

October 16, 2017

2018 Development Charges Bylaw Review

The City is continuing to grow and new infrastructure is needed in order to maintain service levels. Development charges (DCs) are fees collected from developers at the time a building permit is issued to help pay for the cost of infrastructure required to provide municipal services to new development, such as roads, transit, water and sewer infrastructure, community centres and fire and police facilities.

Most municipalities in Ontario use development charges to ensure that the cost of providing infrastructure to service new development is not borne by existing residents and businesses in the form of higher property taxes.

In order to collect DCs, the City of Toronto is required under the provincial Development Charges Act to update its DC bylaw at a minimum of every five years. To renew its DC bylaw, the City must complete a comprehensive development charges background study to forecast the city's future residential and non-residential growth, and to identify the related infrastructure needs and costs. This information is used to calculate the maximum development charge rates that can be imposed on new development in order to cover the related cost of new infrastructure. Council may adopt rates lower than the maximum rates, however the DC revenue shortfall must be funded from other sources.

Current Development Charge Rates

EFFECTIVE FEBRUARY 1, 2017

RESIDENTIAL DEVELOPMENT CHARGES RATES

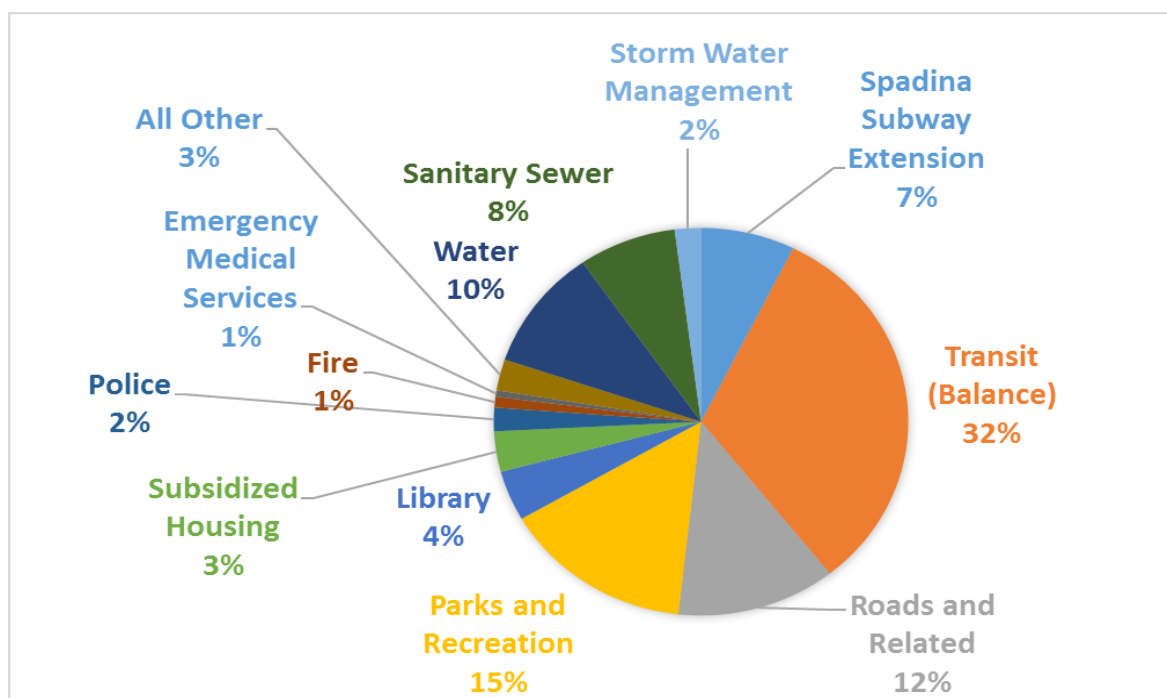
Residential Charge By Unit Type					
Singles & Semis	Multiples 2+ Bedrooms	Multiples 1 Bedroom and Bach.	Apartments 2 Bedrooms and Larger	Apartments 1 Bedroom and Bach.	Dwelling Room
\$40,067	\$33,744	\$24,103	\$24,638	\$17,138	\$10,711

\$ PER SQUARE METRE OF NON-RESIDENTIAL FLOOR AREA **\$207.52**

The City's current rates are about 30% below the GTA average, before exemptions such as the City's non-residential commercial non-ground floor exemption, according to Hemson Consulting Ltd.

Residential Charge by Service

The City collects approximately \$200M in development charges revenue annually. The revenues are used to fund a variety of municipal services.



Current DC Bylaw

Council of the City of Toronto adopted its DC Bylaw 1347-2013 on October 11, 2013 in accordance with the requirements of the Development Charges Act, 1997 and related Regulations. The City's DC bylaw was amended in 2015 to include costs associated with the Scarborough Subway Extension.

Bylaw review timeline

- Data collection – Spring to Summer 2017
- Development charges calculations – Summer to Fall 2017
- Stakeholder consultation – Spring to Winter 2017/18
- Background study – Winter 2017/18
- Public meeting – Winter 2017/18
- Council consideration – Spring 2018
- Implementation 2018

Development projects potentially subject to development charges include:

- Construction of a new building
- Addition or alteration to an existing building that increases the number of residential units or the non-residential gross floor area
- Redevelopment of a property that result in a change of use to all or part of a building

Exemptions

Exemptions provided in the City's By-law and/or the DC Act include:

- Industrial uses
- Non-profit housing
- Hospitals
- Universities/colleges
- Places of worship, cemetery or burial ground
- Temporary residential sales offices or pavilions

Consult the By-law and the *Act* for the full list of exemptions.

More information:

www.toronto.ca/devcharges

Shirley Siu, Senior Financial Analyst, 416-397-4205, shirley.siu@toronto.ca