High Real Estate Prices
“Grow in Place” Committee of Adjustment Applications Increase

Strong Real Estate Market
Higher Levels of Development Activity

Larger and More Complex Applications
100% Increase in Toronto’s Share of GTA Housing Completions over 30 years
These unprecedented development volumes have increased pressure on City Planning’s ability to meet internal Key Performance Indicators.
BUT...
Toronto’s Review Time out performs most of the Region

![Bar chart showing time periods for different regions in the Greater Toronto Area. The chart compares various municipalities with the GTA average, highlighting Toronto's shorter time period.](chart.png)
20% more units approved in the last 5 years
Over 1 year of approved supply in the pipeline

Housing Unit Approvals vs Housing Units Starts
Cumulative City of Toronto Totals from 2011 to 2015
Cost Effective Planning Process
Development Review Process

- Application Circulation
  - Preliminary Report to Community Council
  - Community Consultation
  - Technical Response
  - Response to Applicant
  - Application Revision & Resubmission
  - Recirculation, Consultation, Further Revisions, Finalization & Staff Report
  - Public Meeting at Community Council
  - City Council Decision
  - Opportunity for Third Party Appeal to OMB

Opportunity for Public Input
Development Application Fee Review Process

- **2011**: City Council Adopted Full Cost Recovery approach for Development Application Fees
- **2012**: Full Cost Model Implemented New Development Application Fee Schedule
- **2013**: Watson & Associates Economists hired to do 4 year fee review
- **2014**: Development Application Review Fee Update Report Recommends Fee Increase

**User Fee Policy requires a review every 4 years**

**The Development Application Fee Review Included:**
- Updating planning application costing categories, process maps and staff complement participating in the development application review process
- Updating direct, indirect and capital costs of processing activities
- Updating the planning application fee structure
- Measuring/Reporting on the financial impacts of the proposed cost recovery fee structure
Development Application Fee Review Results

Average Cost $50 million

$36 m Average Revenue

$2 m unrecovered

$12 m shortfall

34% RECOMMENDED INCREASE
Development Review Partners

Community Planning Committee of Adjustment Urban Design Transportation Planning Research and Information Environmental Planning Heritage Policy

City Planning 54%
Engineering & Construction Services 14%
Transportation Services 8%
Parks, Forestry & Recreation 6%
Legal Services 8%

Planning & Administrative Tribunal Law Real Estate Law

Toronto Building 4%
Toronto Water 3%
Fire 1%
Solid Waste Management 1%
Economic Development 1%
Energy & Environment 0.05%
The decision before you today is to move the cost of development review from the tax base to a user fee.
Budget to Budget Comparison

- Engineering & Construction Services ($3.558 m)
- Indirect Costs ($3.517 m)
- Legal Services ($1.835 m)
- Toronto Building ($1.148 m)
- Toronto Water ($0.706 m)
- City Planning ($0.532 m)
- Fire Services ($0.41 m)
- Economic Development ($0.389 m)
- Transportation Services ($0.288 m)
- Capital Contributions ($0.213 m)
- Parks, Forestry & Recreation ($0.26 m)
- Solid Waste Management ($0.06 m)
$50 Million

DIRECT COSTS 39.61

INDIRECT COSTS 9.42

CAPITAL COSTS 0.98

City Planning 20.54

Engineering & Construction Services 5.56

Legal Services 4.34

Transportation Services 2.90

Toronto Building 1.59

Toronto Water 1.25

Parks, Forestry & Recreation 2.03

Fire 0.57

Solid Waste Management 0.26

Economic Development 0.39

Energy & Environment 0.19
Why the Increase in Costs

Fee review reveals increasing costs
Cost Allocation by Division
Cost Model Approach Benefits

- Application Fees
- Review Process
- Review Cost
Development Fee Review Objective

- Determine today’s cost to provide the service
- Service level enhancements/improvements were out of scope
Questions?