

January 30, 2026

City of Guelph

1 Carden Street

Guelph, ON N1H 3A1

**Subject: Letter of Comment – Proposed Downtown Community Planning Permit System (CPPS) By-law**

To Mayor Cam Guthrie and Members of City Council,

On behalf of the Guelph Chamber of Commerce (GCC), I am writing to provide our formal comments regarding the draft Downtown Guelph Community Planning Permit System (CPPS) by-law presented to Council on January 20, 2026. While the GCC generally supports the City's efforts to create a more streamlined development approval process to accelerate housing production, we have serious concerns regarding the framework as currently proposed.

**Concerns Regarding Affordability Requirements**

The proposed CPPS introduces Class 2 and 3 permits, which would require applicants who gained height through OPA 106 to dedicate 33% of those additional units as affordable housing. This selectively revises height permissions that were granted by Council as recently as April 2025. Applying such ad hoc affordability requirements devalues development land and creates significant uncertainty for those looking to invest in our downtown core.

**Market Feasibility and Inclusionary Zoning**

Inclusionary Zoning (IZ) policies can only function effectively when market conditions are strong and projects can absorb the added costs. Recent municipal market and viability studies from 2024–2025 demonstrate that IZ is not feasible under current market conditions, characterized by stagnant sales and declining land values.

Furthermore, the proposed 33% affordable requirement for height gains could represent up to 20% of the total units in a project. This is inconsistent with provincial direction, which capped IZ requirements at 5% in 2025. With the Province announcing a pause on IZ provisions until at least 2027, the City's proposed policy risks further chilling housing investments in Guelph's only Major Transit Station Area.

**Economic Analysis and Implementation Risks**

We believe the City's economic analysis does not accurately reflect the real development economics in Guelph and therefore overestimates the viability of these projects. If implemented as drafted, this framework could undermine the very purpose of the CPPS—to provide certainty and faster approvals—and ultimately stall the housing production Guelph desperately needs.

### Requested Actions

The GCC urges Council and staff to engage further with the local development community before finalizing this by-law to address:

- How the CPPS can provide genuine value through its 45-day approval timeline.
- The real-world economic constraints that currently limit the delivery of affordable housing.

Supporting our members through this challenging economic climate remains our top priority, and we believe a collaborative approach is essential to achieving our shared housing and economic goals.

Thank you for your time and for considering our feedback.

Sincerely,

Andy Veilleux



President & CEO

Guelph Chamber of Commerce

