



To: City of Guelph Council Members

Date: April 8, 2022

Re: Proposed Community Benefits Charge

Dear Mayor Guthrie & Members of Council,

Fusion Homes has received the materials recently circulated for public engagement and feedback with respect to the proposed Community Benefits Charge (“CBC”). Fusion Homes is an active and committed member of the development industry in the City of Guelph, and we intend to be fully engaged in this engagement process to ensure that the best interests of the development industry, current City residents and future City residents are appropriately considered. We recognize that this consultation process is just beginning, but given the timelines proposed for potential implementation of the CBC, we feel that it is appropriate to highlight certain areas of concern for further discussion, as outlined below.

- Additional government charges, as a rule, should always be very carefully weighed because they are ultimately paid by the home buyer. In a housing affordability crisis, the City should consider whether this funding source is needed or if it presents an undue burden.
- The CBC as proposed, and as mandated by Provincial legislation, only applies to projects of a certain scale and built form – higher density, mid-to-high rise projects. This means that there is additional cost burden for these projects that other built forms (particularly low-rise) do not have to bear. The City should carefully consider whether this is in line with the strategic direction that the City has considered through the Shaping Guelph Municipal Comprehensive Review process. It is our understanding that the City is looking to prioritize intensification as the preferred approach to handle growth, however, the CBC as proposed would be a financial disincentive to this intensification.
- In line with the above, the City should also consider where exemptions from the CBC may be appropriate in areas where the City wants to direct growth and intensification. For example, the Downtown, intensification corridors, and strategic growth areas would be recommended candidates to consider for CBC exemptions.
- The City could also consider CBC credits and/or exemptions based on individual project merits, i.e. affordable housing, green initiatives, provision of community-oriented amenities etc.

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- If the CBC is implemented, City staff should provide complete transparency on a continual basis as to how CBC funds are going to be utilized.
- Funds collected for the CBC should be allocated to community improvements in the neighbourhood where the development from which they were collected is located. This ensures a clear link between charges paid and the “community benefits” that are integral to the intent of the CBC.
- Consideration should also be given to provision of funds for the CBC as payment in kind as opposed to cash payments at building permit. Many projects have opportunities to provide unique benefits to the community (for example publicly accessible open space) that would be encouraged through recognition of in-kind payments.
- An implementation strategy and phasing-in of the CBC needs to be considered. Land values will be impacted by any major change in required government fees, and as land is purchased far in advanced of when the CBC would be payable, there is significant risk of negative impacts to project financial feasibility and, thus, housing supply if the CBC is implemented. Consideration needs to be given to projects already in the development pipeline to avoid cancellation of projects or passing additional costs on to new home buyers.

We welcome the opportunity to consult further with City staff on this topic and encourage Council to ensure that the thoughts and perspectives of the development industry are well considered through this engagement process.

Yours truly,



Ryan Scott

SVP Development & Finance

Fusion Homes