




# INFORMATION REPORT

<b>TO:</b>	Chair and Members Development Charges Stakeholders Sub-Committee
<b>COMMITTEE DATE:</b>	April 12, 2022
<b>SUBJECT/REPORT NO:</b>	Community Benefits Charges – Engagement and Draft Strategy (FCS22015(a)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Carolyn Paton (905) 546-2424 Ext. 4371 Kirk Weaver (905) 546-2424 Ext. 2878
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

N/A

## INFORMATION

Report FCS22015(a) Community Benefits Charges – Engagement and Draft Strategy is the second report on Community Benefits Charges being considered by the DC Stakeholders Sub Committee. It follows Report FCS22015 and a presentation made to the sub-committee at its meeting on February 28, 2022.

The proposed Community Benefits Charge Strategy and By-law will be presented to Hamilton City Council in June 2022 for consideration.

**SUBJECT: Community Benefits Charges - Engagement & Draft Strategy  
(FCS22015(a)) (City Wide) – Page 2 of 4**

---

The Community Benefits Charge (CBC) provisions replace the former Section 37 height and density bonusing in the *Planning Act*. A CBC is a new growth-funding tool under the *Planning Act* that allows municipalities to levy a charge against buildings or structures with five storeys or more and with 10 or more residential units. New CBC revenue will be used, in part, to offset amendments to the *Development Charges Act* that will eliminate the City's ability to collect Development Charges for certain services that were previously eligible.

Municipalities can use CBCs to fund a wide range of new growth-related capital costs that are not already recovered from Development Charges and parkland provisions. The prescribed maximum CBC rate (as per O. Reg. 509/20) is 4% of the property's land value prior to the day of building permit issuance.

The City must undertake a CBC strategy that identifies the facilities, services and matters that will be funded with CBCs and comply with prescribed requirements.

Prior to passing a by-law, the City must consult with the public and such persons and public bodies as the City considers appropriate.

### **Engagement and Consultation**

At the Development Charges Stakeholder Sub-Committee meeting on February 28, 2022, the following motion was passed:

*“That staff be directed to report back to the April 12, 2022 Development Charges Stakeholders Sub-Committee meeting, on what demographic details can be obtained from the people participating in the public engagement process through the Engage Hamilton website, including but not limited to the participant's Ward.”*

Staff has been working with Corporate Communications to determine the most effective public consultation method. Stakeholder engagement, to date, has been carried out through various public meetings including the Development Charges Stakeholders Sub-Committee meeting on February 28, 2022, as well as, the Development Industry Liaison Group (DILG) meeting on March 14, 2022. An additional DILG Meeting is scheduled to take place May 9, 2022, as well as, a future Audit, Finance and Administration Committee and Council meetings (May and June 2022) prior to passing of the Community Benefits Charge Strategy (Strategy) and the CBC Bylaw.

Further engagement with the public / community, however, will require a different type and level of consultation. The following two-phased approach will be implemented.

**SUBJECT: Community Benefits Charges - Engagement & Draft Strategy  
(FCS22015(a)) (City Wide) – Page 3 of 4**

---

Phase 1 – Post an ‘awareness’ engagement page where progress to date is shown. The following link is provided <https://engage.hamilton.ca/community-benefits-charges-strategy> which directs the reader to the page. This page includes primarily education materials and a few action items for participation. The community will be able to follow the project and registered users will be able to click on links and stay informed. In addition, videos of sub-committees, presentations and opportunity for the community to ask a question is available. As users register, demographic information is automatically collected (postal code, age bracket and ward).

Phase 2 – This will be a more robust engagement on the Draft Strategy and CBC By-law. This phase will allow the public to sign up / log into the site and provide comments. Some potential engagement may include requesting overall strategy and by-law comments and requesting feedback on the list of projects that the City will recommend for funding. This will be a core opportunity for engagement.

Mississauga is taking a similar approach and the draft is available now. They are having a meeting in early April for the public to provide comments / feedback.

This two-phased approach will provide a consultation results report that is more robust and will address Council’s desire for additional public consultation.

### **Draft Strategy**

The Draft Strategy Report (Strategy) attached as Appendix “A” to Report FCS22015(a) has been prepared by Watson & Associates Economists Ltd. pursuant to the requirements of the *Planning Act, 1990*, Section 37 and, accordingly, recommends the imposition of a Community Benefits Charge (CBC) and associated policies for the City of Hamilton (the “City”).

The Strategy has been prepared, in the first instance, to meet the statutory requirements applicable to the City’s CBC strategy as summarized in Chapter 3. It also addresses the requirement for “rules” (contained in Chapter 6) and the proposed by-law to be made available as part of the approval process (included as Appendix C).

In addition, the report is designed to set out sufficient background on the legislation (Chapter 3) and the policies underlying the proposed by-law, to make the exercise understandable to those who are involved. Finally, the report addresses post-adoption implementation requirements (Chapter 7) which are critical to the successful application of the new policy.

**SUBJECT: Community Benefits Charges - Engagement & Draft Strategy  
(FCS22015(a)) (City Wide) – Page 4 of 4**

---

The CBC by-law will be distributed to members of the public by the end of April to provide interested parties the background information on the legislation, the recommendations contained therein and an outline of the basis for these recommendations.

**Conclusion**

The Community Benefits Charges process is new for all municipalities in Ontario. Staff has engaged internal stakeholders and are actively participating in engagement sessions with the development industry and other key stakeholders. The proposed Community Benefits Charges Strategy is available in Appendix “A” to Report FCS22015(a). The CBC By-law will be presented to Hamilton City Council in June 2022 for consideration.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report FCS22015(a) – Draft Community Benefits Charge Strategy

CP/dt