



## **Staff Report for Council Meeting**

**Date of Meeting:** July 6, 2022  
**Report Number:** SRCFS.22.026

**Department:** Corporate and Financial Services  
**Division:** Financial Services

**Subject:** Request for Approval - Community Benefits Charge Strategy

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### **Purpose:**

This report responds to feedback received regarding the City of Richmond Hill's ("City") Community Benefits Charge ("CBC") Strategy and the Community Benefits Charge Draft By-law.

### **Recommendation(s):**

- a) That staff report SRCFS.22.026 be received;
- b) That Council approve the Community Benefits Charge Strategy (Appendix A);
- c) That Council enact the Community Benefits Charge By-law (Appendix B) effective July 6<sup>th</sup>, 2022; and
- d) That Council approve the establishment of a new Community Benefits Charge Reserve Fund.

### **Contact Person:**

Ilan Treiger, Development Finance Supervisor, Corporate and Financial Services, Ext 2415

Sara Beukeboom, Manager Fiscal Planning & Strategy, Corporate and Financial Services, Extension 6311

### **Report Approval:**

**Submitted by:** Sherry Adams, Commissioner of Corporate and Financial Services

**Approved by:** Darlene Joslin, Interim City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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### **Background:**

On June 22, staff brought forward SRCFS.22.019 Community Benefits Charge Strategy (Appendix E), containing an overview on the CBC, background on the legislative framework, the Community Benefits Charge Strategy and associated Draft By-law, and a response to the comments obtained from the development community through the City's consultation process. Moreover, staff provided a presentation outlining the key aspects of the Community Benefits Charge, including:

- The process and community engagement/consultation that took place to date;
- The methodology in the preparation of the Community Benefits Charge Strategy;
- The associated capital costs and the calculated CBC rate;
- The exemptions provided in the legislation.

The following section of this report represents additional feedback received from the development community, and at the June 22 Council Meeting.

### **Building Industry and Land Development Association (“BILD”)**

City staff received correspondence on June 17, from BILD York Chapter on the Community Benefits Charge Strategy and the Draft By-law. In addition, staff have received comments from Mr. Daryl Keleher of Altus Group Economic Consulting, who was retained by BILD to review the City of Richmond Hill's Community Benefits Charge Strategy and associated By-law.

On June 24, staff have provided a response letter to both BILD and Mr. Keleher. Refer to Appendix D.

### **Yonge Ridge Developments Inc. - 13351 and 13359 Yonge Street**

Mr. Adam Layton of Evans Planning, retained by Yonge Ridge Developments Inc., to assist with the development of lands located at 13351 and 13359 Yonge Street submitted a correspondence to the City and delegated regarding the Community Benefits Strategy Draft By-law at the June 22 Council Meeting. The contemplated redevelopment consists of 50 back-to-back stacked townhouse dwelling units of standard condominium tenure. Access to an underground parking structure would be provided from Ridge Road, while an operational access route is provided from Yonge Street. The upper units in the proposed buildings benefit from exclusive rooftop terraces accessed by a small 'pop-up' structure. These structures do not contain any living space, consisting only of staircase, landing, and mechanical room.

Mr. Layton brought forward two (2) comments as they relate to the Community Benefits Charge By-law and its applicability to the Yonge Ridge Developments site:

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### Comment #1: Definition of 'Grade'

There is a significant grade change between the interior of the site and both the Ridge Road and Yonge Street property lines. In particular, it is noted that the access to the parking structure is level with the elevation of Ridge Road, but is below grade at the interior of the site. Further, the buildings have been designed to step up in accordance with the change of elevation along Yonge Street, such that the 'established grade' varies based on where along the property frontage it is measured. Accordingly, Mr. Layton suggested that the CBC By-law should be revised to recognize a definition of 'established grade' where implemented through a site-specific Zoning By-law Amendment.

### Response #1:

In order to provide clarity to unique situations similar to the one that was described by Mr. Layton, staff have amended the Draft Community Benefits Charge By-law to include a definition of 'Established Grade' as the average elevation of the finished Grade of the ground immediately surrounding a Building.

### Comment #2: Definition of 'Storey'

As noted above, the proposed development contemplates rooftop access through a 'pop-up' structure for the upper units, however it is not clear whether such a structure would be considered a 'storey' for the purposes of the by-law given the present definition, being 'a level of a Building, other than a Basement, located between any floor and the floor, ceiling or roof immediately above it'. Mr. Layton suggested that the definition be revised to include an exemption for rooftop accesses which are limited in size and do not contain any living space.

### Response #2:

No specific exemptions have been provided for in the By-law for rooftop accesses. Staff will consider the proposed development, and would be reasonable in their application of the By-law. There are numerous potential examples of situations where adjustments may be provided, however, to categorize all the potential adjustments for various access points would be extremely difficult. As the legislation is new it is anticipated that other municipalities may be before the Ontario Land Tribunal and hence case law will also assist in informing the City on how it may interpret individual applications.

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### **Section 37 of the Planning Act vs. Community Benefits Charge**

Section 37 of the Planning Act enabled municipalities to secure community benefits through agreements in conjunction with a rezoning which permitted increased height and/or density over and above existing planning permissions.

Richmond Hill has used this many times in the past in order to secure financial contributions, units dedicated for York Housing and dedication of space for recreational programming, etc.

A survey of agreements over the past 15 years provided the following estimated contributions:

- 50% were financial contributions from \$200,000 to \$2,000,000 yielding a total of \$7.68 million.
- 15% provided programming space ranging from 1,000 sq.ft. to 2,700 sq.ft. with a total of 4,800 sq.ft..
- 15% provided units dedicated for York Housing ranging from 1 to 4 units with a total of 6 units.
- The residual 20% provided for replacements of sidewalks, a private road for public use, new trails, and a car share program.

In contrast to Section 37 of the Planning Act, as described above, the Community Benefits Charge Strategy identifies an estimated revenue of \$15.68 million over the 10-year planning period from mid-2022 – mid-2032.

### **Financial/Staffing/Other Implications:**

The Planning Act, R.S.O. 1990, c. P.13, requires the creation of a special account (reserve fund), and that all money received by the municipality under a Community Benefits Charge By-law shall be paid into this special account (reserve fund).

The money in the special account (reserve fund) may be invested in securities in which the municipality is permitted, and the earnings derived from the investment of the money shall be paid into the special account (reserve fund).

Any balances remaining in the legacy Section 37 reserve fund account, will be transferred to the newly established Community Benefits Charge special account (reserve fund).

### **Relationship to Council's Strategic Priorities 2020-2022:**

The Community Benefits Charge is a new growth funding tool introduced by the Province in recent legislation. It allows municipalities to fund capital costs related to growth that are not already recovered from Development Charges and Parkland Dedication.

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### **Climate Change Considerations:**

Climate change considerations are not applicable to this staff report.

### **Conclusion:**

The Community Benefits Charge process is new for all municipalities in Ontario. Staff have engaged internal stakeholders, and are actively participating in engagement sessions with the development industry, and other key stakeholders.

Staff have addressed all public and Council comments on the Community Benefits Charge Strategy and associated By-law. Accordingly, the By-law presented at the July 6, 2022 Council Meeting reflects the amendments made to the Draft Community Benefits Charge By-law presented at the June 22, 2022 Council Meeting.

### **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix A: Community Benefits Charge Strategy
- Appendix B: Community Benefits Charge By-law #99-22
- Appendix C: Response Letter to BILD
- Appendix D: Community Benefits Charge Reserve Fund By-law #109-22
- Appendix E: SRCFS.22.019 Community Benefits Charge Strategy

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### Report Approval Details

Document Title:	SRCFS.22.026 - Request for Approval - Community Benefits Charge Strategy.docx
Attachments:	- SRCFS.22.026 - Appendix A - Community Benefits Charge Strategy.pdf - SRCFS.22.026 - Appendix B - Community Benefits Charge By-law 99-22.pdf - SRCFS.22.026 - Appendix C - Response Letter to BILD - June 24 - Signed.pdf - SRCFS.22.026 - Appendix D - Community Benefit Charge Reserve Fund By-law 109-22.pdf - SRCFS.22.026 - Appendix E - SRCFS.22.019 Community Benefits Charge Strategy.docx
Final Approval Date:	Jun 30, 2022

This report and all of its attachments were approved and signed as outlined below:

**Gigi Li - Jun 30, 2022 - 10:50 AM**

**Patrick Lee - Jun 30, 2022 - 11:44 AM**

**Sherry Adams on behalf of Darlene Joslin - Jun 30, 2022 - 11:48 AM**