



To: Members of Council, City of Guelph

Date: July 15, 2022

Re: **Proposed Community Benefits Charge**

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Dear Mayor Guthrie & Members of Council,

Fusion Homes is aware that Council is to consider a new Community Benefits Charge (“CBC”) at the upcoming Council meeting on July 18<sup>th</sup>, 2022. As indicated in a previous letter dated April 8<sup>th</sup>, 2022, Fusion Homes has participated in the public and industry engagement process and has reviewed the materials proposed by staff. We have previously expressed concerns with this proposed charge and have a number of ongoing concerns 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 to future home owners.
- 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. We ask that Council 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, we also request Council consider where exemptions from the CBC may be appropriate. Areas where the City wants to direct growth and intensification, such as the Downtown, intensification corridors, and strategic growth areas would be prime 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.
- 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.

April 8, 2022

- 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.
- We request that consideration also be given to provision of funds for the CBC through 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.
- If Council does vote to support and adopt the CBC, 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 the financial viability of affected development projects 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. A phase-in timeline of September 18<sup>th</sup>, 2022 is not appropriate given the additional financial burden on projects that have already launched and been tendered.

We believe that the Community Benefits Charge needs further work to ensure that it does not unduly or negatively impact high density development in the City of Guelph. At the very least, thoughtful implementation and a transition timeline longer than September 18<sup>th</sup>, 2022 is advisable.

Yours truly,



Ryan Scott  
SVP Development & Finance  
Fusion Homes