\$6.1M	\$0.6M - \$0.7M
Administration	- CBC strategies and implementation	\$0.5M	\$0.5M
Total		\$267 M	\$15M - \$26M

CBC eligible costs reduced to account for any available Grants/subsidies, Benefit to Existing, funding from other growth tools (DCs or CIL) and the benefit received from growth arising from other development forms (singles/semis, rows, non-residential)

*City would be able to use DCs to fund share of works

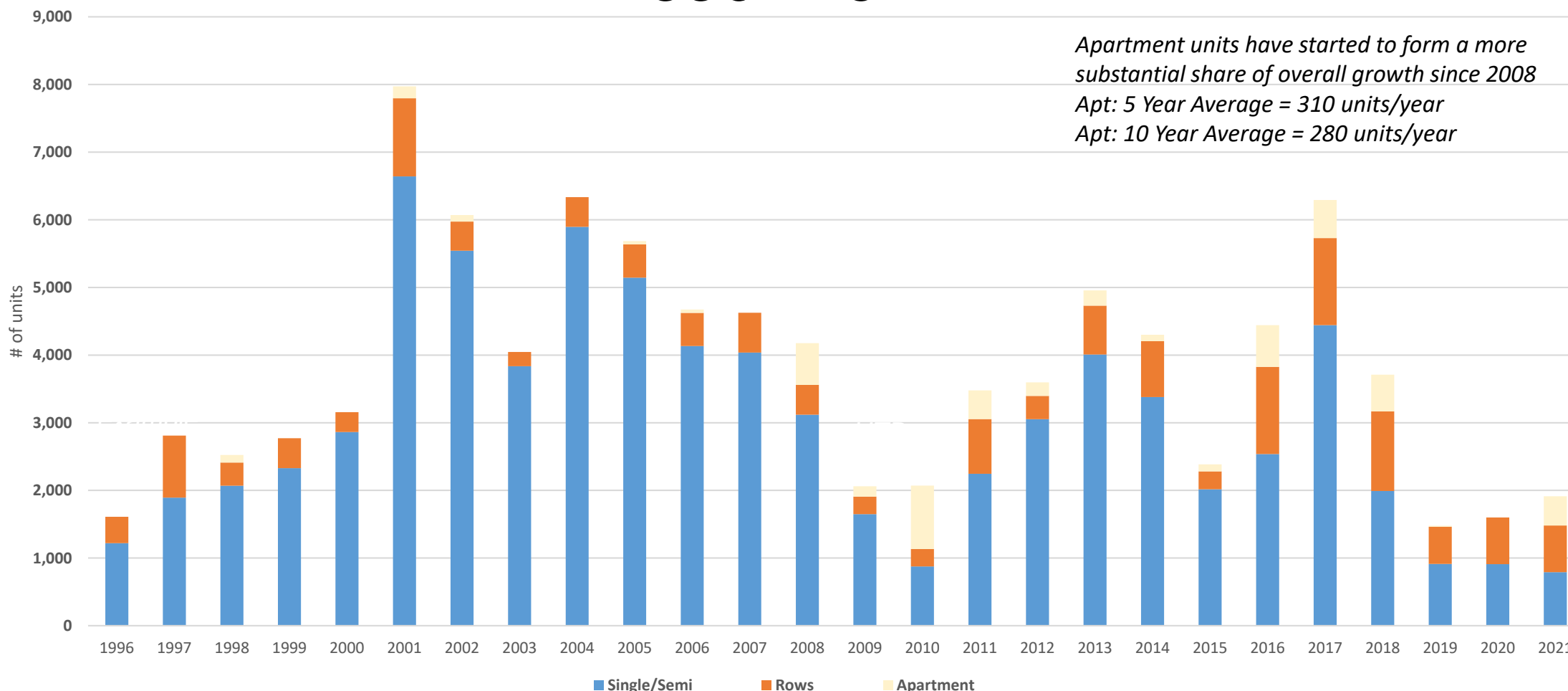
Considerations for Brampton

- Historically, development patterns generally reflected greenfield (and ground-related) type developments
 - Section 37 introduced just before legislative changes
- More recent transition to medium-high density dwelling unit forms
- CBC would be applicable to all new development meeting the criteria



Brampton Housing Unit Completions

1996 - 2021



Source: CMHC housing completion data

CBC Forecast Considerations

- Planning policy continues to shift focus to higher density developments and intensification to achieve 2051 Region of Peel Official Plan targets
- Greenfield lands continue to diminish
- Hemson and City staff reviewing planning application data for high density dwelling units received

Preliminary Draft CBC Revenues (10-Years)

- Hemson, in conjunction with Realty and other City staff, are evaluating recent land appraisals and valuations to be used for the CBC strategy
 - 2021 and 2022 data sets for medium and high density CBC eligible developments are being reviewed
- Preliminary 10-year revenue is estimated using the 4% “cap” on CBC payable (for eligible developments)
- Potential CBC revenues over the 10-year period can range between \$4.7M to \$9.7M
 - Revenue estimates based on a series of variables under review with staff: projected units and land values.

Key Dates and Next Steps

- Hemson to finalize CBC capital programs, development forecast and calculate rates
- Continue consultations with the Building Industry and Land Development Association (BILD) and other interested stakeholders throughout the study process:
 - Initial meeting held with BILD's Peel Chapter: June 13th 2022;
- Hemson to work with City legal team to draft CBC by-law
- September 2022 – Target CBC by-law passage