



June 24, 2022

**Memo To:** Victoria Mortelliti, Manager, Policy & Advocacy, BILD  
**Copy To:** Daryl Keleher, Senior Director, Altus Group Economic Consulting  
**From:** Gigi Li, Director, Financial Services and Treasurer  
**Subject:** City of Richmond Hill, Community Benefits Charge Strategy & By-law  
June 14<sup>th</sup> – Development Industry Session Follow-up

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Dear Ms. Mortelliti,

We thank you for your involvement in the public consultation process on the Community Benefits Charge (“CBC”) Strategy and the associated By-law. We have received and reviewed your correspondence along with Mr. Keleher’s memorandum, with feedback on the information presented at the June 14, 2022 consultation meeting. Some of the questions raised in your correspondence as well as Mr. Keleher’s memorandum were addressed in our previous response dated June 14, 2022, included in Appendix C of the SRCFS.22.019 Council staff report.

As it specifically relates to the City’s proposed CBC By-law, and the definition of “Value of Land”, at this point no specific exemptions or adjustments are provided for in the by-law. Application of the CBC by-law will be reasonably considered for each proposed development application. There are numerous potential examples of situations where adjustments may be provided, however, to categorize all the potential adjustments for a mixed use development would be extremely difficult to provide for at this time. As the legislation is new it is anticipated that other municipalities may be before the OLT and hence case law will also assist in informing the City on how it might deal with individual applications.

The following provides responses to the questions that were raised in Mr. Keleher’s memorandum:

**Question #1:** Can a copy of the Antec Appraisal report referenced throughout the CBC Study be provided?

**Answer:** The Antec Appraisal report is not available to the public. The value estimates reported in the Antec Appraisal are based on a general land parcel(s) with typical characteristics. Land use policies and/or development applications have been verified at the City’s Planning Department where applicable. Land rates were determined from market sales data researched and analyzed by Antec. The variance in land rates can be attributed to several factors, including prevailing market conditions, location, size, utility, configuration, planning, and development timing.

It is important to note that the Antec Appraisal report was used to develop the framework for the CBC and the City's ability to utilize the CBC as a funding source for up to a maximum of 4% of the land value. Nevertheless, the calculation of the CBC charge on any particular development will be supported by a site-specific land appraisal a day prior to building permit issuance.

**Question #2:** Table 2-3 of the CBC Study shows "Residential Net Population" of 40,289 persons, but Table 2-4 shows the sum of low/medium-density growth and high-density growth as 36,126 persons, a difference of 4,173 persons – what is the basis for the difference?

**Answer:** "Residential Net Population" in Table 2-3 of the CBC Strategy includes gross population in new units, as well as existing units population change. On the other hand, "Total Residential Forecast" in Table 2-4 of the CBC Strategy includes information on gross population in new units only. Please refer to Schedule 2 in the Appendices of the CBC Strategy.

**Question #3:** Inclusion of \$50 million in gross parkland acquisition costs (item #66), including \$15.25 million from CBC-eligible developments appears to presume that the City will utilize some sort of Parkland CIL cap. Otherwise, if Parkland CIL is yielded at the maximum alternative rate (1 hectare per 500 dwelling units) from the Planning Act, there should be no need to obtain additional parkland cash from development, as the amount of parkland obtained would exceed the Planning Act maximums (even if under different planning tools).

For reference, the City's Parks Plan sets out the value of lands that need to be acquired at \$411 million. Even in the case of the City utilizing cap on Parkland CIL, assuming that the City's fixed-unit rate will recover all of these \$411 million in needed funds, the \$50 million to be recovered from the City's CBC would not appear necessary to fulfil future parkland needs in the City.

**Answer:** The City is currently working on a new Parkland Dedication By-law. No details are available at this time however, consultation will occur over the summer. If the City choose not to provide a dedication cap, it would still not be able to acquire parkland in the value of \$411. Accordingly, the City aims to utilize the CBC charge to achieve some of the shortfall in parkland acquisition. We have considered the \$50 million provision in the CBC relative to the draft Park Plan and there is no conflict between the two documents.

**Question #4:** Item 5 of the project list is a \$10 million provision for "Additional Space" under the General Administration category:

- a. What are the plans for additional general administration space for \$10 million and how are the need for these works driven by high-density development?
- b. How was the BTE of 25% determined?

**Answer:** Over the past 8-10 years, the City has been investigating providing an additional amount of space needed as the municipality grows over time. This growth in space may occur to accommodate a variety of staff for services which would be deemed for the CBC process as "non-DC'able". While no specific project(s) have been approved by Council, a nominal provision of \$10 million has been provided to which a 25% allocation for Benefit to Existing has been made as a possible deduction.

**Question #5:** What are the \$450,000 in "Grants, Subsidies and Other Contributions" for the Streetscape – Yonge and Garden representing?

**Answer:** Deduction of \$450,000 from the gross capital estimated costs in the Streetscape (Beautification and Lighting Feature) - Yonge and Garden, represents 30% funding provided by third-party (York Region) as per the Municipal Streetscaping Partnership Program.

**Question #6:** It appears that even though the park redevelopment works in the CBC study are DC eligible works, they are not included in the City's DC study, which matches the stated intent for the City's CBC to have a completely separate set of projects from the City's DC Study. However, if these works and parkland improvements are required because of development, why were they not included in the City's 2021 DC Study?

**Answer:** The CBC Strategy includes Parks related projects, which include cultural components, such as: enhanced theming and imaginative play; art; amphitheater; etc. Such projects would not be eligible under the Development Charges Act.

**Question #7:** Project #18 in the capital project list is an \$18.3 million provision for "Additional DDO Projects", with DDO meaning the "David Dunlap Observatory" – can the City provide details about what specific works are to be built with these funds?

**Answer:** Projects have been identified in the master plan as follows:

- Planetarium Feasibility Study: \$150,000
- Elms Lea Visitor Centre: \$3,350,000
- Construct Planetarium: \$10,800,000
- Community Orchard \$87,000
- Conservatory Feasibility Study: \$100,000
- Construct Conservatory: \$3,200,000
- Restoration of Historic Pumthouse: \$80,000
- Radio Shack Restoration Including Antenna: \$533,000

Although these projects were identified as late priority projects and outside of the 10-year forecast period, the City has noted that the time frame has been extended to make the project feasible for the City. The City has also noted that if other funding sources could be secured/received, a new timeline would be provided. As such, the projects are proposed to be advanced as the City is now able to receive funding from the CBC.

These projects are considered 100% growth-related as they are entirely new facilities/amenities that will be provided by the City to service new growth. This is analogous to the D.C. study where the addition of an additional community center in the City would be considered 100% growth-related. DDO projects that have benefit to existing allocations are related to redevelopments and enhancements of existing facilities (e.g. restoration of Elvis Stojko Arena Parking Lot).

**Question #8:** How was the “Provision for Public Art (as per Public Art Policy)” gross cost of \$3.96 million determined? The City’s Public Art policy states that “1% of each municipal capital project over \$500,000 is dedicated to the commission and management of public art projects.”

- a. Consistent with the City’s stated policy, is the amount included in the CBC Study recovering the 1% of costs for municipal capital projects (implying there are \$396 million in municipal capital project costs)?
- b. If so, wouldn’t the 1% contribution already be embedded within those project costs (as included in the CBC Study, DC Study and capital budget)?

**Answer:** As noted, the City has adopted the above mentioned policy for public art. At this time, the policy has not been implemented given limitations on funding and prioritization of other works during the capital budget process. It is anticipated that, with the additional funds raised through this financial charge, that some or all of the net needs will be funded via the CBC. This will be subject to an annual review and prioritization during the annual capital budget process.

**Question #9:** What are the City’s plans for the \$19 million line item for Affordable Housing? Does the City have responsibility for delivery and monitoring of affordable housing, or is it a responsibility of the Region of York?

**Answer:** There are Provincial and Regional planning policies that direct local municipalities to secure affordable housing. Accordingly, Richmond Hill has policies in its local official plan that direct it to securing 25% of new units across the City and 30% within Centres and Corridors as “affordable”. Unlike Regional Municipalities like York, who have a mandate as the service manager to provide “social housing” (owned and operated by York Region) which targets deeper affordability needs, the City of Richmond Hill intends to facilitate “affordable market housing”. To facilitate affordable market housing, the City will attempt to utilize the numerous tools outlined in its Affordable Housing Strategy. Many of these tools will involve a cost to the City and the City aims to use the CBC charge to offset some of these costs.



Thank you for providing these comments and BILD's continued engagement.

A handwritten signature in black ink, consisting of a stylized initial followed by a long horizontal stroke.

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Gigi Li

Director, Financial Services and Treasurer