

# **2017 Development Charges Bylaw Review**

## **Industry Stakeholder Consultation Meeting #1**

Corporate Finance Division  
June 5, 2017

# Today we will discuss...

- Introduction
- Project Overview
- Policy Review
- DC Study Methodology
- Draft Growth Forecast
- Discussion & Next Steps

# Development Charges Overview

- Funds infrastructure needed to support the Growth Plan
- Based on principle that “Growth pays for Growth”
- Bylaw must be reviewed every 5 years
- City’s DC rates are competitive (about 30% of GTA residential average)

# DC Review Consultation

- 2017 DC update to include a comprehensive consultation process
  - Consultation with Key Industry Stakeholders
  - General Public Information Sessions
  - Statutory Public Meeting
- Seeking comments regarding the Background Study and Updated Bylaw

# Policies to be Reviewed

- Bylaw definitions
  - Multiple vs apt units
  - University residences
- Rate Structure
  - GFA vs # of bedrooms & occupancy
- Secondary suites
- Exemptions for non-res, industrial, affordable housing
- Redevelopment credits
- Treatment of charities, rental housing
- Local service guidelines
- Area-specific charges
- Payment timing
- DC credit policy / internal procedure
- Other suggestions?

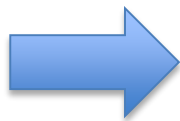
# DC Restrictions, Exemptions, etc.

## Provincial Legislative Restrictions

- 10% Statutory Discount, Service Level Caps, Ineligible Services, Ineligible Costs, Statutory Exemptions

## Council Policies

- Non-statutory Discounts (e.g. affordable housing, industrial uses, non-ground floor non-res uses)
- Rebate programs and phase-in



Shortfall must be funded from other sources (e.g. property taxes)

# Current Land Use Exemptions

## Statutory

- 1 and 2 unit residential unit additions to existing buildings (and potentially new buildings)
- Industrial expansions up to 50% of the existing base
- Land owned by and used for the purposes of municipalities and school boards

## Voluntary

- Non-profit housing
- Non-ground floor non-res
- Industrial uses
- Places of worship
- Public hospitals, colleges and universities
- Projects qualifying for IMIT grants
- Accessory uses less than 10 sq. m., temporary buildings
- Dwelling rooms within a rooming house or with Ontario Renovates funding

## Rebate Program

- Tier 2 Toronto Green Standard

# Key Dates for 2017 DC Bylaw Review

Deliverables	Tentative Key Dates
Project Kick-off Meeting	April 3, 2017
Data Collection & Policy Formulation	April - October 2017
Stakeholder Consultation	June - November 2017
2017 Background Study & Bylaw Publicly Released	October 5, 2017
Notice of Public Meeting	October 6, 2017
Statutory Public Meeting (Executive Committee)	October 24, 2017
Report on Results of Additional Consultation and Any Recommended Changes to the Study or Bylaw (Executive Committee)	November 29, 2017
Council Consideration of Bylaw	December 6, 2017



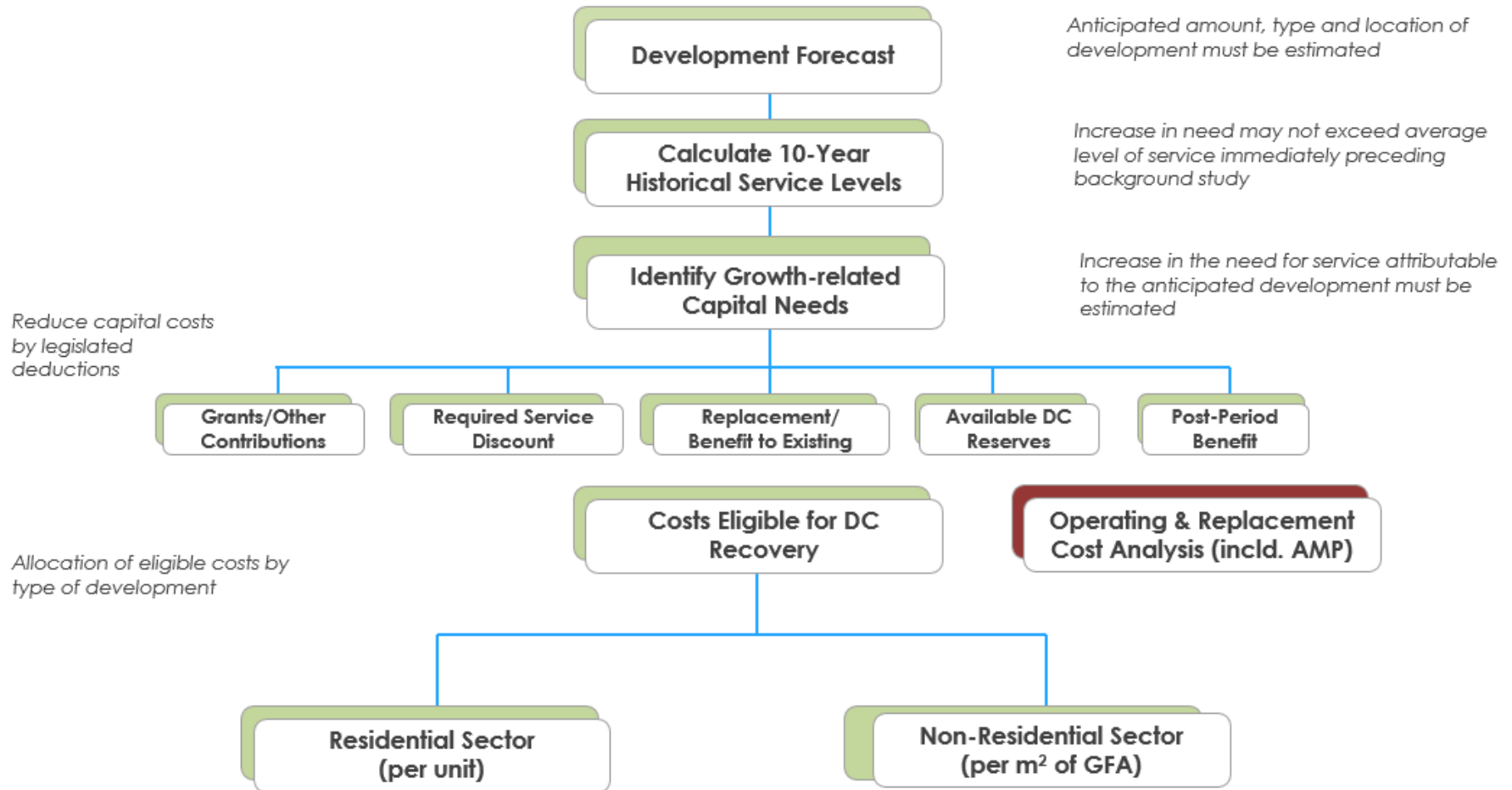
# DC Background Study: Changes to the *DCA*

- On December 3<sup>rd</sup>, 2015 the Province passed Bill 73 (*Smart Growth for Our Communities Act, 2015*), which amended the *Development Charges Act (DCA)* and *Planning Act*
- Notable changes:
  - Treatment of Transit services
    - 100% cost recovery based on planned level of service
  - Non-disposal waste management services eligible for DCs
  - No additional levies
  - Asset management plan requirements
  - Timing of collection

# DC Background Study: Changes to the *DCA*

- Other Changes
  - DC Background Studies must consider area-specific DCs
    - Area rating may be prescribed
  - Ineligible services are now prescribed by the Regulations
  - DCs payable upon first building permit issuance (for multiple building permits)
  - Additional annual reserve fund reporting requirements
  - Background Study must be made available to the public 60 days prior to by-law passage

# DC Background Study: Approach & Methodology



# Services Considered in 2017 DC By-law

- **90% Cost Recovery**

- Parks and Recreation
- Library
- Subsidized Housing
- Development-Related Studies
- Child Care
- Health
- Pedestrian Infrastructure
- Housing & Shelter
- Solid Waste Management
- Emergency Medical Services
- Civic Improvements

- **100% Cost Recovery**

- Spadina Subway Extension
- Transit (Balance)
- Police
- Fire
- Roads & Related
- Water
- Sanitary Sewer (Wastewater)
- Storm Water Management

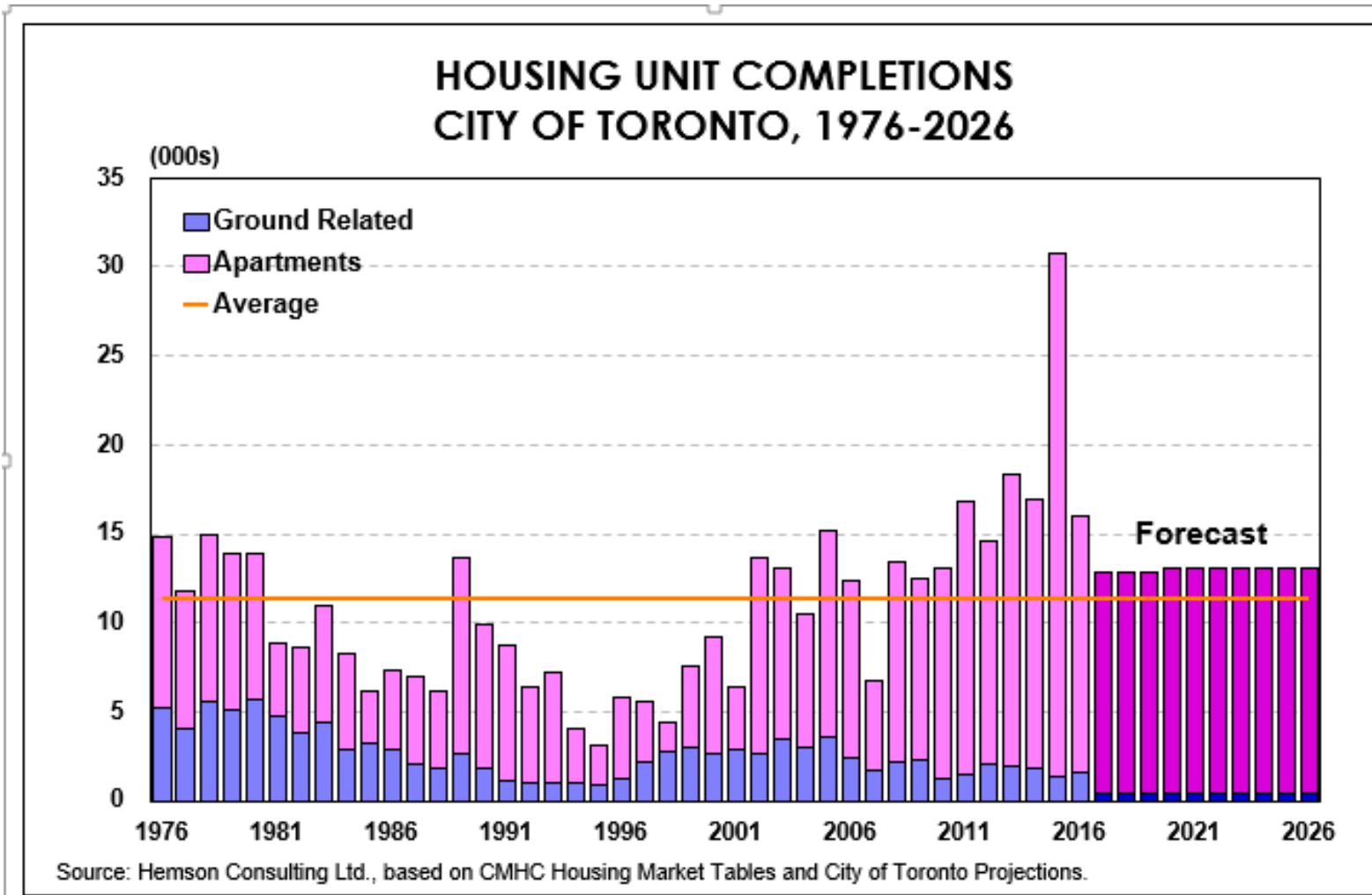
# Emerging Issues: New Services Considered

- As part of the 2017 update, two additional services are being considered for inclusion in the City's DC regime
  1. Solid Waste Management
  2. Shelter
- Still to be determined if and how they will be incorporated into the study
- Council will provide direction regarding the use of area-specific charges

# Preliminary Growth Forecast

- Forecasts based population and household projections to 2041 provided by the City
  - Growth increment applied to new 2016 Census base
- 10-year employment forecast prepared by Hemson consistent with City's growth to 2041
- Area-specific forecast distribution will be considered
- A 10-year planning horizon will be utilized for all services (2017-2026)

# Historical Residential Activity and Preliminary Forecast



# Preliminary Non-Residential Forecast

- Retail and Office
  - Retail growth slowing
  - Downtown office market very strong
- Institutional reliant upon government investment
  - Government component unlikely to be growth sector
  - Health sciences and hospitals still growing
- Industrial still relatively small but investment has picked up in recent years
  - Not strong relationship to employment outlook, but it is positive sign



# Preliminary Growth Forecast Summary

10-Year Forecast	2016 Base Year Estimate	10-year Growth	2026 Estimate
Occupied Dwellings	1,179,000	130,000	1,309,000
Census Population	2,731,000	211,000	2,962,000
Employment	1,678,000	136,000	1,814,000
<i>Non-residential Building Space (m<sup>2</sup>)</i>		<i>(to come)</i>	

Note: Total Employment figures in this chart include work at home employment and those with no fixed place of employment

# Background Study Next Steps

Prepare Initial Growth Forecast	Underway
Review of Historical Service Levels	Underway
Review of Draft Capital Programs	Underway
Preliminary DC Rate Calculation	June & July, 2017

# Industry Consultation Tentative Schedule

Proposed Date	Proposed Topics
Meeting #1 - June 5, 2017	<ul style="list-style-type: none"><li>• Project Overview</li><li>• Draft Growth Forecast</li><li>• Policies to be Reviewed</li></ul>
Meeting #2 - June 27, 2017	<ul style="list-style-type: none"><li>• Service Level Inventory</li><li>• Policy Feedback</li></ul>
Meeting #3 - July 21, 2017	<ul style="list-style-type: none"><li>• Capital Program</li><li>• Asset Management</li></ul>
Further Meetings - August – December 2017 (dates TBD)	<ul style="list-style-type: none"><li>• DC Calculations</li><li>• DC Policies</li><li>• Final Reviews</li></ul>

# Discussion

- Current Bylaw
- Policy Review
- Consultation Schedule
- General

# Hemson Contacts

Office: (416) 593-5090

- Craig Binning, ext. 20 – Project Director
  - [cbinning@hemson.com](mailto:cbinning@hemson.com)
- Russell Mathew, ext. 26 – Growth Forecast Lead
  - [rmathew@hemson.com](mailto:rmathew@hemson.com)
- Jason Bevan, ext. 13 – Day-to-day & Engineered Services Lead
  - [jbevan@hemson.com](mailto:jbevan@hemson.com)
- Jackie Hall, ext. 52 – Day-to-day & General Services Lead
  - [jhall@hemson.com](mailto:jhall@hemson.com)

# Staff Contacts

- Joe Farag, Project Sponsor, 416-392-8108, [Joe.Farag@toronto.ca](mailto:Joe.Farag@toronto.ca)
- Robert Hatton, Project Sponsor, 416-392-9149, [Robert.Hatton@toronto.ca](mailto:Robert.Hatton@toronto.ca)
- Shirley Siu , Project Manager, 416-397-4205 [Shirley.Siu@toronto.ca](mailto:Shirley.Siu@toronto.ca)
- Qasim Jawaid, Research & Analysis, 416-392-4260, [Qasim.Jawaid@toronto.ca](mailto:Qasim.Jawaid@toronto.ca)

Website: [toronto.ca/devcharges](http://toronto.ca/devcharges)

# Thank you