



September 10, 2013

Mr. Roberto Rossini  
Deputy City Manager &  
Chief Financial Officer at City of Toronto  
City of Toronto  
100 Queen St. W.  
Toronto, Ontario  
M5H 2N2

Dear Mr. Rossini,

**RE: *City of Toronto 2013 Development Charges By-law Review***

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The building industry is a fundamental component of the Toronto economy. The land development and home building industries, and the new homebuyer, should not be seen as a primary means of addressing fiscal shortfalls.

New residential development creates jobs and also encourages non-residential development. In addition to the contribution to the City's economy made by residential development through construction jobs and spin-off benefits, the provision of a range of attractive, modern housing, represented in the City largely by new condominium development, attracts new residents who will provide an educated and skilled work force. This proposed development charge, fundamentally a tax, challenges the affordability of home ownership for these new residents.

On behalf of the Building Industry and Land Development Association (BILD), and within the context of discussions with key landowners and principal members of the BILD Toronto Chapter, we are writing to confirm the terms on which BILD is prepared to settle its objection to the proposed 2013 City of Toronto Development Charges By-law (2013 DC By-law).

BILD will agree not appeal the 2013 DC By-law, or any part thereof, to the Ontario Municipal Board or to the courts, or support any such appeal in whole or in part, directly or indirectly, provided that the 2013 DC By-law as enacted reflects the following:

- Quantum: \$21,203 per two bedroom unit, and all other unit rates will reflect the same proportionate adjustment – as reflected in the attached 'Schedule A'.
- Transition:

From the date of enactment of the DC by-law until February 1, 2014 the current rates shall apply (e.g. \$12,412/ two bedroom unit)

Feb 1 2014, increase equal to 32% of the difference between the current (2013) rate and the proposed rate set out above;

Aug 1 2014, increase equal to 23% of the difference between the current (2013) rate and the proposed rate set out above;

Feb 1 2015, increase equal to 15% of the difference between the current (2013) rate and the proposed rate set out above;

Aug 1 2015, increase equal 15% of the difference between the current (2013) rate and the proposed rate set out above;

Feb 1 2016, increase equal 15% of the difference between the current (2013) rate and the proposed rate set out above.

For clarity, these percentages are based on pre-indexed values and will be affected by normal indexing under the by-law.

- Treatment of Stacked townhouse units and back-to-back townhouse units: Stacked townhouse units will be categorized as apartment units for the purposes of the DC by-law, as opposed to multiple dwelling units. Back to back townhouse units remain multiple dwelling units, a category that will be split between 1 bedroom (small) and 2 bedroom (large) units similar to the treatment of apartments.
- Refund of Over-Payment: Sec. 415-8.H of the proposed DC by-law will be changed such that a refund will be provided where after the payment of development charges, a development is revised such that a change to the number or distribution of residential units would result in a lower development charge being payable. The refund will be calculated by applying original rate to units reduced in number and the current rate to units increased in number.
- Reduction of the Charge of Redevelopment: The proposed DC by-law shall provide for a reduction in development charges where a non-residential building is demolished for, or converted to residential building space. The reduction will be calculated based on the DC amount that would apply to the demolished portion at currently applicable rates e.g. no reduction for demolition of exempt development.

The treatment of non-res to non-res demolitions and conversion is unchanged.

Please confirm that staff will be including the above noted amendments in a report to September 24<sup>th</sup> Executive Committee as part of the DC by-law approval.

BILD's agreement not to appeal the 2013 DC By-law is also conditional on the City's agreement with the following:

- If the 2013 DC By-law as enacted is materially changed from the draft previously considered at the July 3 Executive Committee meeting, as amended by the provisions described above, BILD will not be precluded from appealing any such changes.
- If the 2013 DC by-law is amended by way of an amending by-law in the future, BILD's ability to appeal such an amending by-law will not be fettered.
- The agreement of BILD not to appeal this DC by-law, or any amendment, would in no way affect any individual landowner's right to appeal, including members of BILD.

- BILD's decision not to appeal the 2013 DC By-law shall not be taken as an indication that BILD, or its members, accepts or supports the Background Study, or the methodology employed to calculate the development charges imposed, nor does it affect BILD's ability to oppose or appeal future development charge by-laws proposed or enacted by the City.

We thank you and all of the city staff members involved for their efforts to reach this agreement. Please feel free to contact the undersigned if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Upton', written in a cursive style.

Steve Upton  
Chair

Cc: *Paula Tenuta, Vice President, Policy & Government Relations, BILD*  
*Members of the BILD Executive Committee and BILD Toronto Chapter Members*

**SCHEDULE A**

Development Type	Nov 1/13	Feb 1/14	Proposed Phase-in*			
			Aug 1/14	Feb 1/15	Aug 1/15	Feb 1/16
<i>% increase phased-in</i>	<i>0%</i>	<i>32%</i>	<i>23%</i>	<i>15%</i>	<i>15%</i>	<i>15%</i>
<u>Residential (\$ per unit)</u>						
Singles & Semis	19,412	24,234	27,701	29,961	32,222	34,482
Multiples 2+ Bedrooms	15,695	19,966	23,035	25,037	27,039	29,041
Multiples 1 Bed and Bach.	8,356	12,320	15,169	17,028	18,886	20,744
Apts 2+ Bedrooms	12,412	15,225	17,247	18,566	19,884	21,203
Apts 1 Bed and Bach.	8,356	10,402	11,872	12,831	13,790	14,749
Dwelling Room	5,212	6,494	7,416	8,017	8,618	9,219
<u>Non-residential (\$ per sq. m.)</u>						
Ground Floor	141.16	152.24	160.20	165.39	170.59	175.78
Non-Ground & Industrial	0.00	0.00	0.00	0.00	0.00	0.00

\* As a result of the change in the small multiple policy discussed further in the staff report, for the purposes of the phase-in, the November 1, 2013 multiple dwelling unit rates for 2 bedroom & larger and 1 bedroom & bachelor units will be \$15,695 and \$8,356, respectively.