

Information Report



Service Area	Corporate Services
Date	Friday, October 23, 2020
Subject	Waivers of Development Fees for Non-profit Organizations

Executive Summary

Purpose of Report

To respond to the following resolutions of Council dated February 24, 2020 in advance of the 2021 budget:

1. That staff be directed to explore the creation of a program and/or framework to support the exemption of development charges for non-profit organizations.
2. That this report identify a budget source, parameters and a process to facilitate such requests from the non-profit community.
3. That this future policy be aligned with the City Strategic Plan principles and priorities.

Key Findings

If Council deems this a priority, staff recommends the waiver of development fees for non-profit organizations be administered through established programs. The Affordable Housing Financial Incentive Program (AHFIP), Community Investment Strategy (CIS), the Brownfield Community Improvement Plan (CIP) (or other future CIPs), and the Heritage Act could all include grants in lieu of development fees related to development or redevelopment projects being undertaken by non-profit organizations. Programs that fit within these established programs ensure that the grants provided in lieu of development fees meet the priorities of Council.

To effectively administer a program, whether it is part of AHFIP, CIS, or the current or future CIP(s), staff resourcing is required to develop and implement an ongoing application, evaluation and award program, and funding would need to be identified through the budget. Until such time funding is approved, there are no resources to source this program.

Financial Implications

There are no direct financial implications from this report, however Council could bring forward a motion through the 2021 budget to create this program if it is a priority.

Report

Details

The City has recently been approached by a number of developments that were seeking financial assistance in the form of grants, waivers, or in-kind contributions to help support their development initiatives.

Currently, the City does not have a Council-approved, funded program to support these types of requests. However, the City has the AHFIP, the CIS and the Brownfield CIP that could be leveraged to accommodate these requests. There is also the plan to update the Downtown CIP that could also include waivers for certain development for non-profit organizations.

Affordable Housing Financial Incentive Program

The City has historically provided grants equal to develop fees for development projects that provide affordable housing, on an ad hoc basis. Table 1 provides a summary of the developments that have received funding over the past five years.

Table 1: Affordable Housing Projects

Project	Amount	Year
26 & 28 Huron, 439 York (Habitat for Humanity)	\$69,063	2013
297, 299 Paisley (Habitat for Humanity)	76,734	2013
187 Bristol (Michael House)	146,619	2015
Rockwater	924,000*	2019
395 Edinburgh Rd, 120 Westmount Rd. (Silver Maple Community)	1,164,000	2019 and 2020

*approved, not yet funded

Ensuring sufficient supply of affordable housing is a key priority for both the Province and the City. To better support this goal, the Affordable Housing Strategy was approved in 2017, later followed with the [AHFIP](#) and determined the type of housing and the level of funding needed to achieve the affordable housing targets in the City's Official Plan.

Consistent implementation of the AHFIP has not been possible due to lack of staffing resource funding, however there are opportunities to facilitate a development fee grant program through existing programs.

Community Investment Strategy

The City provides most budgeted grant programs to non-profit organizations through the CIS. The CIS provides a transparent and responsive decision-making

framework that guides a range of strategic and mutually beneficial partnerships that align with city goals.

The CIS was developed in 2012 and updated in 2019 to create consistency between a number of different investment programs and service agreements with external organizations. The programs available through the CIS include:

Grant programs:

1. Community benefit agreements: grants for organizations that could be considered municipal work but done more efficiently by community groups
2. Community grant: annual grant connects wellbeing initiative with community benefit sector

Subsidy programs:

1. Affordable bus pass
2. Fee assistance in recreation
3. Personal assistance leisure cards
4. Welcome to Guelph passes
5. Animal licensing subsidy

The CIS could be amended to include development fee related grants and waivers for non-profit organizations. The grant application and evaluation processes currently in place could be expanded to accommodate development fees and waivers however additional staff resources would be required.

Redevelopment Incentives

The City provides financial incentives for brownfield, heritage and downtown redevelopment projects through CIPs and the Heritage Act. The Downtown CIP has expired and until such time it is updated or replaced, there is no ability to award incentives under this program.

There is \$3.45 million transferred to the redevelopment reserve each year to fund the tax increment based grants (TIBGs) and environmental study grants awarded through the CIP and Heritage Act. In 2012, Council approved a redevelopment incentive budget of \$33 million to be paid out over a 10 to 15 year timeframe, depending on the timing of completion of the redevelopment projects. The initial approval of redevelopment reserve ([12-01 Funding related for existing & proposed City of Guelph Tax-increment Based Grant programs](#)), prescribed that contributions to the reserve would increase each year, up to 0.3% of the tax rate, then start to decrease to \$0 per year once the full \$33 million had been contributed to the reserve.

In 2019, the City updated the Brownfield CIP and has entered into two TIBGs through this program since that time. The financial strategy associated with the redevelopment incentives is pending the review of the Downtown CIP.

Financial Implications

There are no financial implications from this report.

Consultations

Danna Evans, General Manager of Recreation, and Culture

Alex Goss, Manager Community Investment

Christine Chapman, Manager of Economic Development

Strategic Plan Alignment

The information in this report supports the Building Our Future, Powering Our Future, and Sustaining Our Future Strategic Priorities. Grants in lieu of development fees for non-profit organizations can improve housing supply and affordability, enhance community and cultural facilities from which non-profit organizations operate, and reactivate underperforming brownfield sites.

Attachments

None

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