



November 14<sup>th</sup>, 2016

Toronto and East York Community Council

*Councillor Ana Bailão*

*Councillor Joe Cressy*

*Councillor Janet Davis*

*Councillor Paula Fletcher*

*Councillor Mary Fragedakis*

*Councillor Mike Layton (Chair)*

*Councillor Josh Matlow*

*Councillor Pam McConnell*

*Councillor Mary-Margaret McMahon*

*Councillor Joe Mihevc*

*Councillor Gord Perks*

*Councillor Kristyn Wong-Tam*

Dear Councillors:

**RE: Planning Toronto's Downtown – Items TE20.18 & TE20.63**

On behalf of the more than 200 members of the Residential Construction Council of Ontario (RESCON), who construct residential housing across the Greater Golden Horseshoe, I am writing to express our feedback regarding the *TOcore project* and Councillor Wong-Tam's proposed motion.

**TOcore Proposals:**

Our industry is generally supportive of the broad set of planning principles outlined in the TOcore Proposals report. However, there are some recommendations which require further review.

1. The proposal for "area -specific" Development Charges requires further discussion and study.
2. We are also concerned about the proposal to utilize holding provisions on projects "to ensure the timely provision of Community Services and Facilities (CS&F) as growth occurs." Community Services and Facilities (CS&F) associated with development can take many forms and is often subject to many delays outside of the control of builders. Builders and new homeowners should not be responsible for delays that they have no control over. Moreover, meaningful housing projects should not be delayed unnecessarily.

We encourage City officials to consult with the building industry on these proposals and consider options such as letters of credit to promote the timely delivery of Community Services and Facilities (CS&F) associated with development.



### **Housing Affordability:**

Our member builders are concerned about the combined regulatory forces that are making housing dramatically less affordable for families in Toronto. We urge City officials to carefully examine the unintended consequences of proposed changes to the regulatory framework.

The TOcore Proposals report notes that “Creative solutions will be explored to develop a policy response to address the growing affordability challenges the Downtown (and the City as a whole) are experiencing.” Our industry invites the City host a series of advisory committee meetings to examine how we can work collaboratively to more effectively plan the downtown core, while promoting a range of affordable housing options - which includes rental and market based home ownership.

Home prices in the GTA continue to escalate rapidly and are among the highest in Canada. These high home prices are not just an issue for young families, single people, as well as low and moderate income wage earners, it also has serious economic repercussions for our city. Consider that over the last sixteen years in Toronto, incomes have risen by approximately 40% and home prices have increased by a staggering 192%. The low interest rate environment has certainly contributed to this growth, but also the lack of supply to meet growing demand.

There are now indications that international firms view Toronto’s high housing prices as a barrier to retaining talent and growing their business. Proposed changes to the *Growth Plan for the Greater Golden Horseshoe* will further limit consumer choice and escalate (unaffordable) high home prices in the City.

It is also important to consider that the current package of administrative and regulatory fees placed on residential builders are just the starting point. We anticipate further cost increases as the City moves forward with a proposed inclusionary zoning regime. This would be a further deterrent to building residential housing in the City and escalate the cost of the increasingly limited housing units that are being built.

### **Legislative Mechanisms to Manage Growth:**

The City of Toronto does not have the legal authority to impose additional legislative mechanisms to “manage” growth in the Downtown area. Moreover, such measures would be highly counterproductive given the robust and prolonged planning and development process already in place. This already long and costly approval process ultimately contributes to the affordability challenge we are seeing in the City, which the *Canada Mortgage and Housing Corporation (CMHC)* has already identified as a “red alert” problem.

### **Development Charges:**

We applaud the effort to seek greater clarity on the development charges, park levies, Section 37 funds and other fees that our member builders are required to contribute to the City. Our industry hopes that these funds flow into those communities that are most impacted by development for important local amenities, but too often we are left confused by the tangled bureaucratic system involved in the flow of these funds.



Along with the need for greater clarity on how these funds are being allocated, our industry supports the more equitable distribution of these resources.

**Revenue Tools:**

Our members feel that linking the City's "revenue tools" discussion to the planning and development process would be premature at this stage. City Council needs to arrive at a decision regarding a possible package of "revenue tools" as part of its 2017 Budget process.

**Conclusion:**

Working together, we need to explore mechanisms which can strike a better balance between giving communities a robust voice in the planning and development process, with the urgent need for new housing supply and more compact, transit oriented communities. Please contact my colleague Mr. Anthony Fernando to arrange a discussion. He can be reached by email: [fernando@rescon.com](mailto:fernando@rescon.com) and by telephone: 905-760-7777. Thank you for your consideration.

Sincerely,

Richard Lyall  
President, RESCON