

Staff Report



To	City Council
Service Area	Infrastructure, Development and Environment
Date	Tuesday, April 8, 2025
Subject	Stone Road and Edinburgh Road Community Planning Permit Decision Report

Recommendation

1. That the City-initiated Official Plan Amendment to enable a Community Planning Permit System for the Stone Road/Edinburgh Road Strategic Growth Area be approved, as shown in Attachment 1 of report 2025-128 dated March 27.
 2. That the City-initiated Community Planning Permit By-law for the Stone Road/Edinburgh Road Strategic Growth Area be approved, as shown in Attachment 2 of report 2025-128 dated March 27.
 3. That the comprehensive zoning by-law 2023-20790, and where applicable, Zoning By-law (1995)-14864, as applied to the Stone Road and Edinburgh Road area as shown in Attachment 1, be repealed and replaced with the community planning permit by-law.
 4. That the amendment to the Delegation of Authority by-law Number (2024)-20994, as shown in Attachment-3, be approved.
 5. That the amendment to the Planning Fee by-law Number (2025) – 21054, as shown in Attachment-4, be approved.
 6. That in accordance with Section 34 (17) of the Planning Act, City Council has determined that no further public notice is required related to the minor modifications to the proposed Official Plan Amendment and Community Planning Permit By-law.
 7. That the General Reserve and Reserve Fund Policy be updated to reflect the updated policy terms for the Complete Community Charge reserve fund (307), Cash-in-lieu of Affordable Housing reserve fund (308), and Alternative Facilities, Services, and Matters reserve fund (309), as outlined in report 2025-128 Stone Road and Edinburgh Road Community Planning Permit Decision Report, dated April 8, 2025
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Executive Summary

Purpose of Report

This report provides a staff recommendation to approve the City-initiated Official Plan Amendment and associated Community Planning Permit By-law to facilitate the implementation of a Community Planning Permit System (CPPS) for the Stone-Edinburgh Strategic Growth Area (Figure 1).

Key Findings

- This CPPS is one of eight initiatives that are part of [Guelph’s Housing Accelerator Fund \(HAF\) Action Plan](#), the \$21.4 million agreement with the Federal Government to incent and stimulate 739 total housing units (above annual average) by 2026. Receipt of the full amount is dependent on successfully achieving the targets and fulfillment of all eight initiatives.
- The Statutory Public Meeting for the Community Planning Permit By-law (the By-law) and the accompanying Official Plan Amendment was held on January 21, 2025.
- Comments were received from at the January 21 public meeting and changes were made with regards to public notification requirements for Class 2 and 3 permits.
- A financial analysis was completed by Watson & Associates to determine the minimum percentage of additional units that may be requested to be provided as an affordable dwelling unit in exchange for height or density. Staff are recommending that this percentage be 33 per cent, as stated in Table 1.2 of the By-law, in alignment with the City’s Housing Affordability Strategy and Official Plan Policy 7.2.1.2.

Strategic Plan Alignment

This report aligns with the priority of Improve housing supply in the 2024-2027 Strategic Plan.

Future Guelph Theme

City Building

Future Guelph Objectives

City Building: Improve housing supply

Financial Implications

The CPPS by-law will require the creation of three new reserve funds to account for charges and cash-in-lieu. The new reserve funds are the Complete Community Charge, Cash-in-lieu of Affordable Housing, and Alternative Facilities, Services and Matters as outlined in the subsections below.

Complete Community Charge

Within a CPPS, Community Benefits Charges do not apply, however, a new Complete Community Charge will be required for Class 1, 2, and 3 permits. A separate reserve fund is proposed to be established:

Reserve Number: 307

- Reserve Name: Complete Community Charge
- Purpose: For the provision of facilities, services and matters in exchange for a specified height or density of development under O. Reg. 173/16.
- Target balance: No established maximum limit, reserve balance must be positive.
- Source of funds: Funds collected as a Complete Community Charge for Class 1, 2, and 3 permits under the Community Planning Permit System By-law.
- Use of funds: Provision of facilities, services and matters to support the growth-related costs of the capital infrastructure needs identified in the relevant Community Benefits Charge Strategy.
- Authority/timing: Council approved through capital budget or other in year Council report.

Watson & Associates reviewed the potential municipal financial impacts of the proposed Complete Community Charge and concluded that there would not be significant impacts to potential City revenues as the calculation for Complete Community Charge and the Community Benefit Charge is the same. The Complete Community Charge requirement is approximately \$1,000 to \$3,000 per unit, depending on land value and density of the development.

Cash-in-lieu of Affordable Housing

As discussed in section 5 of this report, the CPPS provision of cash-in-lieu of affordable housing presents an opportunity for the City to obtain revenues to be used for affordable housing development. Cash-in-lieu of affordable housing collected from the CPPS will be held in a new Affordable Housing Cash-in-Lieu reserve fund #308 and will be used for projects that directly contribute to units that support the Housing Affordability Strategy. Strategy. The following are the proposed policy terms for the Affordable Housing Cash-in-Lieu reserve fund (308):

Reserve Number: 308

- Reserve Name: Cash-in-lieu of Affordable Housing
- Purpose: To hold funds collected through the Community Planning and Permit System By-law Law for the purpose of advancing affordable housing development in Guelph.
- Target balance: Funds required to support the Council approved Housing Affordability Strategy.

- Source of funds: Funds collected as Cash-in-lieu of Affordable Housing under the Community Planning Permit System By-law.
- Use of funds: Funds used for projects that directly contribute to units that support the Council approved Housing Affordability Strategy.
- Authority/timing: Use of funds approved through the budget process or other in year Council report.

Collecting cash-in-lieu from development will support the need for dedicated funds to advance the Housing Affordability Strategy and will supplement the contributions to the tax supported Affordable Housing Reserve (119) from property taxes. The tradeoff of requiring affordable housing provision or cash-in-lieu of affordable housing is that it will make housing projects less financially attractive than simply allowing the extra height and density in the area. Additional analysis of this trade off in comparison with the proposed fee is provided in section 5 below.

There is a significant difference in the financial implications for the City of a developer providing affordable units versus providing cash-in-lieu of affordable units. A developer providing affordable units will require an agreement between the City and the developer that those units will remain affordable for 25 years and will require staff time to enter into the agreement and manage and monitor the agreement over that period of time. Affordable units would also receive an exemption from development charges and parkland dedication fees, which would be funded by property taxes and utility rates. Conversely, a contribution of cash-in-lieu of affordable housing means that full development fees would be paid in addition to contributing funds that the City can employ towards building new units in alignment with the Housing Affordability Strategy.

Alternative Facilities, Services and Matters

Additionally, through a Class 3 permit, applicants are required to submit Facilities, Services, and Matters with a greater financial value than the class 2 equivalent. However, in accordance with the by-law, there is greater flexibility for what facilities, services, and matters can be contributed for a class 3 permit. Accordingly, a separate reserve fund is proposed to be established:

Reserve Number: 309

- Reserve Name: Alternative Facilities, Services and Matters
- Purpose: For payment of cash-in-lieu for additional facilities, services and matters in exchange for a specified height or density of development under O. Reg. 173/16.
- Target balance: No established maximum limit, reserve balance must be positive.
- Source of funds: Funds collected as Alternative Facilities, Services and Matters fees for Class 3 permits under the Community Planning Permit System By-law.

- Use of funds: Provision of additional facilities, services and matters as outlined in provision 1.14.7 of the Community Planning Permit System By-law as amended from time to time.
- Authority/timing: Council approved through capital budget or other in year Council report.

Similar to the affordable housing requirement, the tradeoff of requiring Alternative Facilities, Services and Matters is that it will make housing projects less financially attractive than simply allowing the extra height and density in the area. Further analysis is provided in section 5 below.

With regard to Development Charge exemptions, the provision of affordable units that meet the requirements established under the Development Charges Act would be exempt from Development Charges. Development Charge exemptions must be funded through non-development charge sources (property taxes and utility rates). The actual cost of exemptions will be dependent on the number of affordable housing units provided for (versus the payment of affordable housing cash-in-lieu) under the CPPS By-law. Parkland Dedication By-law exemptions for affordable units do not have to be funded from other sources but impact the resource capacity to purchase park land in our growing city as density increases and the demand for public outdoor space expands.

Report

Background

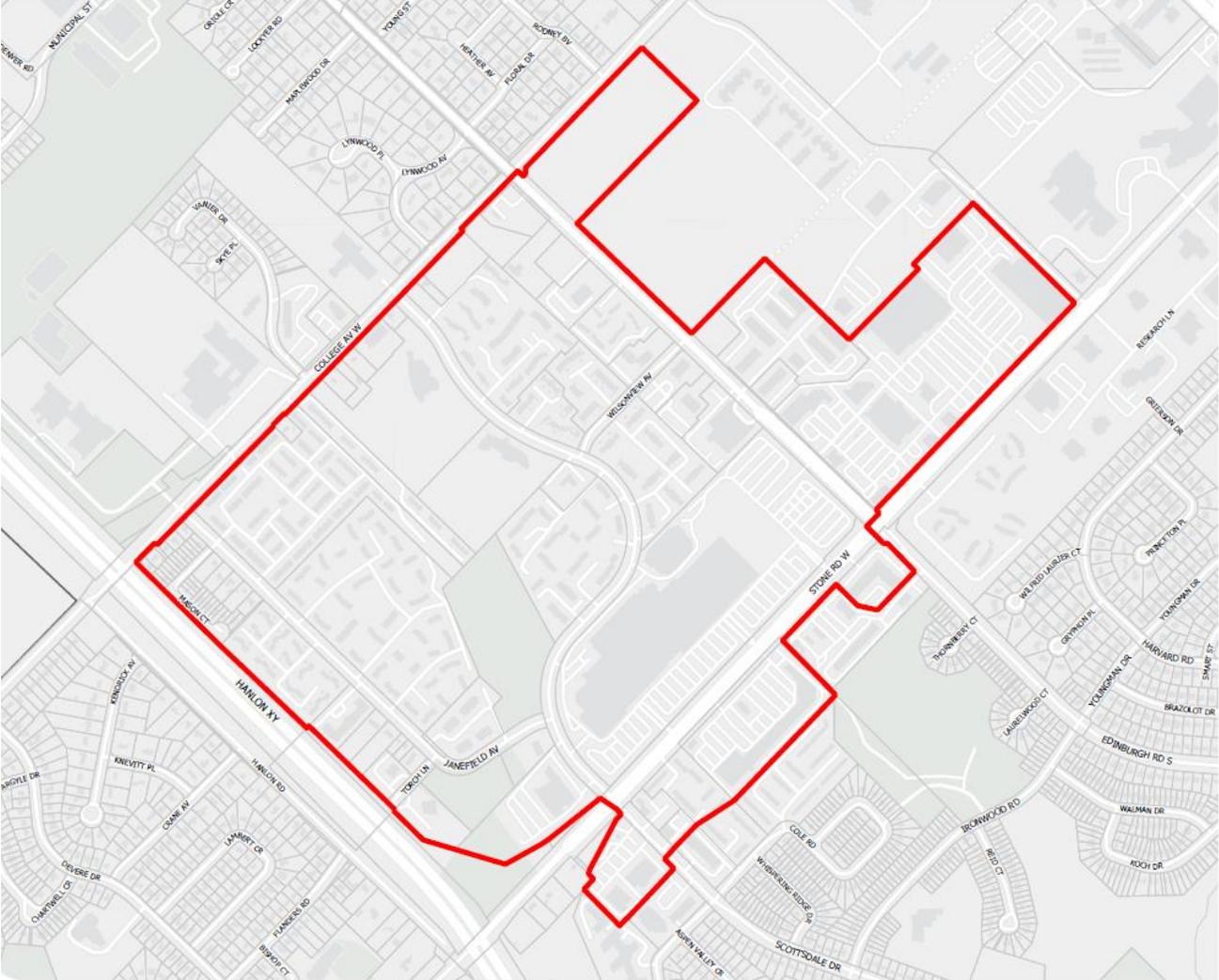
The City of Guelph has made a number of commitments to increasing the housing supply through its planning policies, housing targets, and funding obligations with the Federal Government under the \$21.4M Housing Accelerator Fund (HAF). Particularly, the City committed to implementing a Community Planning Permit System (CPPS) Pilot Project as initiative 7 of the HAF.

Additionally, implementation of a CPPS is included as action 1.1.2 in the City's [2024 Housing Affordability Strategy \(HAS\)](#), which was approved by Council on December 10, 2024. Implementation of the CPPS was identified as a Primary priority action item in the HAS Implementation and Monitoring Plan, with a 0-3 year timeline.

The CPPS Pilot project will be undertaken in two of the Strategic Growth Areas (SGAs) identified in the City's Official Plan: the Downtown and the Stone Road /Edinburgh Road SGAs. This work will support the acceleration of housing supply within the City and provide predictability and stability in the development approvals process. The goal of this Pilot Project is to incentivize the creation of 35 affordable housing units by the end of 2026.

The Stone Road/Edinburgh Road Strategic Growth area (SGA) will proceed as the first phase of the overall CPPS pilot project, and the proposed By-law before Council recognizes only this SGA (Figure 1). It is the intention that the Downtown Community Planning Permit By-law will be brought forward in Q4 of 2025. The phased approach to implementation allows other Downtown policy work (e.g. Downtown Heights Study) to inform future CPPS work for the Downtown SGA.

Figure 1: Proposed Stone Road/Edinburgh Road Community Planning Permit Area (Red)



Community Planning Permit System Overview

A CPPS is a land-use planning tool that municipalities can use to streamline the planning approval process and to support achieving local priorities such as affordable housing, urban design and active transportation. A CPPS combines Zoning By-law Amendments, Minor Variances, and Site Plan Applications to be processed as one application and approval process, instead of two or three separate processes. This is done through the implementation of a Community Planning Permit By-law, which repeals and replaces the Zoning By-law for the project area. Development applications

submitted under a CPPS are required to be reviewed by the municipality and decided on within 45 days, in comparison to approximately 180 days under the current system.

Development applications in a CPPS can be broken down into three distinct classes (Table 1). A development that meets all the provisions of the Community Planning Permit By-law and does not require any variations (e.g. reduction in back yard setback, increase in height, etc.) would fall under a Class 1 permit. Developments which require variations to the development standards would require a Class 2 permit, provided they are within the prescribed variation threshold as outlined in the CPP By-law development standards tables. Development standards and variation thresholds are included in Tables 6.2, 6.3, and 6.4 of the Community Planning Permit By-law. Developments which propose a variation outside of the Class 2 threshold will be considered a Class 3 permit. Each permit class contains individual notification requirements, as outlined in Table 1 of this report. A more detailed discussion of the permit class system is discussed in section 5 of this report.

Table 1: Permit Class Description and Notification Requirements

Permit Class	Notification Requirements
<p>Class 1 Application meets all development standards of this by-law. No variation is required.</p>	<p>No notice required.</p>

Permit Class	Notification Requirements
<p>Class 2</p> <p>Application generally meets the intent, standards, and provisions of this by-law but requires a Staff Variation based on:</p> <ul style="list-style-type: none"> • one or more development standards within the established Class 2 Variation Limit identified in the development standards within Section 6.0 of this by-law; • approval of a listed Discretionary Use; and/or • one or more standards in Section 4.0 (General provisions); Section 5.0 (Parking); or Section 7.0 (Site Specific Provisions). 	<p>Staff to post notification on City website for public access.</p> <p>Notice shall be provided by on-site signage and shall include an explanation of the application, contact name and phone number to obtain more information or to submit comments or concerns, and the deadline for the submission of comments.</p>
<p>Class 3</p> <p>Application generally meets the intent, standards and provisions of this by-law but requires a Council Variation based on:</p> <ul style="list-style-type: none"> • one or more development standards beyond the Class 2 Variation Limit identified in the development standards within Section 6.0 of this by-law; and/or • application proposes an alternative under subsection 1.14.6 (Provision for alternative facilities, services, and matters). 	<p>Mail to residents within 120 metres of the subject property.</p> <p>Staff to post notification on City website for public access.</p> <p>Notice shall also be provided by on-site signage and shall include an explanation of the application, contact name and phone number to obtain more information or to submit comments or concerns, and the deadline for the submission of comments.</p>

The purpose of these classes is to streamline the development approval process and provide a framework for delegation of approval for applications. This is intended to reduce the need for Council time dealing with development applications that meet the intent of Council approved policies

and maximizes staff delegation, within set parameters and subject to approved criteria for the assessment of variations.

Approval authority for development applications in a CPPS vary depending on the class of permit required. For Class 1 and 2 permits, the approval authority is the General Manager, Planning and Building Services and/or delegate. Class 3 permits require approval from Council. A Community Planning Permit may also get provisional approval (approval in principle with conditions needed to issue the Community Planning Permit), or approval with conditions attached, similar to conditional approval of a site plan application. Further detail on the Community Planning Permit By-law is included in section 4 of this report.

In drafting the proposed Community Planning Permit By-law, the intent was to carry forward the City's existing Zoning By-Law (2023)-20790 (currently under appeal) regulations as the foundation of the proposed Community Planning Permit By-law regulations, while making modifications to support broader benefits to the way housing is delivered. These benefits include a more streamlined development process, a more flexible set of development standards, and a shorter approvals process.

An important component of a CPPS is the provision of facilities, services, and matters in exchange for additional height and density of a particular development application. Facilities, services, and matters refers to the specific community benefits that a municipality may require from a proponent in exchange for allowing the proponent to build additional height or density than what is identified in Class 1 thresholds. For the City of Guelph, affordable housing has been identified as the specific community benefit, which means that the City will require a certain percentage of affordable units (or cash-in-lieu) proportional to the amount of height or density that a project proposes. Discussion on how this percentage was calculated is detailed in section 5 of this report.

Proposed Community Planning Permit System Official Plan Enabling Policies

The Planning Act requires a municipality's Official Plan to contain policies enabling a CPPS in order to pass a Community Planning Permit By-law. As such, the City has drafted Official Plan Amendment (OPA) 105 (Attachment 1). The OPA updates section 10.11 of the Official Plan to refer to a Community Planning Permit, where previously it referred a development permit system. The proposed policies reflect the current Provincial CPPS regulations of the Planning Act O.Reg 173/16 which sets out specific Official Plan policy requirements for the implementation of a CPPS.

The proposed OPA also contains mapping updates. This includes an update to the Strategic Growth Area boundary, to reflect the CPPS pilot area, extending the Stone Road/Edinburgh Road Strategic Growth Area to the north to College Avenue West, and to the west to include lands along Janefield Avenue. Additionally, properties along College Avenue, Torch Lane,

Scottsdale Drive, and Janefield Avenue have been re-designated to be consistent with surrounding land uses. Where redesignation has occurred, properties have been up-designated, going generally from low density to medium density residential, institutional to medium density residential, or medium density residential to high density residential. A map of the proposed redesignations is included in Attachment1.

Proposed Community Planning Permit By-Law

The creation of the CPPS has the effect of requiring technical modifications to a number of other by-laws, City processes as well as the Committee of Adjustment with respect to the minor variance application process, and the Delegated Authority By-law, Site Plan Control By-law and Community Benefits Charge By-law. The Community Planning Permit By-law operates using a broadened definition of development as permitted by the Planning Act O. Reg. 173/16 to include a number of processes into a single application review process to streamline development approvals and provide greater transparency and certainty. The Community Planning Permit By-law regulates the permitted and discretionary uses of land as well as the standards of development applicable to those uses.

The Community Planning Permit By-law is structured as follows:

- The Administration Section 1.0 outlines the operation and administration of the by-law including listing of exemptions, establishing permit classes and the framework for approvals and performance standards.
- The Interpretation Section 2.0 sets out the rules that apply to all by-law provisions.
- The Definitions Section 3.0 provides definitions for terms that are used throughout the by-law for ease of interpretation and implementation.
- The General Provisions Section 4.0 sets out the provisions and regulations that apply to all classes of development.
- Parking Section 5.0 sets out the provisions related to parking, parking design including aisles and spaces, and parking rate requirements.
- The Stone Road/Edinburgh Road Community Planning Permit Precincts Section 6.0 sets out the CPPS precincts outlining the permitted and discretionary uses and development standards.
- The Site-Specific Provisions Section 7.0 includes the site-specific provisions that are specific provisions and regulations being carried into the by-law from Zoning By-law 1995-14864 and 2023-20790.
- The Schedules and Appendices Sections include the mapping. It is important to note that the schedules are part of the By-law, whereas the appendices are supporting and do not form part of the by-law.

Class 1 permit applications meet all development standards located in tables 6.2-6.4 of the CPP By-law. As they meet the rules established by the planning documents adopted by Council, processing these permits does not require deliberation of the merit of the application and permits can be approved by staff. Section 1.14 of the Community Planning Permit By-law

establishes the base expectations related to the provision of facilities, services, and matters for Class 1 applications.

Class 2 permit applications are those that require a variation to the development standards (CPP By-law Tables 6.2-6.4), that may be delegated to staff for review against established and Council approved criteria and approval. Staff's approval threshold is dependent on the standard being varied (as set out in Sections 1.0 to 7.0 in accordance with the By-law). As in a Class 1 permit application, the provision of services, facilities and matters in accordance with Section 1.14 of the Community Planning Permit By-law is required with a Class 2 permit application, which includes providing additional contributions proportionate to the additional height and density provided by the application. This contribution is only required where a variation to the height and/or density is requested (e.g. additional facilities, services, and matters is not needed if a variation is to another development standard).

Class 3 permit applications are those that seek approvals beyond the Class 2 thresholds contemplated by Table 6.2 in the Community Planning Permit By-law and would require Committee or Council approval. All Class 3 permit applications are intended to include the provision of facilities, services, and matters proportionate to the height and density of the application. Anything outside of a Class 3 variation (i.e., the introduction of a use not contemplated or permitted in the by-law) would require an amendment to the Community Planning Permit By-law.

The variation thresholds are intended to provide clarity on how much a given standard can be varied under each permit class. An applicant or Staff do have the ability to request an application be bumped to a class 3 permit to be decided on by Council. The Community Planning Permit By-law can be amended, and the process to amend the by-law follows a similar process to amending a zoning by-law, which would be a public process requiring submission materials and supporting documents in accordance with section 1.18 of the by-law. Within the first 5 years of the by-law an application to amend may only be permitted through a Council resolution, as per the O.Reg and sec 1.18.2b) of the by-law.

Classes of development also require differing levels of public notification. Staff received feedback at the public meeting from Council and the public regarding the proposed notification requirements for Class 2 and 3 permits and have revised the Community Planning Permit By-law to reflect what was heard. Previously, it was proposed that a Class 2 permit would only require posting on the City's active development webpage. The proposed notification requirements have been amended to require a sign posting on the subject property for both Class 2 and 3 permits. An outline of notification requirements for each class is detailed in Table 1 above.

Proposed Provision of Affordable Housing as Facilities, Services, and Matters

As discussed previously, a CPPS provides the opportunity for the City to require a development to provide facilities, services, and matters in exchange for additional height and/or density on the subject lands. Given the pressing need in the City for more affordable housing, Staff have identified affordable housing units as the required facilities, services, and matters that are exchanged within a class 2 permit. Table 1.4 of the CPP By-law provides the thresholds for affordable housing, which are consistent with the Province's Bulletin (Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin). This threshold has been consistently used throughout the City's affordable housing initiatives (e.g. HAS, CIP). The by-law defines affordable housing in Table 1.4. For a Class 3 permit, the by-law requires a complete community charge and additional facilities, services, and matters greater than the value of applying a Class 2, in accordance with proposed provision 1.14.7 of the by-law, which lists the following:

- Land to be conveyed to the City for municipal purposes;
- Accessible dwelling units;
- Purpose-built rental units;
- Additional affordable dwelling units, beyond those required in Table 1.4;
- Dwelling units to be provided to Wellington County or a not-for-profit housing provider for use as part of their housing portfolio;
- Public Service Facilities or Institutional use;
- Public transportation infrastructure, facilities, and services;
- Active transportation infrastructure and facilities;
- Public parking and improvements to existing public parking;
- Improvements to off-site streetscaping, beyond the City's Streetscape Guidelines;
- Public art;
- Urban forestry;
- Parkland and improvements to existing parks in excess of what is required under Section 42 of the Planning Act and the City's Parkland Dedication By-law, as amended;
- Conservation, protection and preservation of cultural heritage resources or natural heritage features and systems;
- Implementation of voluntary sustainability measures above and beyond the energy, water and sustainability policies of the City's Official Plan, as amended; and,
- Any other in-kind contribution as approved by Council.

The Planning Act regulation that governs CPPSs requires that facilities, services, and matters be exchanged for a specified height or density of development and that the by-law establish a in proportional relationship between the facilities, services and matters that may be required and the to the additional height and/or density that may be allowed. This allows for the

City to require for every additional unit that is granted via an increase in height or density, a percentage of those additional units to be affordable. Thus, a percentage of additional units granted by the height/density increase was calculated to be included in the by-law Table 1.2 (reproduced below as Table 2). The Community Planning Permit By-law also provides for a cash-in-lieu option for affordable housing units.

Table 2: Provision of Facilities, Services and Matters by Development Class

	Residential development within Class 1 maximum building height and density threshold	Residential development within Class 2 building height or density threshold	Residential development above Class 2 building height or density threshold
Required facilities, services, and matters	Complete community charges per Table 1.3 for development with 5 or more storeys and 10 or more residential units.	<p>Complete community charges per Table 1.3 for development with 5 or more storeys and 10 or more residential units.</p> <p>AND</p> <p>Option 1: A minimum of 33% of all residential units (rental or ownership) above the maximum Class 1 building height or density threshold, but within the maximum Class 2 building height or density threshold, must be provided as Affordable Dwelling Units, per Table 1.4.</p> <p>OR</p> <p>Option 2: A cash-in-lieu contribution for the required Affordable Dwelling Units as identified in Option 1, per Table 1.5</p> <p>OR</p> <p>Option 3: A mix of Affordable Dwelling Units and cash-in lieu contribution for the required Affordable Dwelling Units identified in Option 1.</p>	<p>Complete community charges per Table 1.3 for development with 5 or more storeys and 10 or more residential units.</p> <p>AND</p> <p>Additional facilities, services and matters to be greater than the value of applying Class 2 facilities, services, and matters, in accordance with provision 1.14.7.</p>

In order to determine the appropriate amount of affordable housing, units required in Table 1.2, a financial analysis was completed by Watson and Associates (Attachment-3). The purpose of the financial analysis was to identify the proportional relationship between increased height and density and affordable housing, within the context of the local planning policy framework in Guelph. This resulted in a threshold percentage of affordable housing units that would not financially hinder a potential project. To do so, Watson provided a detailed examination of the potential market feasibility (based on typical local development costs and revenues) associated with two development scenarios: a mixed use development (Scenario 1) and a high-density residential development (Scenario 2).

For each scenario, a base case development pro-forma was completed to determine the potential internal rate of return (IRR) for the project. IRR represents the return on invested capital, a metric similar to profit, and is used to understand the financial feasibility of a project. First, the IRR was calculated under Class 1 standards (i.e. without the provision of affordable units). Then, a second scenario was completed to calculate the IRR for a project that had the maximum height/density permitted in a Class 2 permit, without the provision of affordable housing units. Finally, a third scenario was then calculated to determine the number of affordable housing units that would return the project to its original IRR, while permitting additional height and/or density.

The findings of the scenarios determined the following:

- For a mixed use development, 48 per cent of additional housing permitted by the additional height/density could be affordable housing while still achieving the base case IRR.
- For a high density development, 49 per cent of additional housing permitted by the additional height/density could be affordable housing while still achieving the base case IRR.

Ultimately, these scenarios established a maximum threshold for how many affordable dwelling units could be accommodated within the development scenarios without impacting the IRR.

However, staff determined that a lower percentage of affordable units should be required, for two main reasons:

1. To incentivize development- a smaller percentage of required affordable units (or cash-in-lieu) would incentivize developers to build more units, thus resulting in more affordable housing units being delivered. Alternatively, maximizing the percentage of additional units required to be affordable would provide no incentive for a developer to build more units, as their financial return would be the same.
2. To simplify the process across precincts- despite Watson's analysis resulting in different percentages based on the development type, requiring one percentage regardless of precinct simplifies the process and is more transparent for the development community.

In establishing the City's Housing Affordability Strategy (HAS), an Official Plan Amendment (OPA) was passed which updated the City's affordable housing requirements for new housing developments (OPA 101). OPA 101 established a new target of 33 per cent of new residential development be affordable housing (7.2.1.2).

Thus, it was determined that the percentage of additional units enabled by height and/or density that would be required to be affordable would be 33 per cent. This percentage is reflected in the table above, and in Table 1.2 of the by-law. This percentage is in line with the City's Official Plan target outline in OPA 101, while providing enough incentive to encourage residential development in the CPPS area. Essentially, for every additional three units granted by a variance in height or density, the City will require 1 to be an affordable dwelling unit.

The percentages and cash-in-lieu amount included in the by-law are intended to be a starting point for the CPPS and are based on today's market conditions. It is recommended that development within the CPPS be monitored, and that this percentage be revised as required.

Next Steps

As previously mentioned in this report, the Stone Road/Edinburgh Road CPPS area is phase 1 of the initiative. It is anticipated that a CPPS for the Downtown secondary plan area will be brought forward by the end of 2025. The phased approach allows for other policy work to be completed in the downtown prior to the implementation of a CPPS for the secondary plan area.

Associated By-law Amendments

The implementation of the CPPS requires additional amendments to the Development Fee By-law (2025 – 21054) and delegation of authority by-law (2025) – 20994. A new fee is required to create an application fee for a Community Planning Permit. To determine the fee, staff evaluated current application fees for Zoning By-law amendments, Minor Variances, and Site Plan approval applications. A final application fee was determined for Class 1, 2, and 3 permits. A fee was also determined for pre-consultation, similar to the current pre-consultation fees required currently for planning applications. The proposed amendment can be found as Attachment-4 to this report. A comparison of the proposed CPPS fees and current Planning fees is provided in Table 3 below.

Table 3: Comparison of Planning Fees for CPPS and Traditional Planning Applications

CPPS Permit Class	Fee (\$)	Traditional Planning Application	Fee (\$)
Class 1 (minor)	7,956.00	Standard Site Plan -With Pre-Submission Review	13,974.00 Plus variable fee
Class 1 (major)	7,956.00 Plus variable fee	Standard Site Plan -Without Pre-Submission Review	21,930.00 Plus variable fee
Class 2 (minor)	21,402.00 Plus variable fee	Minor ZBA - with Pre-Submission Review Plus Standard Site Plan -With Pre-Submission Review	16,218.00 Plus 13,974.00 plus variable fee Total: 30,192.00 plus variable fee
Class 2 (major)	39,039.00 plus variable fee	Major ZBA - with Pre-Submission Review Plus Standard Site Plan -With Pre-Submission Review	25,092.00 Plus 13,974.00 plus variable fee Total: 39,039.00 plus variable fee

CPPS Permit Class	Fee (\$)	Traditional Planning Application	Fee (\$)
Class 3 (minor)	38,352.00 Plus variable fee	Major Combined ZBA/OPA - with Pre-Submission Review Plus Standard Site Plan -With Pre-Submission Review	37,638.00 Plus 13,974.00 plus variable fee Total: 51,612.00 plus variable fee
Class 3 (major)	51,612.00 Plus variable fee	Major Combined ZBA/OPA - with Pre-Submission Review Plus Standard Site Plan -With Pre-Submission Review	37,638.00 Plus 13,974.00 plus variable fee Total: 51,612.00 plus variable fee
Variable Fee		Variable Fee:	
<u>Residential Application</u>		<u>Residential Application</u>	
per unit	204.00	per unit	204.00
<u>Commercial/Office/Institutional Application</u>		<u>Commercial/Office/Institutional Application</u>	
per m2 of GFA	3.88	per m2 of GFA	3.88
<u>Industrial Application</u>		<u>Industrial Application</u>	
per m2 of GFA	2.45	per m2 of GFA	2.45
Pre-consultation	3,570.00	Pre-consultation	3,570.00

CPPS Permit Class	Fee (\$)	Traditional Planning Application	Fee (\$)
Applicant initiated Major Revision	50% of the application fee	Applicant initiated Major Revision	50% of the application fee

An amendment to the Delegation of Authority By-law is required to permit the General Manager of Planning and Building Services, or a delegate thereof, to have the signing authority to approve of a Class 1 or Class 2 permit. The proposed amendment to the Delegation of Authority By-law can be found as Attachment-5 of this report.

Financial Implications

The CPPS by-law will require the creation of three new reserve funds to account for charges and cash-in-lieu. The new reserve funds are the Complete Community Charge, Cash-in-lieu of Affordable Housing, and Alternative Facilities, Services and Matters as outlined in the subsections below.

Complete Community Charge

Within a CPPS, Community Benefits Charges do not apply, however, a new Complete Community Charge will be required for Class 1, 2, and 3 permits. A separate reserve fund is proposed to be established:

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- Reserve Name: Complete Community Charge
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- Target balance: No established maximum limit, reserve balance must be positive.
- Source of funds: Funds collected as a Complete Community Charge for Class 1, 2, and 3 permits under the Community Planning Permit System By-law.
- Use of funds: Provision of facilities, services and matters to support the growth-related costs of the capital infrastructure needs identified in the relevant Community Benefits Charge Strategy.
- Authority/timing: Council approved through capital budget or other in year Council report.

Watson & Associates reviewed the potential municipal financial impacts of the proposed Complete Community Charge and concluded that there would not be significant impacts to potential City revenues as the calculation for

Complete Community Charge and the Community Benefit Charge is the same. The Complete Community Charge requirement is approximately \$1,000 to \$3,000 per unit, depending on land value and density of the development.

Cash-in-lieu of Affordable Housing

As discussed in section 5 of this report, the CPPS provision of cash-in-lieu of affordable housing presents an opportunity for the City to obtain revenues to be used for affordable housing development. Cash-in-lieu of affordable housing collected from the CPPS will be held in a new Affordable Housing Cash-in-Lieu reserve fund #308 and will be used for projects that directly contribute to units that support the Housing Affordability Strategy. Strategy. The following are the proposed policy terms for the Affordable Housing Cash-in-Lieu reserve fund (308):

Reserve Number: 308

- Reserve Name: Cash-in-lieu of Affordable Housing
- Purpose: To hold funds collected through the Community Planning and Permit System By-law Law for the purpose of advancing affordable housing development in Guelph.
- Target balance: Funds required to support the Council approved Housing Affordability Strategy.
- Source of funds: Funds collected as Cash-in-lieu of Affordable Housing under the Community Planning Permit System By-law.
- Use of funds: Funds used for projects that directly contribute to units that support the Council approved Housing Affordability Strategy.
- Authority/timing: Use of funds approved through the budget process or other in year Council report.

Collecting cash-in-lieu from development will support the need for dedicated funds to advance the Housing Affordability Strategy and will supplement the contributions to the tax supported Affordable Housing Reserve (119) from property taxes. The tradeoff of requiring affordable housing provision or cash-in-lieu of affordable housing is that it will make housing projects less financially attractive than simply allowing the extra height and density in the area. Additional analysis of this trade off in comparison with the proposed fee is provided in section 5 below.

There is a significant difference in the financial implications for the City of a developer providing affordable units versus providing cash-in-lieu of affordable units. A developer providing affordable units will require an agreement between the City and the developer that those units will remain affordable for 25 years and will require staff time to enter into the agreement and manage and monitor the agreement over that period of time. Affordable units would also receive an exemption from development charges and parkland dedication fees, which would be funded by property taxes and

utility rates. Conversely, a contribution of cash-in-lieu of affordable housing means that full development fees would be paid in addition to contributing funds that the City can employ towards building new units in alignment with the Housing Affordability Strategy.

Alternative Facilities, Services and Matters

Additionally, through a Class 3 permit, applicants are required to submit Facilities, Services, and Matters with a greater financial value than the class 2 equivalent. However, in accordance with the by-law, there is greater flexibility for what facilities, services, and matters can be contributed for a class 3 permit. Accordingly, a separate reserve fund is proposed to be established:

Reserve Number: 309

- Reserve Name: Alternative Facilities, Services and Matters
- Purpose: For payment of cash-in-lieu for additional facilities, services and matters in exchange for a specified height or density of development under O. Reg. 173/16.
- Target balance: No established maximum limit, reserve balance must be positive.
- Source of funds: Funds collected as Alternative Facilities, Services and Matters fees for Class 3 permits under the Community Planning Permit System By-law.
- Use of funds: Provision of additional facilities, services and matters as outlined in provision 1.14.7 of the Community Planning Permit System By-law as amended from time to time.
- Authority/timing: Council approved through capital budget or other in year Council report.

Similar to the affordable housing requirement, the tradeoff of requiring Alternative Facilities, Services and Matters is that it will make housing projects less financially attractive than simply allowing the extra height and density in the area. Further analysis is provided in section 5 below.

With regard to Development Charge exemptions, the provision of affordable units that meet the requirements established under the Development Charges Act would be exempt from Development Charges. Development Charge exemptions must be funded through non-development charge sources (property taxes and utility rates). The actual cost of exemptions will be dependent on the number of affordable housing units provided for (versus the payment of affordable housing cash-in-lieu) under the CPPS By-law. Parkland Dedication By-law exemptions for affordable units do not have to be funded from other sources but impact the resource capacity to purchase park land in our growing city as density increases and the demand for public outdoor space expands.

Consultations and Engagement

Public consultation for the proposed By-law was conducted from October 2024 to April 2025. Two in person open houses were held, on October 30th 2024 and November 27th 2024 at Priory Park Public School. Additionally, two virtual open houses were held, on November 21st 2024 and January 14th 2025. Pop-ups for the project were held at the Shelldale Centre, the Guelph Farmers' Market, and at the Victoria Road Recreation Centre.

An online survey and mapping activity was conducted to gain feedback on the project from the public. In total, there were 33 responses to the vision survey and 39 responses to the mapping activity.

A statutory public meeting was held on January 21st, 2025. Council and the public were given the opportunity to give feedback at this meeting.

Since the public meeting, submissions have been made to the City

on behalf of some property owners in the proposed Stone Road/Edinburgh Road CPPS area. Most letters outlined anticipation on the required percentage of affordable housing units, while also outlining minor concerns with development standards in the by-law. A summary of the comments and responses has been included as Attachment-6 of this report.

Some property owners highlighted an increased concern relating to the ongoing appeal of the current comprehensive Zoning By-law (2023)-20790. As discussed in section 2 of this report, the intent of staff was to carry forward many of the provisions of the Comprehensive Zoning By-law as the foundation of the CPP By-law. This is due to the recent completion of the zoning by-law work. However, as portions of the Comprehensive Zoning By-law remain under appeal, there is risk that those same provisions that were carried forward in the CPP By-law are appealed as well.

Where possible meetings were held with land-owners in the area to discuss comments and gain further feedback on the CPPS. Some landowners in the proposed Stone Road and Edinburgh Road CPPS area have voiced their encouragement for the implementation of the CPPS and are eager to go through the new permit process.

Attachments

Attachment-1 Official Plan No. 105 (OPA 105)

Attachment-2 City of Guelph CPP By-law

Attachment-3 Guelph Feasibility Assessment

Attachment-4 Planning Services delegation of authority by-law amendment for CPPS

Attachment-5 CPPS Planning Fees Amendment

Attachment-6 Guelph CPPS Engagement Response

Attachment-7 CPPS Decision Meeting presentation

Departmental Approval

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