



Community Benefits Charge Strategy

City of Hamilton

June 2, 2022

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This report provides for minor updates to the April 6, 2022 Draft Community Benefits Charge Strategy. Areas of the report which are been refined are as follows:

- Section 4.2 C.B.C. - Eligible Cost Analysis – includes within the discussion, acknowledgement that Table 4-1 has deducted the Development Charge Reserve Fund Balances for Municipal Parking and Airport
- Section 6.2.3 - Exemptions – provides for discretionary exemptions to align with the City's present Development Charge exemptions for Downtown CIPA and for a Residential Facility/Lodging House
- Section 6.2.5 - In-Kind Contributions – provides for clarification as to how potential In-Kind contributions will be considered by the City
- Section 6.2.2 - Maximum Amount of the Community Benefit Charge – provides for clarification of the calculation should multiple buildings be constructed on the land at different times.

The proposed by-law for Council's consideration is also provided in Appendix C to this report.

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
C.B.C.	Community Benefits Charge
C-I-L	Cash-in-lieu
D.C.	Development Charge
D.C.A.	Development Charges Act, 1997, as amended
G.R.I.D.S.	Growth Related Integrated Development Strategy
N.F.P.O.W.	No fixed place of work
O.L.T.	Ontario Land Tribunal
O. Reg.	Ontario Regulation
P.P.U.	Persons per unit
sq.ft.	square foot
sq.m.	square metre

Report



Chapter 1

Introduction



1. Introduction

1.1 Purpose of this Document

This strategy report has been prepared pursuant to the requirements of the Planning Act, 1990, (section 37) and, accordingly, recommends the imposition of a Community Benefits Charge (C.B.C.) and associated policies for the City of Hamilton (the “City”).

The City retained Watson & Associates Economists Ltd. (Watson), to undertake the C.B.C. strategy process in December, 2021. Watson worked with City staff preparing the C.B.C. analysis and policy recommendations contained within this strategy.

The C.B.C. strategy report, containing the proposed C.B.C. by-law, will be distributed to members of the public in order to provide interested parties the background information on the legislation, the recommendations contained herein, and an outline of the basis for these recommendations.

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the City’s C.B.C. 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.

The chapters in the strategy report are supported by Appendices containing the data required to explain and substantiate the calculation of the charge. A full discussion of the statutory requirements for the preparation of a strategy and calculation to support the C.B.C. rate is provided herein.



1.2 Legislative Context

1.2.1 *Bill 197 - COVID-19 Economic Recovery Act, 2020*

The COVID-19 Economic Recovery Act received Royal Assent on July 21, 2020. Schedule 3 of the Act amends the Development Charges Act (D.C.A.) and Schedule 17 amends the Planning Act (including amendments to community benefits and the alternative rate of parkland dedication). These amendments replace those not proclaimed under the More Homes, More Choice Act (Bill 108).

The COVID-19 Economic Recovery Act amendments in Schedules 3 and 17 were proclaimed and came into effect on September 18, 2020. In regard to the C.B.C., eligible municipalities have two years after the date of proclamation (i.e., September 18, 2022) to transition to the new rules and pass a C.B.C. by-law if they wish to continue imposing these charges.

D.C.A. Amendments:

Changes to Eligible Services – the amendments reframe the context of the D.C.A. from a tool to fund services that are not defined as "ineligible," to only include "eligible" services for which development charges (D.C.s) may be imposed. Eligible services applicable to the City include:

- 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;
- Transit services;
- Waste diversion services;
- Policing services;
- Fire protection services;
- Ambulance services;
- Public library services;
- Long-term care services;
- Parks and recreation services;
- Public health services;



- Child-care services;
- Housing services;
- Services related to proceedings under the Provincial Offences Act; and
- Emergency preparedness services.

C.B.C. Amendments:

As per section 37 (5) of the Planning Act, a C.B.C. may be imposed for services that do not conflict with services or projects provided under a municipality's D.C. by-law or Parkland dedication by-law. Hence, the service provided under the C.B.C. would be defined as follows:

- (a) land for park or other public recreational purposes in excess of lands dedicated or provided cash-in-lieu payments under section 42 or 51 of the Planning Act;
- (b) services not provided under section 2 (4) of the D.C.A. (as noted above);
- (c) capital costs for eligible D.C. services that are not intended to be funded under the City's D.C. by-law.

Single-tier and lower-tier municipalities may impose a C.B.C. against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies. As noted above, there are no restrictions on the services that may be included in the charge, with the exception of capital costs included under a D.C.A. by-law or Cash-in-Lieu (C-I-L) of Parkland by-law. There are, however, restrictions on the application of the charges, i.e., a C.B.C. may not be imposed with respect to:

- development or redevelopment of fewer than 10 residential units, and in respect of buildings or structures with fewer than five storeys;
- a building or structure intended for use as a long-term care home;
- a building or structure intended for use as a retirement home;
- a building or structure intended for use by a university, college, or an Indigenous Institute;
- a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion;
- a building or structure intended for use as a hospice to provide end-of-life care; or



- not-for-profit housing.

O. Reg. 509/20 specifies that a maximum charge of 4% of the value of land at the time of building permit issuance may be imposed. Prior to adopting a C.B.C. by-law the municipality must undertake a C.B.C. strategy report and follow the required public procedure. The C.B.C. by-law is appealable to the Ontario Land Tribunal (O.L.T.).

1.3 Current Policies

Historically, the City has not imposed charges related to community benefits under the prior Planning Act section 37 provisions.

1.4 Summary of the Process

Prior to passing a C.B.C. by-law, the Planning Act, section 37 (10) requires the City to consult with the public and such persons and public bodies as the City considers appropriate. As such, meetings to be undertaken for the City include two with the Development Industry Liaison Group (DILG), two with the Development Charges Stakeholder Sub-Committee, and one with the City's Audit, Finance and Administration (AF&A) Committee. These meetings are being held to present the strategy's purpose, approach, and proposed C.B.C. by-law. The feedback received during the public consultation will be reported back to Council during a meeting scheduled for June 8, 2022 prior to Council's consideration of the by-law on June 22, 2022. In addition, the City has posted an awareness engagement page related to the C.B.C. through the "Engage Hamilton" website (<https://engage.hamilton.ca/community-benefits-charges-strategy>) which provides education materials, a few action items, presentation and videos of sub-committee meetings, so that the public community can follow the progress of the strategy.

Figure 1-1 provides an outline of the schedule to be followed with respect to the C.B.C. strategy and by-law adoption and implementation process.



Figure 1-1
City of Hamilton
Schedule of Key Dates in the C.B.C. Strategy Process

Item	Date
1. Data collection, land valuation analysis, growth forecast development, capital needs assessment, staff review, C.B.C. calculations and policy work.	December 2021 to March 2022
2. D.C. Stakeholder Sub-Committee Meeting/Presentation	February 28, 2022
3. Meeting with Development Industry Liaison Group (DILG)	March 14, 2022
4. Release of C.B.C. Strategy Report and proposed by-law	June 2, 2022
5. D.C. Stakeholder Sub-Committee Meeting/Presentation	April 12, 2022
6. Meeting with Development Industry Liaison Group (DILG)	May 9, 2022
7. Audit, Finance and Administration (AF&A) Committee Public Meeting	May 19, 2022
8. Meeting of Council advertisement placed in newspaper(s)	Last week of May, 2022
9. Meeting of Council to present the C.B.C. Strategy and proposed by-law	June 8, 2022
10. Council considers adoption of C.B.C. strategy and passage of by-law	June 22, 2022
11. Notice given of by-law passage	No later than 20 days after passage
12. Last day for by-law appeal	40 days after passage



Chapter 2

Anticipated Development in the City of Hamilton



2. Anticipated Development

2.1 Requirement of the Act

Chapter 3 provides the methodology for calculating a C.B.C. as per the Planning Act. Figure 3-1 presents this methodology schematically. It is noted in the first box of the schematic that in order to determine the C.B.C. that may be imposed, it is a requirement of section 37 (9) of the Planning Act and O. Reg. 509/20 that “the anticipated amount, type and location of development and redevelopment, for which a C.B.C. can be imposed, must be estimated.”

The growth forecast contained in this chapter (with supplemental tables in Appendix A) provides for the anticipated development for which the City will be required to provide services over a 10-year (mid-2022 to mid-2032) time horizon.

2.2 Basis of Population, Household and Employment Forecast

The C.B.C. growth forecast has been derived by Watson. In preparing the growth forecast, the following information sources were consulted to assess the residential and non-residential development potential for the City over the forecast period, including:

- Growth Related Integrated Development Strategy (G.R.I.D.S.) 2 and Municipal Comprehensive Review – Final Land Needs Assessment and Addendum and Peer Review Results (PED17010(n)) (City Wide), November 9, 2021;
- 2006, 2011, 2016 and 2021 population and household Census data;
- 2006, 2011 and 2016 employment Census data;
- Historical residential building permit data over the 2012 to 2021 period;
- Residential supply opportunities as identified by City staff; and
- Discussions with City staff regarding anticipated residential development in the City.

2.3 Summary of Growth Forecast

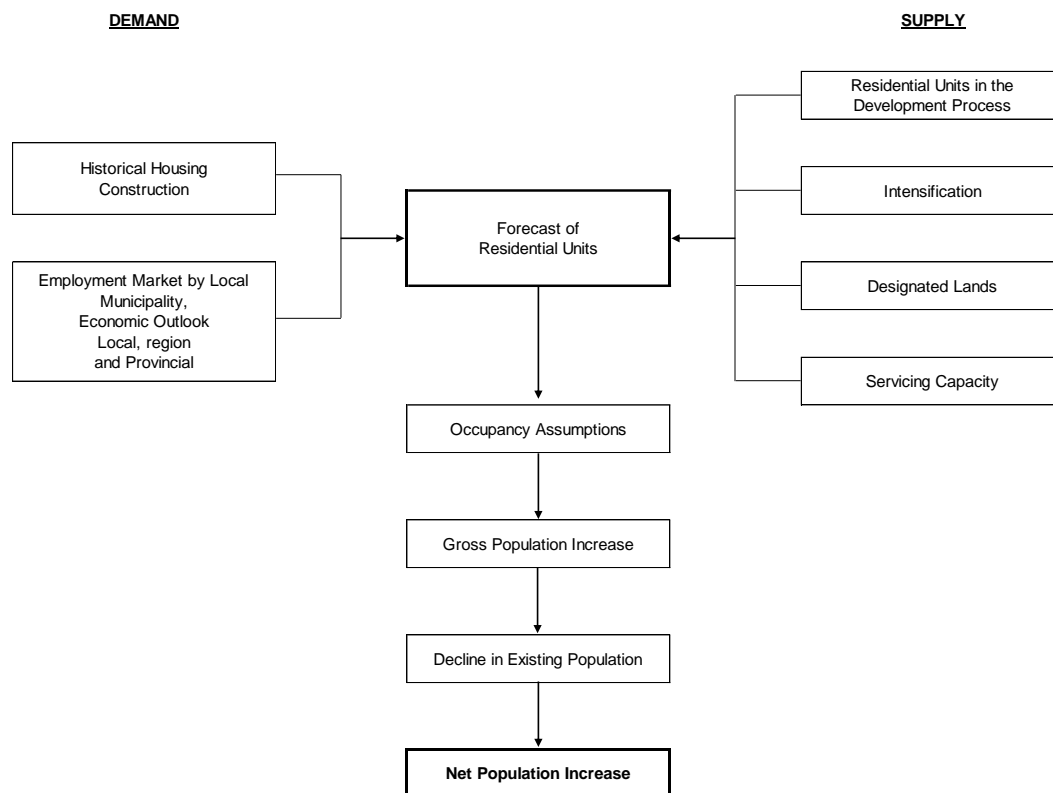
A detailed analysis of the residential and non-residential growth forecasts is provided in Appendix A and the methodology employed is illustrated in Figure 2-1. The discussion



provided herein summarizes the anticipated growth for the City and describes the basis for the forecast. The results of the residential growth forecast analysis are summarized in Table 2-1 below, and Schedule 1 in Appendix A.

As identified in Table 2-1 and Schedule 1, the City's population is anticipated to reach approximately 641,880 by mid-2032, resulting in an increase of 65,100 persons, over the 10-year forecast period.¹

Figure 2-1
Household Formation-based Population and Household Projection Model



¹ The population figures used in the calculation of the 2022 C.B.C. exclude the net Census undercount, which is estimated at approximately 2.9%.



Table 2-1
City of Hamilton
Residential Growth Forecast Summary

Year		Population (Including Census Undercount) ^[1]	Excluding Census Undercount			Housing Units					Persons Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ^[2]	Apartments ^[3]	Other	Total Households	
Historical	Mid 2006	518,990	504,559	8,969	495,590	118,020	25,450	50,265	730	194,465	2.595
	Mid 2011	534,820	519,949	10,309	509,640	124,433	27,760	50,800	813	203,806	2.551
	Mid 2016	552,270	536,917	8,982	527,935	127,705	31,405	51,680	810	211,600	2.537
Forecast	Mid 2022	593,270	576,774	10,032	566,742	131,610	37,496	58,063	810	227,979	2.530
	Mid 2032	660,230	641,875	11,197	630,678	137,583	44,308	78,998	810	261,699	2.453
Incremental	Mid 2006 - Mid 2011	15,830	15,390	1,340	14,050	6,413	2,310	535	83	9,341	
	Mid 2011 - Mid 2016	17,450	16,968	-1,327	18,295	3,272	3,645	880	-3	7,794	
	Mid 2016 - Mid 2022	41,000	39,857	1,050	38,807	3,905	6,091	6,383	0	16,379	
	Mid 2022 - Mid 2032	66,960	65,101	1,165	63,936	5,973	6,812	20,935	0	33,720	

Source: Derived from City of Hamilton No Urban Boundary Expansion Scenario (Septemeber, 2021) forecast for the City of Hamilton and discussions with municipal staff regarding servicing and land supply by Watson & Associates Economists Ltd., 2022.

^[1] Census undercount estimated at approximately 2.9%. Note: Population including the undercount has been rounded.

^[2] Includes townhouses and apartments in duplexes.

^[3] Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

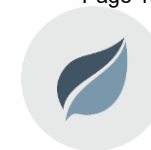
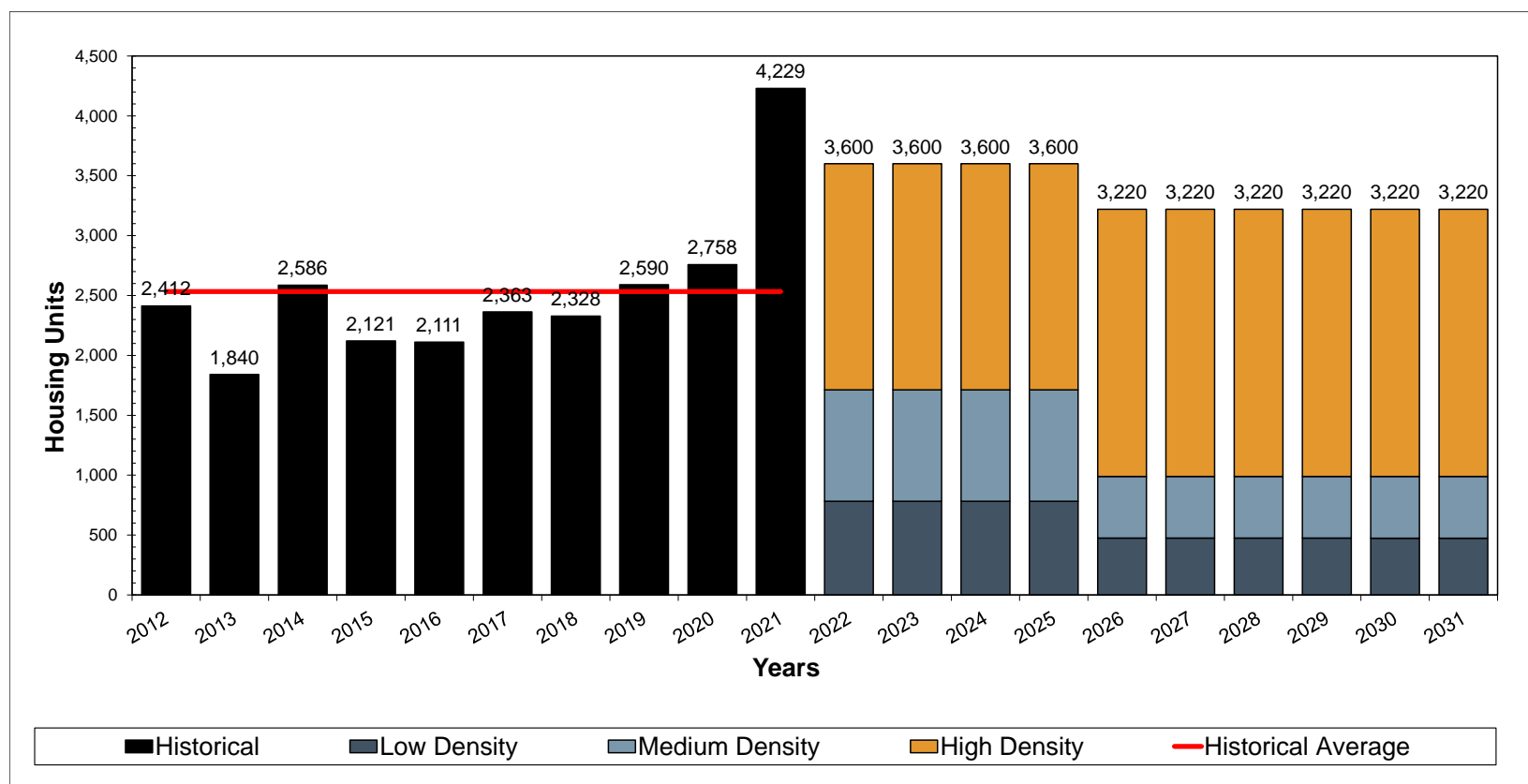


Figure 2-2
City of Hamilton
Annual Housing Forecast^[1]



Source: Historical housing activity derived from City of Hamilton building permit data, 2012 to 2021.

^[1] Growth forecast represents calendar year.



Provided below is a summary of the key assumptions and findings regarding the City C.B.C. growth forecast:

1. Unit Mix (Appendix A – Schedules 1, 5 and 6)

- The housing unit mix for the City was derived from a detailed review of historical development activity (as per Schedule 6), as well as active residential development applications (as per Schedule 5) and discussions with City staff regarding anticipated development trends for Hamilton.
- Based on the above indicators, the 2022 to 2032 household growth forecast for the City is comprised of a unit mix of 18% low density units (single detached and semi-detached), 20% medium density (multiples except apartments) and 62% high density (accessory units, bachelor, 1-bedroom and 2-bedroom apartments) units.

2. C.B.C.-Eligible Units

- Subsection 37 (4) of the Planning Act establishes the criteria for a development to be C.B.C. eligible. A C.B.C. may be imposed if:
 - Development of a proposed building or structure has five or more storeys at or above ground and has 10 or more residential units;
 - Redevelopment of an existing building or structure that will have 5 or more storeys at or above ground after redevelopment and proposes to add 10 or more residential units to an existing building or structure; or
 - Such types of development or redevelopment as prescribed. 2020, c. 18, Sched. 17, section 1.
- The C.B.C.-eligible unit forecast is derived based on the established criteria above and a detailed review of historical Census housing trends, historical development activity (as per Schedule 6), active residential development applications (as per Schedule 5) and discussions with City staff regarding anticipated C.B.C.-eligible developments.
- Based on the above indicators, the City is forecast to accommodate 11,531 C.B.C.-eligible household units over the 10-year forecast period. This translates to 55% of all high-density units, including accessory units, being C.B.C. eligible from 2022 to 2032. Table 2-2 and Schedule 2



summarizes the anticipated amount, type, and location of development for the City by development location.

3. Geographic Location of C.B.C.-Eligible Residential Development (Appendix A – Schedule 2)

- Schedule 2 summarizes the anticipated amount, type, and location of C.B.C.-eligible development by area for the City.
- In accordance with forecast demand and available land supply, the amount and percentage of forecast C.B.C.-eligible housing growth between 2022 and 2032 by development location is summarized in Table 2-2.
- The Lower Hamilton Area has been broken down into the following additional sub-areas: Inside the Downtown Secondary Plan Area and Outside the Downtown Secondary Plan Area (see maps in Appendix B).



Table 2-2
City of Hamilton
Residential High-Density Growth by Development Area

Development Location	Total High-Density Housing Growth, 2022 to 2032 ^[1]	C.B.C.-Eligible Share	C.B.C.-Eligible Housing Growth, 2022 to 2032	C.B.C.-Housing Growth Shares by Location, 2022 to 2032
Ancaster	471	0%	0	0%
Dundas	253	100%	253	2%
Flamborough	2,953	10%	307	3%
Sub-total Ancaster, Dundas, Flamborough	3,677	15%	560	5%
Glanbrook	197	0%	0	0%
Upper Hamilton	5,779	67%	3,889	34%
Stoney Creek	4,371	65%	2,837	25%
Sub-total Glanbrook, Dundas, Flamborough	10,347	65%	6,726	58%
Lower Hamilton (inside Downtown Secondary Plan)	3,249	100%	3,235	28%
Lower Hamilton (outside Downtown Secondary Plan)	3,662	28%	1,010	9%
Sub-Total Lower Hamilton	6,911	61%	4,245	37%
Total City of Hamilton	20,935	55%	11,531	100%

^[1] High density includes accessory apartments, bachelor, 1-bedroom and 2-bedroom+ apartments.
Source: Watson & Associates Economists Ltd.



4. Planning Period

- A 10-year planning horizon has been used based on the City's budgeting forecast period, recognizing that there are a number of planning initiatives underway that will identify growth outside the planning horizon which has not yet been endorsed within an Official Plan.

5. Population in New Units (Appendix A – Schedules 3 and 4)

- The number of housing units to be constructed by 2032 in the City over the forecast period is presented in Figure 2-2. Over the 2022 to 2032 forecast period, the City is anticipated to average 3,372 new housing units per year.
- Institutional population¹ is anticipated to increase by approximately 1,165 people between 2022 to 2032.
- Population in new units is derived from Schedules 3 and 4 which incorporate historical development activity, anticipated units (see unit mix discussion) and average persons per unit (P.P.U.) by dwelling type for new units.
- Schedule 7 summarizes the average P.P.U. assumed for new housing units by age and type of dwelling based on Statistics Canada 2016 custom Census data for the City. The total calculated 15-year adjusted average P.P.U.s by dwelling type are as follows:
 - Low density: 3.381
 - Medium density: 2.334
 - High density:² 1.634

6. Existing Units and Population Change (Appendix A – Schedules 3 and 4)

- Existing households for mid-2022 are based on the 2016 Census households, plus estimated residential units constructed between mid-2016 and end of year 2021, assuming a six-month lag between construction and occupancy (see Schedule 3).

¹ Institutional population largely includes special care facilities such as nursing home or residences for senior citizens. A P.P.U. of 1.100 depicts 1-bedroom and 2-or-more-bedroom units in collective households.

² Includes accessory units, bachelor, 1-bedroom and 2-or-more-bedroom apartments.



- The decline in average occupancy levels for existing housing units is calculated in Schedules 3 and 4, by aging the existing population over the forecast period. The forecast population decline in existing households over the 2022 to 2032 forecast period is approximately 6,370.

7. Employment (Appendix A – Schedule 8)

- The employment projections provided herein are largely based on the activity rate method, which is defined as the number of jobs in the City divided by the number of residents. Key employment sectors include primary, industrial, commercial/population-related, institutional, and work at home, which are considered individually below.
- 2016 employment data¹ (place of work) for the City is outlined in Schedule 8. The 2016 employment base is comprised of the following sectors:
 - 1,845 primary (1%);
 - 15,805 work at home employment (8%);
 - 47,760 industrial (23%);
 - 74,260 commercial/population related (37%); and
 - 63,665 institutional (31%).
- In accordance with the 2016 Statistics Canada Census, the City's 2016 employment base by usual place of work, including work at home, is 203,335. An additional 29,160 employees have been identified for the City in 2016 that have no fixed place of work (N.F.P.O.W.).²
- Total employment, including work at home and N.F.P.O.W. for the City is anticipated to reach approximately 274,420 by mid-2032. This represents an employment increase of approximately 32,620 for the 10-year forecast period.
- Schedule 8, Appendix A, summarizes the employment forecast, excluding work at home employment and N.F.P.O.W. employment, which is the basis for the C.B.C. employment forecast. The impact on municipal

¹ 2016 employment is based on Statistics Canada 2016 Place of Work Employment dataset by Watson & Associates Economists Ltd.

² No fixed place of work is defined by Statistics Canada as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."



services from work at home employees has already been included in the population forecast. The need for municipal services related to N.F.P.O.W. employees has largely been included in the employment forecast by usual place of work (i.e., employment and gross floor area generated from N.F.P.O.W. construction employment).

- Total employment for the City (excluding work at home and N.F.P.O.W. employment) is anticipated to reach approximately 219,340 by mid-2032. This represents an employment increase of approximately 27,500 for the 10-year forecast period.

Based upon the above information, the following summaries are provided for use in the calculations presented in chapter 4, as follows:

- Of the services to be provided, most service costs will be allocated a 70% residential share (Table 2-3).
- Of the residential portion of the costs, 49% of the population is forecast to reside in high-density residential units (Table 2-4).
- Of those who reside in high density residential units, 55% are forecast to reside in units to which the C.B.C. may be imposed (Table 2-5).

Table 2-3
Residential and Non-Residential Growth Share based on Incremental Growth in
Population and Employment over the 10-Year Forecast Period

Residential Population and Non-Residential Employment Growth	Population/ Employment Growth	Residential/ Non- Residential Growth %
Residential Net Population Growth	65,101	70%
Employment Growth (net of Work at Home & N.F.P.O.W.)	27,504	30%
Total Population & Employment Growth	92,605	100%



Table 2-4
Low/Medium Density Growth and High-Density Growth Share

Residential Density	Residential Population Growth	% of Gross Population in New Units
Low/Medium Density	36,094	51%
High Density	34,208	49%
Total Residential Growth Forecast	70,302	100%

Table 2-5
Eligible and Ineligible High-Density Growth Share

Residential High Density	Residential Population Growth	% of Gross Population in High Density Units
Eligible High Density Growth	18,842	55%
Ineligible High Density Growth	15,366	45%
Total Residential High Density Growth Forecast	34,208	100%

2.4 Land Valuation

As the C.B.C. rate is applied against the value of land the day before a building permit is issued, average land values are required to be assessed in various locations throughout the City where development and redevelopment is anticipated. These land values assist in calculating the eligible C.B.C. rate (up to a maximum of 4%). As such, the City's Corporate Real Estate Office provided input into the analysis.

Staff from the City's Corporate Real Estate Office undertook land value estimates to assist with the implementation of this C.B.C. strategy. The land valuations were based on high density residential lands in three locations within the City. The high-density



lands were based on lands permitted to be developed into buildings with five storeys or more and a minimum of 10 residential units.

The areas assessed are provided below along with mapping provided in Appendix B:

1. Ancaster/Dundas/Flamborough Area;
2. Glanbrook, Stoney Creek, Upper Hamilton Area; and
3. Lower Hamilton Area which was further broken down into two (2) sub-areas:
 - a. Inside the Downtown Secondary Plan Area; and
 - b. Outside the Downtown Secondary Plan Area.

For the development that is located inside the Downtown Secondary Plan Area, a further breakdown for the high-density was made to account for buildings that are considered “Mid-Rise” (i.e. between 5 and 15 storeys) and “High-Rise” (i.e. over 15 storeys).

Table 2-6 provides the findings of the land valuation assessment for eligible high-density development, by area.

Table 2-6
Summary of Land Valuations by Area

Area	Estimated Median (\$/acre)
Upper Hamilton, Stoney Creek, Glanbrook (Map 1 – Area 2)	\$3,000,000
Ancaster, Dundas, Flamborough, Westdale (Map 1 - Area 1)	\$5,000,000
Lower Hamilton Outside of Downtown Secondary Plan Area (Map 1 – Area 3)	\$8,000,000
Downtown Secondary Plan Area - Low-Rise & Mid-Rise (Map 2)	\$8,000,000
Downtown Secondary Plan Area - High-Rise (Map 2)	\$13,500,000

2.5 Land Analysis

For purposes of calculating the total land value potential for high-density development in the City, the eligible high-density growth forecast was aligned with the average land



valuations based on applications in the planning process and the anticipated growth over the 10-year forecast. Table 2-7 provides for the assumptions on growth by area and the corresponding land valuations.

Table 2-7
Summary of Eligible High-Density Growth in the Planning Process by Area

Area	C.B. C. Eligible Units				Average Land Value Per Acre
	Registered	Draft Approved	Pending	Total	
Ancaster	-	-	-	-	\$5,000,000
Dundas	-	132	121	253	\$5,000,000
Flamborough	-	233	74	307	\$5,000,000
Glanbrook	-	-	-	-	\$3,000,000
Upper Hamilton	-	1,462	2,427	3,889	\$3,000,000
Stoney Creek	1,023	367	1,447	2,837	\$3,000,000
Lower Hamilton (Inside the Downtown Secondary Plan Area):					
Mid-Rise (5-15 Storeys)	-	40	-	40	\$8,000,000
High-Rise (Over 15 Storeys)	-	764	2,431	3,195	\$13,500,000
Lower Hamilton (Outside the Downtown Secondary Plan Area)	-	885	125	1,010	\$8,000,000
Total	1,023	3,883	6,625	11,531	

Based on the average land valuations identified in Table 2-7 and the eligible high-density units anticipated to develop over the forecast period, the total land value is calculated for each area by converting the units to estimated total acres.

To undertake this conversion, the average eligible high-density units per acre have been estimated by area. The high-density growth identified in Dundas provided for an average of 130 units per acre. Currently there are no active applications in the planning process for Ancaster and Glanbrook, therefore, it has been assumed that the high-density growth in the Ancaster area would be similar to that anticipated in Dundas, while the high-density growth in Glanbrook provided for an average of 150 units per acre. Based on current applications in the development process, an average of 130 units per acre are anticipated within the Flamborough Area, 150 units per acre in the Upper Hamilton and Stoney Creek areas. Within the Lower Hamilton (Inside the Downtown Secondary Plan Area) the assumption for high-density growth is 510 units per acre in the mid-rise (5-15 storeys) and 570 units per acre in the high-rise (over 15 storeys) areas. The remaining area of Lower Hamilton (Outside the Downtown Secondary Plan) is generating an average 280 units per acre based on current applications.



Once the eligible units have been converted to acres of land (by area), the acres are multiplied by the land values to determine a total land value which will be used as the denominator in the C.B.C. calculations. Table 2-8 provides for these calculations. An estimated 58.4 acres of eligible high-density growth is anticipated over the 10-year forecast period; with the total land value estimated at approximately \$261 million.

Table 2-8
Summary of Eligible High-Density Growth and Total Land Value by Area

Area	Total C.B.C. Eligible Units	Average Land Value Per Acre	Average Units Per Acre	Estimated Total Acres	Total Land Value
Ancaster	-	\$5,000,000	130	-	\$0
Dundas	253	\$5,000,000	130	2.0	\$9,753,000
Flamborough	307	\$5,000,000	130	2.4	\$11,834,000
Glanbrook	-	\$3,000,000	150	-	\$0
Upper Hamilton	3,889	\$3,000,000	150	25.9	\$77,780,000
Stoney Creek	2,837	\$3,000,000	150	18.9	\$56,740,000
Lower Hamilton (Inside the Downtown Secondary Plan Area):					
Mid-Rise (5-15 Storeys)	40	\$8,000,000	510	0.1	\$628,000
High-Rise (Over 15 Storeys)	3,195	\$13,500,000	570	5.6	\$75,671,000
Lower Hamilton (Outside the Downtown Secondary Plan Area)	1,010	\$8,000,000	280	3.6	\$28,857,000
Total	11,531			58.4	\$261,263,000



Chapter 3

Approach to the Calculation

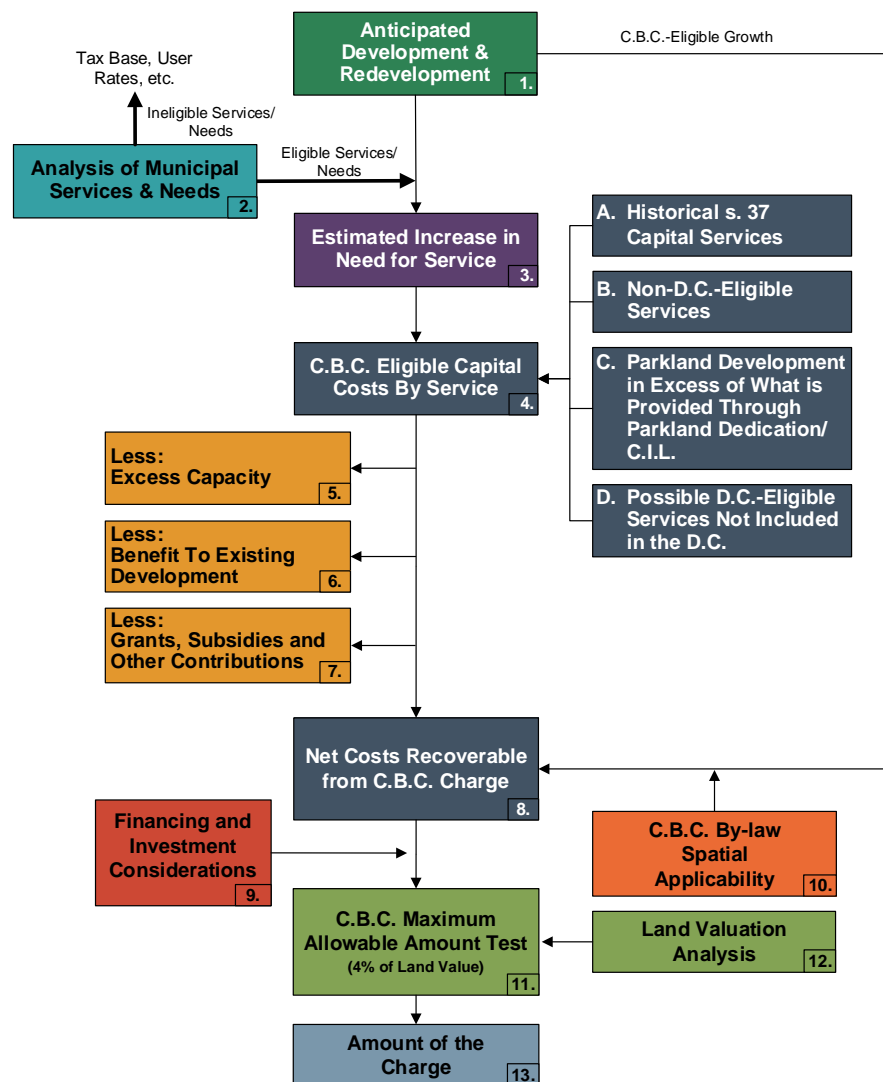


3. The Approach to the Calculation of the Charge

3.1 Introduction

This chapter addresses the requirements of subsection 37(9) of the Planning Act and sections 2 and 3 of O. Reg. 509/20 with respect to the establishment of the need for service which underpins the C.B.C. calculation. These requirements are illustrated schematically in Figure 3-1.

Figure 3-1
The Process of Calculating a Community Benefits Charge under the Planning Act





3.2 Anticipated Development and Redevelopment

The anticipated development and redevelopment forecast is provided in chapter 2 (with supplemental tables in Appendix A). This chapter provides for the anticipated over all growth within the City over a 10-year (mid-2022 to mid-2032) time horizon and then estimates the residential units eligible to be considered as per section 37 (4) of the Planning Act.

3.3 Services Potentially Involved

As per section 37 (5) of the Planning Act, a C.B.C. may be imposed for services that do not conflict with services or projects provided under a municipality's D.C. by-law or Parkland dedication by-law. Hence, the service provided under the C.B.C. would be defined as follows:

- (a) land for park or other public recreational purposes in excess of lands dedicated or provided cash-in-lieu payments under section 42 or 51 of the Planning Act.
- (b) services not provided under section 2 (4) of the D.C.A.
- (c) capital costs for eligible D.C. services that are not intended to be funded under the City's D.C. by-law.

Examples of services not provided by a D.C. or Parkland by-law include (but are not limited to) capital facilities and equipment for municipal parking, airports, municipal administration building expansions, museums, arts centres, public art, heritage preservation, landfill, public realm improvements, community gardens, space for non-profits, etc.

3.4 Increase in the Need for Service

Similar to a D.C., the C.B.C. calculation commences with an estimate of "the increase in the need for service attributable to the anticipated development," for eligible services to be covered by the by-law. There must be some form of link or attribution between the anticipated development and the estimated increase in the need for service. While the need could potentially be expressed generally in terms of units of capacity, a project-specific expression of need would appear to be most appropriate. This is suggested by



the requirement of section 2 (e) of O. Reg. 509/20 which provides “include estimates of the capital costs necessary to provide the facilities, services and matters referred to in clause 2 (b).” As noted, this is a similar consideration provided when undertaking a D.C. calculation.

3.5 Capital Forecast

Section 37 (2) of the Planning Act provides that, “The council of a local municipality may by by-law impose community benefits charges against land to pay for the capital costs of facilities, services and matters.” The Act does not define what capital costs may be included within the charge. As noted in section 3.3 above, the Act provides that the C.B.C. charge could include capital costs for eligible D.C. services that are not intended to be funded under the City’s D.C. by-law. This provision suggests that capital costs may be defined in an equivalent manner as the D.C.A. Hence, based on this relationship with the D.C.A., capital costs may include:

- (a) costs to acquire land or an interest therein (including a leasehold interest);
- (b) costs to improve land;
- (c) costs to acquire, lease, construct or improve buildings and structures;
- (d) costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes;
- (e) interest on money borrowed to pay for the above-referenced costs;
- (f) costs to undertake studies in connection with the above-referenced matters; and
- (g) costs of the C.B.C. Strategy study.

3.6 Deductions

The section 2 of O. Reg. 509/20 potentially requires that three deductions be made to the capital costs estimates. These relate to:



- excess capacity;
- benefit to existing development; and
- anticipated grants, subsidies, and other contributions.

The requirements behind each of these reductions are addressed below.

3.6.1 *Reduction for Excess Capacity*

Section 2 (c) of O. Reg. 509/20 requires the identification of the excess capacity that exists in relation to the facilities, services and matters referred to in clause 2(b) suggesting the need for a potential deduction to the capital.

“Excess capacity” is undefined, but in this case, the excess capacity must be able to meet some or all of the increase in need for service, in order to potentially represent a deduction. The deduction of excess capacity from the future increase in the need for the service would normally occur as part of the conceptual planning and feasibility work associated with justifying and sizing new facilities, e.g., if a new landfill site to accommodate increased solid waste generated by the new growth is not required because sufficient excess capacity is already available, then a landfill site expansion would not be included as an increase in need, in the first instance.

3.6.2 *Reduction for Benefit to Existing Development*

Section 2 (c) of O. Reg. 509/20 of the D.C.A. provides that the capital estimates identify extent to which an increase in a facility, service or matter referred to in clause 2 (b) of the regulation would benefit existing development. The general guidelines used to consider benefit to existing development included:

- the repair or unexpanded replacement of existing assets that are in need of repair;
- the elimination of a chronic servicing problem not created by growth; and
- providing services where none previously existed (for example, extending garbage pickup to the rural area which previously did not receive the municipal service).

Where existing development has an adequate service level which will not be tangibly increased by an increase in service, no benefit would appear to be involved. For example, where expanding existing garbage collection vehicles simply replicates what



existing residents are receiving, they receive very limited (or no) benefit as a result. On the other hand, where a clear existing service problem is to be remedied, a deduction should be made accordingly.

In the case of services such as cultural facilities, the service is typically provided on a municipal-wide system basis. For example, facilities of the same type may provide different services (i.e., art vs. theatre), different programs (i.e., art classes vs. acting classes), and different time availability for the same service (i.e., art classes available on Wednesdays in one facility and Thursdays in another). As a result, residents will travel to different facilities to access the services they want at the times they wish to use them, and facility location generally does not correlate directly with residence location. Even where it does, displacing users from an existing facility to a new facility frees up capacity for use by others and generally results in only a very limited benefit to existing development. Further, where an increase in demand is not met for a number of years, a negative service impact to existing development is involved for a portion of the planning period.

3.6.3 *Reduction for Anticipated Grants, Subsidies and Other Contributions*

This step involves reducing the capital costs by capital grants, subsidies, and other contributions made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development. That is, some grants and contributions may not specifically be applicable to growth or where Council targets fundraising as a measure to offset impacts on taxes.

Although specific grants, subsidies and/or other contributions may not be currently identified and reduced in the calculations, due diligence will be undertaken by City staff during the annual budget process to net off any future identified funding from these other sources.

3.7 Municipal-wide vs. Area Rating

This step involves determining whether all of the subject costs are to be recovered on a uniform municipal-wide basis or whether some or all are to be recovered on an area-specific basis. Unlike D.C.s, there is no mandatory requirement to consider area rating of services (providing charges for specific areas and services); however, the legislation



does not prohibit area rating. There may be instances where Council may consider varying rates to align with other policies or possible incentives in the development area.

Through the C.B.C. strategy process, discussions with City staff took place related to structuring the charge on a municipal-wide vs. area specific basis. As the services being provided in the strategy are not restricted to one specific area and are anticipated to be used by all residents with a city-wide benefit, the charges have been provided on a municipal-wide basis. For example, cultural facilities are provided in different parts of the City, and they will be accessed by residents from all areas depending on the programming offered within the facilities and personal interests. Although the charges are to be calculated and imposed on a city-wide basis, consideration of location of the projects will take place through the annual budget process.

3.8 Land Valuation Analysis

To facilitate the rate calculation provided in section 3.9, an estimate of the market value of the land related to the anticipated applicable development/redevelopment presented in section 3.2, needs to be undertaken. It is noted that the land values may vary based on a number of factors including location, zoning density, parcel size, etc., however, these values should estimate the land value the day before building permit issuance. This data may be available from municipal staff, or the municipality may consider engaging the assistance of a land appraiser.

3.9 Calculation of the Community Benefit Charge

Section 37(32) of the Planning Act provides that the amount of the Planning Act provides that the maximum charge which can be imposed is prescribed by the regulations. O. Reg 509/20 section 3 provides that the maximum charge is to be 4%.

To calculate the rate, the net capital cost (provided by netting the deductions set out in section 3.6 from the capital presented in section 3.5) divided by the land values related to the anticipated applicable development/redevelopment produces a percentage of the capital cost to the land value. The product of this calculation provides for the eligible rate. As noted above, the maximum rate to be imposed is 4%; hence, the rate can any rate between 0% and 4%.



Chapter 4

C.B.C.-Eligible Cost Analysis



4. C.B.C.-Eligible Cost Analysis

4.1 Introduction

This chapter outlines the basis for calculating eligible costs to be recovered through C.B.C.s which are to be applied on a uniform basis throughout the City. In each case, the required calculation process set out in O. Reg. 509/20 section 2 (a) through (f) to the Planning Act and described in Chapter 3 was followed in determining C.B.C.-eligible costs.

The nature of the capital projects and timing identified in the Chapter reflects City staff's recommendation based on Council policy directions. However, it is recognized that over time, capital projects and Council priorities change; accordingly, Council's intentions may alter, and different capital projects (and timing) may be necessary to meet the need for services required by new growth.

4.2 Allocation of Costs to Eligible High-Density Growth

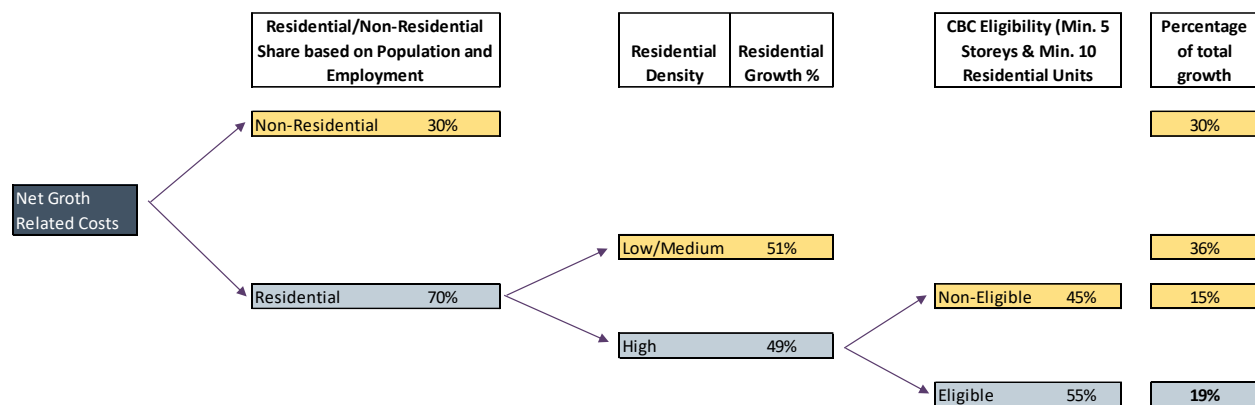
For capital costs identified for recovery through the C.B.C., a review of the gross costs has been made based on information provided by City staff. Each capital project was assessed to determine if there were deductions required to the gross costs related to excess capacity, benefit to existing development, and grants, subsidies, or other contributions known. The resultant net growth costs were then allocated based on the following:

- Net costs for most services were apportioned between residential and non-residential growth (Table 2-3) based upon the relation between population and employment; however, similar to the City's D.C. background study, parks, recreation, and culture were apportioned 95% residential and 5% non-residential.
- The costs associated with residential growth were then further apportioned between low/medium density growth and total high-density growth anticipated over the forecast (Table 2-4).
- Finally, the costs associated with the total high-density growth were apportioned to eligible growth (i.e., buildings with a minimum of five storeys and a minimum of 10 residential units) and ineligible growth (Table 2-5).



As noted above, similar to the calculations undertaken in the City's D.C. study, some services are shared between residential and non-residential growth based on the incremental population and employment for the forecast period. Based on the C.B.C. 10-year forecast, this would result in an allocation of 70% residential/30% non-residential. Figure 4-1 provides flowchart of the shares that would be assigned to services such as municipal parking, airport services, growth studies, public realm initiatives, corporate initiatives, information technology, and Council initiatives. As noted in Tables 2-3 through 2-5, the allocations between the total growth anticipated over the forecast period would result in 19% of net growth-related costs being eligible for recovery through the C.B.C. (see Table 4-1).

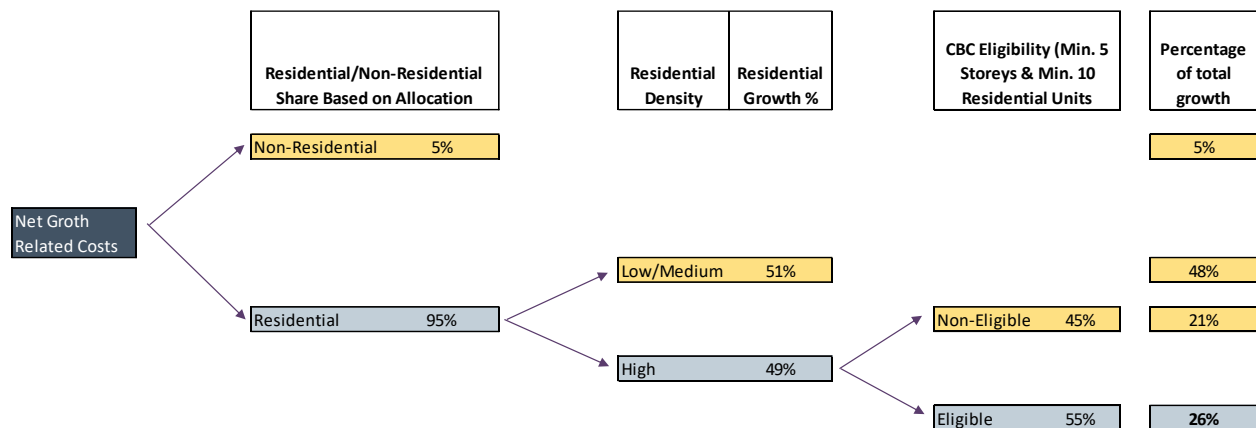
Figure 4-1
Growth Shares for City-Wide Services



As the predominant users of parks, recreation and culture tend to be residents of the City, the forecast growth-related costs have been allocated 95% to residential and 5% to non-residential, similar to the allocations provided for in the City's D.C. study for these types of services. Figure 4-2 provides flowchart of the shares that would be assigned to cultural services. Therefore, for these services, the total growth anticipated over the forecast period would result in 26% of net growth-related costs being eligible for recovery through the C.B.C. (see Table 4-2).

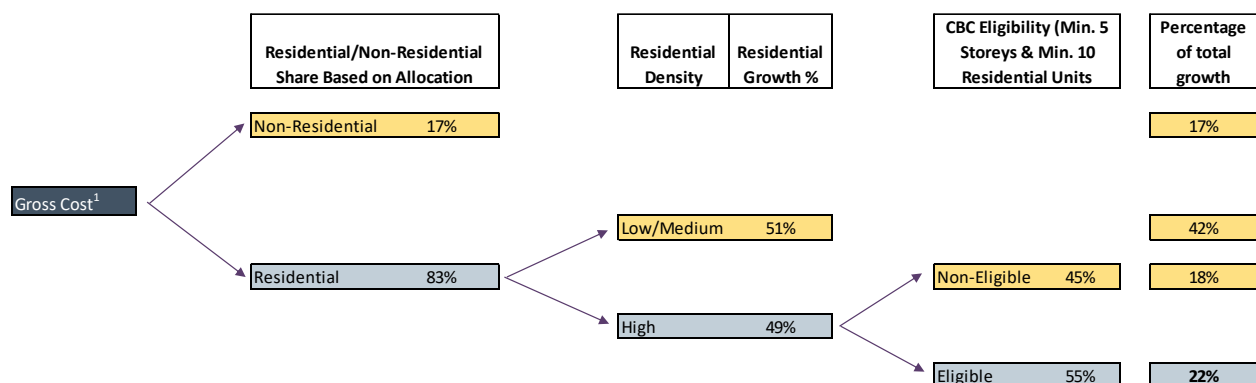


Figure 4-2
Growth Shares for Cultural Services



For the costs related to landfill services, the forecast growth-related costs have been allocated 83% to residential and 17% to non-residential, similar to the allocations provided for in the City's D.C. study for these types of services. This allocation is based on the average number of residential vs. non-residential properties that waste is collected from. Figure 4-2 provides flowchart of the shares that would be assigned to cultural services. Therefore, for these services, the total growth anticipated over the forecast period would result in 22% of net growth-related costs being eligible for recovery through the C.B.C. (see Table 4-3).

Figure 4-3
Growth Shares for Landfill Services



For the costs related to undertaking the C.B.C. Strategy Study, 100% is attributable to the eligible high-density growth as the C.B.C. is not applicable to other forms of development (see Table 4-4).



4.3 C.B.C. Eligible Cost Analysis

This section provides for the evaluation of development-related capital requirements over a 10-year planning horizon. The projects include growth studies, municipal parking, airport services, C.B.C. strategies, cultural services, landfill services, public realm initiatives, corporate initiatives, information technology, Council initiatives, and collections & program development. As municipal parking and airport services are no longer eligible for recovery through D.C.s, some of the outstanding projects that were included in the City's 2019 D.C. study have been carried forward into the C.B.C. project listing (note also that the Development Charge Reserve balances for both services have been deducted from these projects to provide for a net capital cost to be included within the calculations). In addition, there were a number of growth-related studies that were removed from the D.C. growth studies list during the 2021 D.C. update study, those that have not been undertaken to date, have also been included in the C.B.C. project listing.

The estimated gross cost of each project has been reviewed with staff and where necessary, deductions have been made to recognize the benefit the projects have to the existing community. Further, the projects that have been identified have been reviewed and currently, and where known, anticipated grants, subsidy or other funding anticipated have been deducted. For landfill, a deduction has been made for the portion of projects that related to waste diversion, as that portion is being recovered through D.C.s. Finally, as the projects are associated with future service needs consideration was given to the capacity available for the existing service and projects provided are considered to be incremental costs to service the future growth needs.

Based on the calculations and allocations to eligible high-density growth, the City has identified \$15.52 million in eligible net growth-related costs to be included within the C.B.C. calculations (see Table 5-2 Summary of Growth Related Costs).



Table 4-1

Capital Infrastructure Needs to be Recovered through C.B.C.s for Municipal Parking, Airport Services, Growth Studies, Public Realm Initiatives, Corporate Initiatives, Information Technology, Collections & Program Development, and Council Initiatives

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
	2022-2031						30%	70%				
	Municipal Parking:											
1	Downtown Parking Structure	2023	29,680,000	4,155,200	-	25,524,800	7,657,440	17,867,360	9,112,354	8,755,006	3,939,753	4,815,254
2	West Harbour Development - Parking Structure	2028-2030	34,590,000	25,013,000	-	9,577,000	2,873,100	6,703,900	3,418,989	3,284,911	1,478,210	1,806,701
2	Parking Payment Equipment	2022-2031	877,500	614,300	156,000	107,200	32,160	75,040	38,270	36,770	16,546	20,223
3	License Plate Reading Tech	2022	300,000	270,000	-	30,000	9,000	21,000	10,710	10,290	4,631	5,660
4	D.C. Reserve Fund Adjustment		-	7,840,000	-	(7,840,000)	(2,352,000)	(5,488,000)	(2,798,880)	(2,689,120)	(1,210,104)	(1,479,016)
	Airport Services											
1	Provision for Additional lands needed for runway expansion and cargo road.	2022-2031	27,380,000	-	-	27,380,000	8,214,000	19,166,000	9,774,660	9,391,340	4,226,103	5,165,237
2	D.C. Reserve Fund Adjustment		-	6,020,000	-	(6,020,000)	(1,806,000)	(4,214,000)	(2,149,140)	(2,064,860)	(929,187)	(1,135,673)
	Growth Studies:											
1	Comprehensive Zoning By-Law 05-200 Update	2022	65,300	32,700	-	32,600	9,780	22,820	11,638	11,182	5,032	6,150
2	Site Plan Guidelines Update/Consolidation	2022	229,000	-	-	229,000	68,700	160,300	81,753	78,547	35,346	43,201
3	Natural Areas Inventory Study	2022-2028	343,800	34,400	-	309,400	92,820	216,580	110,456	106,124	47,756	58,368
4	City-wide Employment Survey	2022-2028	1,031,000	-	-	1,031,000	309,300	721,700	368,067	353,633	159,135	194,498
5	Human Services Study	2022-2025	258,000	129,000	-	129,000	38,700	90,300	46,053	44,247	19,911	24,336
6	Ontario Works Review	2022-2025	129,000	96,800	-	32,200	9,660	22,540	11,495	11,045	4,970	6,075
7	Human Services Market Planning Study	2022-2025	258,000	64,500	-	193,500	58,050	135,450	69,080	66,371	29,867	36,504
8	Neighbourhood Community Needs Study	2022-2025	77,400	38,700	-	38,700	11,610	27,090	13,816	13,274	5,973	7,301
9	Provision for Growth Component of Unidentified Studies	2022-2023	2,600,000	-	-	2,600,000	780,000	1,820,000	928,200	891,800	401,310	490,490
10	Public Art Master Plan Review	2022	18,000	9,000	-	9,000	2,700	6,300	3,213	3,087	1,389	1,698
11	Part IV Designation of Properties under the Ontario Heritage Act	2022-2031	1,485,000	1,336,500	-	148,500	44,550	103,950	53,015	50,936	22,921	28,015
12	City Wide Employment Survey	2025	385,000	-	-	385,000	115,500	269,500	137,445	132,055	59,425	72,630
13	Comprehensive Zoning By-Law	2023	1,535,000	767,500	-	767,500	230,250	537,250	273,998	263,253	118,464	144,789
14	Centennial Neighborhood Streetscape and Public Realm Design Study	2023	500,000	-	-	500,000	150,000	350,000	178,500	171,500	77,175	94,325
15	School Crossing Review	2022	100,000	90,000	-	10,000	3,000	7,000	3,570	3,430	1,544	1,887
16	HAAA Feasibility Study	2022	150,000	135,000	-	15,000	4,500	10,500	5,355	5,145	2,315	2,830



Table 4-1

Capital Infrastructure Needs to be Recovered through C.B.C.s for Municipal Parking, Airport Services, Growth Studies, Public Realm Initiatives, Corporate Initiatives, Information Technology, Collections & Program Development, and Council Initiatives

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
	2022-2031						30%	70%				
	Public Realm Initiatives:											
1	King St W Bus Imprv Area Gateway	2022	12,450	11,200	-	1,250	375	875	446	429	193	236
2	Main St W Bus Imprv Area Gateway	2022	150,000	135,000	-	15,000	4,500	10,500	5,355	5,145	2,315	2,830
3	Inter Village BIA Gateway	2022	36,000	32,400	-	3,600	1,080	2,520	1,285	1,235	556	679
	Corporate Initiatives:					-						
1	Digital/Open Data Infrastructure	2022-2024	300,000	270,000	-	30,000	9,000	21,000	10,710	10,290	4,631	5,660
2	Digital Office: Smart City and Digital Transformation Program	2022-2023	200,000	180,000	-	20,000	6,000	14,000	7,140	6,860	3,087	3,773
3	Digital Office: Smart City and Digital Transformation Program	2022-2023	400,000	360,000	-	40,000	12,000	28,000	14,280	13,720	6,174	7,546
	Information Technology:											
1	Business Systems and Services Continuity Plan	2022	150,000	135,000	-	15,000	4,500	10,500	5,355	5,145	2,315	2,830
2	IT Asset Management Program	2022	180,000	162,000	-	18,000	5,400	12,600	6,426	6,174	2,778	3,396
3	IT Strategy Refresh	2022-2024	880,000	792,000	-	88,000	26,400	61,600	31,416	30,184	13,583	16,601
4	Information Security Program	2022-2023	1,300,000	1,170,000	-	130,000	39,000	91,000	46,410	44,590	20,066	24,525
5	EDRMS - Enterprise Data and Records Management System Project	2022-2025	650,000	585,000	-	65,000	19,500	45,500	23,205	22,295	10,033	12,262
	Council Initiatives:											
1	Historical Signs	2022	50,000	45,000	-	5,000	1,500	3,500	1,785	1,715	772	943
2	Chedoke Course Redevelopment	2022	50,000	45,000	-	5,000	1,500	3,500	1,785	1,715	772	943
3	W14 Complete St Enhancement	2022	300,000	270,000	-	30,000	9,000	21,000	10,710	10,290	4,631	5,660
	Total		106,650,450	50,839,200	156,000	55,655,250	16,696,575	38,958,675	19,868,924	19,089,751	8,590,388	10,499,363



Table 4-2
Capital Infrastructure Needs to be Recovered through C.B.C.s for Cultural Services

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth- Related Cost	Total Non- Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
	2022-2031						5%	95%	51%	49%	45%	55%
1	St. Mark's Restoration	2022-2023	452,000	226,000	-	226,000	11,300	214,700	109,497	105,203	47,341	57,862
2	St. Mark's Restoration	2022-2023	1,387,000	693,500	-	693,500	34,675	658,825	336,001	322,824	145,271	177,553
3	ICIP CCR Children's Museum Expansion Phase 2	2022-2024	3,344,000	443,900	1,124,640	1,775,460	88,773	1,686,687	860,210	826,477	371,914	454,562
4	Steam Museum Building Expansion	2023-2026	1,040,000	-	-	1,040,000	52,000	988,000	503,880	484,120	217,854	266,266
5	Auchmar Adaptive Reuse - Stone Walls Phase	2023-2031	540,000	486,000	-	54,000	2,700	51,300	26,163	25,137	11,312	13,825
6	Auchmar Adaptive Reuse - Stone Walls Phase	2023-2031	14,280,000	12,852,000	-	1,428,000	71,400	1,356,600	691,866	664,734	299,130	365,604
7	Fieldcote Museum Expansion	2023	35,000	5,300	-	29,700	1,485	28,215	14,390	13,825	6,221	7,604
8	Fieldcote Museum Expansion	2023	465,000	69,800	-	395,200	19,760	375,440	191,474	183,966	82,785	101,181
9	Local History & Archives Renovation	2026	5,000,000	4,500,000	-	500,000	25,000	475,000	242,250	232,750	104,738	128,013
10	Public Art Master Plan Review	2022	18,000	9,000	-	9,000	450	8,550	4,361	4,190	1,885	2,304
11	Public Art - West Hamilton Rail Trail	2022	25,000	-	-	25,000	1,250	23,750	12,113	11,638	5,237	6,401
12	PublicArt-HamTheElectricCity	2022	225,000	-	-	225,000	11,250	213,750	109,013	104,738	47,132	57,606
13	Public Art Locke Street Marker	2022	100,000	-	-	100,000	5,000	95,000	48,450	46,550	20,948	25,603
14	Ancster Memorial Arts Centre PublicArt	2022	250,000	-	-	250,000	12,500	237,500	121,125	116,375	52,369	64,006
15	Public Art-Cenre Memorial Mural	2022	17,500	-	-	17,500	875	16,625	8,479	8,146	3,666	4,480
16	Public Art -Century St Parkett	2022	150,000	-	-	150,000	7,500	142,500	72,675	69,825	31,421	38,404
	Total		27,328,500	19,285,500	1,124,640	6,918,360	345,918	6,572,442	3,351,945	3,220,497	1,449,223	1,771,273



Table 4-3
Capital Infrastructure Needs to be Recovered through C.B.C.s for Landfill Services

Prj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
	2022-2031						17%	83%	51%	49%	45%	55%
1	Solid Waste Management Master Plan - Alternative Disposal Facility (Landfill)	2022	200,000	180,000	-	20,000	3,400	16,600	8,466	8,134	3,660	4,474
2	Glanbrook Landfill Stage 3 Development- Cells C, D, & E	2022	5,500,000	4,950,000		550,000	93,500	456,500	232,815	223,685	100,658	123,027
3	Public Space & Special Event Containers (Landfill Portion)	2022-2031	2,250,000	900,000	450,000	900,000	153,000	747,000	380,970	366,030	164,714	201,317
4	Glanbrook Landfill Capital Improvement Program (Landfill Portion)	2022-2029	2,899,000	260,900	289,900	2,348,200	399,194	1,949,006	993,993	955,013	429,756	525,257
5	Transfer Station/CRC Expansion (Landfill Portion)	2024	14,500,000	-	5,800,000	8,700,000	1,479,000	7,221,000	3,682,710	3,538,290	1,592,231	1,946,060
	Total		25,349,000	6,290,900	6,539,900	12,518,200	2,128,094	10,390,106	5,298,954	5,091,152	2,291,018	2,800,134



Table 4-4
Capital Infrastructure Needs to be Recovered through C.B.C.s for the C.B.C. Strategy

Prj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Less:		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Potential C.B.C. Recoverable Cost	
				Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development						Ineligible High Density Residential	Eligible High Density Residential
	2022-2031						0%	100%				
1	Community Benefits Streatgy	2022	225,000	-	-	225,000	-	225,000	-	225,000	-	225,000
2	Community Benefits Streatgy	2027	225,000	-	-	225,000	-	225,000	-	225,000	-	225,000
	Total		450,000	-	-	450,000	-	450,000	-	450,000	-	450,000



Chapter 5

C.B.C. Calculation



5. C.B.C. Calculation

5.1 Anticipated Funding Recovery

To summarize the calculation of the charge, the following has been undertaken:

- 1) **Anticipated Development:** As presented in Chapter 2, the 10-year growth forecast provides for 11,531 eligible high-density units (i.e., in buildings containing a minimum of five storeys and a minimum of 10 residential units).
- 2) **Land Valuation:** the City's Corporate Real Estate Office provided average land valuations for properties anticipated for eligible high-density development. The land valuations were provided for various locations throughout the City, including inside and outside the downtown secondary plan for the lower Hamilton area, the Ancaster/Dundas/Flamborough area, and the Glanbrook/Stoney Creek/Upper Hamilton area (refer to Chapter 2). Further, inside the downtown secondary plan area, land values were provided for "mid-rise" units (i.e. buildings with 5 to 15 storeys) and "high-rise" units (i.e. buildings with greater than 15 storeys).
- 3) **Identification of Services:** A number of services were identified including municipal parking, airport services, and growth studies which are no longer eligible for recovery through D.C.s. Other services identified also include culture, landfill, public realm, corporate initiatives, council initiatives, information technology, and the C.B.C. strategy itself.
- 4) **C.B.C. Eligible Costs:** Capital needs related to the identified services were provided by City staff. Gross costs of the capital projects were assessed for the portion of the projects that would benefit the existing community vs. the future growth. The growth-costs that were then allocated amongst all types of growth to calculate the amount that is associated with eligible high-density units.
- 5) **Total Land Value:** Based on the growth forecast, density assumptions, and land valuation assessment, the total land value for eligible high density was calculated to equal approximately \$261.26 million.
- 6) **Maximum C.B.C.:** 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 (see Table 5-1).

Table 5-1
Anticipated C.B.C. Funding Recovery

Area	Total C.B.C. Eligible Units	Average Land Value Per Acre	Average Units Per Acre	Estimated Total Acres	Total Land Value	C.B.C. %	Potential C.B.C. Revenue
Ancaster	-	\$5,000,000	130	-	\$0		
Dundas	253	\$5,000,000	130	2.0	\$9,753,000		
Flamborough	307	\$5,000,000	130	2.4	\$11,834,000		
Glanbrook	-	\$3,000,000	150	-	\$0		
Upper Hamilton	3,889	\$3,000,000	150	25.9	\$77,780,000		
Stoney Creek	2,837	\$3,000,000	150	18.9	\$56,740,000		
Lower Hamilton (Inside the Downtown Secondary Plan Area):							
Mid-Rise (5-15 Storeys)	40	\$8,000,000	510	0.1	\$628,000		
High-Rise (Over 15 Storeys)	3,195	\$13,500,000	570	5.6	\$75,671,000		
Lower Hamilton (Outside the Downtown Secondary Plan Area)	1,010	\$8,000,000	280	3.6	\$28,857,000		
Total	11,531			58.4	\$261,263,000	4%	\$10,450,520

The City has identified capital costs attributable to eligible high-density growth in the amount of \$15.52 million (as per Tables 4-1 through 4-4), well in excess of the maximum allowable amount of approximately \$10.45 million. Therefore, the City has provided herein that the maximum C.B.C. of 4% may be considered to be imposed on eligible forms of development. It is noted that available C.B.C. funding will not provide funding for all project on the capital projects list, and hence City Council will have to consider the highest capital priorities to be funded through C.B.C. revenue during the annual budget process. Table 5-2 provides a summary of the growth capital costs by service.



Table 5-2
Summary of Growth Capital Costs

Services	Gross Cost	Benefit to Existing Deduction	Grants, Subsidies & Other Contributions	Net Growth-Related Costs	C.B.C. Eligible Costs
D.C. 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	9,164,500	2,734,100	-	6,430,400	1,213,095
Total DC Services Becoming Ineligible	101,992,000	46,646,600	156,000	55,189,400	10,411,480
Other Capital Needs (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	159,777,950	76,415,600	7,820,540	75,541,810	15,520,770



Chapter 6

C.B.C. Policy Recommendations and C.B.C. By-law Rules



6. C.B.C. Policy Recommendations and C.B.C. By-law Rules

6.1 C.B.C. Policies

Planning Act section 37 and O. Reg. 509/20 outline the required policies that must be considered when adopting a C.B.C. by-law. The following subsections set out the recommended policies governing the calculation, payment and collection of C.B.C.s in accordance with the legislation.

6.2 C.B.C. By-law Rules

6.2.1 *Payment in any Particular Case*

In accordance with the Planning Act, subsection 37 (3), a C.B.C. may be imposed only with respect to development or redevelopment that requires one of the following:

- (a) “the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- (b) the approval of a minor variance under section 45 of the *Planning Act*;
- (c) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
- (d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
- (e) a consent under section 53 of the *Planning Act*;
- (f) the approval of a description under section 9 of the *Condominium Act, 1998*; or
- (g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.”



6.2.2 Maximum Amount of the Community Benefit Charge

Subsection 37 (32) of the Planning Act states that the amount of a C.B.C. payable in any particular case shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date.

Based on section 3 of O. Reg. 509/20, the prescribed percentage is 4%.

If a development or redevelopment consist of two or more above grade buildings, that will not be constructed concurrently, and will be built at different times, each phase will be considered separate development or re-development. The CBC charge for the first building will be calculated at 4% of the land value the day before the building permit is issued. For each subsequent building, the CBC will be charged based on 4% at the land value date less the CBC paid for the first building. If the difference is zero or negative, no CBC will be charged. There will be no credit given to a developer by the City should the difference be less than zero.

6.2.3 Exemptions (full or partial)

The following exemptions are provided under subsection 37 (4) of the Planning Act and section 1 of O. Reg. 509/20:

- Development of a proposed building or structure with fewer than five storeys at or above ground;
- Development of a proposed building or structure with fewer than 10 residential units;
- Redevelopment of an existing building or structure that will have fewer than five storeys at or above ground after the redevelopment;
- Redevelopment that proposes to add fewer than 10 residential units to an existing building or structure;
- Such types of development or redevelopment as are prescribed:
 - Development or redevelopment of a building or structure intended for use as a long-term care home within the meaning of subsection 2 (1) of the Long-Term Care Homes Act, 2007.
 - Development or redevelopment of a building or structure intended for use as a retirement home within the meaning of subsection 2 (1) of the Retirement Homes Act, 2010.



- Development or redevelopment of a building or structure intended for use by any of the following post-secondary institutions for the objects of the institution:
 - i. a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario,
 - ii. a college or university federated or affiliated with a university described in subparagraph i,
 - iii. an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017.
- Development or redevelopment of a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion.
- Development or redevelopment of a building or structure intended for use as a hospice to provide end of life care.
- Development or redevelopment of a building or structure intended for use as residential premises by any of the following entities:
 - i. a corporation to which the Not-for-Profit Corporations Act, 2010 applies that is in good standing under that Act and whose primary object is to provide housing,
 - ii. a corporation without share capital to which the Canada Not-for-profit Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing,
 - iii. a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act.

In addition to the exemptions noted above, the C.B.C. will not apply to buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education.

In addition to the above exemptions, it is recommended that any discretionary exemptions included in the CBC policy and By-law be aligned with the current DC By-law while still in effect (expires June 2024). These include:

- A reduction in the amount of 40% of CBC's payable to the City providing the property is within the boundaries of the Downtown CIPA as illustrated on Schedule "A" to the attached By-law (Attachment B to this report); and



- A reduction in the amount of 50% of CBC's payable to the City for the purpose of creating a Residential Facility or Lodging House within the existing Building envelope

6.2.4 Timing of Collection

The C.B.C.s imposed are calculated, payable, and collected upon issuance of a building permit for eligible development or redevelopment.

6.2.5 In-kind contributions

A municipality that has passed a C.B.C. by-law may allow the landowner to provide to the municipality: facilities, services, or matters required because of development or redevelopment in the area to which the by-law applies.

Prior to providing these contributions, In-Kind contributions will be considered at the sole discretion of the General Manager, Corporate Services. The value of the contribution must be evaluated by an external party prior to consideration by the city. The cost of the evaluation will be borne solely by the developer. All in-kind contributions must be endorsed by Council.

6.2.6 The Applicable Areas

The C.B.C. by-law will apply to all lands within the City.

6.2.7 Special Account

All money received by the municipality under a C.B.C. by-law shall be paid into a special account. The money contained within the special account:

- may be invested in securities in which the municipality is permitted to invest under the Municipal Act, 2001, and the earnings derived from the investment of the money shall be paid into a special reserve fund account; and
- must have at least 60 percent of the funds spent or allocated at the beginning of the year.

In addition to the monies collected under a C.B.C. by-law, transitional rules for transferring existing reserve funds are provided in subsection 37 (51) of the Planning Act. These rules apply for any existing reserve funds related to a service that is not



listed in subsection 2 (4) of the D.C.A., as well as reserve funds established under section 37 of the Planning Act prior to Bill 197.

1. If the municipality passes a C.B.C. by-law under this section before the specified date, the municipality shall, on the day it passes the by-law, allocate the money in the special account or reserve fund to the special account referred to in subsection (45) of the Planning Act.
2. If the municipality has not passed a C.B.C. by-law under this section before the specified date, the special account or reserve fund is deemed to be a general capital reserve fund for the same purposes for which the money in the special account or reserve fund was collected.
3. Despite paragraph 2, subsection 417 (4) of the Municipal Act, 2001 (a provision which requires the funds raised for a reserve fund must only be used for the intended purpose) and any equivalent provision of do not apply with respect to the general capital reserve fund referred to in paragraph 2.
4. If paragraph 2 applies and the municipality passes a C.B.C. by-law under this section on or after the specified date, the municipality shall, on the day it passes the by-law, allocate any money remaining in the general capital reserve fund referred to in paragraph 2 to the special account referred to in subsection (45) of the Planning Act.

Based on the above, it is recommended that the D.C. reserve funds for Municipal Parking and Airport services be transferred to the C.B.C. special account.

6.2.8 Credits

Subsection 37 (52) of the Planning Act indicates that any credits that were established under section 38 of the D.C.A. and that are not related to a service that is listed in subsection 2 (4) of the D.C.A., may be used by the holder of the credit with respect to a charge that the holder is required to pay under a C.B.C. by-law.

6.2.9 By-law In-Force Date

A C.B.C. by-law comes into force on the day it is passed, or the day specified in the by-law, whichever is later.



6.3 Recommendations

It is recommended that Council:

“Adopt the C.B.C. approach to calculate the charges on a uniform City-wide basis;”

“Approve the capital project listing set out in Chapter 4 of the C.B.C. Strategy dated June 2, 2022, subject to further annual review during the capital budget process;”

“Create a special reserve fund account which will contain all C.B.C. monies collected;”

“Approve the C.B.C. Strategy dated June 2, 2022, as amended (if applicable);”

“Determine that no further public consultation is required;” and

“Approve the C.B.C. By-law as set out in Appendix C.”



Chapter 7

By-law Implementation



7. By-law Implementation

7.1 Introduction

This chapter addresses the public consultation process and by-law implementation requirements for the imposition of a C.B.C. by-law. Figure 7-1 provides an overview of the process.

7.2 Public Consultation Process

7.2.1 *Required Consultation*

In establishing the policy for which a C.B.C. strategy and by-law will be based; section 37 (10) of the Planning Act requires that:

“In preparing the community benefits strategy, the municipality shall consult with such persons and public bodies as the municipality considers appropriate.”

As there is no specific guidance as to which parties the municipality shall consult with, municipalities may establish their own policy for public consultation. The policy for public consultation should be designed to seek the co-operation and participation of those involved, in order to produce the most suitable policy. Municipalities may consider a public meeting, similar to that undertaken for D.C. study processes (however, this is not a mandated requirement). At a minimum, this would include a presentation to Council and the public on the findings of the C.B.C. strategy, advanced notice of the meeting, and consideration for delegations from the public.

7.2.2 *Interested Parties to Consult*

There are three broad groupings of the public who are generally the most concerned with municipal C.B.C. policy.

1. The first grouping is the residential development community, consisting of land developers and builders, who will typically be responsible for generating the majority of the C.B.C. revenues. Others, such as realtors, are directly impacted by C.B.C. policy. They are, therefore, potentially interested in all aspects of the charge, particularly the percentage applicable to their properties, projects to be funded by



the C.B.C. and the timing thereof, and municipal policy with respect to development agreements and in-kind contributions.

2. The second public grouping embraces the public at large and includes taxpayer coalition groups and others interested in public policy.
3. The third grouping is the non-residential mixed-use development sector, consisting of land developers and major owners or organizations with significant construction plans for mixed use developments. Also involved are organizations such as Industry Associations, the Chamber of Commerce, the Board of Trade, and the Economic Development Agencies, who are all potentially interested in municipal C.B.C. policy. Their primary concern is frequently with the percentage charge applicable to their lands, exemptions, and phase-in or capping provisions in order to moderate the impact.

As noted in Section 1.4, through the C.B.C. strategy process, the City's consultation process includes meetings with the Development Industry Liaison Group (DILG), the Development Charges Stakeholder Sub-Committee, the City's Audit, Finance and Administration (AF&A) Committee, and Council. Further, the City has provided a website through "Engage Hamilton" to provide the community with information related to the C.B.C. process.

7.3 Anticipated Impact of the Charge on Development

The establishment of sound C.B.C. policy often requires the achievement of an acceptable balance between two competing realities. The first is that increased residential development fees (such as a C.B.C.) can ultimately be expected to be recovered via higher housing prices and can impact project feasibility in some cases (e.g., rental apartments). Secondly, C.B.C.s or other municipal capital funding sources need to be obtained in order to help ensure that the necessary infrastructure and amenities are installed. The timely installation of such works is a key initiative in providing adequate service levels and in facilitating strong economic growth, investment, and wealth generation.



7.4 Implementation Requirements

7.4.1 Introduction

Once the City has calculated the charge, prepared the complete strategy, carried out the public process, and passed a new by-law, the emphasis shifts to implementation matters.

These include notices, potential appeals and complaints, in-kind contributions, and finally the collection of revenues and funding of projects.

The sections that follow provide an overview of the requirements in each case.

7.4.2 Notice of Passage

In accordance with subsection 37 (13) of the Planning Act, when a C.B.C. by-law is passed, the clerk of the municipality shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed). Such notice must be given no later than 20 days after the day the by-law is passed (i.e., as of the day of newspaper publication or the mailing of the notice).

Section 4 of O. Reg. 509/20 further defines the notice requirements which are summarized as follows:

- notice shall be given by publication in a newspaper which is (in the clerk's opinion) of sufficient circulation to give the public reasonable notice, or by personal service, fax or mail to every owner of land in the area to which the by-law relates;
- subsection 4 (2) lists the persons/organizations who must be given notice; and
- subsection 4 (5) lists the seven items that the notice must cover.

7.4.3 Appeals

Subsections 37 (13) to 37 (31) of the Planning Act set out the requirements relative to making and processing a C.B.C. by-law appeal as well as an OLT hearing in response to an appeal. Any person or organization may appeal a C.B.C. by-law to the OLT by filing a notice of appeal with the clerk of the municipality, setting out the objection to the



by-law and the reasons supporting the objection. This must be done by the last day for appealing the by-law, which is 40 days after the by-law is passed.

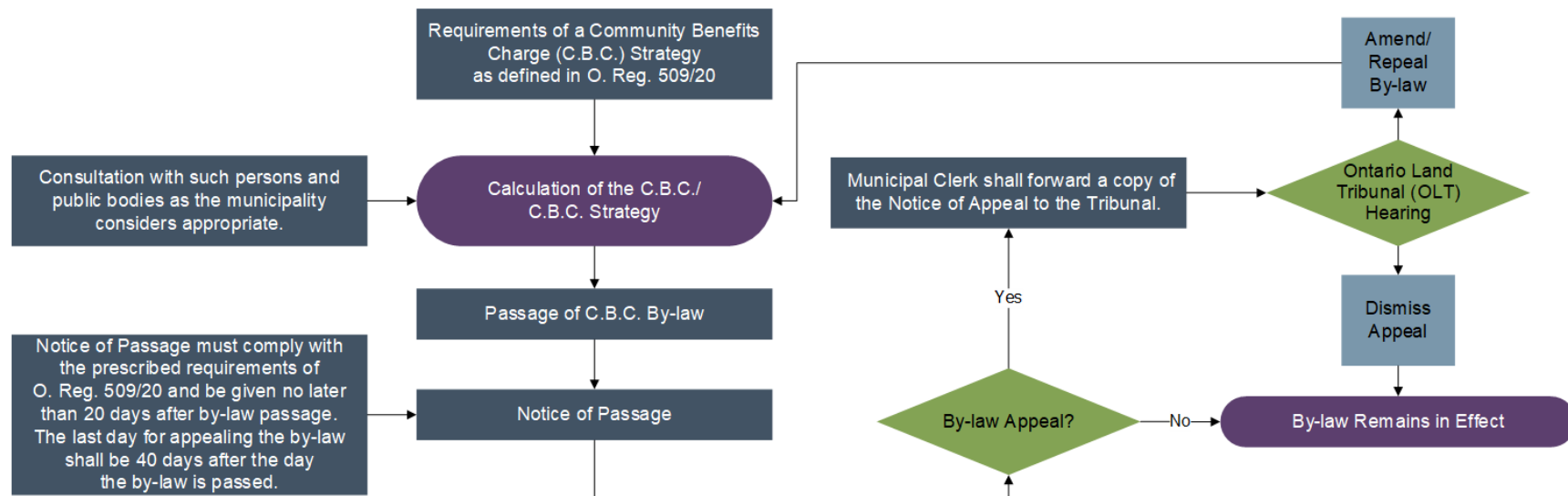
The municipality is carrying out a public consultation process, in order to address the issues that come forward as part of that process, thereby avoiding or reducing the need for an appeal to be made.

7.4.4 *In-Kind Contributions*

Subsections 37 (6) to 37 (8) provide the rules for in-kind contributions. An owner of land may provide the municipality facilities, services, or matters required because of development or redevelopment in the area to which the by-law applies. Prior to providing these contributions, the municipality shall advise the owner of the land of the value that will be attributed to the contributions. The value of the contributions shall be deducted from the amount the owner of the land would otherwise have to pay under the C.B.C. by-law.



Figure 7-1
The Process of Required for Passing a Community Benefits Charge By-law under the Planning Act





7.5 Ongoing Application and Collection of C.B.C. funds

7.5.1 Introductions

Once the municipality passes a C.B.C. by-law, development or redevelopment that meets the requirements of the C.B.C. by-law will pay a C.B.C. based on the value of their land. The following sections describe the overall process and discusses the approach to appraisals and use of the special account as set out in the Planning Act.

7.5.2 Overview of Process and Appraisals

Figure 7-2 provides an overview of the process for application of the C.B.C. by-law and collection of C.B.C. funds.

Once the C.B.C. by-law is in place, as development or redevelopment that meets the eligibility criteria proceeds (i.e., prior to issuance of a building permit), the municipality collects C.B.C.s based on the calculated percentage (as set out in the by-law and C.B.C. strategy) and the value of the land. The City's Corporate Real Estate Office will review the application based on the location, size of property, and density of the development, and assign an appraised value for use in calculating the C.B.C. charge on each development or redevelopment.

If the owner agrees with the appraised value, they may pay their C.B.C.s to the City which will then be deposited into the special account. If the owner does not agree, they shall pay the charge under protest and provide the City with an appraisal value within 30 days. Note, if no appraisal is received within 30 days, the payment will be deemed to have not been made under protest.

Once the protested appraisal is received by the municipality, the municipality has 45 days to provide the owner of the land with their own appraisal value. Then:

- If no appraisal is provided to the owner within 45 days, the owner's appraisal is deemed accurate and the difference in the amounts shall be refunded to the owner.
- If the City's appraisal is within 5% of the landowner's appraisal, the landowner's appraisal is deemed accurate, and the City shall refund the difference in the amounts to the owner.



- If the appraisal is more than 5% higher than the landowner's appraisal, the City shall request an appraisal be undertaken by an appraiser, selected by the landowner, from the list of approved appraisers provided by the City. This must be undertaken within 60 days. This final appraisal is deemed accurate for the purposes of calculating the applicable C.B.C.
- In regard to the last bullet, subsection 37 (42) and 37 (43) require the municipality to maintain a list of at least three persons who are not employees of the municipality or members of Council and have an agreement with the municipality to perform appraisals for the above. This list is to be maintained until the C.B.C. by-law is repealed or the day on which there is no longer any refund that could be required (whichever is later).

7.5.3 Special Reserve Fund Account

All funds collected under the C.B.C. by-law are to be deposited into a special account. Subsections 37 (45) to 37 (48) of the Planning Act outline the rules with respect to the special reserve fund account. As noted in section 6.2.7, these rules are as follows:

- All money received under a C.B.C. by-law shall be paid into a special account;
- The money in the special account may be invested in securities (as permitted under the Municipal Act) and the interest earnings shall be paid into the special account;
- In each year, a municipality shall spend or allocate at least 60 percent of the monies that are in the special account at the beginning of the year; and
- The municipality shall provide reports and information as set out in section 7 of O. Reg. 509/20
- In regard to the third bullet, it is suggested that the annual capital budget for the City directly list the works which are being undertaken and/or to which monies from this fund are being allocated toward.

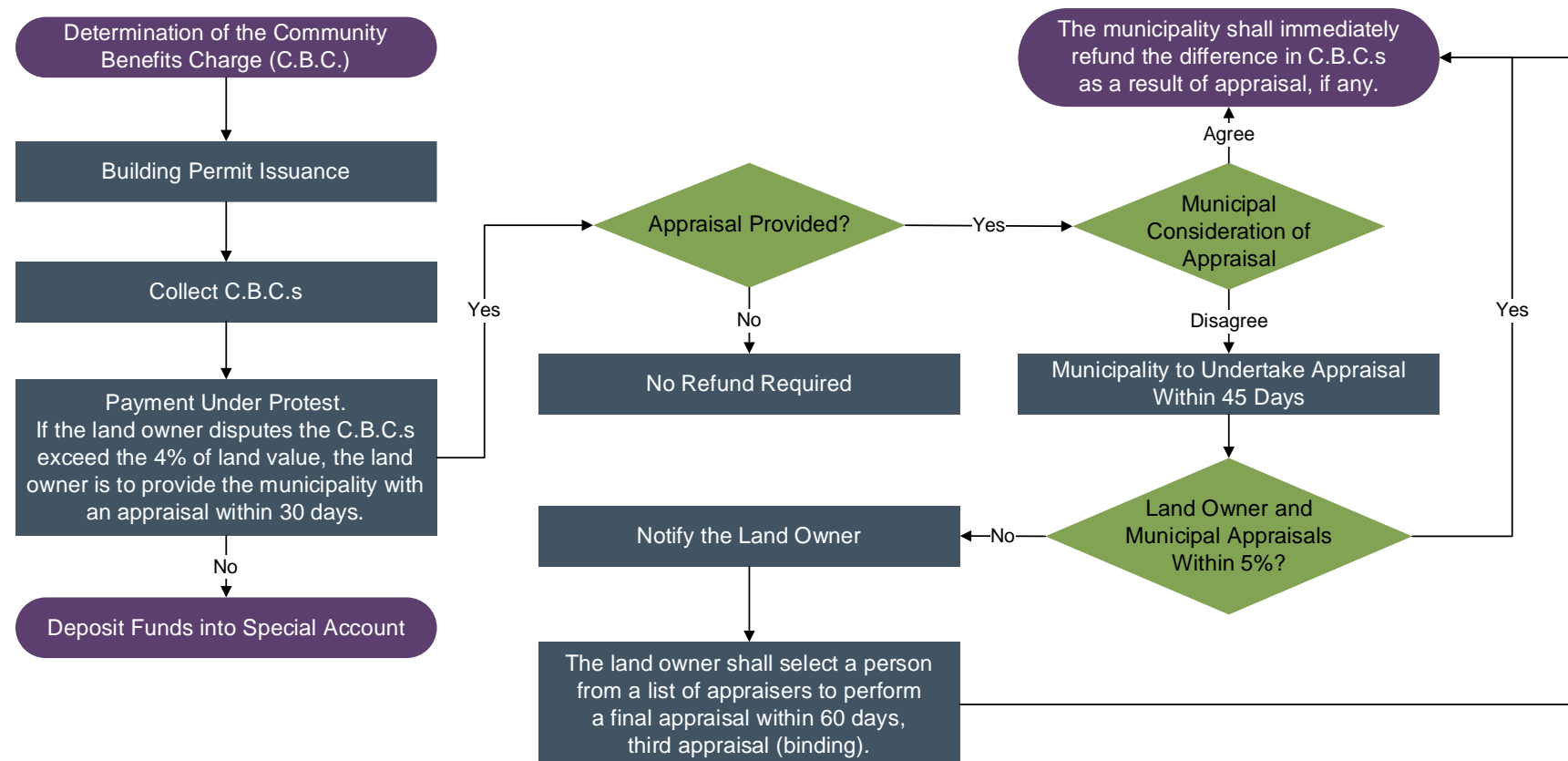
As per this C.B.C. strategy, the growth-related services (as outlined in Chapter 4), form the anticipated capital needs required to service growth over the 10-year forecast period. However, other services may be considered by Council in the future and are subject to approval by resolution and inclusion in the annual budget process. Further, any additional services approved and funded from C.B.C. revenue in the future will be reported on through an annual C.B.C. reserve fund statement, which will form part of the City's overall year-end statements.



During the annual budget process, the use of C.B.C. funding will be reviewed, and the capital costs associated with each eligible service and capital project will be confirmed and identified for approval of Council.



Figure 7-2
City of Hamilton
Community Benefits Charge Application and Calculation Process





7.6 Transitional Matters

7.6.1 Existing Reserves and Reserve Funds

The Planning Act, section 37 (49) to section 37 (51) provides transitional provisions for:

1. A special account established under the previous section 37 rules; and
2. D.C. reserve funds for which services are no longer eligible (e.g., municipal parking, airport services, etc.).

If the municipality passes a C.B.C. by-law with an in-force date before September 18, 2022, the municipality shall allocate the money in the D.C. parking and airport reserve funds to the C.B.C. special account.

If the municipality does not pass a C.B.C. by-law before September 18, 2022, the parking and airport D.C. reserve funds are deemed to be general capital reserve funds for the same purpose in which the money was collected (e.g., a parking D.C. reserve fund would become a general capital reserve fund for parking services).

If a C.B.C. by-law is passed after September 18, 2022, the municipality shall allocate the money from the newly created general capital reserve funds described above, to the C.B.C. special account.

7.6.2 Credits under Section 38 of the Development Charges Act

The Planning Act (s.37 (52)) provides that, if a municipality passes a C.B.C. by-law before September 18, 2022, any credits held for services that are no longer D.C. eligible (e.g., parking services), may be used against payment of a C.B.C. by the landowner. The City does not currently hold credits related to the services which are no longer D.C. eligible, therefore, there are no adjustment against future payments of a C.B.C. to apply.

7.6.3 Continued Application of Previous Section 37 Rules

Section 37.1 of the Planning Act provides for transitional matters regarding previous section 37 rules. Any charges that are currently in place under the previous rules, may remain in place until the municipality passes a C.B.C. by-law or September 18, 2022, whichever comes first. As noted previously, the City did not impose charges under the previous rules, therefore, this section does not apply.

Appendices



Appendix A

Background Information on Residential and Non- Residential Growth Forecast



Schedule 1 City of Hamilton Residential Growth Forecast Summary

Year		Population (Including Census Undercount) ^[1]	Excluding Census Undercount			Housing Units					Persons Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ^[2]	Apartments ^[3]	Other	Total Households	
Historical	Mid 2006	518,990	504,559	8,969	495,590	118,020	25,450	50,265	730	194,465	2.595
	Mid 2011	534,820	519,949	10,309	509,640	124,433	27,760	50,800	813	203,806	2.551
	Mid 2016	552,270	536,917	8,982	527,935	127,705	31,405	51,680	810	211,600	2.537
Forecast	Mid 2022	593,270	576,774	10,032	566,742	131,610	37,496	58,063	810	227,979	2.530
	Mid 2032	660,230	641,875	11,197	630,678	137,583	44,308	78,998	810	261,699	2.453
Incremental	Mid 2006 - Mid 2011	15,830	15,390	1,340	14,050	6,413	2,310	535	83	9,341	
	Mid 2011 - Mid 2016	17,450	16,968	-1,327	18,295	3,272	3,645	880	-3	7,794	
	Mid 2016 - Mid 2022	41,000	39,857	1,050	38,807	3,905	6,091	6,383	0	16,379	
	Mid 2022 - Mid 2032	66,960	65,101	1,165	63,936	5,973	6,812	20,935	0	33,720	

Source: Derived from City of Hamilton No Urban Boundary Expansion Scenario (Septemeber, 2021) forecast for the City of Hamilton and discussions with municipal staff regarding servicing and land supply by Watson & Associates Economists Ltd., 2022.

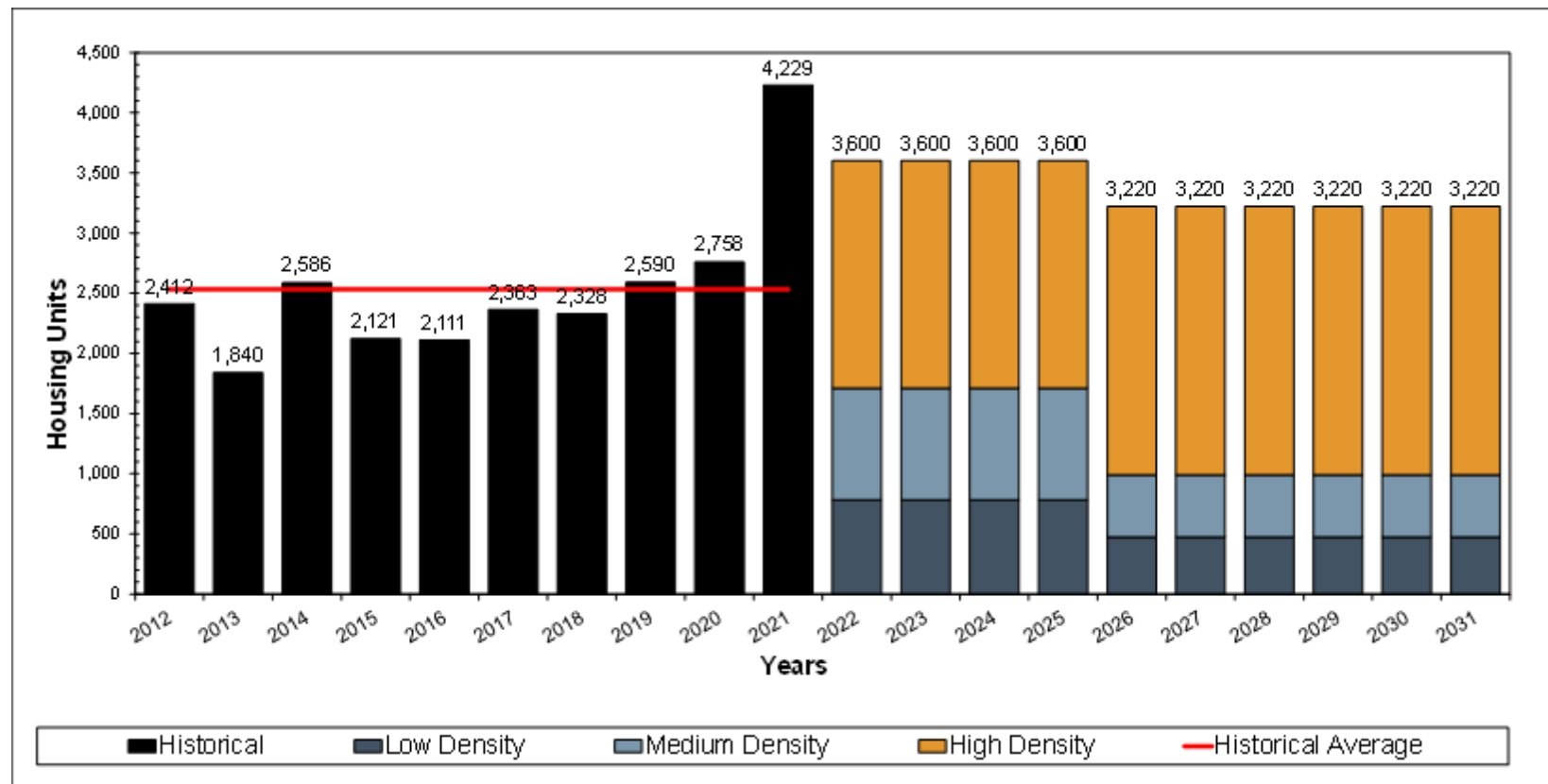
^[1] Census undercount estimated at approximately 2.9%. Note: Population including the undercount has been rounded.

^[2] Includes townhouses and apartments in duplexes.

^[3] Includes bachelor, 1-bedroom and 2-bedroom+ apartments.



Figure A-1
City of Hamilton
Annual Housing Forecast ^[1]



Source: Historical housing activity derived from City of Hamilton building permit data, 2012 to 2021.

^[1] Growth forecast represents calendar year.



Schedule 2 City of Hamilton

Estimate of the Anticipated Amount, Type and Location of Residential Development for Which Community Benefits Charges Can Be Imposed

Development Location	Timing	Single & Semi-Detached	Multiples ^[1]	Apartments ^[2]			Total Residential Units	Gross Population In New Units	Existing Unit Population Change	Net Population Increase, Excluding Institutional	Institutional Population	Net Population Including Institutional
				Units in C.B.C. Ineligible	Units in C.B.C. Eligible	Total Apartment Units						
Ancaster	2022 - 2032	656	566	471	0	471	1,693	4,309	(481)	3,828	88	3,916
Dundas	2022 - 2032	46	61	0	253	253	360	711	(288)	423	53	476
Flamborough	2022 - 2032	854	975	2,646	307	2,953	4,782	9,988	(506)	9,482	93	9,575
Sub-Total Ancaster, Dundas & Flamborough	2022 - 2037	1,556	1,602	3,117	560	3,677	6,835	15,008	(1,275)	13,733	234	13,967
Glanbrook	2022 - 2032	2,030	1,749	197	0	197	3,976	11,267	(354)	10,913	65	10,978
Stoney Creek	2022 - 2032	843	1,658	1,534	2,837	4,371	6,872	13,862	(824)	13,038	151	13,189
Upper Hamilton	2022 - 2032	1,230	1,188	1,890	3,889	5,779	8,197	16,375	(1,817)	14,558	332	14,890
Sub-Total Glanbrook, Stoney Creek, & Upper Hamilton	2022 - 2032	4,103	4,595	3,621	6,726	10,347	19,045	41,504	(2,995)	38,509	548	39,057
Lower Hamilton (inside Downtown Secondary Plan)	2022 - 2032	2	3	14	3,235	3,249	3,254	5,323	(577)	4,746	23	4,769
Lower Hamilton (Outside Downtown Secondary Plan)	2022 - 2032	312	612	2,652	1,010	3,662	4,586	8,467	(1,519)	6,948	360	7,308
Sub-Total Lower Hamilton	2022 - 2032	314	615	2,666	4,245	6,911	7,840	13,790	(2,096)	11,694	383	12,077
City of Hamilton	2022 - 2032	5,973	6,812	9,404	11,531	20,935	33,720	70,302	-6,366	63,936	1,165	65,101

Source: Derived from City of Hamilton No Urban Boundary Expansion Scenario (Septemeber, 2021) forecast for the City of Hamilton and discussions with municipal staff regarding servicing and land supply by Watson & Associates Economists Ltd., 2022.

^[1] Includes townhouses and apartments in duplexes.

^[2] Includes accessory apartments, bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 3
City of Hamilton
Current Year Growth Forecast
Mid 2016 to Mid 2022

			Population
Mid 2016 Population			536,917
Occupants of New Housing Units, Mid 2016 to Mid 2022	<i>Units (2)</i>	16,379	
	<i>multiplied by P.P.U. (3)</i>	2.385	
	<i>gross population increase</i>	39,061	39,061
Occupants of New Equivalent Institutional Units, Mid 2016 to Mid 2022	<i>Units</i>	955	
	<i>multiplied by P.P.U. (3)</i>	1.100	
	<i>gross population increase</i>	1,050	1,050
Decline in Housing Unit Occupancy, Mid 2016 to Mid 2022	<i>Units (4)</i>	211,600	
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.001	
	<i>total decline in population</i>	-254	-254
Population Estimate to Mid 2022			576,774
<i>Net Population Increase, Mid 2016 to Mid 2022</i>			39,857

- (1) 2016 population based on Statistics Canada Census unadjusted for Census undercount.
- (2) Estimated residential units constructed, Mid-2016 to the beginning of the growth period assuming a six-month lag between construction and occupancy.
- (3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.455	24%	0.824
<i>Multiples (6)</i>	2.518	37%	0.936
<i>Apartments (7)</i>	1.604	39%	0.625
Total		100%	2.385

¹ Based on 2016 Census custom database

² Based on Building permit/completion activity

- (4) 2016 households taken from Statistics Canada Census.
- (5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.
- (6) Includes townhouses and apartments in duplexes.
- (7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



**Schedule 4
City of Hamilton
Ten Year Growth Forecast
Mid 2022 to Mid 2032**

			Population
Mid 2022 Population			576,774
Occupants of New Housing Units, Mid 2022 to Mid 2032	Units (2)	33,720	
	multiplied by P.P.U. (3)	2.085	
	gross population increase	70,302	70,302
Occupants of New Equivalent Institutional Units, Mid 2022 to Mid 2032	Units	1,059	
	multiplied by P.P.U. (3)	1.100	
	gross population increase	1,165	1,165
Decline in Housing Unit Occupancy, Mid 2022 to Mid 2032	Units (4)	227,979	
	multiplied by P.P.U. decline rate (5)	-0.028	
	total decline in population	-6,366	-6,366
Population Estimate to Mid 2032			641,875
Net Population Increase, Mid 2022 to Mid 2032			65,101

(1) Mid 2022 Population based on:

2016 Population (536,917) + Mid 2016 to Mid 2022 estimated housing units to beginning of forecast period (16,379 x 2.385 = 39,061) + (955 x 1.1 = 1,050) + (211,600 x -0.001 = -254) = 576,774

(2) Based upon forecast building permits/completions assuming a lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.381	18%	0.599
<i>Multiples (6)</i>	2.334	20%	0.472
<i>Apartments (7)</i>	1.634	62%	1.014
<i>one bedroom or less</i> 1.294			
<i>two bedrooms or more</i> 1.914			
Total		100%	2.085

¹ Persons per unit based on adjusted Statistics Canada Custom 2016 Census database.

² Forecast unit mix based upon historical trends and housing units in the development process.

(4) Mid 2022 households based upon 2016 Census (211,600 units) + Mid 2016 to Mid 2022 unit estimate (16,379 units) = 227,979 units.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 5
City of Hamilton
Summary of C.B.C Eligible Units in the Development Approvals Process

Development Location	Stage of Development Approvals Process			
	Registered	Draft Approved	Pending	Total
Ancaster	0	0	0	0
Dundas	0	132	121	253
Flamborough	0	233	74	307
Sub-Total Ancaster, Dundas & Flamborough	0	365	195	560
% Breakdown	0%	65%	35%	100%
Glanbrook	0	0	0	0
Stoney Creek	1,023	367	2,240	3,630
Upper Hamilton	0	1,462	2,427	3,889
Sub-Total Glanbrook, Stoney Creek, & Upper Ha	1,023	1,829	4,667	7,519
% Breakdown	14%	24%	62%	100%
Lower Hamilton	0	1,689	2,556	4,245
% Breakdown	0%	40%	60%	100%
City of Hamilton Total	1,023	3,883	7,418	12,324
% Breakdown	8%	32%	60%	100%

Source: Derived from data provided by the City of Hamilton by Watson & Associates Economists Ltd.



Schedule 6
City of Hamilton
Historical Residential Building Permits
Years 2012 to 2021

Year	Residential Building Permits			
	Singles & Semi Detached	Multiples ¹	Apartments ²	Total
2012	1,329	704	379	2,412
2013	1,102	532	206	1,840
2014	933	767	886	2,586
2015	1,037	548	536	2,121
2016	895	930	286	2,111
Sub-total	5,296	3,481	2,293	11,070
Average (2012 - 2016)	1,059	696	459	2,214
% Breakdown	47.8%	31.4%	20.7%	100.0%
2017	621	990	752	2,363
2018	515	880	933	2,328
2019	723	960	907	2,590
2020	618	928	1,212	2,758
2021	533	1,403	2,293	4,229
Sub-total	3,010	5,161	6,097	14,268
Average (2017 - 2021)	602	1,032	1,219	2,854
% Breakdown	21.1%	36.2%	42.7%	100.0%
2012 - 2021				
Total	8,306	8,642	8,390	25,338
Average	831	864	839	2,534
% Breakdown	32.8%	34.1%	33.1%	100.0%

Source: Historical housing activity derived from City of Hamilton building permit data, 2012 to 2021.

¹ Includes townhouses and apartments in duplexes.

² Includes bachelor, 1 bedroom and 2 bedroom+ apartments.



Schedule 7 City of Hamilton Person Per Unit by Age and Type of Dwelling (2016 Census)

Dwelling	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total	15 Year Average	15 Year Average Adjusted ³
1-5	-	-	1.980	3.439	5.103	3.455		
6-10	-	-	1.973	3.424	4.983	3.474		
11-15	-	-	1.800	3.345	4.601	3.403	3.444	3.381
16-20	-	-	1.833	3.247	4.695	3.288		
20-25	-	-	2.017	3.275	4.426	3.328		
25-35	-	1.571	1.907	2.939	4.087	3.009		
35+	-	1.508	1.874	2.663	3.724	2.572		
Total	2.000	1.549	1.878	2.876	4.082	2.821		

Age of Dwelling	Multiples ¹						15 Year Average	15 Year Average Adjusted ³
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	1.459	1.954	2.682	-	2.518		
6-10	-	1.364	1.818	2.682	-	2.497		
11-15	-	1.870	1.841	2.615	-	2.366	2.460	2.334
16-20	-	1.500	1.808	2.723	-	2.370		
20-25	-	1.647	1.779	2.908	-	2.648		
25-35	-	1.314	1.874	2.916	4.053	2.686		
35+	-	1.288	2.020	2.847	4.045	2.527		
Total	1.143	1.361	1.921	2.795	4.059	2.526		

Age of Dwelling	Apartments ²						15 Year Average	15 Year Average Adjusted ³
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	1.244	1.725	-	-	1.604		
6-10	-	1.210	1.710	-	-	1.512		
11-15	-	1.406	1.837	-	-	1.744	1.620	1.634
16-20	-	1.350	1.964	3.037	-	1.790		
20-25	-	1.401	2.052	3.960	-	1.838		
25-35	1.056	1.268	1.962	2.793	-	1.688		
35+	1.068	1.234	1.982	2.927	3.000	1.672		
Total	1.143	1.249	1.969	2.952	2.816	1.681		

Age of Dwelling	All Density Types					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	-	1.288	1.907	3.177	4.951	2.951
6-10	-	1.274	1.824	3.187	4.857	3.017
11-15	-	1.535	1.837	3.171	4.619	2.988
16-20	-	1.403	1.880	3.127	4.678	2.844
20-25	-	1.438	1.970	3.179	4.370	2.881
25-35	1.333	1.280	1.932	2.931	4.082	2.680
35+	1.113	1.259	1.939	2.696	3.733	2.297
Total	1.254	1.278	1.929	2.864	4.056	2.495

¹ Includes townhouses and apartments in duplexes.

² Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

³ Adjusted based on 2001-2016 historical trends.

Note: Does not include Statistics Canada data classified as 'Other'

P.P.U. Not calculated for samples less than or equal to 50 dwelling units, and does not include institutional population.



Schedule 8 City of Hamilton Employment Forecast, Mid-2022 to Mid-2032

Period	Population	Activity Rate								Employment								
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ¹	Total Including N.F.P.O.W. 1	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ¹	Total Employment (Including N.F.P.O.W.)	Total (Excluding Work at Home and N.F.P.O.W.)
Mid 2016	536,917	0.3%	2.9%	8.9%	13.8%	11.9%	37.9%	5.4%	43.3%	1,845	15,805	47,760	74,260	63,665	203,335	29,160	232,495	187,530
Mid 2022	576,774	0.3%	3.0%	8.7%	13.1%	11.1%	36.2%	5.7%	41.9%	1,845	17,058	50,319	75,600	64,070	208,892	32,913	241,805	191,834
Mid 2032	641,875	0.3%	2.9%	8.9%	14.0%	11.0%	37.1%	5.7%	42.8%	1,868	18,585	57,189	89,888	70,393	237,923	36,499	274,422	219,338
Incremental Change																		
Mid 2016 - Mid 2022	39,857	0.0%	0.0%	-0.2%	-0.7%	-0.7%	-1.7%	0.3%	-1.4%	0	1,253	2,559	1,340	405	5,557	3,753	9,310	4,304
Mid 2022 - Mid 2032	65,101	0.0%	-0.1%	0.2%	0.9%	-0.1%	0.8%	0.0%	0.8%	23	1,527	6,870	14,288	6,323	29,031	3,586	32,617	27,504
Annual Average																		
Mid 2016 - Mid 2022	6,643	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.3%	0.0%	-0.2%	0	209	427	223	68	926	626	1,552	717
Mid 2022 - Mid 2032	6,510	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.1%	2	153	687	1,429	632	2,903	359	3,262	2,750

Source: Derived from City of Hamilton No Urban Boundary Expansion Scenario (September, 2021) forecast for the City of Hamilton and discussions with municipal staff regarding servicing and land supply by Watson & Associates Economists Ltd., 2022.

¹ Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same work place location at the beginning of each shift". Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.



Appendix B

Land Valuation Mapping



Appendix B: Land Valuation Mapping

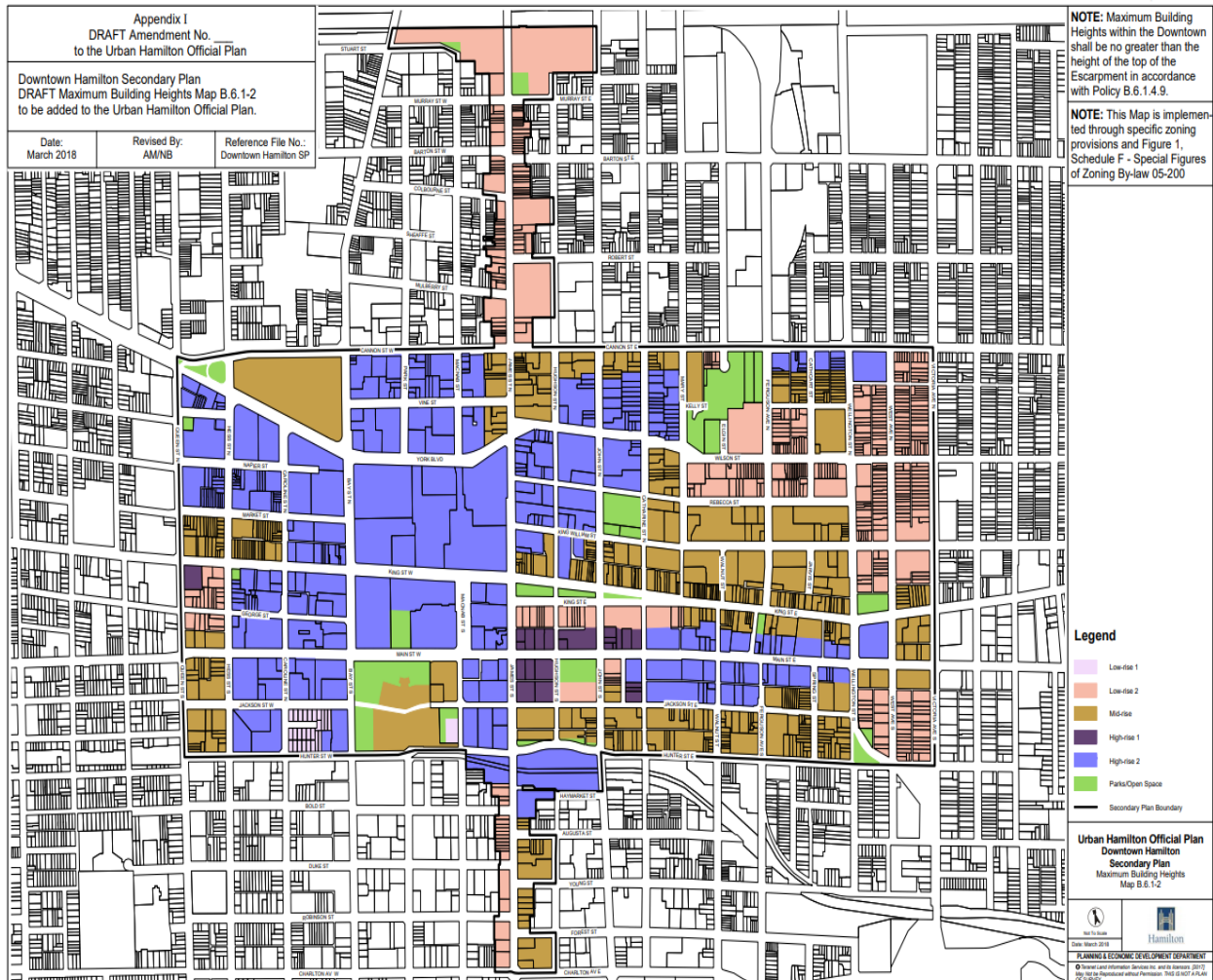
The land valuation analysis undertaken by the City's Corporate Real Estate Office, has established areas and sub-areas which provide similar land values. This information was detailed in Chapter 2. The following maps provide a visual representation of the areas defined by the land appraiser.

Map B-1
Land Valuation Areas





Map B-2 Downtown Secondary Plan Area





Appendix C

Proposed C.B.C. By-law



To be Provided Under Separate Cover