

# Staff Report



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To	City Council
Service Area	Infrastructure, Development and Environment
Date	Wednesday, April 15, 2026
Subject	<b>Downtown Community Planning Permit Decision Report</b>

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## Recommendation

1. That the report titled Downtown Community Planning Permit Decision Report (2026) – 124 dated April 15, 2026 be received.
  2. That the City-initiated Community Planning Permit By-law for the Downtown Area, as shown in Attachment-2 of report 2026-122 dated April 15, 2026 be approved
  3. That the comprehensive zoning by-law 2023-20790, and where applicable, Zoning By-law (1995)-14864, as applied to the Downtown Area as shown in Attachment-2, be repealed and replaced with the community planning permit by-law.
  4. That the amendment to the Planning Fee by-law Number (2026) – 21227, as shown in Attachment-4, be approved.
  5. 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 modifications to the proposed Official Plan Amendment and Community Planning Permit By-law.
  6. That the City-initiated Official Plan Amendment to enable a Community Planning Permit System for the Downtown Area as shown in Attachment-2 to the report titled **Downtown Community Planning Permit** dated April 15, 2026 be approved.
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## Executive Summary

### Purpose of Report

The purpose of this report is to provide staff recommendations to approve the City initiated Official Plan Amendment and Community Planning Permit By-law for the Downtown Area. The Downtown Community Planning Permit (CPP) By-law is Phase 2 of a Housing Accelerator Fund pilot project, following the Stone Road – Edinburgh Road Community Planning Permit By-law that was approved on April 8, 2025, and is in force and effect.

The CPP By-law tries to balance the need for affordable housing as identified in the Housing Affordability Strategy’s 33 per cent housing targets and the current challenging economic conditions for development.

## Key Findings

- The Downtown Area is Phase 2 of the Community Planning Permit System (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 Area. The goal of this Project is to incentivize the creation of 35 affordable housing units by the end of 2026.
- The Statutory Public Meeting for the Community Planning Permit By-law and the accompanying Official Plan Amendment was held on January 20, 2026.
- To support the development of the CPP By-law’s facilities, services, and matters, Watson and Associates prepared two Financial Analyses; one with parking ([October Analysis](#)) and one without parking ([November Analysis](#)). The purpose of the assessments is to identify the proportional relationship between the financial uplift of increased development height and affordable housing to support the facilities, services, and matters (also referred to as community benefits) for development within the Downtown Area. Affordable housing was identified as the community benefit prioritized by the CPPS because of the housing needs identified in the City’s [Housing Affordability Strategy](#). The analyses identified a percentage of units that could be affordable while maintaining a project’s financial feasibility.
- Staff received comments on the draft CPP by-law that included:
  - claims that the facilities services and matters, which requires a proportion of affordable housing is provided, would negatively impact the financial viability of development in the downtown area;
  - statements that the CPP By-law was incompatible with the Province’s Inclusionary Zoning requirements;
  - requests for clearer transition or exemptions for in-progress Zoning By-law Amendment applications;
  - general questions about interpretation of affordable housing requirements and enforcement of the by-law’s provisions;
  - disagreement with the results of the financial analysis; and,
  - request to consider greater variations to development standards.
- In response to the affordable housing rate comments, staff have revised the affordable housing requirement in the facilities, services and matters section. Instead of the scaled approach which required between 5 per cent and 33 per cent affordable housing with increasing proportion of affordable housing in relation to additional storeys proposed as part of OPA 106, the CPP By-law now proposes a flat 5 per cent requirement in exchange for the heights granted in OPA 106. A 33 per cent requirement and additional facilities, services and matters are required for any applications requesting heights that exceed heights approved through OPA 106. For clarity, the CPP by-law also includes a requirement that affordable units have a 25 year affordability term. Cash-in-lieu of the minimum affordable housing requirement remains an option.
- In addition, the draft CPP By-law introduces a maximum height of 20 per cent above what was included in OPA 106 that can be approved by Council as a Class 3 variation. The CPP By-law does not permit height variations above 20 per cent. Any applications requesting an increase of more than 20 per cent over the OPA 106 maximum heights would require a CPP By-law amendment. For the

first five years following the CPP By-law's adoption, amendments can only be initiated by a Council resolution.

- The Class 2 variation standards for the new Downtown precincts have been increased in response to public comment. Variations up to 10 per cent can be considered to provide flexibility in the process. The Class 2 review criteria under Section 1.9.1 have been updated to reference the City's adopted built form standards as guiding decision making.
- The Low Density Residential (LDR) precinct provisions have been updated to match the Residential Low Density 2 (RL.2) Zone standards to ensure that the CPP By-law's standards are consistent with existing permissions in the Downtown. The CPP By-law also updates the precincts in the 64 Duke Street/ 92 Ferguson Street site to Downtown 2 (D2) to better enable the additional height granted in OPA 106.
- The CPP By-law includes updated transition provisions for in-progress applications. The transition provisions address in-progress Zoning By-Law Amendment applications for other Planning Act applications, like Site Plan, that have not yet been deemed complete to ensure that all applications have a clear review process.
- The OPA includes corrections to the exception provisions to comply with Planning Act changes and updates the land use map to support changes in precincts.
- The Fee By-law amendment updates the fees schedule for Community Planning Permit applications. The updates right-size fees for small applications, reflect costs of similar applications outside of the Community Planning Permit Area, and balance the fees to account for a wider range of applications for each permit class.

## **Strategic Plan Alignment**

This report aligns with the priority of Improve housing supply in the 2024-2027 Strategic Plan. The Public Meeting being held provided 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 requirement that affordable units have a 25-year affordability term aligns with exemptions for development charges for affordable units in the Development Charges Act. Development Charge exemptions must be funded through non-development charge sources (e.g., 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 (307), Cash-in-lieu of Affordable Housing (308), and Alternative Facilities, Services, and Matters (309) 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.

While the Downtown phase of the CPPS project does not propose new reserve funds, staff are proposing to update the fee schedule to add fees that were not included in the April 2025 update. The amendment to the fee schedule brings the CPPS fees into closer compliance with the Site Plan fee schedule and reduces fees for small-scale residential projects that require a staff level or Council variation.

The fee by-law amendments will apply to both the Stone Road – Edinburgh Road and the Downtown CPP Areas.

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## **Report**

### **Project Background**

The purpose of this report is to present the Official Plan Amendment and Community Planning Permit (CPP) By-law for the Downtown Area for approval. The Downtown Community Planning Permit System (CPPS) Pilot Project advances the City's HAF commitments as well as the City's ongoing policy work downtown. It also 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 in the Downtown Area, 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 by-law) to development standards that would otherwise require approval by Council or Committee of Adjustment at a public 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. To support the development of the CPP By-law's facilities, services, and matters, the City retained Watson and Associates to prepare two financial Analyses one with parking ([October Analysis](#)) and one without parking ([November Analysis](#)). The purpose of the assessments is to identify the proportional relationship between the financial uplift of increased development height and affordable housing to support the facilities, services, and matters. The facilities, services and matters for the Downtown CPPS are based on the City's need for affordable housing identified in the City's Housing Affordability Strategy.

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**

The CPPS project implements previously approved projects: Downtown Secondary Plan OPA 106 (OPA 106) and the Stone Road – Edinburgh CPP By-law, as well as the Zoning By-law. For example, the Downtown CPP By-law includes the height permissions provided in OPA 106 and adapts existing Downtown Zones in the Zoning By-law into new precincts. The CPPS also seeks to address housing affordability challenges. The City of Guelph is experiencing a housing affordability crisis where it is increasingly difficult for residents to find housing that is affordable and that meets their financial and lifestyle needs. The Housing Affordability Strategy states that 33% of new housing in the City needs to be affordable to address those challenges.

In spring 2025, City Council approved OPA 106, which revised the maximum building heights in the 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. A CPPS was anticipated to implement the revised heights, including the provision of facilities, services, and matters, to permit development that reaches the revised heights. Policy 11.1.7.2.7 in OPA 106 identifies the CPPS as the framework to implement the maximum revised heights, and the fact that facilities, services, and matters may be required. 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

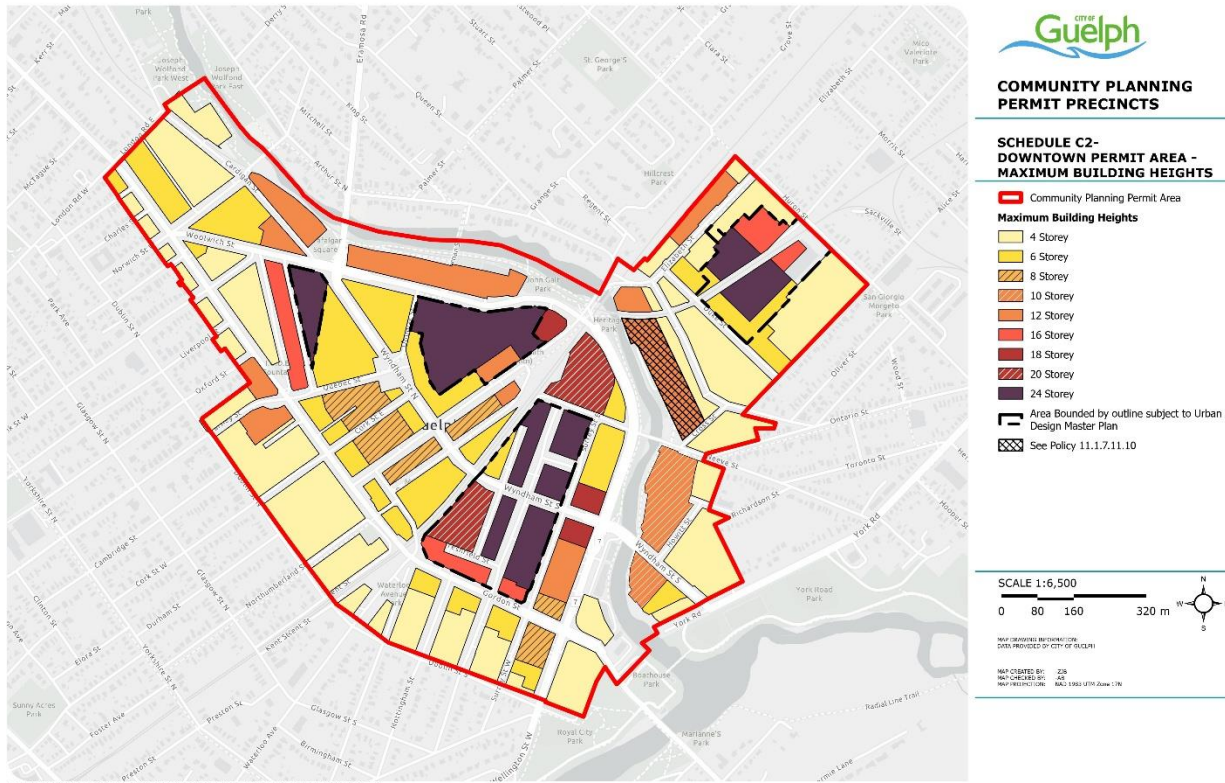
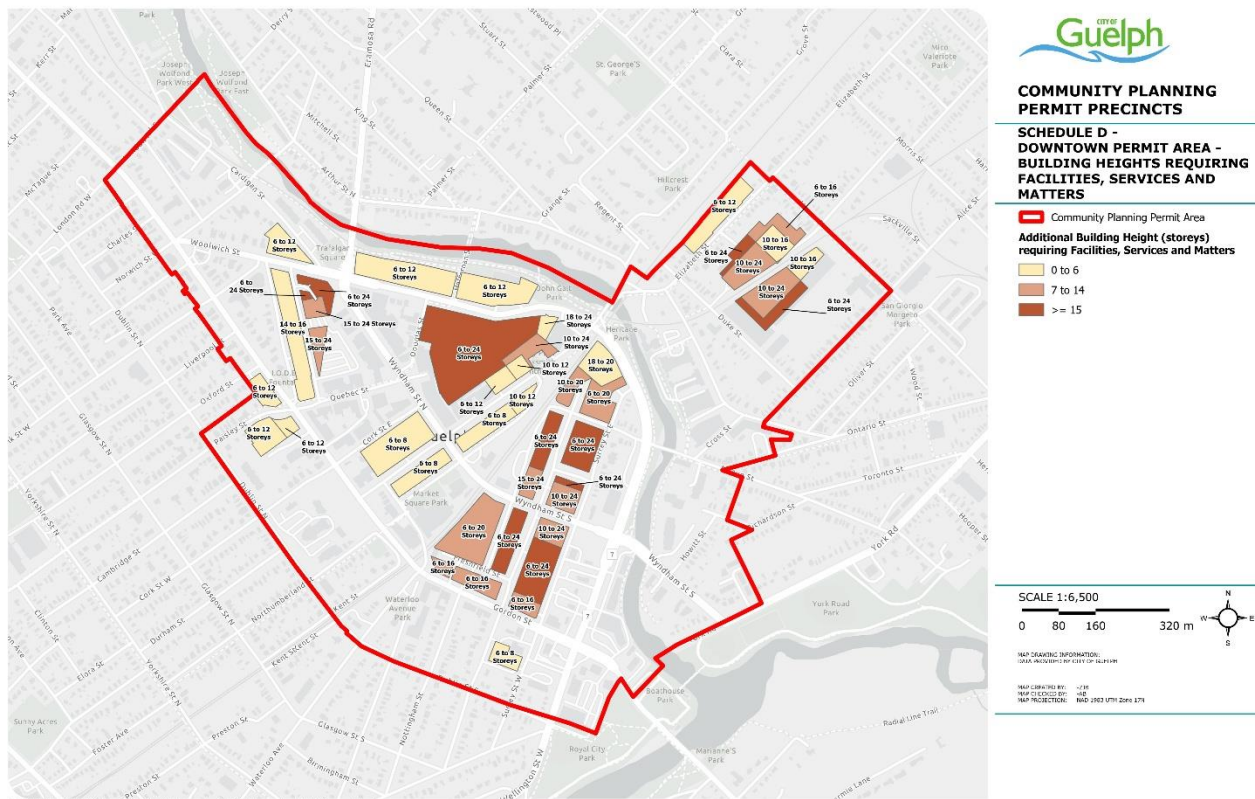


Figure 2: Proposed Schedule D - Downtown Permit Area - Building Heights Requiring Facilities, Services, and Matters



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 a Development Permit System (10.11) in the City’s Official Plan. Under this framework, expansions of the CPPS require an OPA to designate a new area as a CPPS area.

Following the adoption of OPA 105 for the Stone Road- Edinburgh Road CPP, the development of the Downtown CPP was undertaken. Consultation meetings were held to engage on Phase 2 with the public and different interested parties from June to November 2025 and a Public Meeting was held in early January 2026. The draft Downtown CPPS Official Plan Amendment to establish a new CPPS area and the CPP By-law for the Downtown were considered in a Statutory Public Meeting on January 20, 2026.

## Summary of Comments

Comments on the CPP By-law were received during the Statutory Public Meeting, in total staff received eight letters and two follow up letters from interested parties, as well as public comments through the City’s “Have Your Say” online page. While many of the letters offered critiques of the draft CPP By-law, the feedback generally endorsed the use of the CPPS tool Downtown.

Staff met with each of the parties that submitted written correspondence and provided responses to the online comments and questions. Following is a summary of comments that were received from interested parties in relation to the draft

Downtown CPP by-law as well as the response to those comments. Comments are also detailed in a table in Attachment-5.

The main themes of comments clustered around the following themes:

- Facilities Services and Matters Affordable Housing Rate
- CPPS and Inclusionary Zoning
- Transition and exemption provisions
- Enforcement and Interpretation
- Financial Analysis
- Development Standard Variations

Attachment-5 summarizes the comments and staff responses.

### **Facilities, Services and Matters Affordable Housing Rate**

A number of comments received were in relation to the affordable housing rates and the transition period proposed in the draft CPP By-law. Parties stated that affordable housing rates were too high and the transition period should be extended. The comments identified the challenging economic climate. In addition, parties stated that facilities services and matters were linked with heights that had been granted in OPA 106 and this represented a “clawback” and burden on previous permissions.

Response:

Staff acknowledge the current economic climate. OPA 106 height permissions had been anticipated to work with the upcoming Downtown CPPS. As stated earlier, Policy 11.1.7.2.7 in OPA 106 identified the CPPS as the framework to implement the maximum heights, through provision of required facilities, services, and matters. In response Staff have revised the CPP By-law’s facilities, services and matters with lower rates and a longer transition period.

The affordable housing rate also advances City’s affordable housing goals. The Housing Affordability Strategy identified that 33 per cent of all new units need to be affordable. The CPP By-law is a Housing Accelerator Fund (HAF) project that seeks to advance affordability in the City.

### **CPPS and Inclusionary Zoning**

Comments from the development community likened the CPP By-law to the Inclusionary Zoning requirements and asserted that the CPP By-law was inconsistent with Provincial Policy. Specifically, several letters stated that the by-law does not comply with regulations as Inclusionary Zoning can only require a maximum 5 per cent affordable housing rate and also that Inclusionary Zoning policies have been paused until July 2027.

Response:

The CPPS and Inclusionary Zoning are different tools. The main difference between CPPS and IZ is that the CPPS regulations require that facilities, services and matters be demonstrated to show a proportional relationship between the quantity or monetary value of the facilities, services and matters and the height or density of development that may be permitted. However, Guelph went above and beyond the CPPS regulations and undertook a financial analysis to demonstrate feasibility of adding affordable housing into market residential development.

Another key difference between the CPPS and IZ frameworks is that IZ requirement for affordable housing is required on the entire gross floor area while CPPS is based on increased height or density. The CPPS also allows for more flexibility and the City has provided options to the provision of affordable units. The requirement for facilities, service and matters can also be provided as cash-in-lieu as an alternative or a combination of units and cash-in-lieu. Finally, the required facilities, services and matters were based on the scale of development proposed.

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

The Provincial pause on Inclusionary Zoning has entered into discussions with stakeholders regarding the proposed Downtown CPPS. It should be noted that the Province has not amended O.Reg. 173/16 and the amendment to O. Reg 232/18 – Inclusionary Zoning does not affect the requirements, standards, or design of the CPP By-law Downtown and does not prevent the City from moving forward with the proposed Downtown CPP By-law.

### **Transition and Exemption Provisions**

Another comment was a request for clearer transition or exemption provisions for in-progress applications, particularly sites with an active Zoning By-law Amendment that had not yet filed a complete Site Plan Application.

Response:

For projects with an in-progress Zoning By-law amendment or appeal to the Ontario Land Tribunal, the CPP By-law has clearer transition provisions.

In-progress Zoning By-law Amendments or appeals to the Ontario Land Tribunal that are deemed complete when the Downtown CPP By-law is approved will have the site specific requests incorporated into the CPP By-law once the applications are resolved.

Projects with active Zoning By-law Amendments or appeals to the Ontario Land Tribunal that have not yet filed a complete Site Plan application could continue under the current Site Plan process if the application is within two years of the CPP By-law's effective date, as long as the Site Plan application is consistent with the site specific precinct. Any further variations would require a Community Planning Permit application.

### **Enforcement and Interpretation**

Public comments received through the City's "Have Your Say" focused on how the CPP By-law's provisions would be enforced generally and how the affordable housing standards would be interpreted specifically. Staff received questions about how affordable units are defined, how affordable housing units would be safeguarded and not resold at market rates, how the City would enforce the CPP By-law, and how the mix of required affordable housing within buildings would be determined.

Response:

The affordable price or rent is based on the definition of "affordable residential unit" in Province's Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin which aligns with the City's Housing Affordability Strategy definition. Once the CPP By-law comes into force, the City is planning to develop Guidelines to manage and administer the affordable units.

Agreements will safeguard affordable requirements. These agreements will be registered on title (CPP By-law Section 1.10.2). The agreements will require that any affordable unit is maintained at the required affordable sale or rental price for the duration of the affordability period.

The CPP By-law will replace the Zoning By-law in areas where it is in effect, meaning that additional staff are not required for enforcement of the CPP By-law. Planning and Building Services staff will administer the by-law including responding to complaints to ensure that sites are constructed and maintained in compliance with the CPP By-law.

The unit mix for affordable units will be determined on a case by case basis. Staff will have regard to City of Guelph housing needs identified in the Housing Affordability Strategy and advance best practices that encourage an appropriate mix of unit sizes.

### **Financial Analysis**

The comments stated that the development costs and sales data were too aggressive, did not represent the experience of recent development and that the findings were not consistent with current market conditions.

Response:

The Financial Analysis employed credible sources to represent development costs. Altus data supplemented by a survey of local listing provided the sale prices used in the analysis. Gordian Square Foot Costs were used to capture both hard and soft construction cost components. Financing costs (including construction interest and carrying costs) are modeled separately and explicitly incorporated in the pro forma. Tarion enrolment and warranty costs are also included in the models.

The financial analysis included prototypical development scenarios in order to identify the facilities, services and matters that could be requested as a portion of the heights being implemented in the Draft CPP By-law. We understand that each developer would have different approaches to financial analysis to determine project viability and this is very context and market sensitive.

The general proforma included industry standards for the cost of development, operating costs of the various development scenarios, the potential revenue streams, and presents return on investment (R.O.I.) and Net Present Value (NPV). For each development scenario, a 25-year cash flow was prepared and several development parameters were adjusted to test sensitivities (e.g. parking rates, contingency levels). The results were used to determine the benefit of the height being implemented to help inform the facilities, services and matters the City will request through the tool.

### **Development Standard Variations**

In the written comments and in the follow up, commenters referenced the Province's recent 10 per cent as-of-right approval for setbacks introduced in Bill 17

Protect Ontario by Building Faster and Smarter Act, 2025 and the possible expansion of as-of-right variations introduced in Bill 60 Fighting Delays, Building Faster Act, 2025 as a baseline variation level. A 20 per cent variation level for Class 2 in Downtown precincts was also suggested in discussions.

Response:

Variations for Class 2 applications have been developed in the context of existing Zoning By-law provisions and other City objectives. The City is trying to balance the extent of variations with other City goals in the Zoning By-law and Official Plan. As well, the variations also responded to feedback from public and internal parties. It is the City's expectation that the By-law will be monitored and reviewed on a regular basis to assess number and types of applications in each Class. Also, the 10% as-of-right standards do not apply in proximity to certain water features and railways, which excludes the large majority of properties within the downtown CPP area.

### **Public Survey**

The public survey resulted in fifteen online and in-person submissions. The public survey expressed a desire for more projects to require a Public Meeting to approve variations. Overall, ten of the fifteen survey responses indicated the variations were appropriate or that they should be less permissive. There were three responses that indicated neutrality and two that advocated more permissive staff level variations. The public survey also generally endorsed the affordable housing levels, with several respondents indicating that the rates should be higher.

Response:

The Class 2 staff variations in the new Downtown precincts have been adjusted slightly up to 10 per cent. This conforms with recent Provincial policy changes that establish 10 per cent as the threshold for automatic approval of a variance for setbacks. Staff sought to strike a balance between the issues raised by the development community and the public comments in setting appropriate and workable variations levels.

### **Updated CPPS Official Plan Policies**

The proposed OPA for the Downtown CPP updates the Official Plan to designate Downtown as a Community Planning Permit area under Section 10.11. Schedule 8 is added to the Official plan to delineate Downtown Community Planning Permit Area.

Staff are also proposing changes to the Downtown Secondary Plan's land use map to facilitate updates to precincts in response to comments received from interested parties. The OPA redesignates parcels at 33, 37, and 45 Elizabeth Street, 64 Duke Street, 69 Huron Street, and 60 Alice Street from Residential 1 (R1) and Residential 2 (R2) to Mixed Use 2 (MU2). The parcels with approved heights between 18 and 24 storeys have been changed from the Medium Density Residential (MDR) to Downtown 2 (D2) precinct. This change allows for the site to better align with the revised heights previously granted in OPA 106. These sites require an Urban Design Master Plan (UDMP) approved by Council before development can occur on-site.

## **Changes to CPP By-law**

The Downtown CPP By-law's implements policies in the Downtown Secondary Plan, OPA 106 as well as regulations and built form standards in the Zoning By-law. For example, the Downtown CPP By-law adapts existing Downtown Zones in the Zoning By-law into new precincts. The changes to the CPP By-law since the Public Meeting are in response to public comments received. A number of the changes below are a response to staff discussions relating to implementation matters of the CPPS. Some minor changes were made based on best practice in other municipalities who have advanced adopted or draft CPP By-laws since the adoption of the Stone Road – Edinburgh Road CPP By-law in April 2025. Finally, the partial settlement of the Comprehensive Zoning By-law appeal in March 2026 resulted in updates to several provisions of the CPP By-law to bring the provisions into conformity with the Zoning By-law.

### **Exemptions**

The updated draft CPP By-law expands the exceptions provisions for small-scale residential projects. The Downtown CPP is proposed for an area with an established community where a number of small-scale projects occur as a matter of course, these exemptions allow for a process to better administer these proposals. These projects would have previously been considered through a minor variance process and include the addition of a deck or fence.

The expanded exceptions are based on best practice review of other municipalities that have implemented a CPP By-law, like Innisfil, as well as implementation experience with the Stone Road – Edinburgh Road CPP By-law.

### **Transition Provisions**

The final CPP By-law includes expanded transition provisions for projects with an in-progress Zoning By-law Amendment to recognize projects that have been initiated under the City's current approval processes. These changes are also in response to comments. The draft By-law allowed for transitions for in-progress Site Plan, Building Permit, and Minor Variance applications.

Projects with active Zoning By-law Amendments that have not yet filed a complete Site Plan application would continue under the current Site Plan process at the conclusion of the Zoning By-law appeal if the application is within two years of the CPP By-law's effective date.

### **Conditional Approval**

In the draft Downtown CPP and the in-effect Stone Road – Edinburgh Road CPP By-laws, only Provisional approval had an expiry period.

The Downtown CPP By-law proposes an expiration period for conditional approvals. Conditional CPP approvals have a three-year validity period with the ability to extend by another two years. CPP Agreements issued with conditional approval may modify the validity period. The conditional expiry provides more certainty around water and other service capacity planning by providing more clarity regarding upcoming projects.

## **Precincts**

The Low Density Residential (LDR) precinct has been updated to better reflect the existing development standards in the Downtown. The Downtown CPP By-law revises the LDR standards to utilize the RL.2 Zone standards instead of the Residential Low Density 1 (RL.1) standards that informed the LDR standards in Stone Road – Edinburgh Road CPP By-law.

The CPP Downtown By-law removes the Mixed Use Corridor (MUC) precinct from the By-law as no sites were designated as MUC precinct.

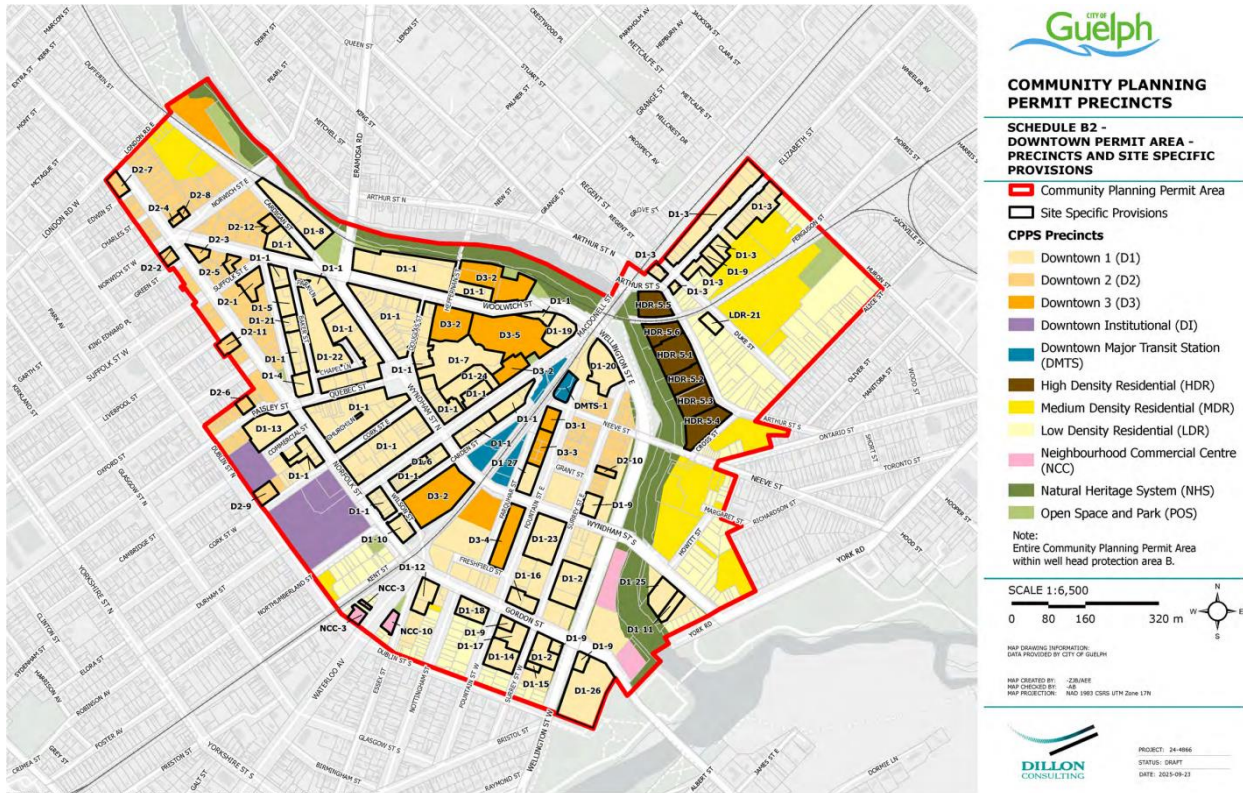
As mentioned above, the precinct was updated for the 64 Duke Street/92 Ferguson Street property, from Medium Density Residential (MDR) to Downtown 2 (D2) precinct. The change corresponds with the submitted Urban Design Master Plan (UDMP) for the site and better responds to the taller heights approved in OPA 106. The UDMP will still require review and approval by Council and all developments will require a CPP application.

The precinct map, Schedule 2, has been updated to reflect the changes noted above.

## **Site Specific Provisions**

The CPP By-law carries forward the site-specific provisions in the Zoning By-law (Section 7.0). The draft CPP By-law updates the site-specific variations to remove references to minimum parking and maximum height requirements. The draft CPP By-law had removed parking minimums from Section 5. OPA 106 independently establishes the maximum heights in the Downtown, outside of the Special Policy Area (SPA). Site-specific provisions that set maximum building height within the SPA are unchanged. The updates bring the Section 7 Site Specific standards into consistency by removing superseded parking minimum and height maximum requirements.

Figure 3: 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 allow for approvals of projects through the authority delegated to staff in the CPP By-law. 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.

As discussed above, in written submissions and discussions with interested parties more flexibility for Class 2 applications was requested and linked with the intent of the CPP to streamline the approvals process. The public survey results provided a different position and expressed interest in Council reviewing more proposals.

Staff understand that variations are part of what is permitted through a CPPS and have slightly increased staff level Class 2 variations. The CPP By-law allows 10 per cent variations minimum for all standards, up from 5 per cent in the draft CPP By-law. Table 1 compares the standards in the CPP draft to the final proposed CPP by-law.

It should be noted that where variations are contingent on additional studies, standards do not have a preset variation maximum. For these standards, the variations are open ended. In addition to the changes in variation, the criteria to review variations has increased to provide a framework for when the maximum variations are applied. During the review, staff will consider and approve variations based on the project's impacts to the public realm, effect on neighbouring

properties and will advance high-quality design in accordance with the City's Built Form standards. Requested studies will help staff quantify the project's impact and inform the decision on whether to approve a Class 2 variation.

Table 1: Variations in the Draft and Final CPP By-law

<b>Development Standard</b>	<b>Standard Requirement</b>	<b>Proposed CPP By-law</b>	<b>Final CPP By-law</b>
<b>Floorplate size (max) 7th and 8th storeys.</b>	The maximum <b>floorplate</b> of the 7th and 8th <b>storeys</b> of a <b>building</b> shall not exceed 1,200 square metres.	May be increased by 5 percent of the standard.	May be increased to 10 percent of the standard
<b>Floorplate size (max) 9th and above storeys</b>	The maximum <b>floorplate</b> of each <b>storey</b> of a <b>building</b> above the 8th <b>storey</b> shall not exceed 1,000 square metres.	May be increased by 5 percent of the standard.	May be increased to 10 percent of the standard
<b>Floorplate length to width ratio</b>	<b>Floorplate</b> size shall not exceed a length to width ratio of 1.5:1	Length to width ratio may be increased to 2:1.	Length to width ratio may be increased to 2:1.
<b>Building setbacks (min)</b>	The minimum <b>setback</b> shall be 3 metres above 4 <sup>th</sup> floor or as modified	May be reduced by 10 percent of the standard.	May be reduced by 10 percent of the standard.
<b>Building tower separation</b>	Any portion of a <b>tower</b> above the 12th <b>storey</b> of a <b>building</b> shall be separated by a minimum of 25 metres from any portion of another <b>tower</b> above the 12th <b>storey</b> of any <b>building</b> , or as modified	May be reduced by 5 percent of the standard.	May be reduced by 20 percent of the standard.
<b>Building height (min)</b>	Per Schedule C	May be reduced to no minimum <b>building height</b> for D1, D2, D3 and DTMS.	May be reduced to no minimum <b>building height</b> for D1, D2, D3 and DTMS.

<b>Development Standard</b>	<b>Standard Requirement</b>	<b>Proposed CPP By-law</b>	<b>Final CPP By-law</b>
<b>Building height (max)</b>	Per Schedule C2	No class 2 variation to <b>building height</b>	No class 2 variation to <b>building height</b> . Variations to maximum <b>building heights</b> may only be considered through a Class 3 permit.

**Building Heights Class 3 Maximum**

The updated CPP By-law proposes a 20 per cent maximum limit on Class 3 applications for height above the OPA 106 maximums. The 20 per cent variation cap is in line with other variations considered in the CPP By-law and it is anticipated that this could be accommodated within the capacity of existing infrastructure.

Any Class 3 application for height over OPA 106 and Schedule C2 height maximums would need approval of Council and would need to provide 33 per cent affordable housing and proportionate facilities, services and matters commensurate with the proposed application. An application seeking a variation of more than 20 per cent over the height maximum is not permitted and would only be considered through a Council resolution and CPP By-law amendment that could be preceded by a public consultation, review and require Council approval. The 20 per cent limit only applies to height and does not restrict Class 3 applications for other developments standards.

The Downtown CPP By-law implements the heights permitted in OPA 106. Table 2 summarizes the different approval Classes for the height permissions in the Downtown Area.

Table 2: Staff Level Variations for Height in the Downtown CPP By-law

<b>Class 1</b>	<b>Class 2</b>	<b>Class 3</b>
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).  Maximum 20% variation.

**Updated Text from Zoning By-law Appeal Settlement**

The partial settlement of the ongoing appeal of the Comprehensive Zoning By-law resulted in some changes to the CPP By-law text. On March 4, 2026, the Ontario Land Tribunal (OLT) accepted a settlement to partially address the Home Builder’s appeal to the Zoning By-law. The settlement affected the CPP By-law’s Definitions, General Provisions, Parking, and Development Standards sections. The changes were made to ensure that the CPP By-law text is in line with the Zoning By-law.

## **Facilities, Services and Matters**

The facilities services and matters framework includes a Complete Community Charge and requirements for affordable housing.

### **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 and 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. The Complete Community Charge is unchanged from the draft CPP By-law.

### **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.

As discussed, the CPPS provides the opportunity for the City to require a development to provide 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. As discussed in the summary of comments above, the facilities, services and matters proposal in the January draft CPP By-law received considerable commentary. Staff have revised the affordable housing framework to respond to the feedback.

The draft CPP By-law presented at the Statutory Public Meeting in January 2026 proposed a scaled approach to affordable housing that was based on the number of stories above the permissions for height granted in OPA 106. The proportion of affordable housing required began at 5 per cent for the first six stories, 10 per cent for the next six storeys, and increased to 33 per cent where 18 stories or greater were proposed. 33 per cent was also required for any heights proposed that exceeded OPA 106 permissions. The scaled approach would be in place until December 2027 with lower affordable housing requirements in recognition of the current challenging economic situation.

The requirement for 33 per cent affordable housing is linked with the housing needs identified in the City's [Housing Affordability Strategy](#). The Financial Analysis prepared to inform the CPP By-law found that the provision of 33 per cent affordable housing in the heights granted through OPA 106 could be provided without adversely affecting the project's viability.

As summarized above, staff received comments that the proposed scaled approach and requirement for facilities, services and transition until December 2027 would greatly impact development feasibility. In total, staff received seven letters and two follow up letters from members of the development community expressing concerns about the affordable housing rate required to achieve the OPA 106 heights.

Staff have revised the affordable housing requirement. The updated approach proposes a flat 5 per cent affordable housing contribution for heights granted in OPA 106. Table 3 shows the updated approach.

In addition to the changes in the affordable housing requirement, the final CPP By-law proposes a minimum 25-year affordability period for all affordable units. The 25-year affordable period matches the Province’s Development Charge exemption criterion.

Finally, staff are proposing that the affordable housing requirements associated with the heights granted in OPA 106 take effect May 1, 2027. Developments that obtain a building permit prior to May 1, 2027 would be exempt from the provision of the affordable housing requirement only of the facilities, services and matters.

It is acknowledged that this may impact the affordable housing that might be obtained through the Downtown CPP By-law, notably some anticipated developments on Baker Street, Carden Street and Fountain Street. The 33 per cent affordable housing target is established by the City’s Housing Affordability Strategy. The City has limited tools to encourage or require private developers to provide affordable housing to support the 33 per cent housing objective. The CPP By-law is a key opportunity to incentivize and require affordable housing in the Downtown. However, Council must consider and balance the tradeoff between encouraging development and the requirements for affordable units during the current challenging economic conditions. Developments seeking height over the OPA 106 maximum are required to provide 33 per cent of units in the additional storeys as affordable.

It should be noted that all other facilities, services and matters, including the affordable housing requirement for heights above the OPA 106 permissions, would be in place the date the CPPS comes into force and effect.

Table 3 summarizes the CPP By-law’s proposed affordable requirements.

Table 3: Proposed Affordable Housing Requirements

<b>Residential development within the maximum building height eligible for facilities, services and matters in Schedule D</b>
<b>Complete community charge for development with more than 5 storeys and more than 10 residential units.</b>
<b>AND</b>
<b>Option 1: Minimum 5% of all additional units associated with the increase in building height per Schedule D as affordable.</b>
<b>OR</b>
<b>Option 2: Cash-in-lieu contribution</b>
<b>OR</b>
<b>Option 3: a mix of Option 1 and 2.</b>

### **Cash-in-lieu of Affordable Housing**

The updated CPP By-law’s facilities services and matters requirement maintains the flexibility in that affordable housing units may be provided as Cash-in-Lieu or

combination of cash-in-lieu or 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 to provide additional facilities, services, and matters beyond the minimum requirements. The final CPP By-law proposes a 20 per cent limit to Class 3 applications for additional height above the OPA 106 maximum that can be approved by Council. The facilities, services and matters rates will apply within the 20 per cent limit. Any application for height in requesting height in excess of the 20 per cent maximum will require an amendment to the CPP By-law.

In addition, proponents will need to demonstrate the value of the additional height and negotiate with the City to provide one of the following community benefits:

- 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 D.1
- 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
- Public art
- Urban forestry
- 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
- 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 in force and effect on the effective date of this By-law
- Any other in-kind contribution as approved by Council

### **Associated Fee By-law Amendment**

Once the CPP by-law is in place all development projects will be reviewed through the three Class system including applications that were formerly reviewed as a minor variance. Changes to the fee structure to capture these different types of projects are proposed to be reflected in the City's Fees By-law.

The changes are intended to right size the fees to the scale of the review and to have consistency with the Site Plan process. The goal is to ensure that equivalent projects have consistent fees within the CPP By-law Area and in other areas of the City. If a project requires the equivalent of a Minor Variance, the fees should be consistent with the Committee of Adjustment fees.

A new category for small-scale residential projects or accessory uses is proposed. The single dwelling/accessory fee category is lower than the existing Class 2 and Class 3 Minor and Major fees. These changes are based on internal implementation

discussions and best practices from peer municipalities for projects that require staff level variations. They seek to ensure that projects such as residential additions, fences, and decks associated with a single family residence that need a Class 2 or Class 3 permit are based on the scale of the project and consistent with the fees in the Minor Variance process.

There are also proposals to add fees to align with the processes such as pre-submission that were not included in the original fee schedule but represent processes that would be part of the CPP review. The intent is to align fees in the CPP and Zoning By-law process. Similar to projects reviewed under the Zoning By-law, pre-submission fees paid prior to application submission are deducted from the application fee.

Fees for amendments to executed agreements, clearance of conditions, and extension of conditional approval are also proposed. These changes ensure that fees are proportionate with the complexity of the review and that the fees adequately cover the steps in the review process.

Finally, variable fees are proposed for small scale projects. The fee by-law proposals also allow staff to waive or reduce variable fees included for some base fees.

## **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.

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 updated affordable 25-year period requirement would exempt these units from Development Charges under the Development Charges Act. Development Charge exemptions must be funded through non-development charge sources (e.g., 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 fee by-law has been updated to more closely follow the existing fee schedule, particularly for applications that would require the equivalent of a minor variance under the Zoning By-law.

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 (307), Cash-in-lieu of Affordable Housing (308), and Alternative Facilities, Services, and Matters (309) 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**

Phase 2 has had several waves of public and stakeholder engagement through the development and release of the draft CPP By-law.

Staff held an in-person open house on June 12, 2025 and a virtual open house on June 18, 2025 to introduce the project and to verify the vision of the Downtown Secondary Plan. Staff held developer stakeholder engagement sessions in July 2025. In addition, staff presented the project to the Downtown Guelph Business Association (DGBA) on August 27, 2025.

Staff presented conceptual and draft materials for feedback to the Planning Environment, Water Advisory Committee (PEWAC) on October 14, 2025 and January 12, 2026 and the Economic Development and Tourism Advisory Committee (EDTAC) on November 12, 2025.

Mailed notice of the Public Meeting was sent on December 19, 2025 to owners Downtown and within 120 metres. Notice of the Public Meeting was advertised in Guelph Today (City Information Section) on December 18, 2025, as well as on the City's website. The Statutory Public Meeting was held on January 8, 2026.

The project's HaveYourSay page hosted a survey and commenting on the draft CPP By-law from January 12 to 30, 2026. In total, staff received eight letters, two follow-up letters, ten public comments on the draft CPP By-law through Have your Say tool, Konveio, and 15 survey responses. Staff also received seven letters and two follow-up letters directly from the development community and one letter from the Upper Grand School Board (UGBA).

## **Next Steps**

The CPPS is Initiative #7 of the City's Housing Accelerator Fund (HAF) commitment. To meet HAF guidelines, the Downtown CPP By-law must be in place before the end of 2026. The goal of the CPPS HAF Initiative is to incentivize 35 affordable units by the end of 2026.

Beyond HAF commitments, 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 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 CPPS is part of the work Guelph has underway to be housing-ready and move toward meeting the City's growth targets. The CPP By-law focus on affordable housing supports the Housing Affordability Strategy's 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.

## **Attachments**

Attachment-1 Official Plan Amendment

Attachment-2 Downtown Community Planning Permit By-law

Attachment-3 CPPS Decision Meeting Presentation

Attachment-4 CPPS Fee By-law Amendment

Attachment-5 Downtown CPPS Engagement Response

## **Departmental Approval**

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