

Report for Public Consultation

Prepared by Hemson for Town of Caledon



Community Benefits Charge Strategy

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1000 - 30 St. Patrick Street, Toronto ON M5T 3A3
416 593 5090 | hemson@hemson.com | www.hemson.com

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List of Acronyms

ACT Planning Act (Ontario), R.S.O. 1990, c. P.13

BTE Benefit to Existing

CBC Community Benefits Charge

DC Development Charges

DCA Development Charges Act, 1997

GFA Gross Floor Area

GFT Growth Funding Tool

IZ Inclusionary Zoning

MCR Municipal Comprehensive Review

OLT Ontario Land Tribunal

OP Official Plan

PPB Post-Period Benefit

PPU Persons Per Unit

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Executive Summary

A. Purpose of 2024 CBC Strategy

i. What is a Community Benefits Charge?

A Community Benefits Charge (CBC) is a new growth-funding tool (GFT) under the Planning Act (Act) that allows municipalities to levy a charge against certain forms of higher density development to fund associated development-related capital infrastructure needs. The CBC provisions replace the former section 37 height and density bonusing in the Act, subject to transition rules. A CBC can be levied in addition to development charges (DCs) and collections under Section 42/51 of the Planning Act under the provisions and restrictions of the Act.

Municipalities can use CBCs to fund a wide-range of capital costs, of any public service, that are related to the needs associated with new growth if those costs are not already recovered from development charges and parkland provisions. A CBC can be used to fund services provided for under a DC by-law, and for parkland acquisitions, as long as there is no duplication of recovery of the same capital costs under another GFT.

ii. Legislative Context

The Town of Caledon 2024 Community Benefits Charge Strategy (herein referred to as the “CBC Strategy”) is presented as part of the process to lead to the approval of a CBC By-law in compliance with the Planning Act, 1990 (the “Act”). The report is prepared in accordance with the Act and associated Ontario Regulations 509/20 (O.Reg. 509/20), including the amendments that came into force on September 18, 2020 and November 28, 2022.

iii. CBCs Levied on Higher Density Residential Development

A CBC can only be levied against higher density residential development, limited by the Act to developments that are:

- Five or more storeys, **and**
- Contain 10 or more residential units.

Note that a mixed-use development, a building that contains both residential and non-residential uses, can be subject to a CBC if it meets the above criteria.

The regulations to s.37 of the Act, O. Reg. 509/20, also provide for a number of statutory exemptions from the payment of a CBC, namely:

- Long-term care & retirement homes;
- Colleges, universities and post-secondary indigenous institutes;
- Royal Canadian Legion;
- Hospice for end of life care; and
- Non-profit housing.

iv. CBC Strategy

Subsection 37(32) of the Planning Act prescribes that the maximum permitted charge that can be levied is four per cent of land value for a development with five or more storeys and ten or more residential units on the day before issuance of the building permit. Several key steps must be undertaken in order to levy CBCs. They include:

- Preparing a development (growth) forecast;
- Determining the increased need arising from development;
- Determining how these costs are attributed to CBC development;
- Identifying any excess capacity that exists; and
- Estimated benefit to existing shares, grants, subsidies or other contributions.

B. Development Forecast

Over the ten-year planning period from 2024 to 2033, the Town is anticipated to grow by approximately 1,000 occupied dwelling units in buildings which would be subject to a community benefits charge. As set out in Section 3 of O.Reg. 509/20 the maximum permissible CBC is capped at four per cent. At the four per cent cap, a high-level estimate of the CBC revenue potential associated with these units is approximately \$2.2 million over the ten years. Additional details are provided in Section 5.

C. CBC Capital Needs Exceed Revenue Forecast

The estimated CBC eligible costs of the growth-related capital program totals \$6.3 million. The CBC eligible costs exceed the amount that can be funded under the 4% cap.

D. Application of CBCs

The Town of Caledon will levy CBCs as a per cent of land value of the development prior to the issuance of a building permit, or the first permit if the development requires multiple permits. The charges will be applied on a Town-wide basis to all eligible developments notwithstanding statutory exemptions in subsection 37 (4) (e) of the Act and the Town's CBC By-law.

1. Introduction

A. Introduction and Background

The Town of Caledon Community Benefits Charge Strategy is presented as part of a process to lead to the approval of a new community benefits charge by-law in compliance with the Planning Act, 1990 (Act).

Subsection 37(9) of the Act and section 2 of O. Reg. 509/20 require that a community benefits charge strategy shall:

- (a) include estimates of the anticipated amount, type and location of development and redevelopment with respect to which community benefits charges will be imposed;
- (b) include estimates of the increase in the need for facilities, services and matters attributable to the anticipated development and redevelopment to which the community benefits charge by-law would relate;
- (c) identify the excess capacity that exists in relation to the facilities, services and matters referred to in clause (b);
- (d) include estimates of the extent to which an increase in a facility, service or matter referred to in clause (b) would benefit existing development;
- (e) include estimates of the capital costs necessary to provide the facilities, services and matters referred to in clause (b); and
- (f) identify any capital grants, subsidies and other contributions made to the municipality or that the council of the municipality anticipates will be made in respect of the capital costs referred to in clause (e).

This strategy presents the estimated CBC development-related net capital costs attributable to CBC eligible development that is forecast to occur in the Town. The apportionment of these net capital costs is shown among

various growth-related funding sources including Development Charges, Parkland Conveyance and others.

The Act requires that municipalities consult with the public. Accordingly, the Town will make this CBC Strategy and the draft CBC by-law available for public comment before Council's passage of the by-law.

The remainder of this strategy report sets out the information and analysis upon which the proposed charge is based.

B. Legislative Context & Regulatory Requirement

The community benefits section of the Planning Act has replaced what was previously referred to as section 37 "Increased Density." This change was introduced through the COVID-19 Economic Recovery Act, 2020 and previous versions in the More Homes, More Choice Act, 2019 as well as the Plan to Build Ontario Together Act, 2019. The new section 37 enables municipalities to impose community benefits charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the municipality.

The new section 37 sets out the relationship between community benefits charges and other growth-related funding tools, including the development charges levied under the Development Charges Act, 1997.

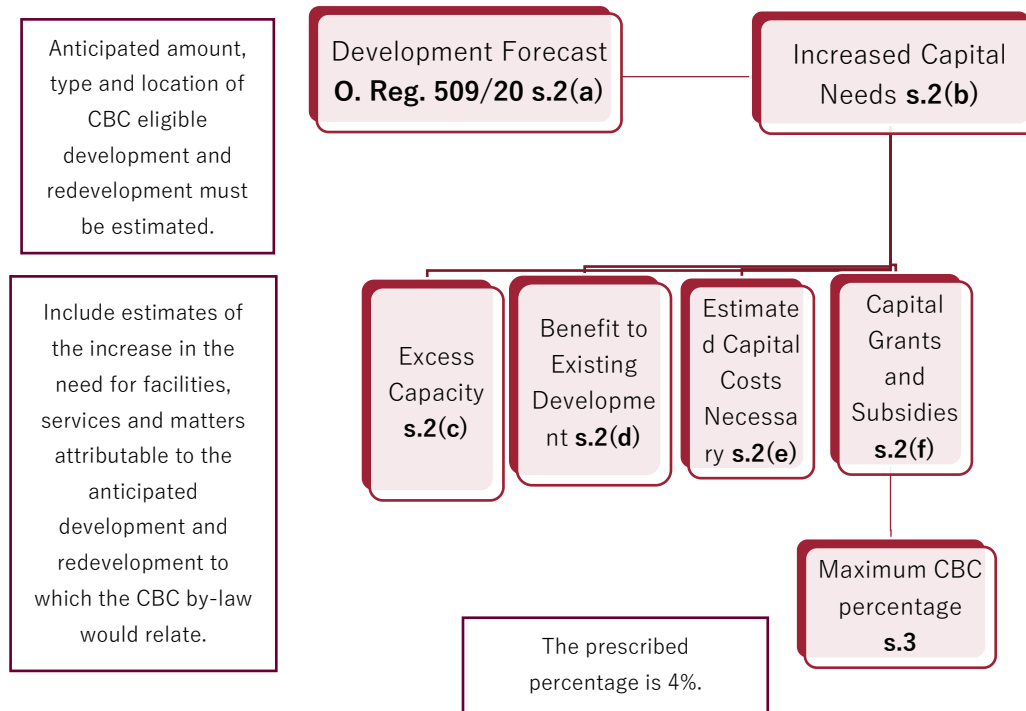
Most recently, Bill 23 More Homes Built Faster Act, 2022 amended Section 37 to permit municipalities to enter into an agreement with respect to in-kind contributions which may be registered on title and codified the way in which CBCs would apply to redevelopment.

2. Purpose of the 2024 CBC Strategy

A. Key Steps in Determining CBCs

As shown in Figure 1, the CBC Strategy needs to include various components to validate the applied charge. In the case of the Town of Caledon, the charge is levied on a land value basis not exceeding the legislated maximum of 4%.

Figure 1. Key Steps in Determining CBCs



B. Proposed Methodology & Approach

The Community Benefits Charges legislation does not specify the method by which a CBC is levied. Various options could be applied by a municipality, such as charges based on a per cent of land value, a per-unit charge, or a charge based on gross floor area of development. It is proposed the Town use the first option, based on four per cent of land value at the time of building permit issuance, for the collection of CBCs levied on a Town-wide basis. This approach enables the Town to maximize revenue collections to help fund growth-related costs. The Town could consider the approaches to implementing the charge through the CBC by-law or through policy.

The CBC capital program, summarized in the section below and in Section 4 of the Strategy, was developed with Town staff and relies on previous work completed for the 2024 capital budget, 2024 Town-wide DC Background Study, and other sources.

As directed by subsection 37 (45) CBC collections shall be paid into a special account. Furthermore, subsection 37 (47) directs that a minimum of 60 per cent of the monies in the special account must be allocated or spent annually. A process outside of this CBC Strategy will be established to outline the details for determining priorities for spending, as approved by Council.

C. CBC Capital Program

The total gross capital program identified for recovery from CBCs is \$285.0 million. The entire gross capital cost is not eligible to be funded by CBCs and a series of legislated deductions have been made including consideration for excess capacity, replacement or benefit to existing shares and shares to be funded from other growth-funding tools. No grants, subsidies or other contributions have been identified.

As indicated in Table 1 below, the resulting net municipal cost is \$285.0 million. Replacement or benefit to existing shares removed from the eligible recovery costs total \$11.2 million and relate to Community Facilities and Community Improvement Plans projects. Lastly, of the total development-related cost of \$273.8 million, only a portion of \$6.3 million is deemed eligible for recovery from CBC developments. The remaining development related costs are eligible to be recovered from development charges and/or other funding tools.

Table 1. Summary of CBC Capital Program (\$000s)

Service	Gross Project Cost	Grants / Subsidies / Other Recoveries	Net Cost	Replacement & BTE (\$)	Total Development Related Cost	DC Funding	Other GFT	Total CBC Related Costs
1.0 PUBLIC REALM & URBAN PARKS	\$1,000	\$0	\$1,000	\$50	\$950	\$0	\$50	\$900
2.0 COMMUNITY FACILITIES	\$281,459	\$0	\$281,459	\$9,956	\$271,503	\$132,448	\$134,176	\$4,878
3.0 COMMUNITY IMPROVEMENT PLANS	\$2,000	\$0	\$2,000	\$1,159	\$841	\$0	\$811	\$29
4.0 CIVIC ADMINISTRATION	\$500	\$0	\$500	\$0	\$500	\$0	\$0	\$500
TOTAL COST	\$284,959	\$0	\$284,959	\$11,165	\$273,794	\$132,448	\$135,038	\$6,308

Note: May not add due to rounding.

3. Development Forecast

This section describes the basis and results of the development forecast that forms the basis of the capital program. The development forecast is based on estimates of growth occurring within the prepared Growth Management and Phasing Plan based on Peel Region’s Municipal Comprehensive Review (MCR) and is consistent with the 2024 DC Background Study.

This section portrays the results of the housing unit and population forecast in line with the requirements of O.Reg. 509/20 s.2(a).

A. Proposed 10-Year Planning Horizon

The Town establishes capital budgets on a 10-year basis and the CBC Strategy capital programs are in line with the internal Town capital planning time-frame. In addition, the time frame aligns with the 2024 DC Background Study as some capital projects are eligible to be funded using both growth funding tools. The time-frame for the development forecast and the capital programs in this CBC Strategy is 2024-2033.

B. Consistent with the DC Development Forecast

The forecast for the CBC Strategy was based on the forecast used in the Town’s 2024 DC Background Study (DC Study) which is derived from the Town’s Growth Management and Phasing Plan and the forecast population allocations from the Region of Peel’s MCR.

Based on the Town’s current development pipeline data and in consultation with staff, it is anticipated approximately 75% of apartment units over the 2024 to 2033 period will meet the CBC criteria of being five or more storeys and containing 10 or more residential units. As shown in Table 2, the total

forecast of units in the Town totals approximately 17,000 as included in the 2024 DC Background Study.

Table 2. Forecast of Annual Housing Unit Starts – Town-wide

Year	Single/Semi	Row	Apartment	Total
2024	576	309	0	885
2025	591	355	0	946
2026	607	409	0	1,016
2027	963	436	166	1,565
2028	1,002	496	191	1,689
2029	1,043	564	218	1,825
2030	1,085	642	250	1,977
2031	1,129	731	287	2,147
2032	1,389	909	93	2,391
2033	1,478	968	99	2,545
Total 2024-2033	9,863	5,819	1,304	16,986

As shown in Table 3, the total forecast of units subject to CBCs is approximately 978 apartment unit starts over the 2024 to 2033 period. This represents 75% of the total 10-year forecast of apartment unit starts or 6% of all unit types.

Table 3: Forecast of Annual Housing Unit Starts – Units Subject to CBCs

Year	Single/Semi	Row	Apartment	Total
2024	-	-	0	0
2025	-	-	0	0
2026	-	-	0	0
2027	-	-	125	125
2028	-	-	143	143
2029	-	-	164	164
2030	-	-	188	188
2031	-	-	215	215
2032	-	-	70	70
2033	-	-	74	74
Total 2024-2033	0	0	978	978

Table 4 shows the calculation of persons in units subject to CBCs as a percentage of persons in all units. This calculation uses the occupancy factors or “persons per unit” (PPU) assumptions established as part of the 2024 DC Background Study. The average apartment unit PPU is 2.07 and this, when applied to the total 10-year CBC unit start forecast (978), results in an estimate of 2,030 persons. This represents 4% of the overall 10-year forecast of people in all unit starts (57,800). This 4% figure is used to inform the CBC-eligible percentage of projects that are anticipated to benefit all residential and mixed-use development, as shown in Section 4.

Table 4. Forecast of Persons in Unit Starts, 2024-2033

	Single/Semi	Row	Apartment	Total
Units Subject to CBC	-	-	978	978
All Units	9,863	5,819	1,304	16,986
PPU Assumptions	3.64	3.30	2.07	
Persons in Units Subject to CBC	-	-	2,027	2,027
Persons in All Units	35890	19196	2703	57,789
% of Persons in Units Subject to CBC				4%

Low and high forecasts were developed for the purposes of establishing a CBC revenue forecast. Further details on the forecast revenue is in Section 5. The estimated high-end forecast is for 1,040 units representing 80% of the total forecasted apartment units in the Town while the low-end forecast is 910 units or 70% as presented in Table 5.

Table 5: Town-wide Apartment Growth and High and Low CBC Apartment Developments

Year	Total Annual Growth	High Apartments (5+ Storeys & 10+ Residential Units)	Low Apartments (5+ Storeys & 10+ Residential Units)	Average CBC-Eligible Units
2024	0	0	0	0
2025	0	0	0	0
2026	0	0	0	0
2027	166	133	116	125
2028	191	153	134	143
2029	218	174	153	164
2030	250	200	175	188
2031	287	230	201	215
2032	93	74	65	70
2033	99	79	69	74
Total	1,304	1,043	913	978

4. CBC Capital Program

A. Services Considered

The Act defines the types of projects and capital that can be included in the strategy as: the facilities, services and matters that may be funded with community benefits charges.

In the following Section 5, it is evident that there is not sufficient CBC revenue anticipated to be collected under the four per cent cap to meet the increased needs arising from CBC-eligible development. As such, through the work with Town staff, a priority list of service categories have been identified. The list is based on projects that have lost eligibility for DC funding, projects where DC legislation limits funding due to historical service level restrictions and others. The following services have been included as related to developments subject to the CBC:

- Public Realm & Urban Parks;
- Community Facilities;
- Community Improvement Plans; and
- Civic Administration.

Each service area covers the following matters:

- Service Description;
- Service Delivery and Service Levels Consideration;
- Estimate of Need;
- Consideration of Excess Capacity;
- Capital Cost;
- Identification of any Anticipated Capital Grants, Subsidies or Other Contributions;
- Consideration of Benefit to Existing;
- Relation to funding from Other GFT (if applicable);

- Share of Net Capital Costs related to CBC Eligible Developments.

B. Projects Funded by Multiple GFTs

When a project is identified for funding from both DCs and CBCs it recognizes the CBC development (largely higher density residential) places an incrementally higher demand for the service/project than is permitted under the DCA fifteen-year service level restrictive funding envelope cap. There is no funding of the same share of project from both DC and CBCs.

C. Capital Needs by Service

Table 6 below includes the details by service of the capital needs associated with the forecasted CBC eligible developments in the Town over the ten year period 2024 to 2033. The capital costs included in this Strategy reflect a point in time for this framework but the need for the services is estimated to continue beyond the ten year period in a relationship to the amount of CBC development. Some service categories include provisions for addressing the need arising from CBC development which allow the Town to continue to respond to development as future capital costs arise.

Table 6: CBC Development-Related Capital Program

Project Description	Timing	Gross Project Cost	Grants / Subsidies / Other Recoveries	Net Cost	BTE (%)	Replacement & BTE (\$)	Total Development Related Cost	DC Share (\$)	Non-DC Development Costs	CBC Share (%)	Total CBC Related Costs	Other Funding (incl. PPB)*
1.0 PUBLIC REALM & URBAN PARKS												
1.1 Provision for New Public Art	2024-2033	\$150,000	\$0	\$150,000	33%	\$50,000	\$100,000	\$0	\$100,000	50%	\$50,000	\$50,000
1.2 Streetscaping, Wayfinding and Other Enhancements	2024-2033	\$100,000	\$0	\$100,000	0%	\$0	\$100,000	\$0	\$100,000	100%	\$100,000	\$0
1.3 Urban Parks	2024-2033	\$500,000	\$0	\$500,000	0%	\$0	\$500,000	\$0	\$500,000	100%	\$500,000	\$0
1.4 Provision for Active Transportation	2024-2033	\$250,000	\$0	\$250,000	0%	\$0	\$250,000	\$0	\$250,000	100%	\$250,000	\$0
TOTAL PUBLIC REALM & URBAN PARKS		\$1,000,000	\$0	\$1,000,000		\$50,000	\$950,000	\$0	\$950,000		\$900,000	\$50,000
2.0 COMMUNITY FACILITIES												
2.1 Additional Fire Protection Costs	2024-2033	\$200,694,034	\$0	\$200,694,034	5%	\$9,328,776	\$191,365,258	\$105,573,758	\$85,791,500	4%	\$3,009,583	\$82,781,917
2.2 Additional Library Costs	2024-2033	\$80,765,000	\$0	\$80,765,000	1%	\$627,500	\$80,137,500	\$26,874,631	\$53,262,869	4%	\$1,868,472	\$51,394,397
TOTAL COMMUNITY FACILITIES		\$281,459,034	\$0	\$281,459,034		\$9,956,276	\$271,502,758	\$132,448,388	\$139,054,370		\$4,878,056	\$134,176,314
3.0 COMMUNITY IMPROVEMENT PLANS												
3.1 Bolton, Caledon East, Six Villages CIPs	2024-2033	\$1,500,000	\$0	\$1,500,000	58%	\$869,312	\$630,688	\$0	\$630,688	4%	\$22,125	\$608,564
3.2 Additional CIPs	2024-2033	\$500,000	\$0	\$500,000	58%	\$289,771	\$210,229	\$0	\$210,229	4%	\$7,375	\$202,855
TOTAL COMMUNITY IMPROVEMENT PLANS		\$2,000,000	\$0	\$2,000,000		\$1,159,082	\$840,918	\$0	\$840,918		\$29,500	\$811,418
4.0 CIVIC ADMINISTRATION												
4.1 CBC Strategy and By-law Administration	2024-2033	\$500,000	\$0	\$500,000	0%	\$0	\$500,000	\$0	\$500,000	100%	\$500,000	\$0
TOTAL CIVIC ADMINISTRATION		\$500,000	\$0	\$500,000		\$0	\$500,000	\$0	\$500,000		\$500,000	\$0
TOTAL CBC CAPITAL PROGRAM		\$284,959,034	\$0	\$284,959,034		\$11,165,358	\$273,793,676	\$132,448,388	\$141,345,287		\$6,307,555	\$135,037,732

* Note: Other funding related to development but not funded from 2024 Development Charges By-law or 2024 Community Benefit Charges By-law.

i. Public Realm & Urban Parks

a) Service Description

This service area includes items such as streetscaping, public realm improvements, wayfinding, signage, additional seating, tactical urbanism (i.e. low-cost interventions to the built environment intended to improve local neighbourhoods and gathering places), public art, urban parks, active transportation and other similar capital expenditures.

For greater clarity, the capital costs included are those not eligible for funding through development charges and not part of local service requirements.

These types of infrastructure improvements are very important in areas of redevelopment and higher-density areas to ensure safe, functional and livable communities recognizing the higher level of pedestrian, and other active transportation, activity in these neighbourhoods.

The Town's Official Plan (OP) speaks to the Community Form and Complete Communities under policy 4.1.8 encouraging the creation of diverse mixes of land uses, range of employment, high quality public open space and easy access to local stores and services. In support of this policy direction, the CBC capital program includes a provision for new public art and additional streetscaping, wayfinding and other enhancements. The OP also notes under policy 7.4.4 Community Design that design requirements support the creation of livable, pedestrian-scale public realm which are acutely needed in denser neighbourhoods. Lastly, policy 5.16 Landscape and Streetscape objective is "to enhance by means of landscape and/or streetscape treatments the aesthetic and environmental appeal of ... the Town".

Through adopting the Town's OP, Council has endorsed the provision of these amenities or services throughout the Town and in intensification areas. The capital projects identified in the CBC Strategy are therefore required as part of development in intensification areas.

Further to the Official Plan, local planning documents such as the Bolton Secondary Plan (ongoing) and Mayfield West Secondary Plan speak to building complete communities and the need for a strong sense of place.

Urban Park provision includes the cost of delivery and development of park space in denser neighbourhoods. The need for type of infrastructure increase given many new households in CBC development will not have access to private outdoor space.

Additional active transportation is also a key component to building denser complete communities. In these land use areas, lower use of single-occupancy motorized vehicles result in higher active transportation modes of transportation. A provision for linages and enhanced active transportation has been included in the CBC capital program.

Based on this direction of Council, these costs have been included in the CBC capital program.

b) Service Delivery and Service Levels Consideration

The costs identified for funding from CBCs in the CBC Strategy relate entirely to CBC eligible development. Existing facilities and assets provide servicing to the existing population.

c) Estimate of Need

The need included in the CBC Strategy for recovery from CBC eligible developments is based on discussions with staff, prior expenditures and anticipated cost of investment in intensification areas.

d) Consideration of Excess Capacity

There is no excess capacity identified in the Public Realm & Urban Parks CBC capital program.

e) Capital Cost

The total gross cost of the program is \$1.0 million which includes a provision for public art, additional streetscaping, wayfinding, urban parks, active

transportation and other enhancements. The provision for public art is based on the incremental need arising from development and is based on supportive five artist installations a year for the next ten years. A general provision for additional streetscaping, wayfinding and other enhancement has also been included to meet the needs arising from CBC development.

f) Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies or other contributions have been identified for the projects included in the capital program.

g) Consideration of Benefit to Existing

A one-third share of the provision for additional public art has been allocated to benefit the existing population recognizing that not the full cost of the public art provision is driven by growth. As noted in the next section, a further 33% is also related to non-CBC growth. The entire cost of the streetscaping, wayfinding, urban parks, active transportation and other enhancement provision is CBC related as those costs are in addition to the existing program the Town will undertake to service existing residents and other growth in non-CBC eligible developments.

h) Relation to funding from Other GFT (if applicable)

None of the identified projects have funding from other growth funding tools. A share of \$50,000 has been removed from the CBC eligible share related to New Public Art. This capital cost is related to development in the Town that does not fall within the CBC eligible development threshold.

i) Share of Net Capital Costs related to CBC Eligible Developments

The CBC related costs total \$900,000 over the ten-year period from 2024 to 2033.

ii. Community Facilities

a) Service Description

Community Facilities service area encompasses a variety of facilities available to residents of Caledon. Community facilities include costs associated with theatres, culture hubs, community centres, libraries, protection (fire), and other facilities intended for community use in the Town.

The Town of Caledon is a vibrant community with a wide range of facilities. As the Town continues to grow, there is a need to construct new community facilities and expand existing facilities. Some of these needs are eligible to be funded from development charges, such as library and fire facilities, but the DCA has limitations. Some community facilities are not eligible for DC funding, notably theatres, art galleries and other cultural facilities; as such, the rules under the DCA restrict the funding of DC eligible community facilities. CBCs can assist in funding a share of development-related community facility needs that are not eligible for other growth-funding tools. For greater clarity, although the same facility appears in both the DC Study and CBC Strategy, separate components are being funded from each tool as is contemplated for and permitted under the legislation.

b) Service Delivery and Service Levels Consideration

Existing service levels for community facilities included in the CBC capital program can be found in the Town's 2022 DC Background Study. The amounts that exceed the DC historical service level are required to meet the additional demand and costs arising from higher density residential development.

c) Estimate of Need

The need for community facilities driven by CBC developments is based on planned capital projects, and costs ineligible for funding in the Town's 2022 DC Background Study but deemed development-related.

d) Consideration of Excess Capacity

Excess capacity has not been identified for this service area.

e) Capital Cost

The capital cost included in the CBC Strategy totals \$281.4 million which includes Fire Protection and Library costs.

f) Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies or other contributions have been identified for community facilities.

g) Consideration of Benefit to Existing

Benefit to existing shares are identified for the program equivalent to the amounts identified in the 2022 DC Background Study. Further details on the shares can be found in Appendix B of the DC Study.

h) Relation to funding from Other GFT (if applicable)

The shares of Fire Protection costs related to funding from DCs is \$105.6 million and the share of Library costs related to DCs is \$26.9 million. An additional \$134.2 million of the Community Facility costs is related to other funding and could be considered for funding from future DC Background Studies.

i) Share of Net Capital Costs related to CBC Eligible Developments

The net capital cost associated with CBC eligible developments for this service is \$4.9 million. For both provisions in this service area the share of costs eligible for recovery is 4% based on shares of CBC eligible development and total ten-year residential growth in the Town.

iii. Community Improvement Plans

a) Service Description

The service area of Community Improvement Plans (CIP) includes capital costs related to costs associated with the Town's existing CIPs and potential future CIPs. The Town uses CIPs to incentivise specific programs and capital improvements within defined geographical boundaries.

b) Service Delivery and Service Levels Consideration

Funding for the existing CIPs is currently largely through property taxes and the approximate expenditures has been \$560,000 for the Bolton CIP since 2009 as identified in the January 17, 2023 Staff Report. This amount includes all types of grants provided by the Town and was used to improve the overall communities where intensification and redevelopment is occurring.

c) Estimate of Need

The Town is currently undertaking a review of the Bolton CIP and could look to establish additional CIPs over the next ten years.

d) Consideration of Excess Capacity

There is no excess capacity identified in the Community Improvement Plan service category.

e) Capital Cost

The gross capital cost associated with the CIP program is \$2.0 million.

f) Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies or other contributions have been identified for this service.

g) Consideration of Benefit to Existing

It is recognized that there might be some benefit to existing land uses from the addition of parking and therefore a 58% BTE allocation has been made

in the CBC CIP capital program, based on shares of population growth over the existing base.

h) Relation to funding from Other GFT (if applicable)

No other GFT funding has been identified for the CIP service area.

i) Share of Net Capital Costs related to CBC Eligible Developments

The total CBC eligible cost is \$29,500 or 4% of the development-related costs. This share is based on total forecasted residential development in the Town between 2024 to 2033 and the growth anticipated to occur in CBC eligible developments.

iv. Civic Administration

a) Service Description

The cost of the CBC Strategy itself is eligible under the Act and included in this service category is the implementation of the strategy. Costs within the Civic Administration CBC capital program are related to future updates to the CBC Strategy and By-law.

b) Service Delivery and Service Levels Consideration

Inclusion of the CBC Strategy and implementation does not increase the level of service provided to existing residents.

c) Estimate of Need

Included in this service area are costs related to updating the CBC Strategy and costs to for future updates to the CBC Strategy and By-law.

d) Consideration of Excess Capacity

No excess capacity exists for this service.

e) Capital Cost

The gross cost included in the capital program totals \$500,000 over the ten-year planning period.

f) Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies or other contributions have been identified for this service.

g) Consideration of Benefit to Existing

No benefit to existing has been identified as these costs relate entirely to CBC eligible development.

h) Relation to funding from Other GFT (if applicable)

No other growth-related funding tools are available for this service.

i) Share of Net Capital Costs related to CBC Eligible Developments

The entire cost of \$500,000 is therefore eligible for recovery from CBC developments. The need for this is solely driven by CBC development and so no shares are netted off for other residential and non-residential growth in the Town.

5. CBC Revenue Analysis & Rate Structure

A. CBC Capital Needs Greater than Projected CBC Revenue

As described above in Section 4, the total cost of the CBC-eligible capital program is \$6.3 million. However as the total forecasted revenue identified is approximated between \$2.0 million to \$2.3 million it is evident that the capital needs cannot be fully funded by potential CBC revenues.

For the purposes of projecting CBC revenues under the 4% cap, the forecast of apartment units subject to CBCs was estimated using past development and proposed planning application data, as shown in Table 7. Land values at the time of building permit, observed within the historical development pipeline data, vary considerably across, and across the Town. The average per-unit land value in current (2022) dollars is calculated at approximately \$55,500.

Applying the legislated 4% cap, it is anticipated that the average unit will contribute approximately \$2,200 in CBCs. This results in a high level estimate of potential CBC revenues of approximately \$2.0 million for the Town over the 2024-2033 period.

As discussed in Section 4, the total cost of the CBC-eligible capital program over the same 2024-2033 period is \$6.3 million. As such, it is evident that the capital needs cannot be fully funded by potential CBC revenues.

Table 7: Estimate of Potential CBC Revenues, 2024-2033

Area	Average CBC Revenue
Low (70%)	\$2.0 million
Average (75%)	\$2.2 million
High (80%)	\$2.3 million

B. Proposed Rate Structure is as a Percentage of Site Land Value

It is proposed that the CBC levy rate will be based on a uniform 4% of land value across the Town. Developments that meet the criteria set out in Section 37 (4) of the Act will be subject to the charge excluding those listed as exempt under O.Reg. 509/20.

C. Land Appraisal Process

Individual CBC obligations will be calculated based on the market value of the site on the day before issuance of the first building permit. Payment is required prior to the issuance of a building permit by the Town. In accordance with subsection 37 (44) of the Act. If the developer considers the charge is higher than four per cent of land value, they submit a payment under protest and must submit an alternate appraisal within 30 days. The Town then has 45 days to provide the appraisal upon which the charge was based.

E. CBC Special Account

i. Existing Reserves

Existing reserves to be transferred to the CBC Special Account include any unspent or unallocated portions of ineligible DC reserves less any prior commitments.

ii. CBC Reserve

Subsection 37 (45) of the Act requires that a single CBC special account be established. This is unlike DC reserves which are dedicated to specific service areas as defined in the DC by-law. The funds in the CBC reserve will include any existing reserves from non-eligible DC services and CBC monies collected.

Annually, the Town must allocate or spend 60 per cent of the funds in the special account to CBC-eligible projects and the following information shall be provided to the public each year in the respect of the preceding year:

1. Statements of the opening and closing balances of the special account and of the transactions relating to the account.
2. In respect of the special account referred to in subsection 37 (45) of the Act, statements identifying,
 - i. facilities, services and matters acquired during the year with funds from the special account;
 - ii. details of the amounts spent; and
 - iii. for each facility, service or matter mentioned in subparagraph i, the manner in which any capital cost not funded from the special account was or will be funded.

3. In respect of the special account referred to in subsection 42 (15) of the Act, statements identifying,
 - i. land and machinery acquired during the year with funds from the special account;
 - ii. buildings erected, improved or repaired during the year with funds from the special account;
 - iii. details of the amounts spent; and
 - iv. for each asset mentioned in subparagraphs i and ii, the manner in which any capital cost not funded from the special account was or will be funded.
4. The amount of money borrowed from the special account and the purpose for which it was borrowed.
5. The amount of interest accrued on any money borrowed from the special account.

D. Statutory Exemptions

O.Reg. 509/20 includes the following statutory exemptions:

1. 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.
2. 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.

3. 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.
4. 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.
5. Development or redevelopment of a building or structure intended for use as a hospice to provide end of life care.
6. 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. O. Reg 509/20, s. 1, 8.

6. Implementation & Administration

A. Consultation

The Act requires that a municipality consult with such persons and public bodies as the municipality considered appropriate. Subsection 37 (10) indicates that, at the discretion of the Town, consultation shall be conducted. For this 2024 CBC Strategy, the Town has met with the development industry on multiple occasions in 2023 and early 2024. In addition, the Town provided draft information for public review by posting of the CBC Strategy and Draft By-law on the Town's website in advance of anticipated date of passage.

B. By-Law Passage, Notice and Appeal Provisions

The CBC By-law is anticipated to be passed in mid 2024. The commencement of the by-law will be on the date the by-law is passed or the specified in the by-law, whichever is later in accordance with subsection 37 (11) of the Act.

A notice of passage is required to be provided no later than twenty days after passage, subsection 37 (13) of the Act. Furthermore, O.Reg. 509/20 subsection 4(2) states that a notice shall be given to every owner of land in the area to which the by-law applies, every person and organization that has written request for the notice, upper-tier municipalities, school boards and by publication in a newspaper of sufficient general circulation.

A CBC by-law may be appealed to the Ontario Land Tribunal within forty days of passage by filing with the clerk of the Town. The Tribunal is limited in its ability to amend the CBC By-law including not being able to increase the amount of CBCs that will be payable in any particular case, add, remove or

reduce the scope of an exemption, change a provision for a phasing in so as to make the charges payable earlier and change the date the by-law will expire.

C. Treatment of In-Kind Contributions

The Town may allow developers to pay CBCs in part or in whole with in-kind contributions. Such contributions will be evaluated on a case by case basis.

Paragraphs 6-8 of subsection 37 of the Act guide the legislative framework for the consideration of in-kind contributions:

In-kind contributions

(6) A municipality that has passed a community benefits charge by-law may allow an owner of land to provide to the municipality facilities, services or matters required because of development or redevelopment in the area to which the by-law applies. 2020, c. 18, Sched. 17, s. 1.

Notice of value of in-kind contributions

(7) Before the owner of land provides facilities, services or matters in accordance with subsection (6), the municipality shall advise the owner of land of the value that will be attributed to them. 2020, c. 18, Sched. 17, s. 1.

Deduction of value of in-kind contributions

(8) The value attributed under subsection (7) shall be deducted from the amount the owner of land would otherwise be required to pay under the community benefits charge by-law. 2020, c. 18, Sched. 17, s. 1.

The CBC by-law will provide for the potential acceptance of CBC in-kind contributions consistent with the legislative requirements.

D. CBC Payment Dispute Mechanism

Developers may dispute the CBC charge by paying in protest and submitting an alternate appraisal. If the appraisals are within 5% of each other the Town must refund the difference. However, if the appraisal difference is greater than 5%, the Town will request the developer to select one of three appraisers from a Town list. That will be the final appraisal and if it results in a lower CBC rate than paid, the Town must refund the difference. Figure 2 below provides a summary of the appraisal and dispute process.

Figure 2: Payment Dispute Mechanism

	Planning Act	Timing	Action	Outcome
Charge as set by Municipality	37(44)	Building permit	Developer pays	Payment received – process complete
			Developers pays under protest	New appraisal required
Payment under protest	37(33)	30 days	Developer submits appraisal to Municipality	Municipality review need for new appraisal or accept value
Municipality disputes developer’s value	37(35)	45 days	Municipality submits appraisal to applicant	Joint review - if less than 5% difference, use higher value
Arbitrated value	37(38)	60 days	Applicant picks appraiser from Municipality roster	New appraisal sets value
In-kind contribution	37(7)	Before providing service / facility	Municipality to advise applicant of in kind value	No appeal process. Value is deducted from charge

Appendix
Draft CBC By-law
(TO BE PROVIDED UNDER SEPARATE COVER)