



Hamilton

**DEVELOPMENT INDUSTRY LIAISON GROUP
COMMUNITY BENEFITS CHARGES UPDATE**

May 9, 2022

- Approach
- Capital Summary for CBC
- Calculated C.B.C. Rate
- Capital Priorities
- Exemptions
- Next Steps
- Questions

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.

- Allocate all CBC funding to offset parking and airport (due to losses in DC revenues)
- Allocate CBC funds to eligible capital projects included in 2022-2031 Capital Forecast that align with Council priorities
- Allocate funds to projects not included in 2022-2031 Capital Forecast (not identified)
- Levy impact being calculated for each option. Funding room created by CBC funding can be allocated towards Council's priorities

Capital Project Summary

Services	Gross Cost	Benefit to Existing Deduction	Grants, Subsidies & Other Contributions	Net Growth-Related Costs	C.B.C. Eligible Costs
DC Services Becoming Ineligible:					
Municipal Parking	65,447,500	37,892,500	156,000	27,399,000	5,168,821
Airport Services	27,380,000	6,020,000	-	21,360,000	4,029,564
Growth Studies	9,562,500	2,734,100	-	6,828,400	1,288,178
Total DC Services Becoming Ineligible	102,390,000	46,646,600	156,000	55,587,400	10,486,563
Other Potential Capital (based on 2022 Capital Plan):					
CBC Strategies	450,000	-	-	450,000	450,000
Landfill Services	25,349,000	6,290,900	6,539,900	12,518,200	2,800,134
Cultural Services	27,328,500	19,285,500	1,124,640	6,918,360	1,771,273
Public Realm Initiatives	198,450	178,600	-	19,850	3,745
Corporate Initiatives	900,000	810,000	-	90,000	16,979
Information Technology	3,160,000	2,844,000	-	316,000	59,613
Council Initiatives	400,000	360,000	-	40,000	7,546
Total Other Potential Capital	57,785,950	29,769,000	7,664,540	20,352,410	5,109,289
Total Potential Capital Program	160,175,950	76,415,600	7,820,540	75,939,810	15,595,852

Total Potential Capital Program - C.B.C. Eligible Costs	\$15,595,852
Total Land Valuation (10-Year Forecast)	\$261,263,000
Percentage of Land Value Required to fund the C.B.C. Eligible Costs	6%

Legislative Maximum C.B.C. Percentage of Land Value	4%
Total Land Valuation (10-Year Forecast)	\$261,263,000
Maximum Eligible Amount based on Total Land Valuation	\$10,450,520

Amount In Excess of Maximum Eligible Amount	\$5,145,332
--	--------------------

Potential Capital Projects Summary

- Total Gross Cost \$160M
- Net Growth Related \$75.9M
- CBC Eligible \$15.6M
- Total Land Valuation \$261.3M
- CBC Rate required to Fund CBC Eligible costs = 6%
- Max Allowable Rate = 4%
 - Equates to \$10.5M over 10 year forecast

Calculated C.B.C. Rate

As per the Planning Act, the maximum a municipality can impose for a C.B.C. is equal to 4% of the land value of a property, the day before building permit issuance. Based on the total land value, the estimated potential C.B.C. recovery for the City equates to just over \$10.45 million for the 10-year forecast period Net Growth Related \$75.9M

Total Potential Capital Program - C.B.C. Eligible Costs	\$15,595,852
Total Land Valuation (10-Year Forecast)	\$261,263,000
Percentage of Land Value Required to fund the C.B.C. Eligible Costs	6%
Legislative Maximum C.B.C. Percentage of Land Value	4%
Total Land Valuation (10-Year Forecast)	\$261,263,000
Maximum Eligible Amount based on Total Land Valuation	\$10,450,520
Amount In Excess of Maximum Eligible Amount	\$5,145,332

- Mandatory Exemptions
 - Development of a proposed building or structure with fewer than five storeys, at or above ground, and 10 residential units;
 - Redevelopment of an existing building or structure that will have fewer than five storeys, at or above ground after the redevelopment, and 10 residential units;
 - Long-term care home;
 - Retirement home;
 - Post secondary institutions;
 - Memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion;

- Mandatory Exemptions
 - Hospice; and
 - Non-profit housing.
- Discretionary Exemptions provided under the Development Charges (D.C.) By-law (19-142) under consideration:
 - Downtown CIPA; and
 - Affordable housing.

- Refining numbers and options
- AF&A June 2
- Council June 8/June 22 (Contingency - July 8 & August 12)
- Bylaw needs to be passed by September 17th of 2022



Hamilton

THANK YOU