

ATTACHMENT 1

2009 Development Charges By-law Summary

March 19, 2009

A. What are Development Charges?

Development charges (DCs) are fees imposed on new residential and non-residential development in the City, with certain exemptions, in order to partially pay for the capital costs required as a result of new development. The charges are paid at the time of building permit issuance and distributed to the various DC reserve funds based on the percentages set out in the by-law. Annually, as part of the City's capital budgeting process, Council approves the development charge funding allocation to eligible capital projects.

B. Key DC by-law provisions:

The following is a brief summary of the key provisions in development charges by-law number 275-2009, which was adopted by Council at its meeting on February 23, 24 and 25, 2009. Reference should be made to the by-law itself for a complete and accurate description of the by-law provisions.

	Issue	Adopted DC by-law
1.	Quantum of the residential charge	<ul style="list-style-type: none">- Up to 100% of the adopted charge implemented over the life of the by-law¹
2.	Quantum of the non-residential charge	<ul style="list-style-type: none">- Industrial uses – exempt²- All other non-residential uses:<ul style="list-style-type: none">o Ground floor - Up to 100% of the adopted charge implemented over the life of the by-law³o All other floors - exempt
3.	Transition provisions	<ul style="list-style-type: none">- <u>Delayed implementation</u> - By-law in force on May 1, 2009- <u>Two-year freeze</u> - DC rates frozen at January 1, 2009 levels until January 31, 2011⁴- <u>Four-year conditional phase-in</u> - Commencing February 1, 2011, and annually thereafter on February 1, 2012, 2013 and 2014, between 0% to 25% of the increase phased-in annually depending on the number of residential units issued building permits in the preceding year (see below for details).

1 See transition provisions and residential exemptions

2 Including self-storage uses

3 See transition provisions and non-residential exemptions

	Issue	Adopted DC by-law
4.	Residential exemptions	<ul style="list-style-type: none"> - Non-profit (rental) housing - Dwelling units with RRAP funding - Dwelling rooms in a rooming house
5.	Non-residential exemptions	<ul style="list-style-type: none"> - Industrial uses - Non-residential development qualifying under the IMIT⁵ Financial Incentives Program - All non-residential uses above or below the ground floor (i.e. only ground floor of non-exempt uses subject to DC) - Colleges and universities - Public hospitals - Places of worship & cemeteries - Temporary structures - Accessory use not exceeding 10 sq. m. of GFA
6.	Other DC relief	<ul style="list-style-type: none"> - 20% DC refund for developments achieving Tier 2 Toronto Green Standard requirements - Small multiple units (less than 55 m²) subject to the lower apartment rate
7.	Payment timing	<ul style="list-style-type: none"> - All DCs are now payable at the time a building permit is issued - (i.e. No requirement for early payment of the roads, water, sewer and stormwater management service components at subdivision)
8.	Redevelopment	<ul style="list-style-type: none"> - If a demolition permit has been issued within the 36 month period prior to permit submission, a reduction in the DC payable is provided for the: <ul style="list-style-type: none"> o Demolition/conversion of a residential use to a residential or a non-residential use; or o Demolition/conversion of a non-residential use to another non-residential use (DC reduction based on applicable charge for the use that was replaced).
9.	Indexing	<ul style="list-style-type: none"> - Charges adjusted annually based on the prescribed index commencing Feb 1/10

4 Other than indexing commencing February 1, 2010

5 Imagination, Manufacturing, Innovation and Technology

C. Schedule of Development Charges

Category	Column A May 1, 2009 to Jan. 31, 2011	Column B Maximum Charge	Column C Column B Minus Column A
Residential (per unit)			
Single detached and semi-detached dwelling	\$ 12,366.00	\$ 21,044.00	\$ 8,678.00
Multiple dwelling unit	\$ 9,841.00	\$ 17,062.00	\$ 7,221.00
Apartment unit – two bedroom and larger	\$ 8,021.00	\$ 13,423.00	\$ 5,402.00
Apartment unit – one bedroom and bachelor unit	\$ 4,985.00	\$ 9,157.00	\$ 4,172.00
Dwelling room	\$ 3,195.00	\$ 5,687.00	\$ 2,492.00
Non-residential (per s. m. of gross floor area)			
Industrial	\$ -	\$ -	\$ -
Other non-residential – ground floor	\$ 99.30	\$ 150.31	\$ 51.01
Other non-residential – above or below ground floor	\$ -	\$ -	\$ -

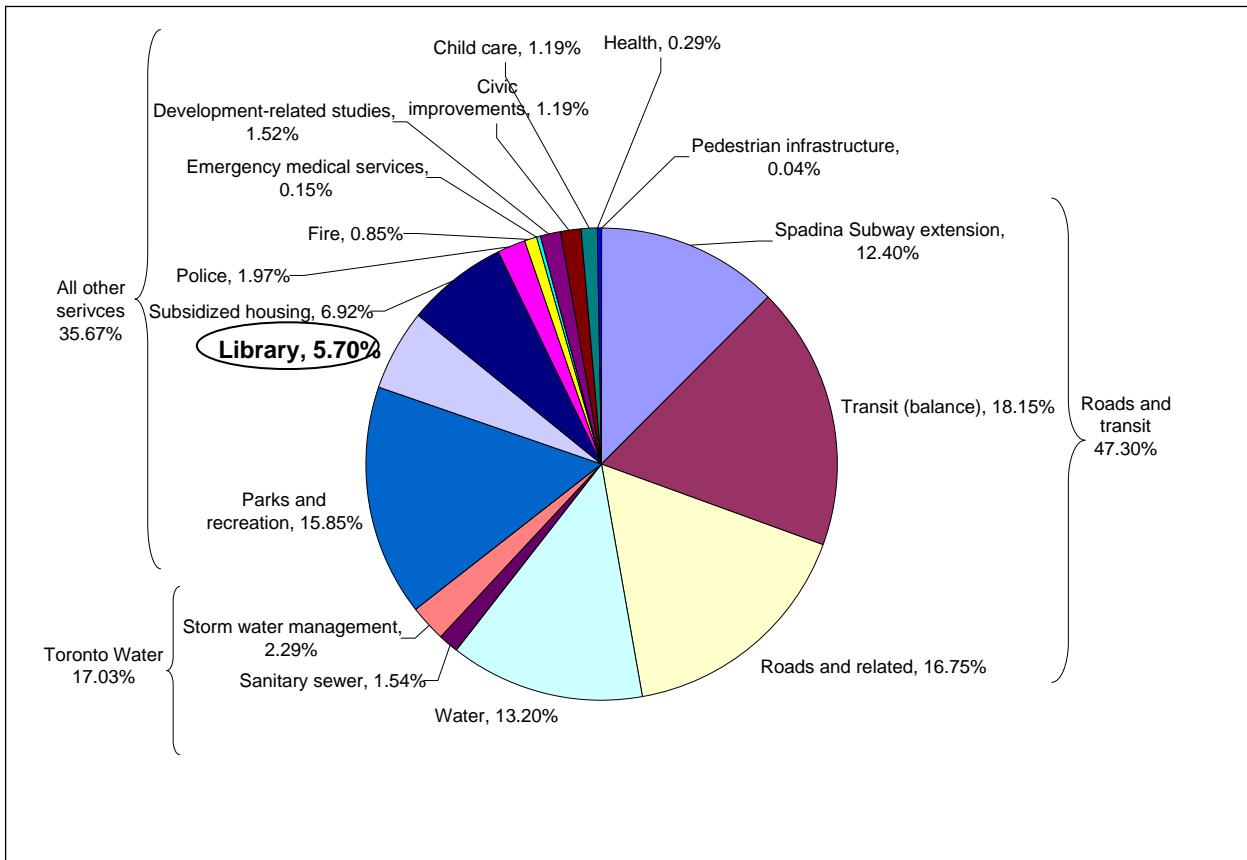
The above charges will be indexed, commencing on February 1, 2010, in accordance with section 415-11 of the by-law.

D. Unit Thresholds for Phase-in

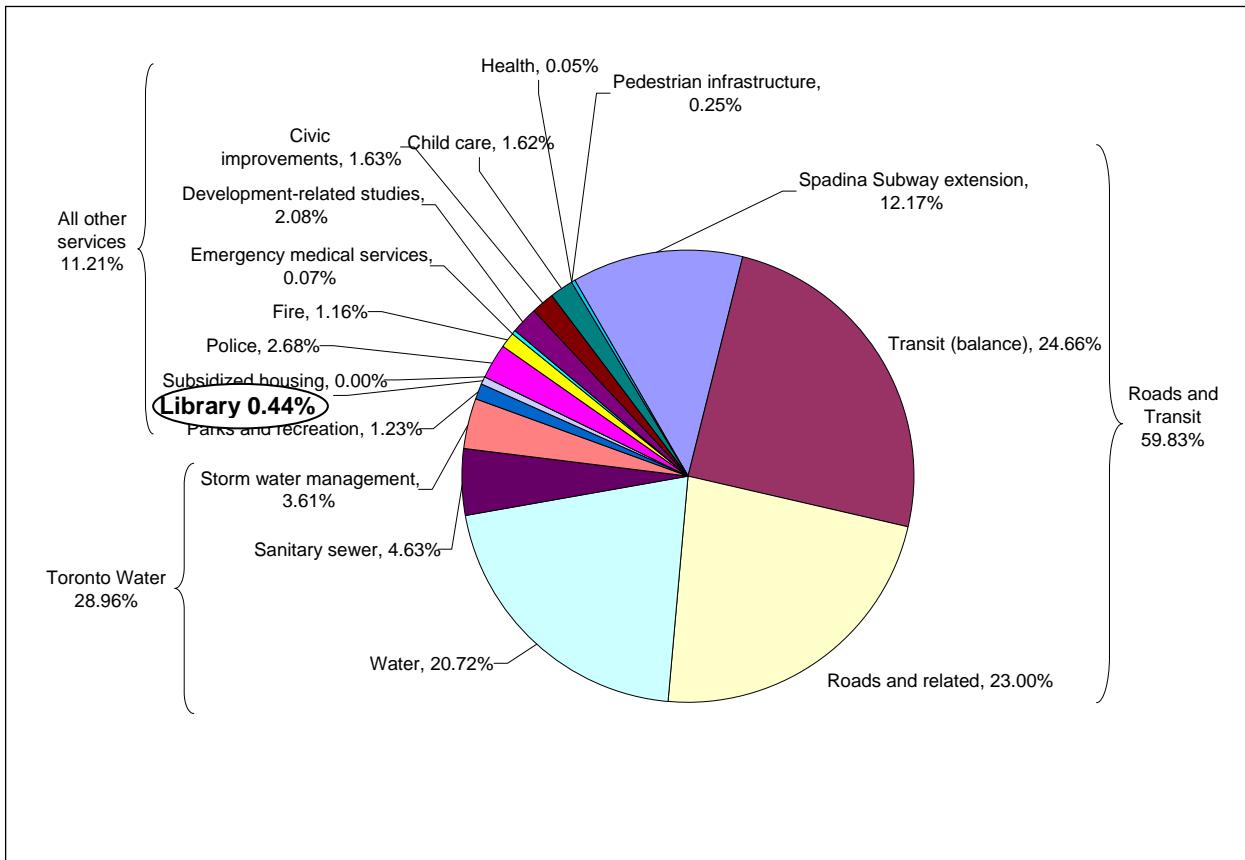
Beginning February 1, 2011, and continuing on the first day of February in each of 2012, 2013 and 2014, the amount of the development charge in effect will be increased according to the number of residential dwelling units that have been issued a building permit by the City in the preceding 12 month period ending in October, as follows:

Number of units issued building permit	Percentage of Column C to be phased-in
< 7,000	0%
7,000-7,500	5%
7,501-8,000	10%
8,001-8,500	15%
8,501-9,000	20%
> 9,000	25%

E. Services included in the by-law - residential



E. Services included in the by-law - non-residential



For more information, please visit: http://www.toronto.ca/finance/dev_charges.htm