



City of Hamilton
Hamilton

DEVELOPMENT CHARGES STAKEHOLDERS SUB-COMMITTEE ADDENDUM

Meeting #: 22-001
Date: February 28, 2022
Time: 9:30 a.m.
Location: Due to the COVID-19 and the Closure of City Hall (CC)

All electronic meetings can be viewed at:

City's Website:

<https://www.hamilton.ca/council-committee/council-committee-meetings/meetings-and-agendas>

City's YouTube Channel:

<https://www.youtube.com/user/InsideCityofHamilton> or Cable 14

Lisa Kelsey, Legislative Coordinator (905) 546-2424 ext. 4605

Pages

6. DELEGATION REQUESTS

- *6.1. Karl Andrus, Hamilton Community Benefits Network, respecting Community Benefits Charges (Item 10.1) (For today's meeting) 2

- *6.2. Ian Borsuk, Environment Hamilton, respecting Community Benefits Charges (Item 10.1) (For today's meeting)



HAMILTON COMMUNITY BENEFITS NETWORK

building capacity through building communities

Chair and Members Development Charges Stakeholders Sub-Committee
February 28, 2022
Community Benefits Charges (FCS22015) (City Wide)

2.3.2 Community Benefit Charges (C.B.C.)

While a Community Benefit Charge is not being considered within this report, a summary of the legislated changes is provided herein for information purposes.

C.B.C. Eligibility

- The C.B.C. is limited to lower-tier and single tier municipalities, whereas upper-tier municipalities will not be allowed to impose this charge.
- O.Reg. 509/20 was filed on September 18, 2020. This regulation provides for the following:
 - A maximum rate will be set as a percentage of the market value of the land the day before building permit issuance. The maximum rate is set at 4%. The C.B.C may only be imposed on developing or redeveloping buildings which have a minimum height of five stories and contain no less than 10 residential units.



Development Charges Update Study

City of Hamilton

Planning Act

ONTARIO REGULATION 509/20

COMMUNITY BENEFITS CHARGES AND PARKLAND**Community benefits charge strategy, s. 37 (9) of the Act**

2. A community benefits charge strategy prepared under subsection 37 (9) of the Act 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).

Maximum community benefits charge, percentage

3. For the purposes of subsection 37 (32) of the Act, the prescribed percentage is four per cent.

Development Charge % calculations suggested in the March 2021 – Study (Before No URBAN BOUNDARY VOTE)

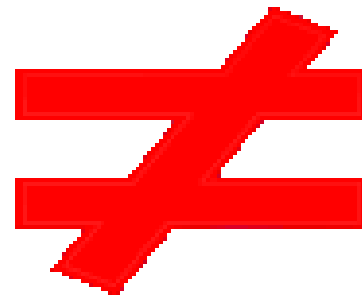
- Water Services – 11.15%
- Wastewater Services – 22.13%
- Stormwater Services – 17.06%
- Services Related to a Highway – 30.68%
- Policing Services – 1.26%
- Fire Protection Services – 1.11%
- Ambulance Services – 0.19%
- Transit Services – 3.54%
- Waste Diversion – 1.02%
- Parks and Recreation – 9.24%
- Library Services – 1.4%
- Long-Term Care – 0.23%
- Public Health – 0.00%
- Child Care and Early Years – 0.02%
- Housing Services – 0.87%
- P.O.A. 0.07%

The Development Changes Update Study from March 2021 is now out of date. What we charge on DCs and thus CBCs is going to change somewhat.

Community Engagement vs Stakeholder Engagement

A CBC Working Group comprised of key members of all City departments has been formed to assist in gathering information necessary for the CBC Strategy and By-law. The Working Group is provided project updates and engages in various discussions that are instrumental in helping prepare the basis for the strategy and by-law. In addition to the Working group, the City's Senior Leadership Team (Steering Committee) receives updates at monthly meetings and provides guidance and direction throughout the process. External consultation with key development groups will be scheduled at milestone points through the duration of the project. The City plans on releasing the strategy report prior to Council's consideration of the By-Law.

Not to be Engaged



To be Engaged!



Charge (Statute):	Development Charges (under the <i>Development Charges Act</i>)	Community Benefits Charges (under the <i>Planning Act</i>)
Types of Increased Costs for Services Recoverable	<p>Increased capital costs required because of increased needs for the following services, only:</p> <ul style="list-style-type: none"> ▪ Water supply services, including distribution and treatment services. ▪ Wastewater services, including sewers and treatment services. ▪ Storm water drainage and control services. ▪ Services related to a highway as defined in the <i>Municipal Act, 2001</i> ▪ Electrical power services. ▪ Waste diversion services. ▪ Policing services. ▪ Fire protection services. ▪ Ambulance services. ▪ Services provided by a board within the meaning of the <i>Public Libraries Act</i>. ▪ Services related to long-term care. ▪ Parks and recreation services, but not the acquisition of land for 	<p>Capital costs of facilities, services and matters required because of development or redevelopment in the area to which the By-law applies" but only in respect of development of five or more storeys with ten or more residential units (or redevelopment of a five or greater storey structure which will add ten new residential units).</p>

Community Benefit Charges

Can be added City Wide This, combined with a firm urban boundary. Can be a useful tool for Council to address social challenges facing our city.

What will council fund with these development charges?

Development Exempt from CBC's	Services to be Considered for CBC Funding
<ul style="list-style-type: none"> Long-term care homes Retirement homes Universities, colleges, and Indigenous Institutes Memorial homes, clubhouses, or athletic grounds of the Royal Canadian Legion Hospices 	<ul style="list-style-type: none"> Parking and Airports (these services are no longer eligible for DC funding as of Sept. 18, 2022) Some studies Parkland Acquisition (in excess of parkland dedication) Municipal Administration Building Expansion Cultural Initiatives (e.g. Museums, Arts Centres, Public Arts, Heritage Preservation) Public Realm Improvements (e.g. Community Gardens, Space for Non-Profits) Expansion to Landfill Eligible DC infrastructure (not included in DC)

Are these proposed items reviewed with An EDI, Climate and Housing Crisis lens?

Is this the best framing direction for the Consultants?



Figure 4-2
City of Hamilton
Airport Lands Capital – Updated

Project Number	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
									63%	37%	
1	Requirements for Additional Airport Space	2019-2023	14,000,000	-		14,000,000	-		14,000,000	8,820,000	5,180,000
2	Requirements for Additional Airport Space	2024-2028	14,000,000	7,280,000		6,720,000	-		6,720,000	4,233,600	2,486,400
3	Reserve Fund Adjustment						1,990,849		(1,990,849)	(1,254,235)	(736,614)
Total			28,000,000	7,280,000	-	20,720,000	1,990,849	-	18,729,151	11,799,365	6,929,786

Figure 4-1
City of Hamilton
Municipal Parking Capital – Updated

Project Number	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
									63%	37%	
1	Downtown Parking Structure	2023-2026	25,900,000	-		25,900,000	3,534,000		22,366,000	14,090,580	8,275,420
2	West Harbour Development - Parking Structure	2025-2028	30,180,000	4,930,000		25,250,000	21,824,000		3,426,000	2,158,380	1,267,620
3	Reserve Fund Adjustment						3,703,772		(3,703,772)	(2,333,376)	(1,370,396)
4	Parking Service Study	2019	200,000	-		200,000	50,000		150,000	94,500	55,500
Total			56,280,000	4,930,000	-	51,350,000	29,111,772	-	22,238,228	14,010,084	8,228,144

Options for Utilizing CBC Funds

Every effort will be made to ensure that the City is able to take full advantage of this new legislative tool in order to support the funding of the growth-related capital program, minimize the impact on the taxpayer and align with Council's priorities. The following two scenarios will be considered:

1. CBC's may be used to offset amendments to the *Development Charges Act* that will eliminate our ability to collect Development Charges for certain services that were previously eligible.
2. CBC's may be used to fund growth-related capital infrastructure for services not eligible for Development Charges, but that are eligible under the CBC and support the advancement of existing Term of Council Priorities.

Slide 1

Thank you, committee members, Staff and the chair for affording me the opportunity to speak to this staff report. I believe I should only need 5 minutes however I ask for understanding from the chair if I am a little long.

Slide 2 -> I hope this committee will recall back in March 2021 when the Development Charges Update Study came back to the council from Watson & Associates. At that time, I spoke about the urgency for the city to begin an investigation of the new Community Benefit Charges (CBCs), especially in light of the fact that unlike other municipalities we did not take advantage of the then section 37 bonusing. I raised specific concerns around the way Development charges were being calculated based on the assessment of the city's future needs at that time.

Slide 3 -> Here is the relevant Community Benefit Legislation wording Planning Act ONTARIO REGULATION 509/20 - COMMUNITY BENEFITS CHARGES AND PARKLAND. As you can see the City has an option to charge upto 4%, make give firm instructions to staff and developers that the full 4% charge be collected. Also as you can see, like the information given in the staff report, these charges can be applied to anything a full DC charge. There are many uses for these charges beyond the limited examples in the report.

I am happy to hear the city, albeit quite late, given the Sept 2022 deadline to formalize a CBC bylaw. So I want to bring forward a few issues to flag for your attention about this report and considerations for the direction the staff and Watson & Associates, the consultant on this issue.

Slide 4) The Development Charges Update Study from March 2021 which could influence how and what we change DCs on, and thus what we might Charge CBCs on, I am told by staff in Grids2 stakeholder meeting, will need to be reconsidered in light of the No Urban Boundary direction of council. This could have profound impacts on when CBCs can be charged and when DCs would be.

Slide 5) How much given the limited time staff and the consultants have put on themselves (June 2022 to report to council) what extent will they engage in "Stakeholder and Community consideration". The Development industry is mentioned several times in the report as "key development groups" for consultation. What about other stakeholders? What about the general public and community?

Slide 6) The regulations and differences between DCs and CBCs are posted in the chart on the screen. I won't read them but just remember the charges are for any building over "five or more storeys with ten or more residential units (or redevelopment of a five or greater storey structure which will add ten new residential units". Not just the downtown area. Will staff and the consultants consider that the new bylaw will be implemented city wide and not restricted to certain development areas?

Slide 7) As always how much of a climate lens, Equity, Diversity and Inclusion (EDI) Lens and acknowledgement of the affordable housing crisis will go into the staff and consultant directions on the studying of the potential application for CBCs? We the charges collected from the increased growth and gentrification of our city go to offset some of the challenges new development creates?

In the staff report, it is mentioned Several services for consideration in CBCs which do not seem to apply that lens at all, for example, more parking, or expansions to landfills. Even additional airport lands. No

mention of affordable housing or other ambitious social long term capital investments are centred. Ottawa and Toronto are all considering much more progressive uses for their CBCs! Can't we do better?

Slide 8 -> Lastly, I want this committee to consider the stated scenarios in this report, which will form staff and consultant directions at the end of page 3, start of page 4 also listed on the screen: are:

And consider if these directions really envision actual Community Benefits from these charges, if they ask staff and the consultants to be creative and imaginative in using this new capital revenue source for actual gains to address the challenges of our city, especially around affordable housing. Finally, I would ask you to empower staff to be bold in the uses of these charges, which are new, subject to interpretation and make sure these charges do benefit the Community of Hamilton and not just to offset the loss of parking DC revenue.

Thank you