

Financial Impact of Bill 23

Initial calculation from AMO

\$1 billion annual transfer of costs
from developers to citizens

Current Guelph Development Charges

	Single det. Semi det.	2-bed apt. Stacked towns.	1-bed units	Multiple units
Development Charge	\$44,192	\$25,787	\$19,248	\$33,312
Current public contribution: 20% (AMO)	\$11,048	\$ 6,447	\$ 4,812	\$ 8,328
Total infrastructure cost	\$55,240	\$32,234	\$24,060	\$41,640

“Affordable Residential Unit”

Bill 23 Definition:

- ▶ “The price of the residential unit is no greater than 80 per cent of the average purchase price, as determined in accordance with subsection (6)”
- ▶ Section (8): “The creation of a residential unit that is intended to be an affordable residential unit for a period of 25 years or more from the time that the unit is first rented or sold *is exempt from development charges*”

Average home price in Guelph

\$729,457

Zolo Housing Market Report November 2022

Does this mean all housing will be deemed affordable (and therefore exempt from fees) which falls below:

\$583,566

Average 2-bedroom condo price in Guelph

\$478,000

Zolo Housing Market Report November 2022

*Does this mean most condos will be deemed affordable
(and therefore exempt from all Development Charges)?*

For every 100 “affordable” condos built in Guelph, the public cost will be:

\$3,223,400

And the elephant in the room!

- ▶ (10) The creation of a residential unit that is intended to be an *attainable* residential unit when the unit is first sold *is exempt from development charges*.
- ▶ FYI. The legislation contains no financial benchmarks to define what will be considered an “attainable residential unit”, other than wide-open statements like:
 1. *The residential unit is not an affordable residential unit.*

Oh, and random discounts!

- ▶ *(8) 1. A development charge imposed during the first year that the (DC) by-law is in force shall be reduced to 80 per cent of the development charge that would otherwise be imposed by the by-law.*
- ▶ N.B. This drops to 85% in the 2nd year, 90% in the 3rd year and 95% in the 4th year.

In the recent Peer Review meeting for the Development Charge update, Gary Scandlan from Watson and Associates pointed out that since this discount applies to all development, his 94-year-old mother will therefore be subsidizing \$5 million mansions with her property taxes. Life for seniors will be rendered *unaffordable*.

The City (Toronto) would have no choice but to postpone or not proceed with many capital projects.

Greg Lintern, Toronto's Chief Planner