

Community Benefits Charge Strategy

July 25, 2022



Contents

List of Acronyms	1
List of Tables	2
List of Figures	3
Executive Summary	4
1. Introduction	7
A. Introduction and Background	7
B. Legislative Context & Regulatory Requirement	8
2. Purpose of the 2022 Community Benefits Charge Strategy	9
A. Key Steps in Determining CBCs	9
B. Proposed Methodology & Approach	10
C. CBC Capital Program	10
3. Development Forecast	12
A. Proposed 10-Year Planning Horizon	12
B. Consistent with the DC Development Forecast	12
C. Forecast of CBC Eligible Developments	16
4. CBC Capital Program	17
A. Services Considered	17
B. Projects Funded by Multiple GFTs	18
C. Capital Needs by Service	18
5. CBC Revenue Analysis & Rate Structure	37
A. CBC Capital Needs Greater than Projected CBC Revenue	37

B.	Proposed Rate Structure is as a Percentage of Site Land Value	38
C.	Land Appraisal Process	38
D.	Statutory Exemptions	40
6.	Implementation & Administration	42
A.	Consultation	42
B.	By-Law Passage, Notice and Appeal Provisions	42
C.	Treatment of In-Kind Contributions	43
D.	CBC Payment Dispute Mechanism	44
	Appendix – CBC By-Law	45

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

OP Official Plan

PPB Post-Period Benefit

PPU Persons Per Unit

List of Tables

Table 1. Summary of CBC Capital Program (\$000s)..... 11

Table 2. Forecast of Annual Housing Unit Starts – City-wide..... 13

Table 3: Forecast of Annual Housing Unit Starts – Units Subject to CBCs.. 13

Table 4. Forecast of Persons in Unit Starts, 2022-2031 14

Table 5: City-wide Apartment Growth and High and Low CBC Apartment Developments 15

Table 6: Summary of Shares of Total Population and Employment Development vs CBC Eligible Population Growth 15

Table 7: Breakdown of City-wide CBC Growth by Defined Areas 16

Table 8: CBC Development-Related Capital Program..... 19

Table 9: Annual Needs-based New Housing Unit Targets for Mississauga 2018-2028..... 22

Table 10: Estimate of Potential CBC Revenues, 2022-2031 38

List of Figures

Figure 1. Key Steps in Determining CBCs..... 9

Figure 2: Payment Dispute Mechanism..... 44

Executive Summary

A. Purpose of 2022 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 City of Mississauga 2022 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.

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;
- 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 2022 to 2031, the City is anticipated to grow by approximately 24,000 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 \$47.6 million. 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 \$133.1 million. The CBC eligible costs exceed the amount that can be funded under the four per cent cap.

D. Application of CBCs

The City of Mississauga 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 City-wide basis to all eligible developments notwithstanding statutory exemptions in subsection 37 (4) (e) of the Act and the City's CBC By-law.

1. Introduction

A. Introduction and Background

The City of Mississauga 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 City. 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 City will make this CBC Strategy and the draft CBC by-law available for public comment before Council's passage of the by-law. A number of industry information and engagement sessions were held prior to Council's consideration of the CBC Strategy and by-law and a public meeting is proposed to be held in the spring of 2022. Following completion of this consultation process, Council will review the strategy, the comments received regarding this report and any other information brought to Council's attention regarding the proposed rate. Finally, Council will pass a new Community Benefits Charge by-law for the City.

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.

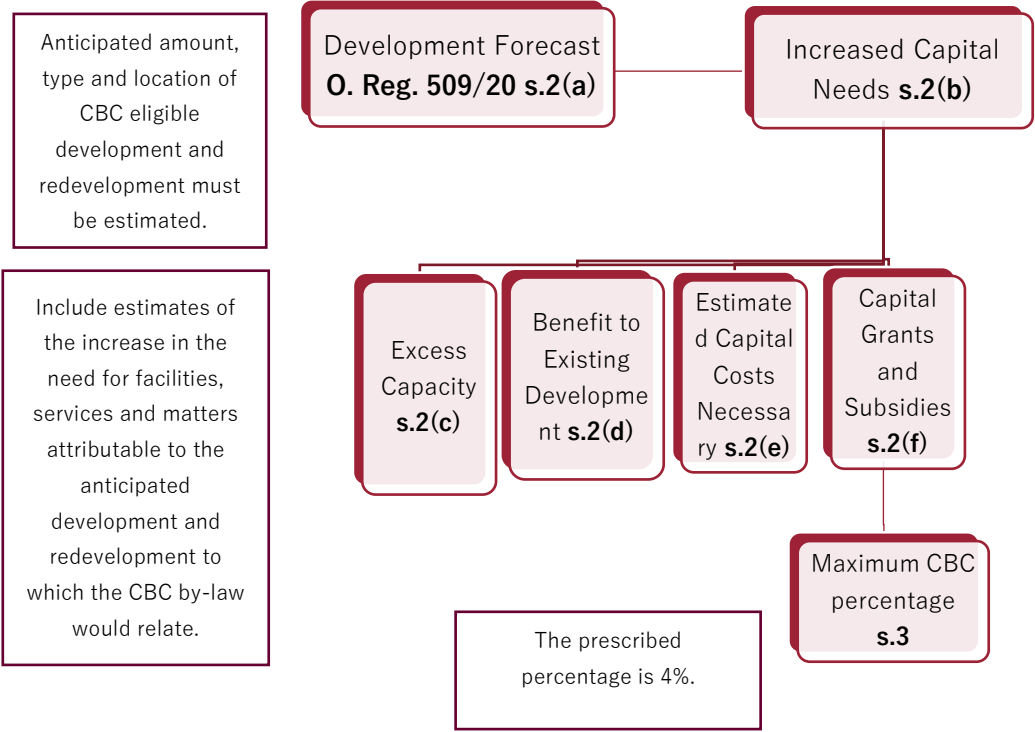
The new section 37 sets out the relationship between community benefits charges and other growth-related funding tools, including the development charges levied under the Development Charges Act, 1997.

2. Purpose of the 2022 Community Benefits Charge 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 City of Mississauga, the charge is levied on a land value basis not exceeding the legislated maximum of four per cent.

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 City 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 City-wide basis. This approach enables the City to maximize revenue collections to help fund growth-related costs. The City 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 City staff and relies on previous work completed for the 2022 capital budget, 2022 DC Background Study, Parks Master Plan and the previous use of Section 37 contributions.

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 \$469.3 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. Grants and subsidies total \$12.3 million and are netted off the municipal eligible cost.

As indicated in Table 1 below, the resulting net municipal cost is \$457.0 million. Replacement or benefit to existing shares removed from the eligible recovery costs total \$99.6 million and relate to Housing, Community Facilities, Active Transportation and Parking projects. Lastly, of the total development-related cost of \$357.4 million, only a portion of \$139.1 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	Net Cost	Total		DC Funding	Other GFT	Total CBC Related Costs
		Replacement & BTE (\$)	Development Related Cost			
1.0 HOUSING	\$120,000	\$66,720	\$53,280	\$0	\$17,936	\$35,344
2.0 PUBLIC REALM & ROAD SAFETY	\$17,870	\$0	\$17,870	\$0	\$2,256	\$15,614
3.0 COMMUNITY FACILITIES	\$21,861	\$10,975	\$10,886	\$4,713	\$2,078	\$4,094
4.0 ACTIVE TRANSPORTATION	\$22,280	\$8,899	\$13,381	\$0	\$4,505	\$8,876
5.0 URBAN PARKS	\$187,495	\$0	\$187,495	\$136,744	\$13,718	\$37,032
6.0 PARKING	\$87,000	\$13,050	\$73,950	\$0	\$42,284	\$31,666
7.0 CIVIC ADMINISTRATION	\$500	\$0	\$500	\$0	\$0	\$500
TOTAL COST	\$457,006	\$99,644	\$357,361	\$141,458	\$82,777	\$133,127

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 approved Official Plan designated urban areas and is consistent with the 2022 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 City establishes capital budgets on a 10-year basis and the CBC Strategy capital programs are in line with the internal City capital planning time-frame. In addition, the time frame aligns with the 2022 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 2022-2031.

B. Consistent with the DC Development Forecast

The forecast for the CBC Strategy was based on the forecast used in the City's 2022 DC Background Study (DC Study) which is derived from Schedule 3 of the Growth Plan for the Greater Golden Horseshoe and the forecast population allocations from the Region of Peel.

Based on the city's current development pipeline data, it is anticipated approximately 89 per cent of apartment units over the 2022 to 2031 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 City totals 32,670 as included in the 2022 DC Background Study.

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

Year	Single/Semi	Row	Apartment	Total
2022	127	416	2,438	2,981
2023	128	421	2,468	3,017
2024	130	426	2,498	3,054
2025	132	431	2,527	3,090
2026	194	375	2,559	3,128
2027	210	407	2,774	3,391
2028	213	412	2,810	3,435
2029	216	417	2,846	3,479
2030	219	423	2,882	3,524
2031	116	429	3,027	3,571
Total 2022-2031	1,685	4,157	26,828	32,670

As shown in Table 3, the total forecast of units subject to CBCs is approximately 24,000 apartment unit starts over the 2022 to 2031 period. This represents 89 per cent of the total 10-year forecast of apartment unit starts or 73 per cent of all unit types.

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

Year	Single/Semi	Row	Apartment	Total
2022	-	-	2,181	2,181
2023	-	-	2,207	2,207
2024	-	-	2,234	2,234
2025	-	-	2,260	2,260
2026	-	-	2,288	2,288
2027	-	-	2,481	2,481
2028	-	-	2,513	2,513
2029	-	-	2,545	2,545
2030	-	-	2,578	2,578
2031	-	-	2,707	2,707
Total 2022-2031	0	0	23,994	23,994

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 2022 DC Background Study. The average apartment unit PPU is 2.12 and this, when applied to the total 10-year CBC unit start forecast (24,000), results in an estimate of 50,800 persons. This represents 66 per cent of the overall 10-year forecast of people in all unit starts (252,881). This 66 per cent 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. It is noted that in certain cases, a potential non-residential benefit is recognized resulting in a CBC-eligible share lower than 66%.

Table 4. Forecast of Persons in Unit Starts, 2022-2031

	Single/Semi	Row	Apartment	Total
Units Subject to CBC	-	-	23,994	23,994
All Units	1,685	4,157	26,828	32,670
PPU Assumptions	4.02	3.13	2.12	
Persons in Units Subject to CBC	-	-	50,844	50,844
Persons in All Units	6781	13017	56848	76,646
% of Persons in Units Subject to CBC				66%

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 24,000 units representing 89 per cent of the total forecasted apartment units in the City while the low-end forecast is 21,900 units or 82 per cent as presented in Table 5.

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

Year	Total City-Wide Apartments	Annual Growth	High CBC Eligible Development	Low CBC Eligible Development
2022	92,335	2,438	2,181	1,993
2023	94,803	2,468	2,207	2,017
2024	97,301	2,498	2,234	2,041
2025	99,828	2,527	2,260	2,065
2026	102,387	2,559	2,288	2,091
2027	105,161	2,774	2,481	2,267
2028	107,970	2,810	2,513	2,296
2029	110,816	2,846	2,545	2,325
2030	113,698	2,882	2,578	2,355
2031	116,725	3,027	2,707	2,473
Total	-	26,828	23,994	21,924

Where applicable, the high scenario is used to determine benefit to existing shares as well as the CBC eligible components based on project scope.

For determining shares of capital costs related to growth in CBC-eligible development where a project benefits both residential and non-residential developments a non-residential forecast is presented below. The ten year, 2022 to 2031, forecasted population in new dwelling units plus place of work employment totals 118,736. Of this total growth, 43 per cent is anticipated to occur in CBC-eligible developments as shown in Table 6 below.

Table 6: Summary of Shares of Total Population and Employment Development vs CBC Eligible Population Growth

Population in New Dwellings (a)	76,646
Place of Work Employment (b)	42,090
Population and Employment (c)	118,736
CBC Eligible Units Population (d)	50,844
Share of CBC Eligible Pop. Vs Total City-wide Pop. & Emp. (%) (d)/(c)	43%

C. Forecast of CBC Eligible Developments

Notably different from the DC forecast, only developments and redevelopments that are meet the CBC eligible criteria are included in the forecast. The forecast was broken down into five geographic areas. Varied shares of CBC development are included in the forecast.

As shown in *Table 7* below, the majority of apartment growth is forecasted in the Downtown area followed by the Major Nodes, Neighbourhoods, Other and Community Nodes. The figures below are used in Section 6 for the CBC revenue analysis.

Table 7: Breakdown of City-wide CBC Growth by Defined Areas

Area	Shares of City-wide Growth	2022-2031 Apartment Units	CBC Units (Low)	CBC Units (High)
Downtown	46%	12,241	11,017	11,629
Major Nodes	23%	6,170	4,936	5,553
Community Nodes	6%	1,576	1,182	1,340
Neighbourhood	17%	4,556	3,189	3,645
Other ⁽²⁾	9%	2,285	1,600	1,828
Total	100%	26,828	21,924	23,994

Notes:

(1) May not add due to rounding.

(2) Growth in employment areas and Ninth Line lands.

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 City staff, a priority list of service categories have been identified. The list is based on projects that have lost eligibility for DC funding, projects previously funded through Section 37 Bonus Zoning, 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:

- Housing;
- Public Realm & Road Safety;
- Community Facilities;
- Active Transportation;
- Urban Parks;
- Parking;
- 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 ten-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 8 below includes the details by service of the capital needs associated with the forecasted CBC eligible developments in the City over the ten year period 2022 to 2031. 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 City to continue to respond to development as future capital costs arise.

TABLE 8
CITY OF MISSISSAUGA
CBC DEVELOPMENT-RELATED CAPITAL PROGRAM

Project Description	Timing	Gross Project Cost	Grants / Subsidies / Other	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 HOUSING												
1.1 Affordable Housing Units	Various	\$120,000,000	\$0	\$120,000,000	56%	\$66,720,000	\$53,280,000	\$0	\$53,280,000	66%	\$35,343,585	\$17,936,415
TOTAL HOUSING		\$120,000,000	\$0	\$120,000,000		\$66,720,000	\$53,280,000	\$0	\$53,280,000		\$35,343,585	\$17,936,415
2.0 PUBLIC REALM & ROAD SAFETY												
2.1 Road Safety Measures	Various	\$6,700,000	\$0	\$6,700,000	0%	\$0	\$6,700,000	\$0	\$6,700,000	66%	\$4,444,482	\$2,255,518
2.2 Tactical Urbanism Capital Enhancements	Various	\$2,000,000	\$0	\$2,000,000	0%	\$0	\$2,000,000	\$0	\$2,000,000	100%	\$2,000,000	\$0
2.3 Provision for Public Art	Various	\$9,170,000	\$0	\$9,170,000	0%	\$0	\$9,170,000	\$0	\$9,170,000	100%	\$9,170,000	\$0
TOTAL PUBLIC REALM & ROAD SAFETY		\$17,870,000	\$0	\$17,870,000		\$0	\$17,870,000	\$0	\$17,870,000		\$15,614,482	\$2,255,518
3.0 COMMUNITY FACILITIES												
3.1 Theatres and Culture Hubs	Various	\$19,731,000	\$12,270,000	\$7,461,000	33%	\$6,511,230	\$949,770	\$0	\$949,770	66%	\$630,035	\$319,735
3.2 Community Facilities	Various	\$14,400,000	\$0	\$14,400,000	31%	\$4,464,000	\$9,936,000	\$4,713,456	\$5,222,544	66%	\$3,464,404	\$1,758,140
TOTAL COMMUNITY FACILITIES		\$34,131,000	\$12,270,000	\$21,861,000		\$10,975,230	\$10,885,770	\$4,713,456	\$6,172,314		\$4,094,439	\$2,077,875
4.0 ACTIVE TRANSPORTATION												
4.1 Provision for Active Transportation Infrastructure (Intersection Safety)	Various	\$1,500,000	\$0	\$1,500,000	23%	\$345,000	\$1,155,000	\$0	\$1,155,000	66%	\$766,176	\$388,824
4.2 Provision for Active Transportation Infrastructure (Linear)	Various	\$13,980,000	\$0	\$13,980,000	50%	\$6,990,000	\$6,990,000	\$0	\$6,990,000	66%	\$4,636,856	\$2,353,144
4.3 Provision for Cycling Infrastructure	Various	\$6,800,000	\$0	\$6,800,000	23%	\$1,564,000	\$5,236,000	\$0	\$5,236,000	66%	\$3,473,330	\$1,762,670
TOTAL ACTIVE TRANSPORTATION		\$22,280,000	\$0	\$22,280,000		\$8,899,000	\$13,381,000	\$0	\$13,381,000		\$8,876,361	\$4,504,639

TABLE 8
CITY OF MISSISSAUGA
CBC DEVELOPMENT-RELATED CAPITAL PROGRAM

Project Description	Timing	Gross Project Cost	Grants / Subsidies / Other	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)*
5.0 URBAN PARKS												
5.1 Privately Owned Public Spaces	Various	\$10,000,000	\$0	\$10,000,000	0%	\$0	\$10,000,000	\$0	\$10,000,000	100%	\$10,000,000	\$0
5.2 Provision Additional Parks Development & Facilities	Various	\$36,825,414	\$0	\$36,825,414	0%	\$0	\$36,825,414	\$0	\$36,825,414	66%	\$24,428,344	\$12,397,070
5.3 Park Development - Lakeview Village	Various	\$106,025,472	\$0	\$106,025,472	0%	\$0	\$106,025,472	\$103,321,514	\$2,703,958	66%	\$1,793,686	\$910,272
5.4 Park Development - West Village	Various	\$34,643,640	\$0	\$34,643,640	0%	\$0	\$34,643,640	\$33,422,979	\$1,220,661	66%	\$809,732	\$410,929
TOTAL URBAN PARKS		\$187,494,526	\$0	\$187,494,526		\$0	\$187,494,526	\$136,744,493	\$50,750,033		\$37,031,762	\$13,718,271
6.0 PARKING												
6.1 Parking Structure - Waterfront	Various	\$86,000,000	\$0	\$86,000,000	15%	\$12,900,000	\$73,100,000	\$0	\$73,100,000	43%	\$31,301,910	\$41,798,090
6.2 Parking Payment Infrastructure	Various	\$1,000,000	\$0	\$1,000,000	15%	\$150,000	\$850,000	\$0	\$850,000	43%	\$363,976	\$486,024
TOTAL PARKING		\$87,000,000	\$0	\$87,000,000		\$13,050,000	\$73,950,000	\$0	\$73,950,000		\$31,665,886	\$42,284,114
7.0 CIVIC ADMINISTRATION												
7.1 CBC Strategy and Implementation	Various	\$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		\$469,275,526	\$12,270,000	\$457,005,526		\$99,644,230	\$357,361,296	\$141,457,949	\$215,903,348		\$133,126,516	\$82,776,832

* Note: Other funding related to development but not funded from 2022 Development Charges By-law or 2022 Community Benefit Charges By-law.

i. Housing

a) Service Description

The City, cooperatively with the Region, evaluates the need and method for delivering affordable housing, recognizing that the Region has the prime service delivery responsibility. The need for affordable housing increases as a municipality's population grows but the City has limited tools available to address housing affordability. CBCs are one growth funding tool at the municipality's disposal to fund the creation of affordable housing units. The Region lacks the ability to levy CBCs, for housing or any service, under provincial statute.

The City has used the prior Section 37 bonusing regime to secure affordable housing units in a market project or to acquire cash to aid in the development of affordable housing off site. As the new Section 37 continues to permit this cash or in kind approach, affordable housing is included in the CBC Strategy.

b) Service Delivery and Service Levels Consideration

The City participates in the creation of new affordable housing through Official Plan policies, funding partnerships, and land disposition. Current funding is from Section 37 contributions or general taxation. At their March 30, 2022 meeting, City Council approved a grant-in-lieu of development charges for affordable rental housing as another mechanism to increase the affordable housing supply. CBCs could also be a funding source for these development charges grants, or any similar affordable housing grants provided by City Council in the future.

c) Estimate of Need

As identified in Peel Region's Home for All: the Region of Peel's Housing and Homelessness Plan 2018-2028, 400 low income and 520 middle income (below market) additional units are needed in Mississauga annually.

Table 9: Annual Needs-based New Housing Unit Targets for Mississauga 2018-2028

Emergency / Transitional / Temporary Housing	Supportive Housing	Low Income Housing	Middle Income Housing	Middle Income and Greater (Market)
10	104	400	520	2,860
.3%	2.7%	10.3%	13.3%	73.4%

Source: Peel Housing and Homelessness Plan (2018)

The units identified in Table 9 are equal to 4,000 affordable housing units (10 years x 400 units). While the 4,000 units equals the 10 year low income unit target, it is anticipated CBCs could potentially be utilized for certain middle income units as well. However, most middle income units, particularly ownership dwellings, are likely to be provided through Inclusionary Zoning (IZ) without CBC funding.

Region of Peel Official Plan policies expect local municipalities to collaborate, including through financial mechanisms, to close the gap between units needed vs. delivered.

d) Consideration of Excess Capacity

Given the CBC capital program is well below the actual low and middle income unit need, no deductions for excess capacity have been made to the units identified in the CBC capital program.

e) Gross Capital Cost

The gross capital cost of the program is estimated at \$120.0 million over the ten-year period from 2022 to 2031. The cost is based on each unit costing the City \$30,000 in capital contributions with 4,000 units over the ten-year period. This is a needs based forecast and the annual number of units constructed is likely to be lower given market conditions.

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

There are no grants, subsidies or other contributions identified for the City's \$30,000 per unit share of affordable housing as this is a net value. There are various additional costs that the Region or other levels of government are responsible for that are not reflected in the City's CBC Capital program.

g) Consideration of Benefit to Existing

The City currently does not have ownership over any existing housing, as such, there is no replacement of existing assets however, there is some benefit identified from the capital program for existing residents. The rate is based on the Region's benefit to existing (BTE) share of 56 per cent as identified in their 2020 DC Background Study. The total cost related to the BTE netted off the eligible development-related cost is \$66.7 million.

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

Although housing is permitted for collection from DCs, the Region of Peel includes all the costs associated with their share of the program and, at this time, no costs have been identified for recovery from the City's DCs. In addition to DCs, the City has been working on implementing an IZ policy. The costs identified in the CBC Strategy are distinct from the units identified to be generated through the IZ policy. Staff expect IZ will generate approximately 100 middle or lower income units per year. This is still well under the needs based forecast shown in Table 9.

A total of \$17.9 million has been identified as growth-related but ineligible for funding from CBCs as it relates to other residential development in the City.

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

The amount eligible for recovery from CBCs is 66 per cent, based on the share of the ten-year population growth that is forecast to be in development subject to a CBC, or \$35.3 million.

ii. Public Realm and Road Safety

a) Service Description

This service area includes items such as geometric road safety improvements, road speed mitigation measures, tactical urbanism (i.e. low-cost interventions to the built environment intended to improve local neighbourhoods and city gathering places), and public art.

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 City's Official Plan (OP) speaks to the creation of complete communities, which includes amenities as identified in this service area. Further more, policy 9.2.1.3 of the OP states: "Built form should provide for the creation of a sense of place through, among other matters, distinctive architecture, streetscaping, public art and cultural heritage recognition." Through adopting the City's OP, Council has endorsed the provision of these amenities or services in intensification areas. These capital projects are therefore required as part of development in intensification areas.

Further to the Official Plan, local planning documents such as the Downtown Core Local Area Plan in Chapter 7 speak to building complete communities. These include a mixture of land uses and assortment of activities including community facilities and parks, cultural resources and opportunities for people to engage in community life through a high quality public realm, vibrant cultural activities and meeting facilities.

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

b) Service Delivery and Service Levels Consideration

The City has used the previous *Planning Act* s.37 density bonusing provisions to secure and fund a range of community safety amenities and measures. Community safety amenities and measures also support the City's commitment to Vision Zero.

c) Estimate of Need

The need included in the CBC Strategy for recovery from CBC eligible developments is based on discussions with staff, the City's 2022 capital budget, past Section 37 collections and others.

d) Consideration of Excess Capacity

There is no excess capacity in the Public Realm and Road Safety CBC capital program.

e) Capital Cost

The total gross cost of the program is \$17.9 million, which includes road safety measures, tactical urbanism capital enhancements, and a provision for public art. The cost for road safety measures is based on neighbourhood geometric safety and enhanced speed measurement measures at a cost of \$500,000 and \$170,000 annually, respectively. Tactical Urbanism Capital Enhancements are costed at approximately \$200,000 annually, which is based on contributions received in the past through legacy Section 37 and is necessary for capital investments beyond local service requirements. Lastly, the provision for public art is based on the incremental need arising from development and is rooted in the average contributions over the last five years from Section 37 and other developer contributions.

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

All of the projects included in the Public Realm and Road Safety capital program are entirely related to growth and therefore no BTE shares have been identified. Other capital projects and initiatives provide service to the existing community.

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

None of the identified projects have funding from other growth funding tools. A share of \$2.2 million has been removed from the CBC eligible share related to Road Safety Measures. This capital cost is related to development in the City that does not fall within the CBC eligible development threshold.

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

Road Safety Measures have been allocated 66 per cent to CBC eligible developments based on the share of forecasted CBC eligible developments and total residential developments. Tactical urbanism capital enhancements and public art are eligible to be fully funded from CBC development. These provisions are related to the need driven by CBC developments only and are therefore eligible to be fully funded from CBC developments. The CBC related costs total \$15.6 million.

iii. Community Facilities

a) Service Description

Community Facilities service area encompasses a variety of facilities available to residents of Mississauga. Community facilities include theatres, culture hubs, community centres, libraries and other facilities for the delivery of programming in the City.

The City of Mississauga is a vibrant city with a wide range of community facilities. As the City continues to grow, largely through redevelopment and intensification, 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 development and expansion, 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.

b) Service Delivery and Service Levels Consideration

Theatres and culture is not an eligible DC service and was previously paid for from the tax base, old Section 37 density bonusing monies, developer contributions as well as other sources. The City has a current inventory of these types of facilities and the needs identified in the CBC capital program provide expanded servicing capacity to meet the need arising from development. The requirement to deliver these services is noted in policy 7.1.7 of the Official Plan.

Community facilities have been paid for in part through DCs (to the extent permitted under the DCA), property taxes, old Section 37 contributions, grants and other sources. The capital costs included in the CBC Strategy are those above the calculated funding envelope in the 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 partly based on previous Section 37 contributions, planned capital projects, and costs ineligible for funding in this 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 \$34.1 million which includes Theatres and Culture Hubs and Community Facilities.

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

Other funding sources for the Small Arms Building of \$12.3 million, included in the Theatre and Cultural Hubs cost, have been identified and are removed from the CBC eligible share.

g) Consideration of Benefit to Existing

Benefit to existing shares are identified for the Theatres and Culture provision at 33 per cent or \$6.5 million which has been removed from the growth-related eligible funding. The full cost of the Community Facilities cost, related to Cooksville Library as in the 2022 DC Study is included and therefore the BTE share reflects that in the DC Study of 31% based on the share of the facility replacing existing assets.

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

The shares of Cooksville Library eligible to be recovered from DCs is \$4.7 million which is netted off the total development related cost. Other growth related funding is needed for \$1.8 million which is the remaining ineligible cost which cannot be recovered from CBCs. The amount requiring other funding for Theatres and Culture Hubs is \$319,700.

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

The net capital cost associated with CBC eligible developments for this service is \$4.1 million. For both projects in this service area the share of costs eligible for recovery is 66 per cent based on shares of CBC eligible development and total ten-year residential growth in the City.

iv. Active Transportation

a) Service Description

This service area includes various capital costs related to active transportation infrastructure within the road right-of-way, in greenspaces and other areas. Examples of infrastructure included in this service are multi-use pathways, trails, and cycling infrastructure.

The City of Mississauga has been investing significantly in a comprehensive plan to expand active transportation infrastructure across the City. Much of the City's growth is achieved through redevelopment and intensification, and these land uses have reduced on-site parking requirements, display lower use of single-occupancy motorized vehicles and higher active transportation modes of transportation. Some of these needs are funded from development charges however the increased needs arising from high density are not fully eligible to be recovered from DCs; CBCs are a tool that can be used to fund a share of these increased needs.

b) Service Delivery and Service Levels Consideration

The service is delivered by the City and funded from property taxes, DCs, grants and subsidies. The existing service level is included in the DC Recreation and Parks Development and the DC Roads and Related Infrastructure services. In addition, active transportation infrastructure was included in past section 37 contributions.

c) Estimate of Need

The transportation mode shares of denser urban built environments generally skew to non-car mode shares such as biking, walking and other forms of active transportation. Therefore, costs related to active transportation are included in the CBC capital program. As indicated in the City's OP, active transportation is a key pillar of creating multi-modal transportation system. In particular, policy 8.1.7 notes "Mississauga will create a well-connected multi-modal transportation system that prioritizes services and infrastructure for Intensification Areas".

Beyond the Official Plan, further details on active transportation needs can be found in the 2018 Cycling Master Plan.

d) Consideration of Excess Capacity

There is no excess capacity available within the City's existing active transportation infrastructure and the costs included in the CBC strategy relate to incremental needs arising from development over the ten-year planning horizon.

e) Capital Cost

The gross capital cost included in Table 8 is \$22.3 million. This includes a provision for active transportation infrastructure intersection safety at \$1.5 million, a provision for active transportation infrastructure – linear at \$14.0 million, and cycling infrastructure at \$6.8 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

Benefit to existing shares of 23 per cent are allocated to the provision for active transportation infrastructure – intersection safety, cycling infrastructure related to roads and cycling infrastructure related to parks. The shares are based on mode splits and further details can be found in Appendix D.2 of the 2022 DC Background Study.

Benefit to existing shares of 50 per cent are allocated to the provision for active transportation infrastructure – linear. The costs associated with this project are related to, in part, existing linear active transportation infrastructure and therefore, a higher BTE share than the one identified in the DC Background study has been applied.

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

No other growth funding tools have been identified to fund shares of the identified capital plan. However, \$4.5 million is growth-related and anticipated to be paid for from other funding sources.

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

All projects in the active transportation service category are allocated 66 per cent to CBC development with the remaining amount to be recovered from other sources. The need for these projects is in part driven by overall residential growth in the City over the ten-year period from 2022-2031. The total CBC related share is \$8.9 million.

v. Urban Parks

a) Service Description

Urban parks service area capital program includes costs related to the delivery and development of park space. The service area includes the development of various identified urban parks, privately owned public space (POPS) and related infrastructure.

The City recognizes the importance of providing passive and development parkland for its residents. As the City continues to intensify and as development densities increase, the need for public greenspace also increases given many new households do not have private outdoor space. Furthermore, urban parks are more expensive than traditional suburban parks both for acquisition and development of the park lands. The other growth funding tools, DCs and Planning Act s.42 parkland conveyance, will not fully meet the parkland needs arising from high density residential development; CBCs provide a mechanism to fund a share of the increased development need.

b) Service Delivery and Service Levels Consideration

In the past, the City has collected both monies and infrastructure related to urban parks through the previous Section 37.

c) Estimate of Need

Dense urban developments place a greater demand for the provision of public urban parks and associated amenities. Decreased access to private greenspace leads to higher use of new and existing parks in high density neighbourhoods. Further exacerbated by COVID-19, urban parks now more than ever are seen as a vital component of a complete community. Further details on urban park needs can be found in the City's 2019 Parks and Forestry Master Plan.

d) Consideration of Excess Capacity

There is no excess capacity available within the City's existing parks network in areas that will experience high-density residential development. The costs included in the CBC strategy are related to incremental needs arising from development over the ten-year planning horizon.

e) Capital Cost

The gross capital cost of the service identified in Table 8. Table 8 is \$187.5 million. This cost includes a provision for privately owned public spaces (POPS) at \$10.0 million, provision for additional parks development and facilities at \$36.8 million, Lakeview Village Park development at \$106.0 million and lastly, West Village Park development at \$34.6 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

Benefit to existing shares have not been identified for this service area as the costs included are entirely related to growth.

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

Lakeview Village and West Village Parkland development, have DC-eligible shares as identified in the 2022 DC Background Study at \$136.7 million.

Other funding is required for \$13.7 million from other sources.

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

The total eligible costs related to CBC development is \$37.0 million. The full cost of POPS, is included in the CBC eligible cost as the remaining non-DC development costs are entirely driven by CBC eligible development and therefore is intended to be recovered through CBCs, as allocated by Council through the annual allocation of CBC funds.

The CBC eligible share for the provision for additional parks development, including the Lakeview and West Village Parks is 66 per cent based on shares of residential growth forecasted to occur in CBC eligible developments and in the City overall over the next ten years.

vi. Parking

a) Service Description

The service area of Parking includes capital costs related to on-street and parking structures in the urban areas of the municipality. Investment in parking infrastructure improvements is very important to maintain accessibility and usability of the transportation network particularly in these denser neighbourhoods. Under the previous legislative regime, Parking was a service included in the City's Development Charges (DC) since 2009.

b) Service Delivery and Service Levels Consideration

The City established past service levels through the 2019 DC Background Study. The costs proposed for recovery do not exceed past established service levels.

c) Estimate of Need

On-street City provided parking as well as parking structures are required as the City continues to grow. Despite mandatory parking standards, the City continues to experience greater demand for additional parking arising from development. Further details can be found in the City's 2019 Parking Master Plan and Implementation Strategy.

d) Consideration of Excess Capacity

There is no excess capacity available within the City's parking facilities and the costs included in the CBC strategy are related to incremental needs arising from development.

e) Capital Cost

The gross capital cost associated with the parking program is \$87.0 million including a parking structure at the Waterfront for \$86.0 million and parking payment infrastructure for \$1.0 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 15 per cent BTE allocation has been made in the CBC Parking capital program, as identified in the City's 2019 DC Study.

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

Provision of parking is not eligible for funding from development charges.

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

The total CBC eligible cost is \$31.7 million or 43 per cent of the development related costs. This share is based on total forecasted residential and non-

residential development in the city between 2022 to 2031 and the growth anticipated to occur in CBC eligible developments.

vii. 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 as they replace existing Section 37 workflows and ineligible DC Services.

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 City.

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 \$139.1 million. However as the total forecasted revenue identified is approximated between \$45.5 million to \$49.8 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 four per cent cap, the forecast of apartment units subject to CBCs was broken down by five geographies, as shown in Table 10, based on current City development pipeline data. Land values at the time of building permit, observed within the historical development pipeline data, vary considerably across, and within, these five geographies. The average per-unit land value in current (2022) dollars is calculated at approximately \$56,800.

Applying the legislated four per cent cap, it is anticipated that the average unit will contribute approximately \$2,250 in CBCs. This results in a high level estimate of potential CBC revenues of approximately \$47.6 million for the City over the 2022-2031 period.

As discussed in Section 4, the total cost of the CBC-eligible capital program over the same 2022-2031 period is \$139.1 million. As such, it is evident that the capital needs cannot be fully funded by potential CBC revenues.

Table 10: Estimate of Potential CBC Revenues, 2022-2031

Area	Average CBC Revenue
Downtown	\$22,588,405
Major Nodes	\$12,699,657
Community Node	\$4,376,794
Neighbourhood	\$4,101,630
Other	\$3,856,042

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 four per cent of land value across the city. 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 City. 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 City 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 the legacy Parking DC reserve and existing funds in the legacy Section 37 bonus zoning reserve 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 City 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 City, consultation shall be conducted. For this 2022 CBC Strategy, the City has met with the development industry on multiple occasions in 2021 and early 2022. In addition, the City provided draft information for public review through Council staff report to General Committee on November 17, 2021 (Item 10.2 – Community Benefits Charge Strategy Project Update) and by posting of the CBC Strategy and By-law on the City’s website in advance of anticipated date of passage. Lastly the formal public meeting is anticipated to be held in spring of 2022 ahead of the by-law being presented to Council for passage.

B. By-Law Passage, Notice and Appeal Provisions

The CBC By-law is anticipated to be passed in mid 2022. 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 City. The Tribunal is limited in it’s

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 City 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 per cent of each other the City must refund the difference. However, if the appraisal difference is greater than 5 per cent, the City will request the developer to select one of three appraisers from a City list. That will be the final appraisal and if it results in a lower CBC rate than paid, the City 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 City	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 City	City review need for new appraisal or accept value
City disputes developer's value	37(35)	45 days	City submits appraisal to applicant	Joint review - if less than 5 percent difference, use higher value
Arbitrated value	37(38)	60 days	Applicant picks appraiser from City roster	New appraisal sets value
In-kind contribution	37(7)	Before providing service / facility	City to advise applicant of in kind value	No appeal process. Value is deducted from charge

Appendix

CBC By-law



THE CORPORATION OF THE CITY OF MISSISSAUGA

Community Benefits Charges

By-law 0134-2022

WHEREAS Section 37 of the *Planning Act* (the “Act”) provides that the council of a municipality may by by-law impose community benefits charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment;

AND WHEREAS a community benefits charge strategy was prepared in accordance with subsection 37(9) and O. Reg. 509/20 and identifies the facilities, services and matters that will be funded with community benefits charges;

AND WHEREAS the City consulted with stakeholders and held a public meeting on the community benefits charge strategy;

AND WHEREAS City Council is desirous of imposing community benefits charges against land to fund the facilities, services and matters identified in the community benefits charge strategy required because of development or redevelopment;

NOW THEREFORE Council enacts as follows:

DEFINITIONS

1. In this By-law,

Appraisal means an appraisal of land value prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada;

Building Code Act means the *Building Code Act, 1992*, S.O. 1992, c.23;

Building Permit means a permit issued under the Building Code Act to construct, alter or change the use of a building or structure;

City means The Corporation of the City of Mississauga or where the context requires the geographical jurisdiction of The Corporation of the City of Mississauga;

Commissioner means the Commissioner of Corporate Services and Chief Financial Officer;

Community Benefits Charge Strategy or **CBC Strategy** means a community benefits charge strategy prepared in accordance with subsection 37(9) of the Planning Act and the Regulation;

Condominium Act means the *Condominium Act, 1998*, S.O. 1998, c.19;

Council means the elected council of the City;

Development means:

- (1) creating a new lot(s),
- (2) constructing or placing one or more buildings or structures on land,
- (3) adding to or altering a building or structure that has the effect of increasing the size and usability thereof,
- (4) redevelopment, whether or not the land is already serviced, or
- (5) proposed activity that requires any of the approvals described in section 3;

First Storey means the storey of a building, structure or part thereof, that has its floor closest to the ground and its ceiling more than 1.8 m above the ground;

Ground means, with reference to a building, structure or part thereof, the average elevation of the finished grade of the ground immediately surrounding such building or structure;

Gross Floor Area means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above ground adjoining the building at its exterior walls;

In-Kind Contribution means facilities, services or matters identified in a CBC Strategy and required because of development or redevelopment, provided by an owner of land, in lieu of payment of the community benefits charge otherwise applicable, in whole or in part;

Planning Act means the *Planning Act*, R.S.O. 1990, c. P.13, as amended;

Redevelopment means constructing or placing one or more buildings or structures on land where all or part of a building or structure has been previously demolished, or changing the use of a building or structure from a non-residential use to a residential use;

Regulation means Ontario Regulation 509/20;

Residential Unit means a unit that, (a) consists of a self-contained set of rooms located in a building or structure, (b) is used or intended for use as residential premises, and (c) contains kitchen and bathroom facilities that are intended for the use of the unit only;

Storey means the portion of a building that is situated between the top of any floor and the top of the floor next above it, and if there is no floor above it, that portion between the top of the floor and the ceiling above it;

Valuation Date, with respect to land that is the subject of development or redevelopment,

- (1) the day before the day the building permit is issued in respect of the development, or
- (2) if more than one building permit is required for the development, the day before the day the first permit is issued.

APPLICATION

2. This By-law applies to all lands in the City, except land that is owned by and used for the purposes of
 - (a) the City or any local board thereof;
 - (b) a Board of Education; or
 - (c) the Regional Municipality of Peel or any local board thereof,and a community benefits charge shall be payable for the capital costs of facilities, services and matters required because of development and redevelopment.
3. The community benefits charge shall be imposed on land proposing development or redevelopment described in section 4 that requires
 - (a) any of the following approvals under the Planning Act:
 - i. the passing of a zoning by-law or of an amendment to a zoning by-law under section 34;
 - ii. the approval of a minor variance under section 45;
 - iii. a conveyance of land to which a by-law passed under subsection 50 (7) applies;
 - iv. the approval of a plan of subdivision under section 51;
 - v. a consent under section 53;
 - (b) the approval of a description under section 9 of the Condominium Act; or
 - (c) the issuing of a permit under the Building Code Act in relation to a building or structure.
4. The community benefits charge is payable on
 - (a) Development of proposed buildings or structures that are five or more storeys at or above ground and contain ten (10) or more residential units; and
 - (b) Redevelopment of existing buildings or structures that will be five or more storeys at or above ground after the redevelopment and add ten (10) or more residential units to an existing building or structure.

Excluded Types of Development and Redevelopment

5. Notwithstanding section 4, no community benefits charge is payable on development or redevelopment of a building or structure, or part thereof, intended for the following uses:
- (a) long-term care home within the meaning of subsection 2 (1) of the *Fixing Long-Term Care Act, 2021*;
 - (b) retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act, 2010*;
 - (c) 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*;
 - (d) memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion;
 - (e) hospice to provide end of life care;
 - (f) 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*;
 - (g) a home for special care within the meaning of the *Homes for Special Care Act*, R.S.O 1990, c. H.12; and
 - (h) any additional uses prescribed by the Regulation.

COMMUNITY BENEFITS CHARGE

No Building Without Payment

6. No person shall construct a building on land proposed for development or redevelopment described in section 4, and no building permit shall be issued, unless the community benefits charge payment required by this by-law, including any in-kind contributions where permitted, have been made or satisfactory arrangements for the payment or their provision have been made.

Determination of Charge

7. The amount of the community benefits charge is four percent (4%) of the value of the land that is the subject of development or redevelopment as of the valuation date.
8. If a development or redevelopment consists of two or more phases, each phase is deemed to be a separate development or redevelopment and
- (a) the valuation date for each phase will be the first building permit for that phase; and
 - (b) the community benefits charge payable for each phase will be 4% of the value of the land of that phase.

Multiple Uses – Excluded Types of Development

9. Where development or redevelopment proposes multiple uses within a building or structure and the owner has provided satisfactory evidence to the Commissioner of Planning and Building or his/her designate that it includes one or more of the excluded types of development described in section 5, the community benefits charge otherwise payable for the development or redevelopment will be reduced by an amount attributed to the value of the gross floor area of the excluded type of development.

In-kind Contributions

10. Where Council has allowed an owner of land to provide an in-kind contribution and arrangements for its provision satisfactory to Council have been made, the community

benefits charge otherwise payable for the development or redevelopment will be reduced by the value attributed by the City to the in-kind contribution.

Payment of Charge

11. The community benefits charge shall be paid prior to the first building permit being issued for the development or redevelopment, or in accordance with the terms of an arrangement satisfactory to the Commissioner for the payment or to Council for the provision of in-kind contributions, as the case may be.
12. Arrangements satisfactory to the Commissioner for payment or to Council for the provision of in-kind contributions may include a requirement for an owner of land to enter into an agreement with the City, on terms satisfactory to the Commissioner and the City Solicitor, including without limitation a requirement to post securities and register any related restrictions on title to the land.

Payment under Protest and Dispute Resolution

13. Where an owner of land is of the view that the amount of the community benefits charge exceeds four percent (4%) of the land value at the valuation date, the owner shall pay the charge under protest and within thirty (30) days provide the Commissioner with an appraisal of the value of land as of the valuation date.
14. If an owner of land pays under protest but does not provide an appraisal within thirty (30) days, the payment is deemed not to have been made under protest.
15. If the City does not dispute the owner's appraisal, the City shall refund to the owner the difference between the amount paid and four percent (4%) of the land value determined by the owner's appraisal.
16. If the City disputes the value of land identified in the owner's appraisal, then the City shall provide the owner with an appraisal of the value of the land as of the valuation date within 45 days of receiving the owner's appraisal, and subsection 37(37)-(41) of the *Planning Act* apply.

REFUNDS

17. Refunds of community benefits charges that have been paid will be made, without interest, where:
 - a. a refund is owing to the owner pursuant to the outcome of dispute resolution undertaken in accordance with section 13-16 of this By-law;
 - b. a building permit that was issued for which community benefits charges were paid is subsequently cancelled by the City;
 - c. community benefits charges have been paid on the issuance of a building permit and a reduction in accordance with sections 9 or 10 is subsequently identified, and the owner makes a written request to the Commissioner that the amount of the reduction be refunded; or
 - d. a clerical or factual error, including the transposition of figures, a typographical or similar error, has occurred with respect to the calculation of a community benefits charge which resulted in an overpayment to the City.
18. For greater certainty, notwithstanding any determination pursuant to Section 17 that a refund of a community benefits charge is owing, no refunds will be made for any administrative fees or costs incurred by the owner related to the determination or payment of a community benefits charge.

ADMINISTRATION AND ENFORCEMENT

19. The Commissioner, or their designate as identified by the Commissioner in writing from time to time with such powers and authority as described by the Commissioner, is delegated authority for the implementation and administration of this By-law, in accordance with any corporate policies approved by Council.
20. Where the Commissioner has, in their sole discretion, permitted an owner to make alternate payment arrangements of a community benefits charge, the Commissioner and the City Clerk are hereby authorized to execute agreements on behalf of the City providing for satisfactory payment arrangements in a form and with contents satisfactory to the Commissioner and the City Solicitor without the need for further by-law or Council resolution.

21. The Commissioner shall report annually to Council on:
- (a) the prescribed matters contained in section 7 of the Regulation, and
 - (b) funding recommendations to spend or allocate at least 60 per cent of the monies in the special account at the beginning of the year.

GENERAL

22. Each provision of this By-law continues in force until amended, repealed or replaced (by by-law or by a resolution of the Council confirmed by by-law).
23. Should any part of this By-law be determined by a court of competent jurisdiction to be invalid or of no force, it is the stated intention of Council that such invalid part of this By-law shall be severable from this By-law and that the remainder of this By-law, including the remainder of each Schedule, as applicable, shall continue to operate and be in force.
24. Words importing the singular number shall include the plural, and words importing the masculine gender shall include the feminine, and the converse of the foregoing also applies, unless the context of the By-law otherwise requires.
25. A citation of or reference to a by-law or other enactment, including reference to a corporate policy, is deemed to be a citation of or reference to the by-law, enactment or policy as amended or updated from time to time.

ENACTMENT

26. This By-law shall come into force on June 23, 2022.
27. This By-law shall apply to building permits issued on or after June 23, 2022 in respect of development or redevelopment described in Section 4, except for development or redevelopment whose first building permit was either
- a. issued prior to June 23, 2022, or
 - b. accepted on or before June 22, 2022 and issued on or before June 29, 2022.
28. Council shall review this by-law and pass a resolution declaring whether a revision to the by-law is needed within five years of the date it is first passed, and every five years after the previous resolution was passed.
29. This By-law may be referred to as the “Community Benefits Charges By-law”.

ENACTED AND PASSED this 22nd day of June, 2022.

Signed by Councillor Ron Starr, Acting Mayor and Diana Rusnov, City Clerk.