



Town of Whitchurch-Stouffville Community Benefits Charge Strategy

By-law Passage

June 26, 2024

Introduction



- The Town of Whitchurch-Stouffville (Town) retained Watson & Associates Economists Ltd. (Watson) to undertake a Community Benefits Charge (C.B.C.) Strategy process.
- The Town undertook a C.B.C. feasibility assessment which went to Council June 1, 2022. Council directed staff to proceed with the preparation of a C.B.C. Strategy and By-law.
- The purpose of this presentation is to summarize the findings and recommendations of the Town's C.B.C. Strategy and address questions

Growth-Related Capital Funding Context



- C.B.C.s are a discretionary funding tool to recover the capital costs related to high-density development and redevelopment
 - C.B.C. replaces previous s.37 *Planning Act* community benefit agreements where increases in height and density were required, providing broader application to eligible high-density development
- C.B.C. is a growth-related capital funding tool for municipalities, in addition to Development Charges (D.C.) and Parkland Dedication/Payment-in-lieu tools
 - There are no service restrictions for a C.B.C., including D.C. eligible services and parkland, but cannot fund the same capital costs within these by-laws
 - D.C. and Parkland Dedication provide for broader application on all types of development, where as C.B.C. only applies to specific high-density residential development types

Legislative Context



- The *COVID-19 Economic Recovery Act (Bill 197)* 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
 - Capital costs may include development charge (D.C.) eligible services and parkland needs, but must not be for the same capital costs recovered under a D.C. by-law or Parkland Dedication by-law



Legislative Context – More Homes Built Faster Act

- The Province passed the *More Homes Built Faster Act, 2022* on November 28, 2022 (Bill 23)
- This Bill amended a number of pieces of legislation, including the D.C.A. and *Planning Act*
 - These changes impact development charges (D.C.s), community benefits charges (C.B.C.s), and parkland dedication
- Amendments further restrict the Town's ability to collect revenues to fund growth-related capital expenditures
- Amendments include:
 - Exemptions for affordable, attainable, inclusionary zoning affordable residential units and non-profit housing units.

Legislative Context – Affordable Homes and Good Jobs Act, 2023



- On December 4, 2023, the *Affordable Homes and Good Jobs Act (Bill 134)*, received Royal Assent.
- This Bill amends the definition of Affordable Housing in the D.C.A. and *Planning Act* related to D.C.A. and Planning Act.
 - The new definition introduced an income-based test related to both rental and owned affordable residential units
 - The percentage of average purchase price that is considered affordable is 90% related to owned residential units
 - The average purchase price and rental prices along with the income-based tests are set out in the Residential Units Bulletin provided by the Minister of Municipal Affairs and Housing (released May 1, 2024).

Legislative Context – Affordable Homes Bulletin



- Based on the Bulletin, the following are the thresholds for Whitchurch-Stouffville to measure against:
 - Owned Units:
 - The average household income of \$513,800 for all residential unit types is the lesser of the two tests as is therefore, to be used vs. 90% of average purchase prices:
 - Detached house at \$1,350,000
 - Semi-detached house at \$909,000
 - Row/townhouse at \$846,000
 - Condominium Apartment at \$882,000
 - Rental Units:
 - The average monthly market rent for all units is the less of the two tests as the average rent base on income is \$2,550 vs. the average monthly market rents of:
 - Bachelor Unit: \$1,022
 - 1-Bedroom Unit: \$1,511
 - 2-Bedroom Unit: \$1,779
 - 3+ Bedroom Unit: \$2,021

Legislative Context



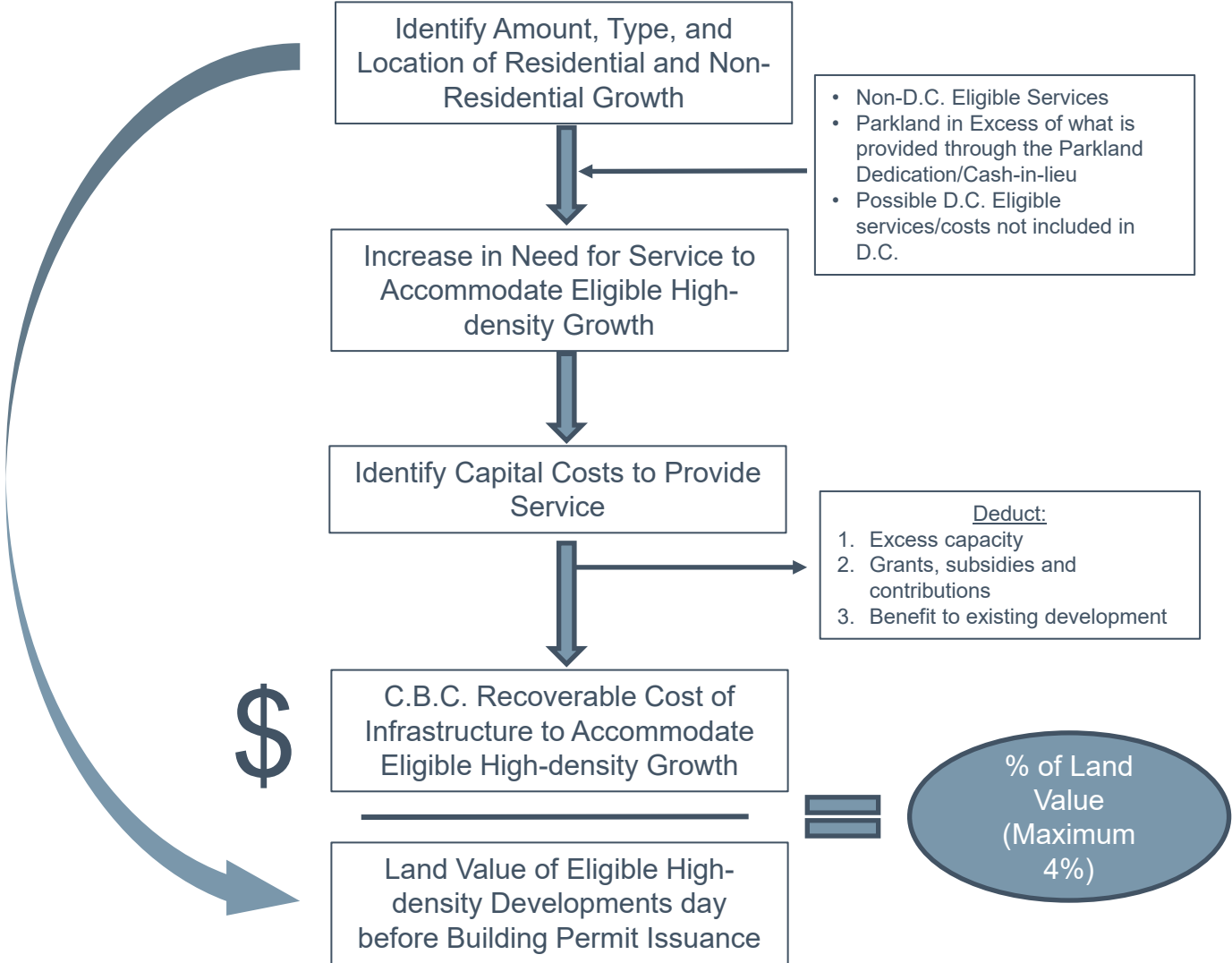
- Before passing a C.B.C by-law the municipality must:
 - prepare a strategy that:
 - identifies the facilities, services and matters that will be funded with community benefits charges; and
 - complies with the prescribed requirements (defined by O. Reg. 509/20)
 - consult with such persons and public bodies as the municipality considers appropriate
- C.B.C.s may only be imposed on buildings or structures with at least five (5) storeys and containing at least ten (10) residential dwelling units

Legislative Context



- Statutorily exempt developments include:
 - long-term care, retirement homes, non-profit housing, colleges, universities, post-secondary indigenous institutes, Royal Canadian Legions and hospices
 - affordable, attainable, inclusionary zoning and non-profit housing unit exemptions
- A C.B.C. by-law may be appealed to the Ontario Land Tribunal within 40-days of by-law adoption
- Once imposed, the applicant may pay the C.B.C. under protest if it exceeds the prescribed rate
 - The prescribed maximum rate is 4% of the property's land value prior to the day of building permit issuance

Simplified C.B.C. Methodology/Calculation



Anticipated Growth in C.B.C. Eligible Developments (10-year)



- Growth forecast prepared by Watson based on:
 - York Region Official Plan Review Forecast, adopted in May 2023;
 - Town of Whitchurch-Stouffville 3rd Draft Official Plan, June 2023;
 - Town of Whitchurch-Stouffville 2023 Development Charges Background Study, September 28, 2023, by Watson & Associates Economists Ltd.
 - 2011, 2016 and 2021 population, household, and employment Census data;
 - Historical residential building permit data over the 2014 to 2023 period;
 - Residential and non-residential supply opportunities as identified by Town of Whitchurch-Stouffville staff; and
 - Discussions from Town staff regarding anticipated residential and non-residential development in the Town of Whitchurch-Stouffville.
- Net growth population is anticipated to increase to by , 14,348 persons between mid-2024 and by mid-2034 forecast (excluding institutional population). This population is anticipated to be housed in 5,462 additional residential units.

Anticipated Growth in C.B.C. Eligible Developments (10-year)



Residential Development for which a Community Benefits Charge can be Imposed are identified as Apartments – Eligible C.B.C. Units

Development Location	Timing	Single & Semi-Detached	Multiples ¹	Apartments ²			Total Residential Units
				Units in C.B.C. Ineligible	Units in C.B.C. Eligible	Total Apartment Units	
Whitchurch-Stouffville	Mid-2024 - Mid-2034	2,122	1,331	300	1,709	2,009	5,462

Source: Derived from Durham Region Growth Management Strategy (ongoing) and the Region of Durham Region-Wide Development Charge Background Study (2022), 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.

Estimated Land Value for C.B.C. Eligible Developments



C.B.C. Eligible Growth	Total
C.B.C. Eligible Units	1,709
Estimated High Density units per ha.	138
Estimated Hectares of Land	12
Average Value of Land/ha.	\$4,300,000
Estimated Total Value of Land	\$53,202,104

Anticipated Residential and Non-Residential Growth (10-years)



Residential Population and Non-Residential Employment	Population/ Employment	Residential/ Non-Residential %
Residential Net Population	14,859	83%
Employment	3,149	17%
Total Population & Employment (Mid-2024-Mid-2034)	18,008	100%

Anticipated Growth in C.B.C. Eligible Developments (10-years)



Residential Density	Residential Population	% of Gross Population in New Units
Low/Medium Density	10,502	74%
High Density	3,689	26%
Total Residential Unit Forecast (Mid-2024-Mid-2034)	14,191	100%

Residential High Density	Residential Population	% of Gross Population in High Density Units
Eligible High Density	3,138	85%
Ineligible High Density	551	15%
Total Residential High Density Forecast (Mid-2024-Mid-2034)	3,689	100%

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



- Capital costs for all Town services were considered, with the following inclusions in the C.B.C. Strategy:
 - Parks and Recreation Services;
 - Fire Protection Services;
 - Library Services;
 - Culture and Tourism Services;
 - Growth-related studies;
 - Growth related Information Technology Needs;
 - Corporate Initiatives for Town Hall;
 - Economic Development Strategies;
 - Operations Centre and Streetscape Improvements; and
 - C.B.C. Strategies

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



- Town staff undertook a prioritization review and the capital costs identified for inclusion in the C.B.C. were:
 - C.B.C. Strategies; and
 - Parks and Recreation Services, including amount in excess of what the D.C. historical level of services will provide for two projects:
 - Baker Hill North Park - Tovtel / Stouff Con 8 (2 tennis courts/splash pad); and
 - New Leisure Centre.

C.B.C. Calculations and Proposed Charges



- The growth-related needs identified for potential recovery through the C.B.C equates to approximately \$4.88 million
- These costs represent approximately 9.17% of the total land value forecasted for eligible high-density developments, based on an average land value of approximately \$4.3 million per hectare.
- As the capital needs exceed the maximum charge that can be levied on the eligible units, the legislative maximum of 4% of land value is recommended to be imposed.

C.B.C. Calculations and Proposed Charges



Services	Gross Cost	Benefit to Existing Deduction	Grants, Subsidies & Other Contributions	Net Growth-Related Costs	C.B.C. Eligible Costs
CBC Strategies	\$53,200	\$0	\$0	\$53,200	\$53,200
Parks and Lesiure	\$22,993,000	\$0	\$0	\$22,993,000	\$4,827,380
Total Potential Capital Program	\$23,046,200	\$0	\$0	\$23,046,200	\$4,880,580
Total Land Value					\$53,202,104
Calculated Percentage to Recover all Costs Identified					9.17%
Amount of Capital in Excess of the Maximum Eligible Percentage					\$2,752,496
Maximum Eligible Amount based on Total Land Valuation					\$2,128,084
Recommended C.B.C. (as percentage of land value)					4.00%

Other Comparative Area Municipalities



Municipality	C.B.C. Basis
Markham, City of	4% of appraised land value
Newmarket, Town of	4% of appraised land value
Oshawa, City of	Per Dwelling Unit
Richmond Hill, City of	4% of appraised land value
Vaughan, City of	4% of appraised land value
Whitchurch-Stouffville, Town of	4% of appraised land value

C.B.C. By-law Policies



- C.B.C.s would be calculated, payable, and collected at the time of building permit issuance
- The Town may accept in-kind contributions, which will be credited against the C.B.C.s payable
 - Council will determine value of in-kind contributions at the time of each offer by developing landowners

C.B.C. By-law Policies



- Statutory Exemptions

- Development and redevelopment with fewer than five storeys at or above ground with fewer than 10 residential units;
- Developments subject to a previous Section 37 community benefits agreement;
- Long-term care homes, retirement homes, universities, colleges, and indigenous institutes, Royal Canadian Legion, hospices, and not-for-profit housing developments;
- Affordable residential units;
- Attainable residential units;
- Affordable residential units defined in inclusionary zoning by-laws; and
- Non-profit residential housing units.

C.B.C. Strategy and By-law Process to date



- C.B.C. Strategy has been undertaken (Spring 2023 to Spring 2024)
 - Data collection, land valuation analysis, growth forecast development, capital needs assessment
 - Town Staff review and prioritization exercise of capital needs
 - C.B.C. calculations and policy work
- Consultation with BILD and key stakeholders (May 22, 2024)
- Release of the C.B.C. Strategy and draft by-law (May 22, 2024)
- Public Consultation Meeting of Council to present the C.B.C. Strategy and proposed by-law (June 5, 2024)
- Received written submission from BILD and key stakeholders related to the strategy (June 4, 2024)
- Revised draft by-law based on comments from BILD and key stakeholders (June 13, 2024)

Next Steps



- Council considers adoption of C.B.C. Strategy and passage of by-law June 26, 2024
- Effective date of by-law anticipated for June 26, 2024
- Notice of Passage of By-law no later than July 16, 2024
- Appeal Period ends August 5, 2024
- Implementation of the By-law
 - Create a webpage on the Town's website dedicated to CBC information, including access to the approved Council report, the Strategy, and the accompanying By-law.
 - Develop a CBC guideline outlining how the 4% will be applied.
 - Work with Development Services to confirm CBC calculations as needed.



Questions?