

MOTION WITHOUT NOTICE

Authorizing development charge refunds for condominium projects converting to purpose-built rental tenure

Moved by: Mayor

Chow

Seconded by: Councillor

Mantas

SUMMARY:

Toronto Municipal Code Chapter 415, Development of Land, allows the City to recover additional development charges where a purpose-built rental development subsequently converts to condominium ownership. However, where a project that has already paid development charges converts from a condominium to purpose-built rental prior to occupancy, there is currently no authority to charge the corresponding rate and issue a refund.

Residential developments in the City of Toronto are subject to different development charge rates depending on tenure. Rental developments are eligible for statutory and discretionary discounts, with the discounted amount depending on the number of bedrooms in a unit.

Through Bill 17, residential development charges are now payable at occupancy. Where a project converts from condominium ownership to purpose-built rental before occupancy, the appropriate rental rate can be applied when development charges become payable. However, a limited number of projects paid development charges before occupancy under a previous legislative framework, or through an early payment, and later converted to purpose-built rental.

In these cases, the amount paid may exceed the amount that would have applied had the project been identified as purpose-built rental at the time of payment. This Motion authorizes the Chief Financial Officer and Treasurer to refund that difference, together with any corresponding interest adjustments, where a project converts to purpose-built rental prior to first partial occupancy, to reflect the appropriate rate. This Motion is also aligned with the City of Toronto's goal to reduce barriers to developing new rental homes.

Reason for Urgency:

This is time sensitive to ensure Council approval to be able to proceed with refund(s) for applicable properties which have been converted from condominiums to purpose-built rentals.

RECOMMENDATIONS:

1. City Council authorize the Chief Financial Officer & Treasurer, in the event development charges are paid early at the rates applicable to non-rental residential development and the units are later determined to be Purpose Built Rental prior to first partial occupancy, to refund the difference between the development charge amount paid and the development charge amount payable for Purpose Built Rental Units. The refund shall also include any corresponding adjustment to interest payable under the Development Charges Act, 1997 that would have applied had the dwelling unit or units qualified as Purpose Built Rental Units at the time the development charge was originally paid or payable.

Date: July 29-31, 2026