



City of Burlington Community Benefits Charge Strategy

Committee Meeting
December 2, 2024

Introduction



- The City of Burlington (City) retained Watson & Associates Economists Ltd (Watson) to undertake a Community Benefits Charge Strategy (C.B.C.) and by-law. The City's current C.B.C. By-law 66-2022 was passed on September 14, 2022.
- Municipalities are empowered to impose C.B.C.s through changes made to the *Planning Act* through the *COVID-19 Economic Recovery Act, 2022*.
- The purpose of this presentation is to provide Council with the findings of the City's C.B.C. Strategy.
 - C.B.C. Strategy and draft by-law were posted to the City's website on November 4, 2024.

Study Process & Timelines



- 1** **June 2024 to October 2024**
Data collection, land valuation analysis, growth forecast development, capital needs assessment, staff review, C.B.C. calculations and policy work
- 2** **September 16, 2024**
Consultation Committee Meeting #1
- 3** **October 17, 2022**
Consultation Committee Meeting #2
- 4** **November 4, 2024**
Release C.B.C. Strategy and Draft By-law
- 5** **December 2, 2024**
C.B.C. Strategy Report and Draft By-law to Council
- 6** **December 10, 2024**
Council Consideration of the By-law

Legislative Context



- The *COVID-19 Economic Recovery Act* came into effect on September 18, 2022
 - Amended s.37 of the *Planning Act* to introduce C.B.C.s to replace community benefit agreements
- Local or single-tier municipalities can impose a C.B.C., by by-law, against land to pay for the capital costs of facilities, services and matters required due to development
- Before passing a C.B.C by-law the municipality must:
 - prepare a strategy that:
 - identifies the facilities, services and matters that will be funded with community benefits charges; and
 - complies with the prescribed requirements (defined by O. Reg. 509/20)



Legislative Context

- Consult with such persons and public bodies as the municipality considers appropriate while preparing the Strategy.
- C.B.C.s may only be imposed on buildings or structures with at least five storeys and containing at least 10 residential dwelling units.
- Once the charge is imposed, the applicant may pay the charge under process if it exceeds the prescribed rate.
 - The prescribed rate is 4% of the property's land value prior to the day of building permit issuance.
- Statutorily exempt developments include:
 - Long-term care, retirement homes, non-profit housing, colleges, universities, post-secondary indigenous institutes, Royal Canadian Legions and hospices.

Legislative Context



- The *More Homes Built Faster Act* came into effect on November 28, 2022 and provided further amendments to the C.B.C.s (s.37 of the *Planning Act*)
 - Allowing Municipalities to enter into an agreement for in-kind contributions and have those agreements registered against the subject land to which it applies
 - Introduced a ratio calculation (to the prescribed 4% rate) to account for the floor area of existing buildings and structures that will remain on the land after the development or redevelopment
 - Provided a discount to account for the affordable and attainable residential units that would be exempt, as described in the *Development Charges Act*



Affordable/Attainable Exemptions – Bill 23/134

- As per s 4.1 of the D.C.A. the affordable rental unit and affordable owned unit exemptions are in effect as of June 1, 2024.

Affordable Amounts (Burlington)	
Affordable Monthly Rent:	Bachelor: \$1,192 1 Bedroom: \$1,621 2 Bedroom: \$1,831 3+ Bedroom: \$1,819
Affordable Owned Unit:	\$474,300 for all unit types

Attainable Unit: yet to be defined by legislation



Anticipated Growth in C.B.C. Eligible Developments (2024-2034)

- Growth forecast prepared by Watson based on the Halton Region Official Plan (2024), Integrated Growth Management Strategy, City of Burlington Official Plan (2024), and 2024 Development Charges Background Study (D.C.).

Residential Density	Residential Population	Housing Units	% of Gross Population in New Units
Low/Medium Density and Institutional	6,004	2,299	29%
High Density	14,957	9,221	71%
Total Residential Population / Units (2024-2034)	20,961	11,520	100%

Residential High Density	Residential Population	Housing Units	% of Gross Population in High Density Units
Eligible High Density	13,886	8,561	93%
Ineligible High Density	1,071	660	7%
Total Residential High Density Forecast (2024-2034)	14,957	9,221	100%

Densities and Average Land Value



C.B.C. Eligible Growth	Total
C.B.C. Eligible Units	8,561
Estimated High Density Units per Hectare	490
Estimated Hectares of Land	17.47
Average Value of Land per Hectare	\$ 21,400,000
Total Estimated Value	\$ 373,888,571

- The density and average land value per hectare are based on the 2023 Parkland Analysis.
- Based on the above, the C.B.C. eligible units have an estimated land value of \$373.9 million.

Services Considered for Inclusion in C.B.C. Strategy



- Through discussions with the Committee and City Staff, the capital costs related to parkland has been identified as the primary capital consideration for the C.B.C. calculations.
- The amount of parkland that is not recoverable under the City's parkland by-law are estimated at \$141.6 million over the 10-year forecast period.

Capital Project Summary and C.B.C. Rate



Service	Gross Capital Cost Estimate (2024\$)	C.B.C.-Eligible Cost (2024\$)	Deduction for Existing Population Incline	Net C.B.C.-Eligible Cost (2024\$)
Parkland	\$141,588,245	\$89,107,850	-\$7,398,999	\$81,708,851
Total	\$141,588,245	\$89,107,850	-\$7,398,999	\$81,708,851
Anticipated C.B.C. Residential Dwelling Units (2024-2034)				8,561
Density Assumption (units per hectare)				490
Land Area for Residential Dwelling Unit Forecast (hectares)				17.5
Estimated Average Land Value (\$/hectare)				\$21,400,000
Total Estimated Land Value				\$373,888,571
Maximum Prescribed Value (4% of land value)				\$14,955,543
Total C.B.C. Required to Fund Needs (% of land value)				21.9%
Maximum C.B.C. Amounts				4.0%

- Total gross costs: \$141.6 million
- Net C.B.C. eligible costs: \$81.7 million
- Total land valuation: \$373.9 million
- **C.B.C. rate required to fund C.B.C. eligible costs = 21.9%**
 - Maximum rate as per the *Planning Act* = 4%
- Based on the above, the maximum C.B.C. of 4% may be considered.

C.B.C. Survey of Municipal Practice



Municipality	C.B.C. Basis	Per Unit Rate
Aurora, Town of	4% of appraised land value	n/a
Burlington, City of (Current)	Per Dwelling Unit	Apartments (Bachelor and 1 BR): \$362 Apartments (2 BR +): \$488
Burlington, City of (Proposed)	4% of appraised land value	n/a
Grimsby, Town of	4% of appraised land value	n/a
Guelph, Town of	4% of appraised land value	n/a
Halton Hills, Town of	4% of appraised land value	n/a
Hamilton, City of	4% of appraised land value	n/a
Innisfil, Town of*	4% of appraised land value & Per Dwelling Unit	Orbit Plan Secondary Area: \$1,200 Outside of Orbit Plan Secondary Area: \$800
Markham, City of	4% of appraised land value	n/a
Newmarket, Town of	4% of appraised land value	n/a
Niagara Falls, City of	4% of appraised land value	n/a
Oakville, Town of	4% of appraised land value	n/a
Oshawa, City of	Per Dwelling Unit	Apartments (Bachelor and 1 BR): \$90 Apartments (2 BR +): \$147
Ottawa, City of	4% of appraised land value	n/a
Pickering, City of	Per Dwelling Unit	Apartments (Bachelor and 1 BR): \$657 Apartments (2 BR +): \$1,070
Richmond Hill, City of	4% of appraised land value	n/a
Toronto, City of	4% of appraised land value	n/a
Vaughan, City of	4% of appraised land value	n/a
Waterloo, City of	4% of appraised land value	n/a
Whitchurch-Stouffville, Town of	4% of appraised land value	n/a

*Note that the Town of Innisfil's By-law provides discretion for the Town to choose between the per unit rate or applying the 4% rate

Next Steps



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Questions?