

City of Toronto

Proposed Development Charge By-law



Executive Committee
February 2, 2009



Overview

- Background
- Public Consultation Summary
- Proposed DC By-law
- Conclusions



Background

- Statutory public meeting held in Nov 2008
- Committee deferred consideration of the report and requested staff to
 - Undertake further consultations
 - Report back on those consultations and any changes to the proposed by-law
- Current DC by-law expires in July 2009



Key Input at Public Meeting

Development industry

- Concern that the calculated charge is too high.
- Support for the DC freeze but “more is needed”
- Applaud “creative” phase-in provision
- Need more time for study and consultation.

Ratepayer associations & citizens

- Taxpayers should not subsidize the cost of growth.
- Full DC should be implemented as soon as possible.
- Toronto’s charges are low compared to 905s.

Key Changes to the Proposed DC By-law

- 16% reduction to the maximum DC rates from the public meeting

Development Type	Current (Jan/09) Charges	Calculated Charge at Public Meeting (Background Study)	Calculated Charges (Revised Study)	New Recommended Charges (90% of maximum charges calculated in Addendum)	% Increase of Recommended Charge Over Current (Jan/09) Charge	% Change in Recom'd Charges since Public Meeting
Residential (per unit)						
Single/semi-detached	\$12,366	\$25,095	\$23,382	\$21,044	70.20%	
Apt 2-bedrm or larger	\$8,021	\$16,007	\$14,914	\$13,423	67.30%	-16.10%
Apt 1 bedrm/bach	\$4,985	\$10,920	\$10,174	\$9,157	83.70%	
Other multiples	\$9,841	\$20,348	\$18,958	\$17,062	73.40%	
Dwelling rooms	\$3,195	\$6,783	\$6,319	\$5,687	78.00%	
Non-Residential (per sq. m. of gfa)*	\$99.30	\$177.07	\$167.01	\$150.31	51.40%	-15.10%

* Current non-res charge applicable to retail uses only. Proposed charge to be applicable to non-industrial GFA on the ground floor only.

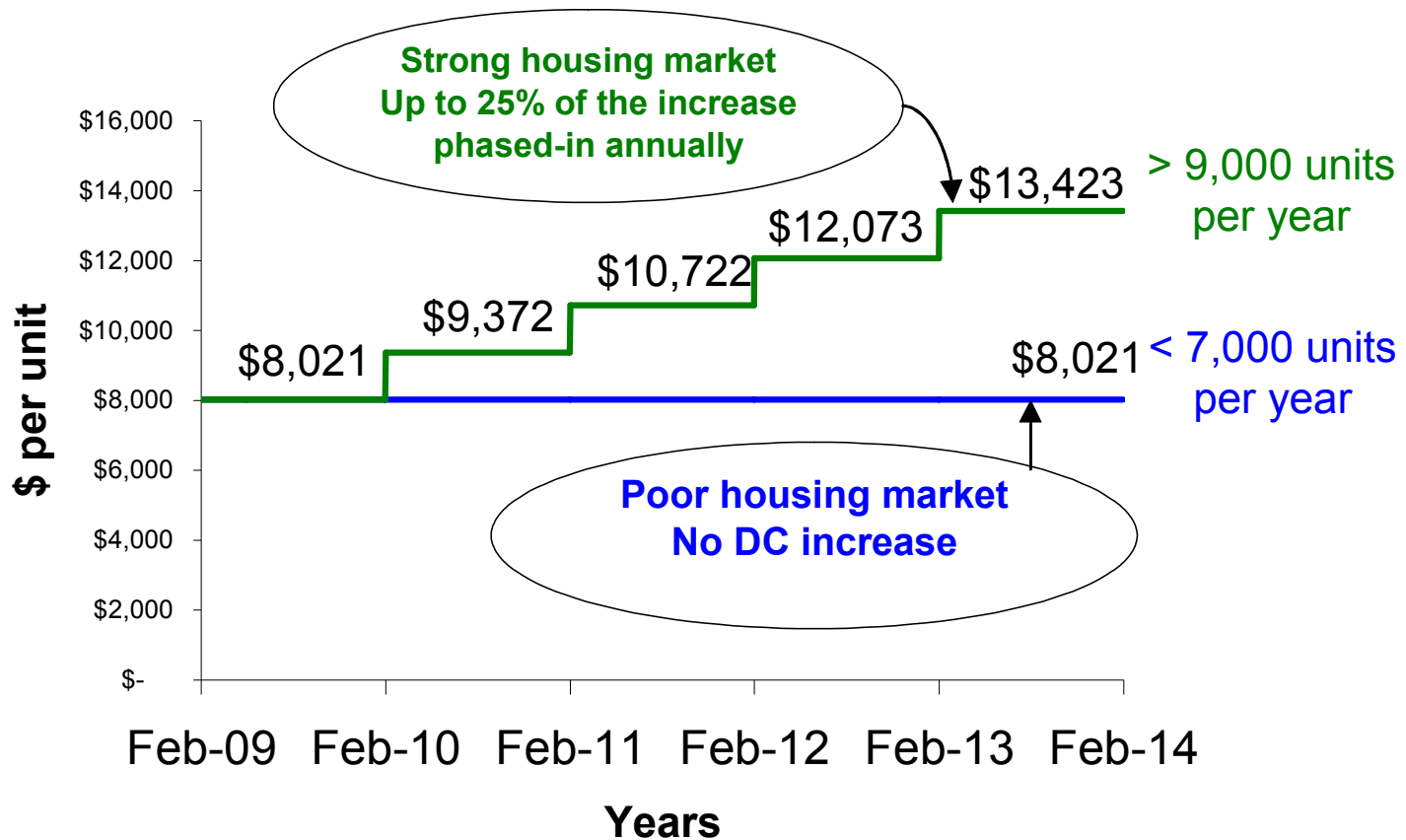


Phase-in of Increases

- Continuation of the DC freeze until Jan 31/10
- Commencing Feb 1/10, 0% to 25% of the proposed increase phased-in annually over 4 years
- Phase-in based on number of residential units issued permits in the previous year:
 - <7,000 units 0% of the increase
 - 7,000-7,500 5%
 - 7,501-8,000 10%
 - 8,001-8,500 15%
 - 8,501-9,000 20%
 - >9,000 25%

Conditional Phase-in (cont'd)

Two Bedroom Apartment Unit



* excludes indexing



Other Key Provisions

- Residential
 - Non-profit rental housing exempt
- Non-residential
 - Industrial uses exempt
 - Developments qualifying for IMIT incentives exempt
 - All non-res developments above or below ground floor exempt (only ground floor chargeable)
- Other
 - 20% DC refund for achieving Tier 2 of the Toronto Green Standard



Additional Stakeholder Input

○ BILD

- ✓ Timing of payment for plans of subdivision
- ✓ DC refunds
- * Technical comments on the DC Study calculations
- DC discounts based on geography
- Revised building permit thresholds

○ FoNTRA

- Revised graduated phase-in with a fixed 25% increase in each of the last two years

✓ Recommended

* Partially recommended



Conclusions

- Extensive stakeholder consultations
- Fair and reasonable approach to funding growth in today's economic environment
- Balances the City's fiscal needs with long term economic development and planning objectives.

