



City of Hamilton 2022 Community Benefits Charge

Development Industry Liaison Group Meeting

March 14, 2022

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, Airport Services, and portions of Social Services (now can only include Child Care and Early Years Programs)
- 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 of C.B.C. Strategy

Community Benefits Charges will only apply to developments that are 5 storeys or more and have a minimum 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 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%)

Eligible Growth and Land Valuation



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 - discussions have taken place with City Planning staff and Watson’s demographics team related to the “No Urban Boundary Expansion Forecast” to determine the amount and location of the eligible growth
- Consideration for the timing of eligible development (i.e. 10 years (2022-2031))

Land Valuation:

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

- The average land valuations will be summarized by locations with regard to density.

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, Affordable Housing, etc.;
- Former Services recovered under Section 37 of the Planning Act (not applicable for the City);
- Parkland Acquisition, except for parkland dedication related; and
- D.C. eligible services (Growth-related capital not included in the D.C.).

Growth Forecast - C.B.C. Eligible Growth Breakdown



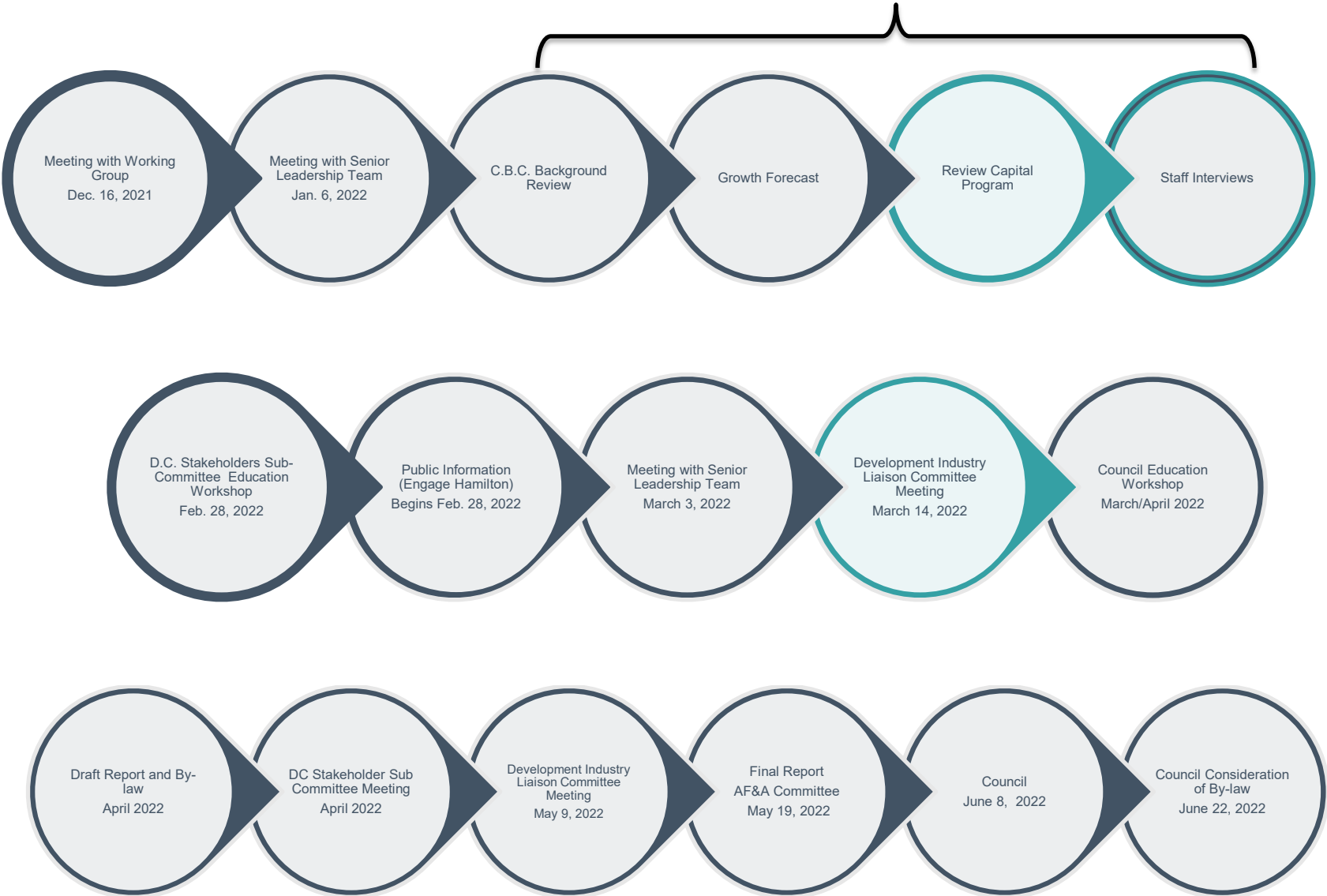
- Based on applications in the planning process, approximately 55% of all apartment units will be in buildings that have a minimum of 5 storeys and minimum of 10 residential units.
- Therefore, of the 18,308 apartment units identified for the growth forecast period from 2022-2031, 10,084 units would be eligible for recovery of a C.B.C.
- Based on the eligible units in the planning process, the following provides a breakdown of the anticipated location of the eligible units:

Area	C.B. C. Eligible Units			
	Registered	Draft Approved	Pending	Total
Ancaster	-	-	-	-
Dundas	-	132	121	253
Flamborough	-	233	74	307
Glanbrook	-	-	-	-
Upper Hamilton	-	1,462	2,427	3,889
Stoney Creek	1,023	367	-	1,390
Lower Hamilton (Inside the Downtown Secondary Plan Area):				
Mid-Rise (5-15 Storeys)	-	40	-	40
High-Rise (Over 15 Storeys)	-	764	2,431	3,195
Lower Hamilton (Outside the Downtown Secondary Plan Area)	-	885	125	1,010
Total	1,023	3,883	5,178	10,084

Study Schedule



Jan. – Mar. 2022





Questions?