



Ontario
Home Builders'
Association

Community Benefits Charges Discussion
London HBA / West End HBA /
Greater Ottawa HBA / Simcoe County HBA

Monday March 23, 2020

MMAH - CBC Consultation

- Bill 108 (More Homes, More Choice) – passed June 2019
- First Regulatory consultation on Reg in summer 2019
- Technical consultations in fall 2019
- Current regulatory posting on Feb 28 (ERO 019-1406)
- OHBA engaged with Ministry for additional consultation
- Submissions due on March 30, 2020

Community Benefits Charges proposed to replace existing municipal tools:

- Density bonusing under section 37 of the Planning Act;
- Parkland dedication under sections 42 and 51.1 of the Planning Act;
- Some DCs for discounted (“soft”) services under the Development Charges Act

Bill 108

Community Benefits Charge

Some Soft service DCs & parkland dedication requirements are to be replaced with a new “Community Benefit Charge”.

SH1

Municipality is required to have a community benefit strategy before passing a community benefits charges bylaw

Municipalities will have to transition to the new system one year after regulation is passed.

Certain types of development may be excluded
This will be prescribed in regulation

Amount of the charge will be a maximum of a prescribed percentage of value of the lands.

Valuation date for the lands is the date of first building permit issuance.

Bill 138

Budget
Measures Act

Bill 138 was tabled on November 6th as part of Ontario's Fall Economic Statement (passed in Dec)

Legislation contains 40 Schedules amending many Acts

Schedule 10 amends the Development Charges Act to remove Industrial and Commercial development from five year deferred annual installments to pay DCs

Schedule 31 amends the Planning Act to allow any person or public body to appeal a Community Benefits Charge by-law to the LPAT.

Proposed Regulation

1. Required content of a community benefits charge strategy

To provide greater clarity about the components of a community benefits charge strategy, it is proposed that a municipality would need to include the following content in their strategy:

- The anticipated type, amount and location of development or redevelopment that would be subject to a community benefits charge
- The anticipated increase in the need for a specific community service (for example, the acquisition of land for parks, affordable housing, child care, etc.) resulting from new development or redevelopment
- A parks plan that examines the need for parkland in the municipality
- The amount of parkland per person currently being provided in the municipality, and if this is planned to increase, decrease or stay the same
- The capital costs associated with the increased need for a specific community service resulting from new development or redevelopment
- The excess capacity that exists in those specific services (for example, the extra capacity that exists in a service that is not currently being used)
- Whether the increased provision of those specific services would also serve existing residents (for example, existing residents may also benefit from new child care facilities that are needed as a result of new development or redevelopment)
- Any capital grants, subsidies, or contributions from other levels of government or other sources like donations that are anticipated to be made to support those specific services

Proposed Regulation

2. Services eligible to be funded through development charges

It is proposed that the following services would be identified in regulation under subsection 2(4) of the *Development Charges Act*:

- Public libraries, including library materials for circulation, reference or information purposes
- Long-term care
- Parks development, such as playgrounds, splash pads, equipment and other park amenities (but not the acquisition of land for parks)
- Public health
- Recreation, such as community recreation centres and arenas

Development charges may be imposed to fully recover the capital costs related to the provision of these proposed services due to new growth. These proposed services would be ineligible to be funded through community benefits charges.

Proposed Regulation

3. Percentage of land value for determining a maximum community benefits charge

The proposed percentages of land value that would be prescribed in regulation under the Planning Act would be structured as follows:

- single-tier municipalities: 15%
- lower-tier municipalities: 10%
- upper-tier municipalities: 5%

In any particular case, the community benefits charge levied by a municipality could not exceed the amount determined by applying the applicable proposed percentage to the value of the land that is subject to development. The land value would be calculated as of the valuation date, which is the day before the date the building permit is issued in respect of the development or redevelopment.

Proposed Regulation

4. Timeline to transition to the new community benefits charge regime

It is proposed that the specified date for municipalities to transition to the community benefits charges regime would be one year after the date the proposed community benefits charge regulation comes into effect.

This transition period would allow municipalities to prepare community benefits charge strategies and pass by-laws if they choose to implement a community benefits charge regime.

5. Community benefits charge by-law notice

To implement the appeal mechanism, it is proposed that upon passage of a community benefits charge by-law, a municipality would be required to comply with the following notice provisions. These provisions are similar to the notice provisions under the *Development Charges Act* regarding the passage of a development charges by-law:

6. Minimum interest rate for community benefits charge refunds where a by-law has been successfully appealed

7. Building Code applicable law

Community Benefits Charges

Key Issues



Proposed required content of a CBC strategy



Eligible services – 5 items moving back to DCs at 100% recovery

Libraries / Long-Term Care/ Parks Development / Public Health / Recreation



Proposed percentage of Land Value for Max CBC

Single Tier 15% / Lower-Tier 10% / Upper-Tier 5%



Proposed transition policy to new CBC Regime



High rise/High density should be treated differently than
Low density greenfield residential development



Timing of appraisal at building permit stage

Next Steps
OHBA needs
members
help!

OHBA Submission – Due March 30

OHBA encouraging local HBAs & members to make submissions on March 30 to:
john.ballantine@ontario.ca

OHBA is seeking specific real-life project examples running through the numbers.

OHBA is seeking strong rationale through examples of why timing of appraisal at permit stage is a problem.



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Discussion / Questions

