



**Report**  
**Staff Report**  
 The Corporation of the City of Brampton  
 12/9/2024

**Date:** 2024-11-22

**Subject:** **Recommendation Report – Proposed Fee Changes for Committee of Adjustment Applications**

**Contact:** Carolyn Crozier, Strategic Leader, Office of the Commissioner, Planning, Building and Growth Management  
 Allan Parsons, Director, Development Services, Planning, Building and Growth Management

**Report number:** Planning, Bld & Growth Mgt-2024-970

**RECOMMENDATIONS:**

1. That the report from Carolyn Crozier, Strategic Leader, Office of the Commissioner, to the Planning and Development Committee meeting of December 9, 2024 re: **Recommendation Report – Proposed Fee Changes to Committee of Adjustment Application Fees** be received; and,
2. That Schedule A to the Tariff of Fees By-law with respect to Planning and Other Municipal Applications By-law 85-96, as amended, be further amended to reflect the fee changes as set out in **Attachment A** of this report, to be effective following Council ratification for January 1, 2025.

**OVERVIEW:**

- **Staff presented the Recommendation Report “2024 Fee Changes for Development Applications (Tariff of Fees By-law with Respect to Planning and other Municipal Applications – Bylaw 85-96, as amended) (PBGM-2024-796)” to the October 21, 2024 Planning and Development Committee meeting.**
- **That report had recommended a range of changes to the Tariff of Fees By-law (Fee By-law) in an effort to:**
  - **Move the City towards full cost realization to reduce financial burden on the tax base;**
  - **Respond to industry and Council concerns, mitigating financial risks while helping to ensure the City remains attractive for development and investment is not cost-prohibitive; and,**

- **Modernize the fee structure in alignment with current Provincial policies.**
- **That report had also recommended that fees associated with Committee of Adjustment (CofA) applications (i.e. minor variances and consents to sever) be maintained with existing fees to ensure accessibility for residents. That recommendation reflected the City’s historic practice of offering the CofA service at a substantially subsidized rate, recovering an average of 30% of the service delivery costs, with the balance being subsidized by the tax base.**
- **Committee passed motion PDC183-2024, endorsing the approval of the proposed changes to the Fee By-law, except for the Committee of Adjustment application fee recommendation.**
- **Committee directed staff to undertake a review of fee options for the CofA applications to explore opportunities to increase cost recovery while maintaining accessibility for Brampton residents.**
- **Staff undertook a review of various options for CofA fees that maintains affordability and accessibility for users of the service while also reducing the impact to the tax base. Based on this review, staff are recommending the fee structure provided in Schedule A of this report.**
- **Subject to approval of the recommended fee structure in Schedule A related to Committee of Adjustment applications, staff will conduct further analysis and monitor potential impacts to application volumes and associated revenues, with the goal of aligning new revenue expectations with annual budgets.**

## **BACKGROUND:**

In 2023, the City retained Watson & Associates Economists Ltd. (Watson) to undertake a review of the City’s development and site plan application fees, including Committee of Adjustment (CofA) fees. This review (Attachment B) included an analysis of current cost recovery levels of the City’s current fees and to provide recommendations on fee adjustments and fee structure changes.

The *Planning Act* requires fees to be cost justified at the application type level. Utilizing the Activity Based Costing exercise completed through their fee review, Watson determined the City’s processing costs for applications under the Committee of Adjustment to be \$11,949 for a Minor Variance application, and \$10,157 for a Consent application.

These costs are reflective of the organizations direct, indirect and capital costs based on 2023 budget estimates, and have been calculated based on the average annual volume of planning applications from 2019 to 2022.

Using this information and comparing it to the Committee of Adjustment (CofA) application volumes and revenues generated in 2023 generates, Watson calculated the City's status quo cost recovery assessment as seen in the table below:

Table 1: Committee of Adjustment Cost Recovery by Application Type

| Application Type | Cost Per Application | 2023 Application Volumes | Calculated 2023 Costs | Calculated 2023 Revenues | Cost Recovery % |
|------------------|----------------------|--------------------------|-----------------------|--------------------------|-----------------|
| Minor Variance   | \$11,949             | 418                      | \$4,994,854           | \$737,770                | 15%             |
| Consent          | \$10,157             | 30                       | \$304,701             | \$131,490                | 43%             |

The report to the October 21, 2024 Planning and Development Committee meeting recommended that no change be made to the fees for CofA applications, resulting in an ongoing under-recovery of revenue amounting to just over \$4M.

The Planning and Development Committee reviewed this recommendation and directed that staff take back the CofA fee recommendations for review, with a direction to bring alternative fee recommendations back to Council. The outcome from this direction was to maximize cost recovery and reduce the impact to the tax base while balancing the need to keep this service accessible to Brampton residents.

### **CURRENT SITUATION:**

Committee of Adjustment applications consist of Minor Variances and Consents to Sever. The City's Fee By-law sets different fees for Minor Variance applications depending on the land use, and one fee for Consent to Sever applications as shown below:

Table 2: Current Fees for Committee of Adjustment Applications

| Application Type                         | Fee     |
|--|---------|
| Minor Variance Residential/Institutional | \$720   |
| Minor Variance All other                 | \$2,920 |
| Consent                                  | \$4,519 |

In their Phase 2 report (Attachment B), Watson had suggested that the City treat CofA applications as flat fee applications and charging fees reflective of full cost recovery.

Flat fee applications are those that generally generate a consistent processing cost to the City, hence the recommendation of a flat fee structure. However, given the City's decision

to historically offer the CofA service at a substantially reduced rate, and making a differentiation for Minor Variances based on land use, staff are not recommending a full cost, flat fee structure.

### Recommended Fee Structure and Rates for CofA

Staff are recommending a fee structure with more variability to account for some applications that have a higher degree of complexity which results in higher processing costs, but which maintain a degree of subsidization, which reduces the impact to the tax base by generating a measurable increase to the City's cost recovery.

Table 3: Recommended Fee Structure and Rates for CofA Applications

| <b>8. Committee of Adjustment</b>   |                 |                 |
|---|-----------------|-----------------|
| Residential Minor Variance Applications   |                 |                 |
| Above/Below Grade Variance (Door/Window)  | <b>\$11,949</b> | Per Application |
| Driveway Variance   | <b>\$11,949</b> | Per Application |
| Parking Variance  | <b>\$11,949</b> | Per Application |
| Variances to Section 10.16 (Garden Suites) of the Zoning By-Law                           | <b>\$11,949</b> | Per Application |
| All Other Variances   | <b>\$2,990</b>  | Per Variance    |
| Maximum Fee   | <b>\$11,949</b> | Per Application |
| Institutional, Commercial or Industrial (ICI) Minor Variance Applications                 |                 |                 |
| Minor Variance Application  | <b>\$11,949</b> | Per Application |
| Consent Applications  |                 |                 |
| Consent Application – Lot Creation  | <b>\$10,157</b> | Per Application |
| Consent Application – All Other (in accordance with Planning Act S.57, 50(18), or 53(23)) | <b>\$5,078</b>  | Per Application |

With respect to Residential Minor Variance applications, this fee structure provides a degree of subsidization where residents who are looking for modest variances to their land use permissions – this would include instances where residents need a variances from the Zoning By-law to accommodate the installation of a new deck, fence or other small modification to their property.

More substantive residential variations, including those to access, driveways and parking have been set to reflect full cost recovery levels. Minor Variances for any Institutional, Commercial or Industrial use is also set to cover full costs.

With respect to Consent to Sever applications, the recommended fee structure would require a full cost recovery where an applicant, irrespective of land use, is proposing to create one or more new lots. However, where Consent to Sever applications are needed to facilitate lot line adjustments, extend lease agreements or other ‘paper exercise’ type applications, the fee has be set to reflect fifty percent of full cost recovery.

As per the Planning Act, municipalities cannot charge an application fee greater than the cost to the City to deliver the service. The Fee By-law notes that the maximum fees are not inclusive of other ancillary services such as provision of signs or consent certificates.

In addition to the proposed fee structure and rates noted above, staff are also recommending the adoption of a practice emerging in other municipalities including Toronto, Vaughn and Hamilton – “After the Fact” variance fees. These are fees tied to variances applications that are being sought by landowners to resolve compliance issues, but are only being sought after the City’s Enforcement staff have acted on a compliance issue.

As noted in the initial fee recommendation report of October 21, 2024 staff highlighted that CofA applications are becoming a more predominant tool to implement land use changes and related programs (i.e. Additional Residential Units, Compliance to Residential Landlord Licensing, etc.).

The introduction of an “After the Fact” fee for variances may help to encourage landowners to seek the required variance permissions prior to the completion of physical changes to their properties, rather than seeking those permissions after the construction and only if complaints and Enforcement actions occur. This fee structure will hopefully incentivize residents and contractors to proceed through the proper course of review and approval in order to pay a lower fee. An ‘After the Fact’ variance fee would be set to reflect full cost recovery as shown in the table below:

Table 4: Application Fee for “After the Fact” Variances

| Committee of Adjustment | Proposed Fee    |                 |
|-------------------------|-----------------|-----------------|
| After the Fact Variance | <b>\$11,949</b> | Per Application |

Overall Assessment of Proposed Fee Changes by CofA Application Type

The following chart displays a more granular assessment of the cost recovery achieved with the current fee structure versus the recovery that would be achieved with the recommended fee structure, along with the percent increase to the base fees these changes represent.

**Table 5: Detailed Impact of Recommend Fee Structure on Cost Recovery and Fee Increase %**

| <b>Residential Minor Variances</b>                         | <b>Current Fee</b> | <b>Cost Recovered (%)</b> | <b>Proposed Fees</b> | <b>Cost Recovered (%)</b> | <b>Fee Change (%)</b> |
|--|--------------------|---------------------------|----------------------|---------------------------|-----------------------|
| Driveway Variance  | \$720              | 6%                        | \$11,949             | 100%                      | 1559%                 |
| Above/Below Grade Variance                                 | \$720              | 6%                        | \$11,949             | 100%                      | 1559%                 |
| Parking Variance   | \$720              | 6%                        | \$11,949             | 100%                      | 1559%                 |
| Variances to 10.16 of the ZBL                              | \$720              | 6%                        | \$11,949             | 100%                      | 1559%                 |
| All other Variances  | \$720              | 6%                        | \$2,990              | 25%                       | 315%                  |
| <b>Institutional/Commercial/Industrial Minor Variances</b> | <b>Current Fee</b> | <b>Cost Recovered (%)</b> | <b>Proposed Fees</b> | <b>Cost Recovered (%)</b> | <b>Fee Change (%)</b> |
| Minor Variance   | \$2,920            | 25%                       | \$11,949             | 100%                      | 309%                  |
| <b>Consent Applications</b>                                | <b>Current Fee</b> | <b>Cost Recovered (%)</b> | <b>Proposed Fees</b> | <b>Cost Recovered (%)</b> | <b>Fee Change (%)</b> |
| Lot Creation   | \$4,519            | 45%                       | \$10,157             | 100%                      | 124%                  |
| All Other Consent types                                    | \$4,519            | 45%                       | \$5,078              | 50%                       | 12%                   |

A full breakdown and assessment of the impact of the recommended fee structure and rates can be found in Attachment C.

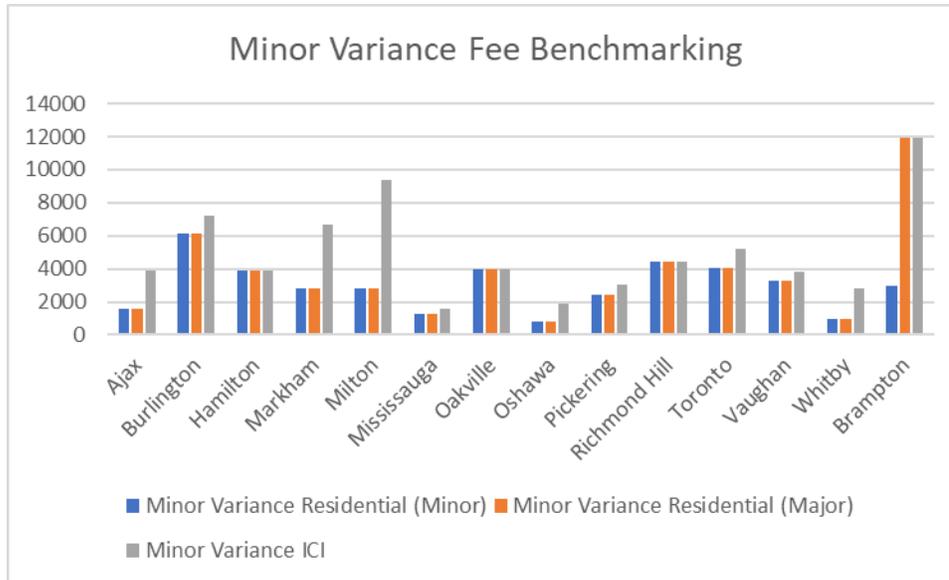
The impact of the 'After the Fact' Variance fee recommendation cannot be forecasted currently due to lack of data. This will be tracked and correlated to data from both building inspections, enforcement actions and complaints to 311 to measure its impact and reported on in 2025.

#### Committee of Adjustment Municipal Benchmarking

The recommended fee structure and rates for CofA applications will result in Brampton having some CofA application types having higher than average fees when compared against other municipalities in the GTA, those being typified as the 'major' variances (below/above grade entrances, driveway matters, etc.). The proposed fees for more modest variance requests, such as decks or sheds, remain at a substantially lower fee when compared to other municipalities.

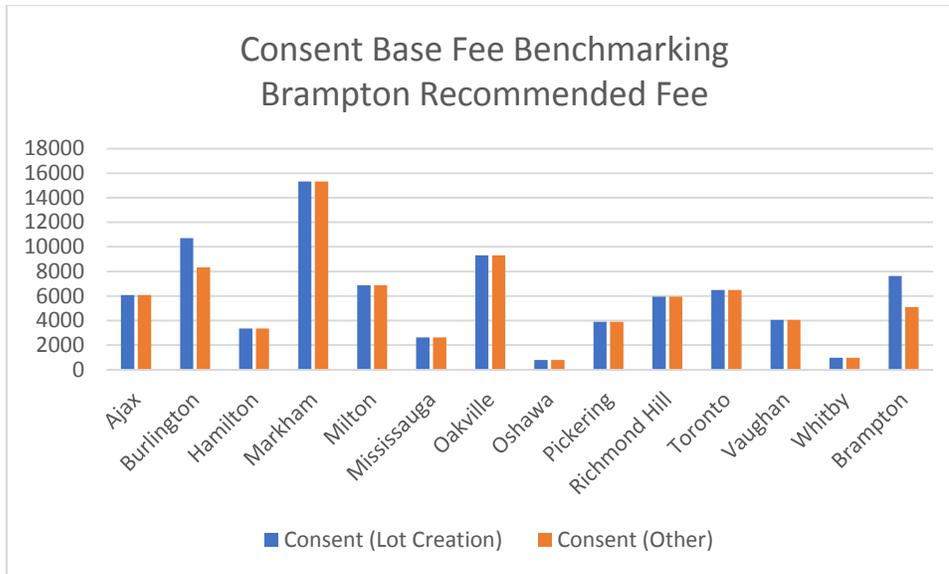
Staff note that unless the municipality discloses whether they are setting fees to achieve full cost recovery, it is difficult to ascertain if this benchmarking is truly an 'apples to apples' comparison, as some municipalities may choose to set their fees at below cost recovery levels.

With respect to Minor Variance applications, staff recommend fees for residential applications, categorized as 'major' and 'minor' to reflect the variations seen in the recommended fee schedule, and one flat fee for applications for Institutional, Commercial or Industrial Minor Variances.



The recommended fee for 'minor' residential applications aligns with the average fee across the GTA of \$2,955. This cost is typical for those applications related to modest residential variances for things like decks and sheds. The 'major' fee related to more impactful residential variances is three times higher than the GTA average of \$3,600, but it is reflective of full cost recovery to the City. The recommended fee for Industrial, Commercial and Institutional (ICI) applications is higher than the GTA average of \$4,338 but reflects cost recovery.

With respect to Consent to Sever applications, staff recommend one fee for Lot Creation, and a separate, lower fee for all other types (being Lot adjustments, Easements or Extended Lease). The recommended fee for Consents for Lot Creation is higher than the average fee across the GTA of \$6,000. The recommended fee for all Other Consent applications is just below the average of \$5,651.



## Corporate Implications

### Financial Implications:

Based on the recommended fee structure in this report, revenues related to Committee of Adjustment applications may increase from the existing budget of \$0.4M to \$3.8M, based on 2023 volumes.

However, given the increase in rates, there is a potential that volumes may decrease, which would lower revenue expectations. Subject to Council approval of this report, staff will conduct further analysis and monitor potential impacts to application volumes and the associated revenues, with the goal of aligning new revenue expectations with annual budgets.

### Strategic Focus Area:

This report and associated recommendations for the development application fees is consistent with the Strategic Focus Area of Government and Leadership. The recommendations will support the establishment of a fee structure for the Committee of Adjustment that supports service excellence, balancing efficiency, transparency and effectiveness with equity and innovation.

**Conclusion:**

Staff, in response to Committee direction, are recommending changes to the City's Tariff of Fees By-law for Committee of Adjustment applications to improve cost recovery while balancing accessibility for residents and investment for businesses.

Authored by:

Reviewed by:

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Carolyn Crozier, Msc.Pl. MCIP, RPP  
Strategic Leader, Commissioners  
Office  
Planning, Building and Growth  
Management

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Allan Parsons MCIP, RPP  
Director, Development Services  
Planning, Building, and Growth  
Management

Approved by:

Approved by:

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Steve Ganesh MCIP, RPP  
Commissioner  
Planning, Building and Growth  
Management

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Laura Johnston  
Commissioner  
Legislative Services

**Attachments:**

- Attachment A: Schedule A of City Fee By-law (By-Law Number 85-96 "To Establish a Tariff of Fees By-law with Respect to Planning and Other Municipal Applications")
- Attachment B: Phase 2 Fee Report by Watson
- Attachment C: Assessment of Recommended Committee of Adjustment Fee Structure and Charges