

---

**TO:** GENERAL COMMITTEE

**SUBJECT:** 2023 COMMUNITY BENEFITS CHARGES STRATEGY AND BY-LAW

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** M. VILLENEUVE, SUPERVISOR OF DEVELOPMENT CHARGES, EXT. 4503  
C. GILLESPIE, SENIOR MANAGER OF CORPORATE FINANCE AND INVESTMENTS, EXT. 5743

**SUBMITTED BY:** C. MILLAR, CHIEF FINANCIAL OFFICER AND TREASURER, EXT. 5130

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

---

### **RECOMMENDED MOTION**

1. That the City of Barrie (“City”) Community Benefits Charge Strategy dated April 21, 2023 for the City-wide by-law attached as Appendix “A” to Staff Report FIN010-23, be approved under Section 37 of the *Planning Act, 1990*.
2. That the assumptions contained in the Community Benefits Charge Strategy be adopted as an ‘anticipation’ with respect to capital grants, subsidies, and other contributions.
3. That staff, whenever appropriate, request that grants, subsidies, and other contributions be clearly designated by the donor as being to the benefit of existing development, or new development as applicable.
4. That no further public consultation is required pursuant to Section 37 of the *Planning Act, 1990*.
5. That the draft By-law attached as Appendix “C” to Staff Report FIN010-23 be enacted.

### **PURPOSE & BACKGROUND**

#### Report Overview

6. The purpose of this report is to recommend the passing of the City’s first Community Benefits Charge (CBC) by-law. Before a new by-law can be passed, the *Planning Act* requires the completion of a comprehensive Strategy that, among other things, sets out estimates of the anticipated amount, type and location of development and redevelopment with respect to which CBCs will be imposed and identifies the facilities, services and matters that will be funded with CBCs.
7. The City’s CBC Capital Program identified \$182 million in CBC eligible costs, but the City only anticipates collecting approximately \$6 million toward these costs over the next 10 years due to limitations set by the Province.

---

## **ANALYSIS**

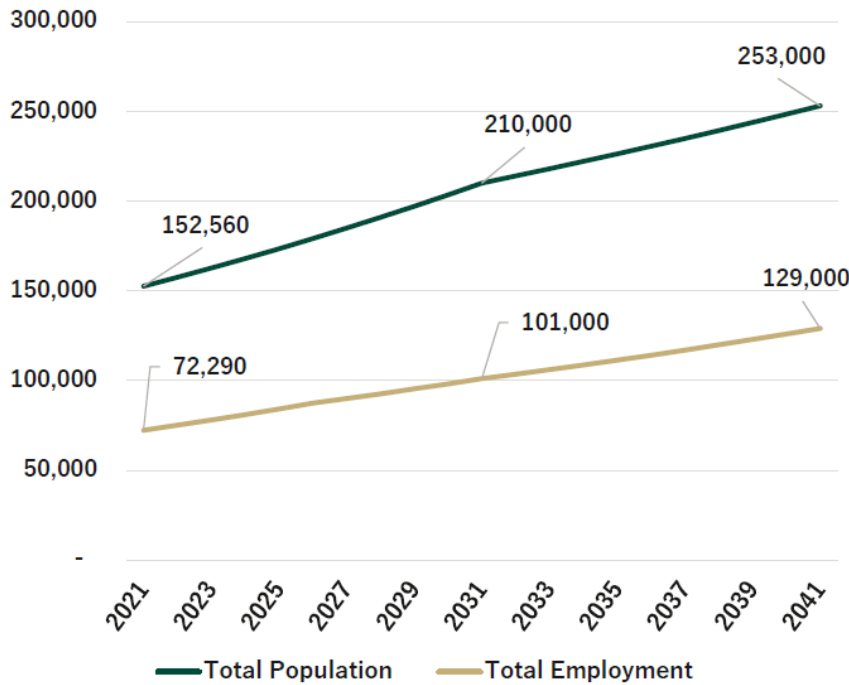
### **Inaugural CBC**

8. The *Planning Act* was amended to replace previous Section 37 “density bonusing” provisions, which gave municipalities the authority to grant increases in height and/or density in exchange for community benefits, with a new authority to impose Community Benefits Charges (CBCs).
9. The CBC is intended to help fund growth related capital costs not funded elsewhere such as through development charges (DCs) or cash in lieu of parkland.
10. A CBC can only be levied on higher density residential development and redevelopment, which is limited by the *Planning Act* to buildings that are 5 or more storeys and contain 10 or more residential units. A mixed use development, a building that contains both residential and non-residential uses, can be subject to a CBC if it meets these criteria.
11. The following is a list of exemptions from a payment of CBC through Ontario Regulation 509/20:
  - Non-profit housing
  - Long term care & retirement homes;
  - colleges, universities and post-secondary indigenous institutes
  - Royal Canadian Legion buildings or structures
  - Hospices for end of life care
12. The maximum CBC that is payable in any particular case is 4% of the land value as of the day before the building permit is issued.
13. To collect CBCs, a municipality must pass a by-law which requires a CBC Strategy (similar to a DC Background Study) to be undertaken.
14. A CBC by-law requires additional administrative time and costs. There will be additional staff time required to review land value appraisals for reasonableness and to propose a re-evaluation of land value when appropriate. Mechanisms for resolving land value disputes are described in the legislation but can involve multiple appraisals being performed. The developer will be required to fund the cost of the appraisal which mirrors the process for valuing land for the purposes of cash-in-lieu of parkland. The City’s cost for obtaining appraisals will be funded from CBC reserves.

### **Forecasted Growth**

15. The forecasted growth in Population and Employment used in the CBC Strategy is summarized in the figure below:

Total Population and Employment 2021-2041



16. The 2031 and 2041 population, households and employment figures used in the CBC Strategy are consistent with forecasts set out in the “City of Barrie, Long-Term Growth Scenarios Review – Made in Barrie Scenario”, and aligns with forecasts used in the current infrastructure Master Plans as well as the 2019/2021 DC Studies and the draft 2023 DC Study.
17. Note that the City’s new Official Plan was recently approved by the Province and is now in force. The new Official Plan includes growth targets to 2051 that will be used in future Master Plan, DC Study and CBC Strategy updates.
18. The CBC Strategy considered growth over the next 10 years (2023-2032). Forecasted dwellings for key planning policy areas of the City during that period are as follows:

**Forecast Growth in Occupied Dwellings 2023-2032**

	<b>Singles/Semis</b>	<b>Rows</b>	<b>Apartments</b>	<b>Total</b>
Strategic Growth Area	132	1,346	5,869	7,347
Other Built Up Area	2,564	1,444	2,157	6,166
Designated Greenfield Area	3,113	3,813	4,569	11,495
<b>Total</b>	<b>5,809</b>	<b>6,603</b>	<b>12,595</b>	<b>25,008</b>

Source: Watson & Associates, Municipal Comprehensive Review (M.C.R.) Long-Term Urban Land Needs Study, Appendix A: Residential Growth Forecast, Made in Barrie Scenario, May 2019.

19. Not all growth is subject to CBC. The CBC is levied for properties that include 10 or more residential units in buildings that are 5 or more storeys. Therefore, the forecasted number of units subject to the CBC (as a proportion of the Apartments rate above) are:

**Forecast of Apartment Units Subject to CBCs**

	<b>Apartments</b>	<b>CBC Apartments</b>	<b>CBC % of Total Apartments</b>	<b>CBC % of Total Units</b>
Strategic Growth Area	5,869	5,282	90%	72%
Other Built Up Area	2,157	431	20%	7%
Designated Greenfield Area	4,569	228	5%	2%
<b>Total</b>	<b>12,595</b>	<b>5,941</b>	<b>47%</b>	<b>24%</b>

Source: Hemson Consulting

Proposed CBC Capital Program

20. The CBC Capital Program is summarized as follows:

**Summary of CBC Capital Program (\$000s)**

<b>Service</b>	<b>Gross Cost</b>	<b>Grants, Subsidies &amp; Other Recoveries</b>	<b>BTE (\$)</b>	<b>Potential DC Funded</b>	<b>Remaining Development Related</b>	<b>CBC Eligible Costs</b>	<b>Other Funding</b>
CBC Reviews	\$ 350	\$ -	\$ -	\$ -	\$ 350	\$ 350	\$ -
Master Plans & Studies	\$ 17,625	\$ -	\$ 1,020	\$ -	\$ 16,605	\$ 2,014	\$ 14,591
Parking	\$ 4,457	\$ -	\$ 201	\$ -	\$ 4,256	\$ 502	\$ 3,754
Parks Projects	\$ 386,250	\$ -	\$ -	\$ 112,862	\$ 273,388	\$ 173,494	\$ 99,894
Housing	\$ 123,286	\$ 85,018	\$ 13,561	\$ -	\$ 20,434	\$ 3,193	\$ 17,241
Growth-Related Climate Initiatives	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ 500	\$ -
Public Art	\$ 405	\$ -	\$ -	\$ -	\$ 405	\$ 63	\$ 342
Library Services	\$ 19,400	\$ -	\$ -	\$ 5,907	\$ 13,493	\$ 2,108	\$ 11,385
<b>Total</b>	<b>\$ 552,273</b>	<b>\$ 85,018</b>	<b>\$ 14,782</b>	<b>\$ 118,769</b>	<b>\$ 329,431</b>	<b>\$ 182,224</b>	<b>\$ 147,207</b>

Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

21. As shown in the table above, while the City's CBC Strategy identified \$182 million in CBC eligible costs, the City only anticipates collecting approximately \$6 million toward these costs over the next 10 years due to the limitations established by the Province's CBC legislation.
22. Given that the CBC Capital Program significantly exceeds the maximum CBC revenue that can reasonably be anticipated, the City's proposed by-law imposes a CBC of 4% of the land value on eligible development and redevelopment.

---

Public Consultation

23. The City held one at large Stakeholder Review meeting on May 1, 2023, one Public meeting on May 10, 2023 and considered and responded to comments and questions from stakeholders (See Appendix “B”) after the release of the CBC Strategy and draft by-law.

Draft By-Law

24. Section 10 of the draft by-law has been amended slightly since the release of the Strategy to make reference to specific legislation to add additional clarity (see Appendix “C”).

**ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

25. There are no environmental or climate change impact matters related to the recommendation other than the Green Development Standard Incentive Program which has been included in the CBC Capital Plan.

**ALTERNATIVES**

26. The following alternative is available for consideration by General Committee:

**Alternative #1** General Committee could choose to delay the implementation of the new Community Benefit Charge by-law until September 1, 2023 to provide developers additional time to build without being impacted by this new charge.

This alternative is not recommended as the reduction in CBCs will ultimately need to be made up and paid for by others, however, overall the impact is likely to be minimal if the delay in implementation is relatively short.

**Alternative #2** General Committee could choose to add additional discretionary CBC discounts or exemptions. Examples could include developments that have already obtained issued conditions for approval, developments where all residential units are rental units or developments within specific areas of the City (i.e. near transit),

This alternative is not recommended as it would require funding to come from tax and rate payers.

**Alternative #3** General Committee could choose to not approve a new by-law this year.

This alternative is not recommended as it could pose a strain on the City’s cash flow requirements and require funding shortfalls to be made up from tax/rate payers.

**FINANCIAL**

27. The CBC Strategy considers projects with total estimated CBC eligible costs of \$182 million, \$6 million of which is anticipated to be collected over the next 10 years.
28. The need to update the CBC by-law will be considered again in 5 years but may be updated sooner at the discretion of the City.



**LINKAGE TO 2022-2026 STRATEGIC PLAN**

29. This initiative relates to the Infrastructure Investments and Responsible Governance priorities identified in the 2022-2026 Strategic Plan.



Appendix "A"

Community Benefits Charge Strategy

Appendix "B"

Questions, Comments and Responses

Since the Release of the Strategy and Draft By-law





Appendix "C"

Draft By-law – Community Benefits Charge