

Staff Report



To **City Council**
Service Area Infrastructure, Development and Environment
Date Tuesday, January 20, 2026
Subject **Statutory Public Meeting Report, Proposed Official Plan Amendment and Community Planning Permit By-law**

Recommendation

- a. That the report titled "Statutory Public Meeting Proposed Downtown Community Planning Permit By-law" from Infrastructure, Development and Environment dated January 20, 2026, be received.

Executive Summary

Purpose of Report

The purpose of this report is to present information on a proposed City-initiated draft Official Plan Amendment and draft Community Planning Permit By-law for the Downtown Area. The Downtown Community Planning Permit By-law is Phase 2 of a Housing Accelerator Fund pilot project, following the Stone Road – Edinburgh Road Community Planning Permit By-law in spring 2025. The report provides a background on the structure and purpose of the Community Planning Permit By-law generally and the changes proposed for Downtown specifically. Finally, this report outlines the next steps to the recommendation for adoption of the Official Plan Amendment and Community Planning Permit By-law.

Key Findings

- The priority of the Downtown Community Planning Permit (CPP) By-law’s facilities, services, and matters is affordable housing.
- As part of the Housing Accelerator Fund (HAF), the City identified eight initiatives to address Guelph’s housing supply and affordability challenges. Initiative 7 speaks to developing and implementing a Community Planning Permit System (CPPS) Pilot Project.
- The Downtown is phase 2 of the CPPS Pilot Project. The first phase implemented a CPP By-law in the Stone Road – Edinburgh Road Strategic Growth Area (SGA). Council approved the Stone Road – Edinburgh Road CPP By-law in April 2025. This phase proposes a new CPP By-law for Downtown. This work will support the acceleration of housing supply within the city and provide predictability and stability in the development approvals process. It will also contribute to the City’s objective of being ‘housing ready’, contributing to ongoing work to update policies and improve processes to support growth. The goal of this Project is to incentivize the creation of 35 affordable housing units by the end of 2026.
- Staff are proposing a new CPP By-law for Downtown. The Downtown CPP By-law will function independently of the adopted Stone Road – Edinburgh Road CPP

By-law and the Zoning By-law. The CPP By-law carries forward the enabling policies of the Stone Road – Edinburgh Road CPP By-law and is organized to closely follow the Zoning By-law’s organization.

- The CPPS allows the City to obtain community benefits, also referred to as facilities, services, and matters, for specified height or density of development. Similar to the Stone Road - Edinburgh Road CPPS, the Downtown phase prioritizes affordable housing.
- In April 2025, Council approved revised building heights downtown in Official Plan Amendment (OPA) 106. The Downtown Heights project significantly increased building heights in sections of downtown, approving maximum building heights of up to 24-storeys in some areas. The Downtown CPP By-law will implement the revised downtown heights under a CPP By-law. The CPP By-law replaces the regulatory role of the Zoning By-law.
- Staff have contracted Watson and Associates to conduct a financial feasibility analysis to monetize the value of community benefits and the number of affordable units that might be achieved through the CPP. Watson’s study analyzed the Internal Rate of Return (IRR) for condominium and purpose-built rental buildings at 6-, 12-, 18-, and 24-storey increments. Their findings inform the CPP By-law’s required facilities, services, and matters.

Strategic Plan Alignment

This report aligns with the priority of Improve housing supply in the 2024-2027 Strategic Plan. The Public Meeting being held provides the opportunity for City Council, residents, and community groups to learn more, ask questions and provide comments on the draft Official Plan Amendment and draft Community Planning Permit By-law.

Future Guelph Theme

City Building

Future Guelph Objectives

City Building: Improve housing supply

Financial Implications

The CPPS initiative has been funded through HAF funding, as the implementation of the Community Planning Permit System Pilot Project Area is identified as key initiative #7 in the Housing Accelerator Fund.

Similar to the Stone Road – Edinburgh Road Area, a Complete Communities Charge is required for residential projects with 5-storeys or ten or more residential units. The Complete Communities Charge replaces the Community Benefits Charge in the Downtown CPP Area.

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.

The adoption of the Stone Road – Edinburgh Road CPP By-law established three new reserve funds to account for alternative facilities, services, and matters 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 reserve funds, all of which will be utilized by the Downtown CPP By-law. The Downtown CPP By-law does not propose updates to the previously created reserve funds.

Report

Project Background

The purpose of this report is to present the draft of a Community Planning Permit (CPP) By-law for the Downtown Area which includes an update to the Official Plan to designate Downtown as a CPP Area. This Downtown Community Planning Permit System (CPPS) Pilot Project advances the City's HAF commitments as well as the City's ongoing policy work downtown and supports the City's objective to be housing ready to support growth by updating processes to streamline new development. The Downtown CPP By-law advances the second phase of the HAF funded CPPS pilot project. The first phase in the Stone Road - Edinburgh Road area was adopted by Council on April 8, 2025. The HAF goal of the overall CPPS Pilot Project is to incentivize the creation of 35 affordable housing units by the end of 2026. The downtown CPP By-law implements the adopted Downtown Heights project.

Community Planning Permit System

A CPPS is a land-use planning tool that municipalities can use to streamline the planning approval process for some specific planning applications, and to help support local priorities such as affordable housing, parkland dedication, sustainability measures, and/or heritage preservation. The CPPS streamlines development downtown, by combining the Zoning By-law Amendment, Minor Variance, and Site Plan processes into a single application. The CPPS accomplishes the streamlined development model by empowering staff to make discretionary variations (as outlined in the bylaw) to development standards that would otherwise require public hearing at the Committee of Adjustment or Council meeting. Finally, the CPPS also allows the City to require the provision of community benefits or facilities, services, and matters in exchange for specified height and density.

The CPP By-law repeals and replaces the existing Zoning By-law with a new CPP By-law in the defined area of Downtown. The CPP By-law replaces the regulatory role of the Zoning By-law. It is similar to traditional Zoning By-laws in that it includes both general provisions which apply across the entire area to which the By-law applies, as well as specific provisions for each Planning Permit Area, called precincts instead of zones in Guelph's CPP By-laws. A CPP By-law differs from a Zoning By-law because it permits discretionary uses, which are uses permitted provided that certain conditions are met, in addition to permitted uses. It also allows variations from the standards, such as setback or lot coverage requirements, provided that identified criteria are addressed.

The CPPS allows Council to delegate approval authority to staff under selected circumstances. Approvals that are delegated to staff are identified in the By-law.

For the delegated applications, variations are outlined in the CPP By-law, public notice is not required and the process will be streamlined. Where a Council approval is required, notice to the public will be provided and a public meeting will be held. Appeals to the Ontario Land Tribunal (OLT) of a Council decision in a CPP area may only be made by an applicant, not third parties.

In the Downtown Area, the CPP By-law will enable development proponents to have more certainty about requirements before formal applications. Staff are empowered to approve variations from development standards, reducing the time needed to process applications.

City Context

In spring 2025, City Council approved OPA 106, which revised the maximum building heights downtown in the City's Official Plan (2024 Consolidation). The amendment established building heights up to 24-storeys, with a concentration of taller buildings south of the railroad tracks. OPA 106 also introduced new tall building standards downtown, affecting buildings over 6-storeys in height. OPA 106 only changed the maximum building heights in the Official Plan but did not amend the Zoning By-law to enable the revised heights for development. Instead of amending the Zoning By-law to permit the revised heights in OPA 106, the CPP By-law will implement the revised heights. Section 11.1.7.2.7 of OPA 106 anticipated a CPPS to implement the revised heights, including the provision of facilities, services, and matters, to permit development that reaches the new heights. Specifically, the amendment allowed for a CPPS to establish a framework to implement the maximum heights, as well as the required facilities, services, and matters. Figure 1 shows the heights approved through OPA 106, and Figure 2 shows the parcels where OPA 106 approved more height than was previously permitted.

Figure 1: Proposed Schedule C2 - Downtown Permit Area - Maximum Building Heights

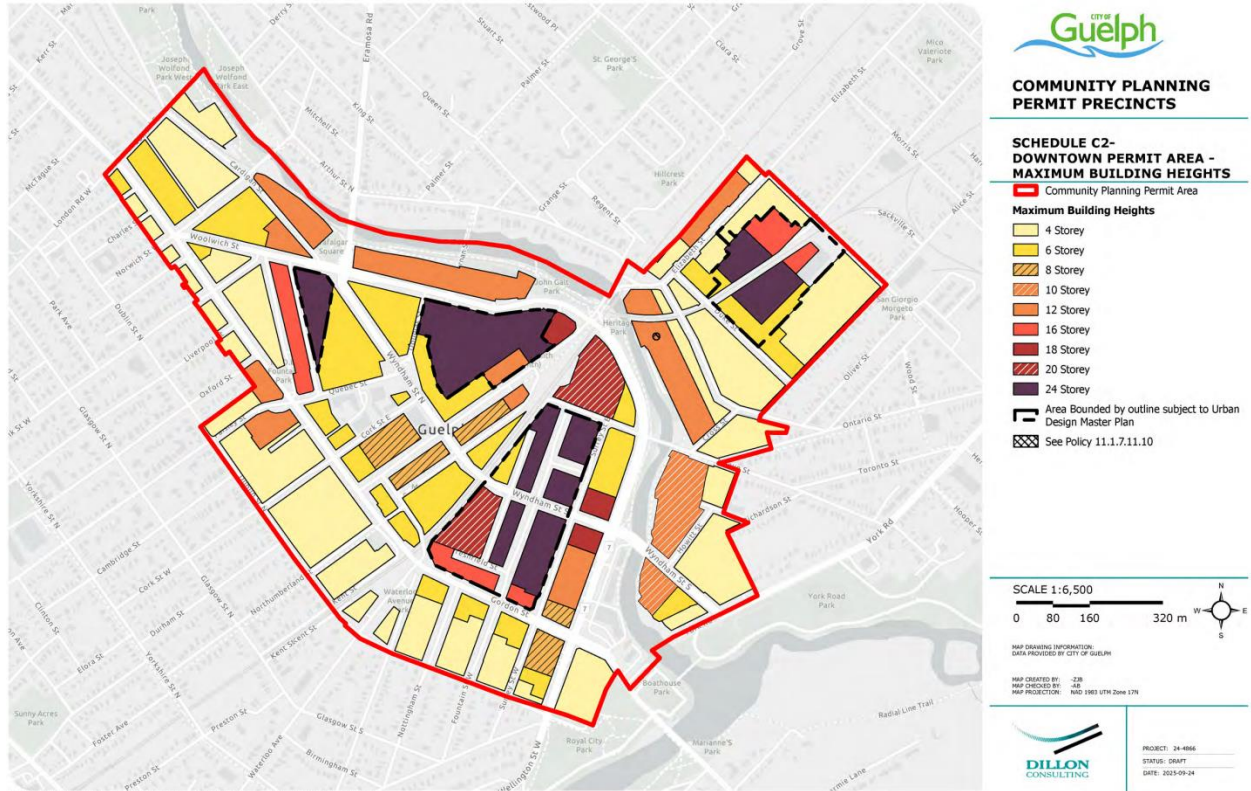
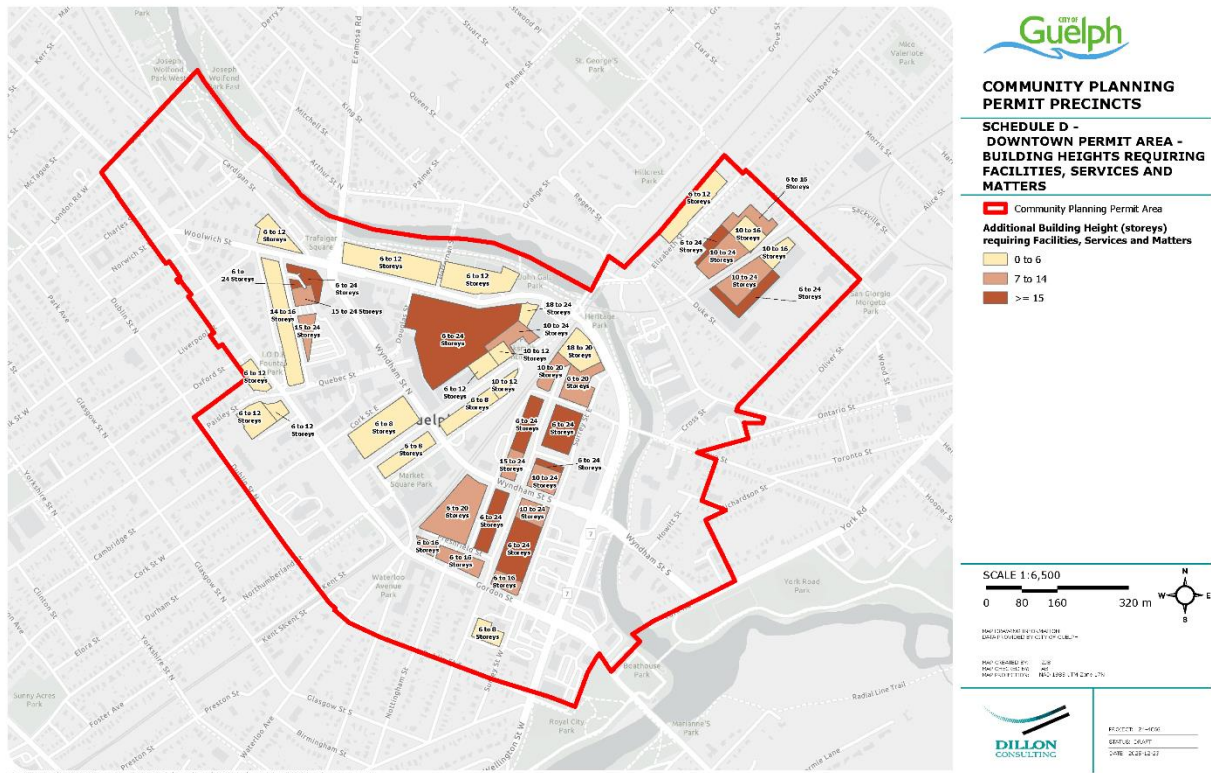


Figure 2: Proposed Schedule D - Downtown Permit Area - Building Heights Requiring Facilities, Services, and Matters



In April 2025, Council adopted OPA 105 and the Stone Road – Edinburgh Road CPP By-law. OPA 105 updated the City’s Official Plan to enable the Community Planning Permit System and apply the CPP By-law to the Stone Road – Edinburgh Road Area. The OPA updated outdated policies that referred to Development Permit System (10.11) in the City’s Official Plan. Under this framework, expansions of the CPPS only require an OPA to designate a new area as a CPPS area.

Community Planning Permit System Regulations

The Planning Act provides the legislative framework to establish a Community Planning Permit (CPP) for municipalities in Ontario as a planning tool designed to streamline approvals. Ontario Regulation (O.Reg.) 173/16 issued under subsection 70.2 of the Planning Act provides specific regulations for the establishment of Community Planning Permits. O. Reg. 173/16 permits municipalities to specify community benefits, such as affordable housing, additional parkland dedications, or other public benefits, in exchange for additional height or density.

The Provincial legislative context is dynamic and changing, even since the City’s initial adoption of the CPP By-law in April 2025. In spring 2025, the Ontario Provincial Government introduced Bill 17: Protect Ontario by Building Faster and Smarter Act, 2025, which updated the Planning Act and other Provincial Acts affecting municipalities. Bill 17 did not directly amend the enabling legislation for the CPPS, Section 70.2 of the Planning Act or O. Reg 173/16. However, the Bill proposed changes that may influence the development of a CPP By-law.

Bill 17 proposed automatic approval of minor variances instead of requiring a Committee of Adjustment hearing to reduce the number of hearings required. In November 2025, the Province adopted O. Reg 257/25 which formally approved an as-of-right 10 per cent variation for minor variance setbacks. As the CPPS also seeks to reduce the number of applications needing Council approval, the proposed 10 per cent variance informs the minimum variations the CPP By-law allows as a staff level variation, as appropriate. It should be noted that most parts of the Downtown Area are exempt from the 10 per cent setback variance approval due to proximity to railways and waterways.

Finally, the Province introduced Bill 60: Fighting Delays, Building Faster Act 2025 in October 2025. The Bill proposes as-of-right variations from performance standards in municipal zoning By-laws. Variations are proposed to be as-of-right within a prescribed percentage, which may be set out in a regulation. The specific performance standards are not identified and are subject to consultation. The proposed changes at this time do not impact the requirements and processes for CPP By-laws. The Province has not yet released consultations on the proposed thresholds being considered.

Inclusionary Zoning

Inclusionary Zoning is another tool whereby municipalities may require affordable housing. Inclusionary Zoning was permitted in 2016 through Bill 7: Promoting Affordable Housing Act which amended the Planning Act to allow municipalities to establish inclusionary zoning policies and By-laws. O. Reg 232/18 - Inclusionary Zoning allows that a maximum of 5 per cent of units could be required as affordable for a 25-year period. Bill 108: More Homes More Choice Act limited the implementation of Inclusionary Zoning policies to Protected Major Transit Station Areas (PMTSA) and to CPP By-laws. In Guelph, the Downtown Area is a PMTSA and an area where Inclusionary Zoning could be implemented. Inclusionary zoning does not allow for the flexibility permitted through a CPPS. It does not allow for Cash-in-Lieu of affordable housing and the Province caps the affordable housing requirements at 5 per cent – the regulations do not allow a municipality to identify a higher proportion, even if supported by financial analysis. Finally, applications where inclusionary zoning applies are subject to the standard application process including the requirement for Council approval and review timelines prescribed to be 180 days rather than the 45 days prescribed for applications subject to a CPP By-law.

Updated CPPS Official Plan Policies

The proposed OPA for the Downtown CPP pilot project updates the Official Plan to designate Downtown as a Community Planning Permit area under Section 10.11.

Proposed CPP By-law

A new CPP By-law for the Downtown area is proposed. The Downtown CPP By-law draws on the work of the Stone Road – Edinburgh Road CPP By-law, the Zoning By-law (2023)-20790, the Downtown Secondary Plan and OPA 106. The new Downtown CPP By-law will carry forward large parts of the Stone Road – Edinburgh Road CPP By-law's structure, including administration, interpretation, and some precincts. The Downtown CPP By-law's standards implement specific policies in the Downtown Secondary Plan, OPA 106 and urban design standards in the Zoning By-law. The Downtown CPP By-law adapts existing Downtown Zones in the Zoning By-

law into new precincts. In establishing new downtown precincts, the Downtown CPP By-law draft carries forward the Zoning By-law (2023)-20790 regulations.

The Downtown CPP 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 development.
- Parking (Section 5.0) sets out the provisions related to parking, including parking design, parking rate requirements, and bicycle parking.
- The Community Planning Precincts (Section 6) including the permitted uses, discretionary uses, and the 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.

Building Heights

OPA 106 established new heights downtown, except for in the Special Policy Area (SPA). As a result, the permitted heights downtown are determined by Schedule C2 in the By-law. Precincts that are present in both the Stone Road – Edinburgh Road and the Downtown Areas, such as High Density Residential, have been updated to refer to Schedule C2 for applicable height standards for developments in the Downtown CPP By-law.

Definitions

The Downtown CPP By-law includes definitions specific to the Downtown Secondary Plan, such as Licensed Establishment or Active Frontage Areas, or environmental definitions for conditions that are present in the downtown area.

Parking

Parking Standards (Section 5) does not have required parking minimums to comply with the Province's Bill 185: Cutting Red Tape to Build More Homes Act, 2024 that prohibits parking minimums in PMTSAs. Design and layout standards for parking areas are included in the Downtown CPP By-law if developments voluntarily provide parking. The CPP By-law also imports the Zoning By-law's Downtown specific bicycle parking requirements.

Natural Heritage

The Downtown Area has environmentally sensitive sites, including floodplain areas along the Speed and Eramosa Rivers which are identified for the Downtown Area. Requirements for development in the Floodplain Overlay and the Special Policy Area have been added are included in the Downtown CPP By-law.

Site Specific Provisions

The CPP By-law carries forward the site-specific provisions in the Zoning By-law (Section 7.0).

Schedules, Maps, and Appendices

Schedules for the Downtown incorporate the policy specific provisions from the Downtown Secondary Plan, such as the Protected View Area from Basilica of Our Lady, and floodplain mapping along the Speed and Eramosa Rivers.

The affordable housing rates are included in Appendix D. As these rates are determined by the Province annual housing bulletin and align with the City's definition of affordable housing. The rents and affordable prices are subject to annual updates. The Appendices allow the table to be updated annually to be in line with Provincial updates without an amendment to the CPP By-law.

Precincts

The Downtown CPP By-law precincts are based on existing and unique Downtown Zones. Some precincts are carried forward from the Stone Road – Edinburgh Road area, such as the Low-, Medium-, and High-Density Residential precincts. The addition of the Downtown precincts increases the number of precincts to 12. Figure 1 summarizes the proposed CPP precincts, as well as the corresponding Zones as well as if they are existing or new from the Zoning By-law.

Table 1: Downtown Precincts

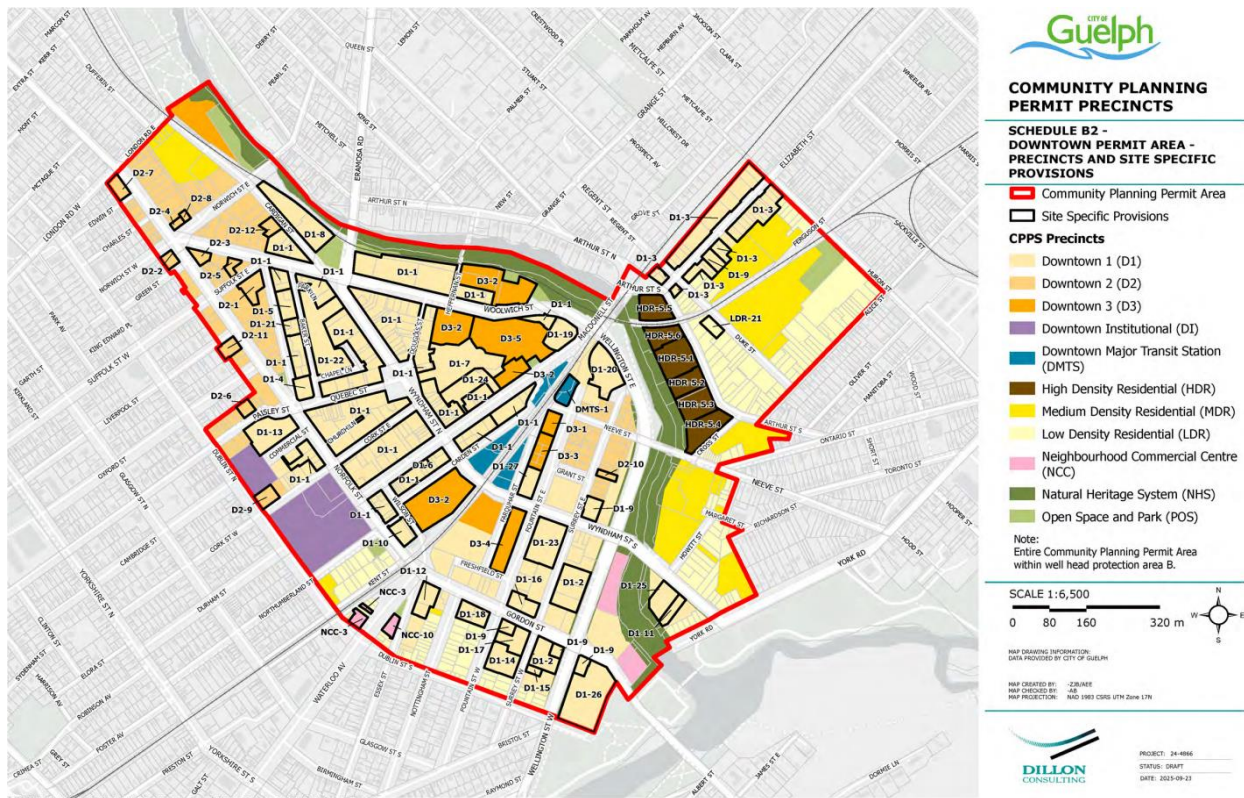
Proposed CPP Precinct	Existing Downtown Zones (Zoning By-law)	Stone Road Edinburgh CPP By-law / Downtown
Low Density Residential (LDR)	NI, RL.1, RL.2, RL.3	Stone Road – Edinburgh Road CPP By-law
Medium Density Residential (MDR)	RL.4, RM.6	Stone Road – Edinburgh Road CPP By-law
High Density Residential (HDR)	RH.7	Stone Road – Edinburgh Road CPP By-law
Mixed Use Corridor (MUC)	N/A	Stone Road – Edinburgh Road CPP By-law
Neighbourhood Commercial Centre (NCC)	CC-3, CC-10, SC.1	Stone Road – Edinburgh Road CPP By-law
Downtown 1 (D1)	D.1	Downtown
Downtown 2 (D2)	D.2	Downtown
Downtown 3 (D3)	D.3	Downtown

Proposed CPP Precinct	Existing Downtown Zones (Zoning By-law)	Stone Road Edinburgh CPP By-law / Downtown
Downtown Major Transit Station (DMTS)	D.3a	Downtown
Downtown Institutional (DI)	I.1	Downtown
Parks and Open Space (POS)	NP, RP, US, ND	Stone Road – Edinburgh Road CPP By-law
Natural Heritage System (NHS)	NHS	Stone Road – Edinburgh Road CPP By-law

The downtown precincts - D1, D2, D3, DMTS, and DI – are generally a one-for-one duplication of the existing Downtown Zones in the Zoning By-law. The CPP By-law follows the Downtown Secondary Plan’s land use policies of higher intensity and lower intensity mixed use neighborhoods (D1 and D2), employment and office uses (D3), as well as the more specific land use policies for the downtown transit station (DMTS), and for the landmark Basilica of Our Lady grounds (DI).

In the draft CPP Downtown By-law, the precinct map (Figure 3) translates the existing Zones to the corresponding precincts. The precinct map will be updated as needed to reflect input and ensure consistency with City policies. Changes to the precinct map may also require inclusion in the draft OPA to update Schedule C of the Downtown Secondary Plan.

Figure 3: Proposed Schedule B2 - Downtown Permit Area - Precincts and Site-Specific Provisions.



Variations

One of the main goals of the CPP By-law is to allow flexibility in development standards to reduce the number of projects that require Minor Variances and Zoning By-law Amendments. This is accomplished through the introduction of staff level variations to required development standards.

The Stone Road – Edinburgh Road CPP By-law established a three tier Class system for variations: Class 1, Class 2, and Class 3. The Downtown CPP By-law maintains the three classes of development permits for development standard variations although the Class permissions for development height are different based on the different policy contexts of the two areas.

Generally, Class 1 applications comply with the CPP By-law’s standards. Class 2 applications require a staff level variation to one or more standards. Staff can approve variations to General provisions (Section 4), Parking (Section 5), or Site-Specific Provisions (Section 7). In addition, the By-law establishes Class 2 staff level variations for precinct’s development standards in Community Planning Precincts (Section 6). The By-law must specifically enable staff level variations to precinct development standards as well as the maximum extent. Class 3 applications exceed the variation standards that can be approved by staff and require Council approval.

Staff evaluate variation requests on the following criteria:

- The application follows the requirements and objectives of the CPP By-law;
- The application aligns with the City’s Official Plan;

- The application considers guidelines from the Province, Region, and City, and technical studies;
- The application follows Provincial policies, rules, and standards; and,
- The application identifies and mitigates potential off-site and adverse impacts, where appropriate.

The public notification requirements are based on the Class of application. Class 1 and 2 applications do not require public notice whereas Class 3 applications require mailed public notice.

Table 2 summarizes the development standard variations and notification requirements for the Downtown.

Table 2: Classes of Development Permits for the Downtown Area.

Class	Description	Notification Requirements
Class 1	Application meets all development standards of this By-law. No variation is required.	No notice required.
Class 2	<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 onsite 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>

Class	Description	Notification Requirements
Class 3	<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 Downtown CPP By-law implements the heights permitted in OPA 106. Table 3 summarizes the different approaches for height variations in the Downtown Area.

Table 3: Staff Level Variations for Height in the Downtown CPP By-law

Class 1	Class 2	Class 3
Heights permitted by OPA 106 as shown on Schedule C2 (Figure 1 above is the proposed schedule).	No staff level variation to height.	Any height that exceeds maximum height permitted by OPA 106 as shown on Schedule C2 (Figure 1 above is the proposed schedule).

The new Downtown precincts – D1, D2, D3, DMTS, and DI - carry forward the development and urban design standards from the Zoning By-law. The Downtown Secondary Plan includes extensive urban design goals and guidelines, which are incorporated into the Zoning By-law’s Downtown Zones. This has guided variation thresholds for the urban design standards in the Downtown CPP By-law’s Downtown precincts. Through internal, public, and stakeholder consultation, staff are working to develop workable variations for the new Downtown precincts’ development and urban design standards. The goal of the CPP By-law is to provide staff level flexibility to development standards downtown while supporting urban design excellence.

Development Feasibility Assessment

To support the development of the CPP By-law’s facilities, services, and matters, Watson and Associates prepared a Development Feasibility Assessment for Downtown. The purpose of the assessment is to identify the proportional relationship between the financial uplift of increased development height and affordable housing, which is part of the facilities, services, and matters for development within the Downtown Area and required by regulations governing

CPPS. The report identified a percentage of units that could be affordable while maintaining a project's financial feasibility.

The analysis created a proforma for 6-, 12-, 18-, and 24-storey building scenarios Downtown based on a prototypical site. Eight scenarios were considered in the proforma, with each height modeled for purpose-built rental and condominium development. Each scenario assumed the same lot size 0.24 hectares and a 7,535 square feet commercial tenant on a portion of the first floor.

The potential internal rate of return (IRR) was used to indicate project viability for each scenario. IRR represents the return on invested capital, a metric similar to profit, and is used to understand the financial feasibility of a project. Using the 6-storey scenario as the base case, the analysis calculated the financial uplift over 6 storeys for the 12-, 18-, and 24-storey scenarios. To calculate the financial uplift, the study projected the number of units in market conditions for the 12-, 18-, and 24-storey scenarios. The analysis then adjusted the sale and rental price to meet affordable rates until the proforma matched the IRR in the 6-storey base case. The proforma established a base case IRR of between 12 per cent and 15 per cent as the threshold by which the project would be financially viable and calculated the number of affordable units that would be able to be achieved and maintain project viability.

The analysis considered development with parking ([October Analysis](#)) and without parking ([November Analysis](#)). Under Provincial legislation, the City cannot require minimum parking Downtown since it is located within a PMTSA. While many developments voluntarily provide resident parking, the CPP By-law does not have minimum parking requirements Downtown.

The City's Housing Affordability Strategy set a target of 33 per cent of all new housing as affordable in OPA 101. The Stone Road – Edinburgh Road CPP By-law required 33 per cent of all units gained through additional height or density be affordable.

The initial financial analysis included a contingency of 2 per cent and parking at a rate of 0.85 per unit and seven parking spaces for the commercial space. With the exception of the 6-storey building, all parking is structured. The 6-storey building model assumed ten surface parking spaces. The study established the 6-story base case IRR of 13 per cent for condominium development and an IRR of 11.8 per cent for purpose-built rental. For both the condominium and purpose-built rental scenarios, the analysis found that it was financially viable for at least 33 per cent of the additional residential units over 6-storeys to be provided as affordable units.

An updated financial analysis was undertaken, which was more conservative and included a contingency of 10 per cent although no parking was included in line with the minimum parking requirement for the development scenarios. In this scenario, the 6-storey base case showed an IRR of 14.3 per cent for condominium and 10.8 per cent for purpose-built rental. This analysis continued to find that at least 33 per cent of the additional units could feasibly be provided as affordable for both condominium and purpose-built rental.

Table 4 summarizes the IRR for each of the development scenarios in the analysis with a 0.85 parking rate and no parking.

Table 4: Summary of IRR for Different Development Scenarios

Development Scenarios	Number of Residential Units	IRR With Parking and 2% contingency	IRR with no parking and 10% contingency
6-storey condominium (Base Case)	71	13%	14.3%
6-storey purpose-built rental (Base Case)	71	11.8%	10.8%
12-storey condominium	161	22.7%	29.7%
12-storey purpose-built rental	161	13.5%	13.0%
18-storey condominium	247	25.4%	30.4%
18-storey purpose-built rental	247	14.3%	13.3%
24-storey condominium	333	27.3%	32.3%
24-storey purpose-built rental	333	14.7%	13.8%

It is noted that the viability of the purpose-built rental housing remains lower in the different scenarios than condominium projects. Canada Mortgage and Housing Corporation (CMHC) has programs to support the development of purpose-built rental housing including low interest construction loan programs to reduce the costs and reduced insurance premiums. For example, the Apartment Construction Loan Program (ACLP) offers low-cost funding to builders up to 100 per cent of the project’s residential component cost. The ACLP provides funding for standard rental, seniors housing, and student housing projects. CMHC also offers government backed Multi-Unit Mortgage Loan Insurance (MLI) programs for rental construction. The MLI Select program offers reduced insurance premiums for rental projects’ construction loans with CMHC assuming the loan and reducing risk for financial institutions. The MLI program’s rates are determined based on a project meeting specific affordability, energy efficiency, or accessibility standards.

Facilities, Services, and Matters

As discussed, the CPPS provides the opportunity for the City to require a development to require facilities, services, and matters in exchange for additional height or density on lands where the CPP By-law applies. In the proposed CPP By-law, facilities, services, and matters are required for projects with a minimum of 5-storeys and ten residential units, as well as for residential projects that make use of the height permitted by OPA 106 as outlined in the CPP By-law.

Complete Community Charge

The Complete Community Charge will be required for projects in the Downtown area with five or more storeys and 10 or more residential units. The Complete Community Charge will be 4 per cent of the development’s land value. The Complete Community Charge replaces the Community Benefits Charge as the Community Benefits Charge is prohibited where a CPPS applies.

Affordable Housing

The priority of the Downtown CPP By-law's facilities, services, and matters is affordable housing. In the Downtown Area, the maximum building heights were established separately in OPA 106. The Downtown CPP By-law includes Schedule C2 which incorporates the heights approved in OPA 106 and regulates maximum building height. Any development up to the heights in Schedule C2 is permitted as a Class 1 application, which is approved by staff once the CPP By-law is in place and are not discretionary.

OPA 106 was completed through a comprehensive public process to establish heights downtown and is implemented through the CPP. This provides applicants with certainty in achieving the heights shown on Schedule C2 subject to compliance with the required facilities, services, and matters.

The By-law uses the height provided in OPA 106 as the baseline for required affordable housing. Schedule D identifies parcels where affordable housing is required, as well as the additional height which has been provided. Only sites that received an increase in height through OPA 106 are required to provide affordable housing. Facilities, services, and matters can be approved by staff where a proposed development's building height is less than or equal to the maximum shown on Schedule C2. Any heights requested above the height permitted in Schedule C2 will require Council approval through a Class 3 permit application, and will be required to provide additional facilities, services, and matters.

Staff are consulting with the public, developers, and other stakeholders to determine the affordable housing requirement. Based on the findings of the Financial Analysis, the provision of 33 per cent affordable housing in the heights granted through OPA 106 was deemed to be financially viable. The City's Housing Affordability Strategy (HAS) identified that there is a need for 33 per cent of new housing to be affordable.

Recognizing the current challenging economic conditions, the CPP By-law is proposing a phased-in rate for the facilities, services, and matters. Until December 2027, the CPP By-law proposes a gradient approach to the proportion of affordable housing required as facilities, services, and matters. This approach requires lower rates of affordable housing for fewer stories that increase with height. The gradient is a temporary reduction in the rate of affordable housing required as facilities, services, and matters in order to:

- Incentivize development Downtown.
- Respond to difficult economic conditions for development.
- Create a framework for the application of community benefits.

Staff are considering a number of options for facilities, services, and matters beyond 2027, one of which is to implement the same requirement for affordable housing of 33 per cent in both CPP areas in line with the City's affordable housing needs.

Table 3: Proposed Affordable Housing Requirements Until December 31, 2027

Storeys	Affordable Housing
1-6 storeys as approved in OPA 106	5% of units associated with the increase in heights up to 6 storeys;
7-14 storeys as approved in OPA 106	10% of units associated with the increase building height between 7 to 14 storeys;
15-18 storeys as approved in OPA 106	33% of units associated with the increase in building height between 15 to 20 storeys.
19+ storeys in OPA 106	33% of units associated with the increase in building height between 15 to 20 storeys.

In the phase-in proposed facilities, services, and matters, staff recommend a lower percentage of affordable units than the 33 per cent the proforma analysis found to be feasible.

Cash-in-lieu of Affordable Housing

A cash-in-lieu of affordable housing option will be available in the Downtown Area. The cash-in-lieu options allow developers to pay the cash-in-lieu fee for all or a portion of the required affordable units. The cash-in-lieu amount for each residential unit is \$97,000 consistent with the required cash-in-lieu for the Stone Road – Edinburgh Road CPP.

Council Approval

In the Downtown Area, the CPP By-law requires that any development exceeding the Schedule C2 maximum heights provides additional facilities, services, and matters beyond the minimum requirements. In addition, as the maximum heights are established in the Official Plan, an OPA is required to increase heights over Schedule C2 maximum. City Council can consider the OPA and the Class 3 application for additional height in the same meeting. Proponents will need to demonstrate the value of the additional height and negotiate with the City to provide one of the following community benefits:

- a. Land to be conveyed to the City for municipal purposes
- b. Accessible dwelling units
- c. Purpose-built rental units
- d. Additional affordable dwelling units, beyond those required in Table D.1
- e. Public Service Facilities or Institutional use
- f. Public transportation infrastructure, facilities, and services
- g. Active transportation infrastructure and facilities
- h. Public parking and improvements to existing public parking
- i. Public art
- j. Urban forestry

- k. Parkland and improvements to existing parks more than what is required under Section 42 of the Planning Act and the City's Parkland Dedication By-law, as amended
- l. Conservation, protection and preservation of cultural heritage resources or natural heritage features and systems
- m. Implementation of voluntary sustainability measures above and beyond the energy, water and sustainability policies of the City's Official Plan in force and effect on the effective date of this By-law
- n. Any other in-kind contribution as approved by Council

Impact on Development

The City is proposing a CPP By-law for the Downtown to support City building goals and to implement existing policies and regulations. While the CPP By-law requires development applications to provide the complete community charge and the facilities, services, and matters, it offers a more streamlined process for development applications, reducing approval timelines and increasing efficiency. It also implements the as-of-right height permissions provided through OPA 106. The streamlined process in addition to updated land use permissions that are provided in the CPP By-law are benefits that balance the vision of the community and the interests of the proponents of development applications.

The CPP is part of the work Guelph has underway to be housing-ready and move toward meeting the City's growth targets. The CPP supports the community objectives that have been developed in collaboration with the community and approved by Council. The CPP will help the City move toward its vision for Downtown.

Financial Implications

The CPPS initiative has been funded through HAF funding, as the implementation of the Community Planning Permit System Pilot Project Area is identified as key initiative #7 in the Housing Accelerator Fund.

Similar to the Stone Road – Edinburgh Road Area, a Complete Communities Charge is required for residential projects with 5-storeys or ten or more residential units. The Complete Communities Charge replaces the Community Benefits Charge in the Downtown CPP Area.

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.

The adoption of the Stone Road – Edinburgh Road CPP By-law established three new reserve funds to account for alternative facilities, services, and matters 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 reserve

funds, all of which will be utilized by the Downtown CPP By-law. The Downtown CPP By-law does not propose updates to the previously created reserve funds.

Consultations and Engagement

A Have Your Say page was created in October 2024 to introduce this overall project and show the progress through the different phases. Staff updated the Have Your Say page with the adoption of the Stone Road – Edinburgh Road CPP and the launch of the Downtown CPPS phase in April 2025.

City staff held virtual and in-person open houses in June 2025; attended sessions such as the Downtown Guelph Business Association (DGBA), the Grand Highlands Home Builders' Association (GHHBA), Planning, Environment, Water Advisory Committee (PEWAC), and Economic Development and Tourism Advisory Committee (EDTAC); held developer stakeholder engagement sessions in July and August 2025 as well as having one-on-one meetings with representatives of the development community. Staff also held an in-person statutory public open house on January 8, 2026.

The draft CPP By-law, draft OPA, financial analysis, and Facilities, Services, and Matters supplement have been posted to the City's website and the [Have Your Say project page](#) for interested persons and the community to review and comment on.

Next Steps

Following the Statutory Public Meeting staff will review and consider all the comments received. Staff anticipate bringing forward the final CPP Downtown Official Plan amendment and CPP By-law for adoption in March 2026.

Attachments

Attachment-1 Draft Official Plan Amendment

Attachment-2 Draft Downtown Community Planning Permit By-law

Attachment-3 CPPS Public Meeting Presentation

Departmental Approval

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