



May 26, 2017

Corwin Cambray
Project Manager
City of Toronto
100 Queen Street West
Toronto, ON
M4P 1E8

Dear Mr. Cambray,

RE: City of Toronto – Parkland Dedication, Alternative Parkland Rate Dedication Policy Review – Section 42 of the *Planning Act*

On behalf of the Toronto Chapter members of the Building Industry and Land Development Association (BILD), we would like to thank you for your presentation at the April 12th Developing Toronto/BILD Chapter meeting regarding the City's alternative parkland rate dedication policy review. We understand that for this review an internal study will be completed to inform other concurrent planning initiatives, such as Parks and Recreation Facilities Master Plan, TOcore (Parks and Public Realm Plan) and the Parkland Strategy. BILD kindly requests notification if this internal study approach changes in any way.

As interested and affected stakeholders on all the aforementioned reviews underway, BILD Toronto Chapter would like to offer the following comments for you to consider as you work through the internal study and contemplate any amendments to the City's alternative parkland dedication policy.

In general, public parks are an important part of the urban fabric of our City. Toronto's parkland dedication policy is one such means to this end. In Ontario, local municipal parkland policies were generally formulated in an era of low-rise residential development in greenfield areas, and these policies were modestly updated during the Province's Bill 73 proceedings. Toronto stood apart from other local municipalities with its alternative parkland dedication policy and has exercised what our members view as the best practice of policy formulation in the Province.

LOOKING BACK

As you are aware, the parkland policies in the City's Official Plan were approved by City Council at its meeting on April 12, 13 and 14, 2005 as a settlement of certain Ontario Municipal Board appeals of the Official Plan. You may also recall that BILD was an appellant to the Official Plan parkland dedication policies.

BILD's appeal was based on the long-standing position that parkland dedication as per the *Planning Act* legislation could act as a disincentive to higher density development projects and housing affordability. These costs are passed on to homebuyers, challenging the affordability of new home ownership in the City. Without a reasonable alternative parkland dedication policy, the required parkland dedication can exceed the land area of the development site. In the other extreme cases, cash-in-lieu payment requirements can actually be greater than the value of the land being developed.

On November 15, 2005, the Ontario Municipal Board panel approved a settlement which brought the Council approved Alternative Parkland Dedication Policy into the planning regime. This policy now forms Policy 5 of Section 3.2.3 of the Official Plan. The City of Toronto's alternative parkland dedication rate established in the Official Plan is 0.4 hectares of parkland per 300 units. This alternative rate is also subject to caps depending on the size of the development site. Toronto's Alternative Rate Policy, in effect since 2008, applies to Parkland Acquisition Priority Areas.

The settlement established the policy regime of alternative parkland dedication policies in Toronto, and served as the benchmark for the GTA in urban intensification areas. Key aspects of the settlement included a cap on land dedication and a cap on cash-in-lieu and provided the flexible option for cash-in-lieu.

These mechanisms provide flexibility, allowing smaller, higher density development sites to not be overburdened by parkland dedication requirements while still meeting the goals and objectives of the City's Official Plan and Provincial Growth Plan. Ultimately, this settlement allowed the City to strengthen its strategic direction for intensification. In addition, these policies result in a better correlation between land required for parkland and housing affordability.

LOOKING FORWARD

In today's marketplace and land-use planning environment, BILD Toronto Chapter members believe that the alternative parkland dedication standards and caps currently in effect have effectively met, and will continue to meet, the future parkland needs of the City as it continues to grow and prosper from this economic growth. Thus, we would request that no fundamental changes be made to the policy framework set out in Policy 3.2.3(5) of the Official Plan.

Based on our shared experience since 2008, it is apparent that, while the alternative rate policies have worked well, there have been issues associated with implementation - - specifically, the effective use of cash-in-lieu to purchase parkland. The City has expressed difficulty in competing with the open real estate market for lands that could be acquired for parkland. However, this does not appear to be a result of a lack of available funds. In April 2017, staff reported to the City's Executive Committee that, from 2006 to September 30, 2016, the City of Toronto collected a total of \$482,930,013 cash-in-lieu of parkland payments from 225,208 residential units, as well as industrial development, as part of the development review process, a little over half being spent on 624 projects. This describes a healthy balance in the financial accounts and robust activity for parkland projects.

Furthermore, the report also states that as of September 30, 2016, the City held \$382,140,538 in cash-in-lieu funds designated for the acquisition of parkland and the development of park and recreation facilities, \$202,214,398 of which was allocated through existing budgets or capital plans. An additional \$199,563,530 is projected for the next five years, which is said to play a key role in meeting the City's parks and facility needs to be outlined in the forthcoming Parkland Strategy and Facilities Master Plan. We believe that these significant funds have not been utilized and planned for its full potential, during the development life cycle upon which they were collected. These monies should be earmarked for projects underway, not those yet to be planned. This is a lost opportunity to acquire land early, especially in a competitive marketplace with a scarcity of available land.

As advised by City staff, we are aware that the City intends to move towards a "land-first" approach when considering parkland dedication requirements for new development. We acknowledge that the City allocates cash-in-lieu funds as a percentage to land acquisitions (25% district, 25% city-wide) and development of parks or recreation facilities (25% district, 25% city-wide). If this allocation program is

hindering the progress of the parkland acquisitions, then the proportions of the allocation should be revisited to favour acquisitions.

At a May 4th TOcore Working Group meeting with BILD representatives, Senior City staff encouraged the development community to think of solutions, and in the spirit of collaboration we encourage staff to explore the following:

- If the City is going to employ a land first policy, we request that this approach be used where it makes appropriate sense. There should be a site size threshold when this applies.
- To allow City staff greater flexibility in utilizing parkland funds for acquisitions, consider revisiting the proportions of the CIL allocation – to favour acquisitions, especially where asset management plans are in place.
- Ensure that monies collected for cash-in-lieu of parkland for new residential development projects are in fact earmarked for acquisitions and not redeployed for other uses such as operation and maintenance, which should be covered by taxes.
- Give applicants the ability to propose off-site dedication, not just on a one-off exception basis; this would establish greater flexibility and clarity to govern circumstances where off-site parkland dedication is used.
- For future acquisitions of parkland, consider earlier opportunities for parkland within the City's own portfolio (BuildTO), the Province's Ontario Realty Corporation portfolio or Toronto District School Board sites that no longer have the pupil generation required to remain viable. Public departments and agencies should be working more closely together to achieve the collective goals and objectives of the public good.
- Consider land assemblies of existing residential lots for land use conversions. This could be a prime opportunity to import pocket parks into stable residential neighbourhoods that are experiencing high growth pressure along the Avenues. Existing pocket parks or open spaces could also be expanded and strengthened by this approach.
- Actively seek out public private partnership, grants and community engagement gifts from private companies. This would require the City to look beyond the financial tools that already exist with the development community. For example, during the presentation of the Rail Deck Park, TD Bank's Community Relations department expressed its willingness to help and, in their correspondence, they reflected on financial contributions (gifts) they have given.
- Accept urban forms of parkland by recognizing urban squares, plazas, pedestrian mews, pocket parks and privately owned publicly accessible areas as passive parkland, and allow a credit towards parkland dedication for these areas in a development project. This is an approach adopted by Council for the Town of Newmarket.
- Permit strata parks and provide a parkland credit for these areas. Strata parks could permit parking below grade with public ownership of the at-grade park. Full credit should be granted for this. Strata parks are accepted in the City of Markham, Town of Newmarket, and the City of Vaughan and are included in the Town of Richmond Hill's Official Plan policies.

- Recognize amenity areas as passive parkland areas, where parkland credit could be granted. Amenity spaces in condos are similar in function to public parkland. Examples of typical amenities in an average condominium include: pools, libraries, landscaped sitting areas, playgrounds and barbeque facilities, all of which significantly reduce the requirements for public off-site facilities for these residents. The City would benefit from this as it would not have to provide initial capital costs or the ongoing maintenance for amenity space located in condominiums.

We request that you do not simply increase cash-in-lieu of parkland fees or the percentage value of the development site that derive the parkland monies collected, as we have learned through the City's own reporting that the collection of funds is substantial. Furthermore, any reforms of this nature would be a detrimental matter for housing affordability. Finally, we would like to like to reinforce the maintenance of key aspects of the OMB settlement (described above), such as a cap on land dedication and a cap on cash-in-lieu.

Land available for development is limited in the City, and it is important for both the development community and the City of Toronto to ensure there is a collective effort to make the most of existing parkland areas and plan for future acquisitions with asset management plans in place.

Thank you again keeping us informed of this process. We trust that you will take our above comments with thoughtful consideration as you move forward with your review. Should you have any questions or require more information, please do not hesitate to contact the undersigned. Please feel free to share this letter with your colleagues that are also working on parkland initiatives.

Sincerely,



Danielle Chin, RPP MCIP
Senior Manager, Policy & Government Relations

CC: *Gregg Lintern, City of Toronto*
Ann-Marie Nasr, City of Toronto
Toronto Chapter Advisory Group
Toronto Chapter Members