

January 12, 2018

## 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 land developers at the time a building permit is issued to help pay for the cost of infrastructure, such as roads, transit, water and sewer infrastructure, community centres and fire and police facilities to accommodate growth.

Most municipalities in Ontario use DCs to ensure that the cost of providing infrastructure to service growth is not borne by existing residents and businesses in the form of higher property taxes and utility rates.

In order to continue to collect DCs, the City of Toronto is required under the provincial Development Charges Act to update and adopt a new DC bylaw prior to the expiry of the current DC bylaw in October 2018. City 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.

Prior to updating its DC bylaw, the City must complete a comprehensive DC Background Study to forecast the city's future residential and non-residential growth, to identify the related infrastructure needs and costs and legislated deductions, and to establish the maximum calculated DC rates that can be imposed

### Proposed Bylaw Review Timeline

- Data collection – Spring to Summer 2017
- Development charges calculations – Summer to Fall 2017
- Stakeholder consultation – Summer to Winter 2017/18
- DC background study and proposed bylaw published for consultation – January 9, 2018
- General Public consultation meetings
  - January 15, 6 – 8 p.m., North York Civic Centre, Committee Rm 3, 5100 Yonge St.
  - January 17, 6 – 8 p.m., City Hall, Committee Rm 4, 100 Queen St. W.
- Statutory public meeting at Executive Committee
  - January 24, 2018, 10 a.m. or as soon as possible thereafter, City Hall, Committee Rm 1, 100 Queen St. W.
- Further staff report on the results of consultation, including any changes to the DC Study and proposed bylaw – March 2018
- Council consideration – March 2018
- Implementation - 2018

## DC Background Study and Bylaw has been released for consultation

On January 9, the City released a Background Study and proposed bylaw for public consultation which can be viewed at <http://www.toronto.ca/devcharges>. The Background Study reports on the maximum calculated DC rates that can be levied under the provincial Development Charges Act.

Input received through the consultation process will be included in the follow-up report to the March 19, 2018 meeting of Executive Committee along with any recommended transition provisions and refinements to the calculated charges or proposed bylaw.

Any necessary adjustments to the DC rates and policies will be made and incorporated into the final amended DC Study and proposed bylaw for consideration of Committee and Council. Council may adopt rates lower than the maximum rates, however the DC revenue shortfall must be funded from other sources.

## Comparison of Feb 1/18 and Calculated DC Rates

Development Type	Current Rates (Effective Feb 1/18)	2018 DC Study Calculated Maximum Rates	Change from Current Rates	
<b>Residential (\$ per unit)</b>				
Dwelling Room	11,028	23,954	12,926	117%
Apartments - 1 Bed and Bach.	17,644	33,775	16,131	91%
Apartments - 2+ Bedrooms	25,366	51,740	26,374	104%
Multiples - 1 Bedroom & Bach.	24,816	36,650	11,834	48%
Multiples - 2+ Bedroom	34,742	73,058	38,316	110%
Singles & Semis	41,251	88,391	47,140	114%
<b>Non-residential (\$ per m2)</b>				
Non-industrial*	213.65	449.04	235.39	110%
Industrial (calculated)**	213.65	190.89	-22.76	-11%

\* Non-industrial non-residential charge applies only to the ground floor gross floor area in the current and proposed bylaw.

\*\* Rates shown represent the calculated rate. Industrial uses are exempted from DCs in the current and proposed bylaw.

The increase in the 2018 calculated charges, compared to the current charges reflects updated capital programs, revised growth forecasts and recent provincial legislative changes.

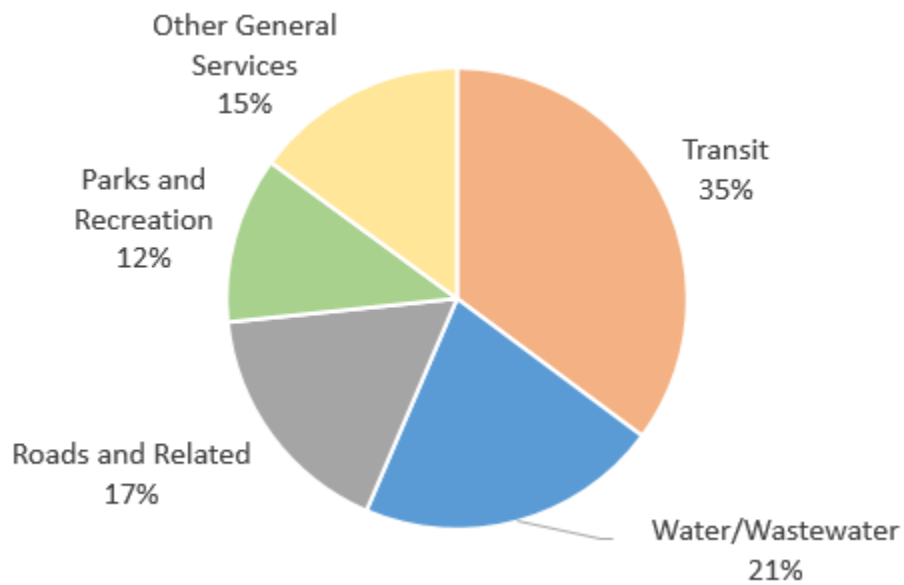
## DC Revenue

The City currently collects approximately \$200M - \$300M in development charges revenue annually under the current (2013) DC bylaw.

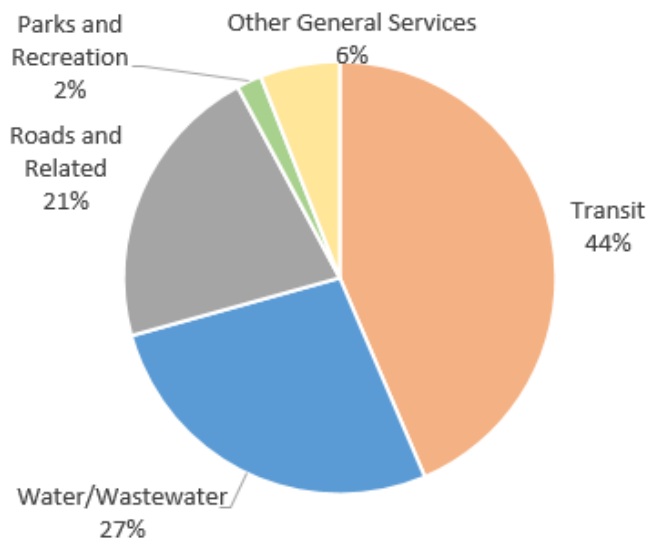
## Calculated Charge by Service

The majority of the residential and non-residential rates (73% and 92%) respectively are attributed to transit, roads, water and wastewater services, which reflects the average calculated demand that new land development places on the City for this type of infrastructure.

### Residential



### Non-residential



## Proposed Bylaw

The proposed bylaw continues the majority of the City's current bylaw policies and exemptions including exemptions for:

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

Exemptions for non-profit housing and projects with agreements under the City's Imagination, Manufacturing, Innovation and Technology (IMIT) program have been removed from the DC bylaw. Affordable housing incentives are addressed through the City's Open Door Program. The IMIT DC exemptions were a very small part of the tax incentive program, and have been removed from the DC bylaw. The proposed bylaw does not include transition provisions at this time, which will be considered after further stakeholder input.

Consult the proposed Bylaw and the *Act* for the full list proposed bylaw policies.

### More information:

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

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