

May 28, 2019

Deputy Mayor Bailão and Members of the Planning and Housing Committee
City of Toronto
100 Queen Street West
Toronto, ON
M5H 2N2

Dear Deputy Mayor Bailão and Members of the Planning and Housing Committee,

RE: Final Recommendation Report – Official Plan Amendment for Policies to Address the Loss of Dwelling Rooms (PH6.1)

With more than 1,500 member-companies, BILD is the voice of the land development, home building and professional renovation industry in the Greater Toronto Area and Simcoe County. Our industry is essential to Toronto's long-term economic strength and prosperity. In 2018 alone, the residential construction industry in Toronto generated over 90,000 on-site and off-site jobs in new home building, renovation and repair – one of the City's largest employers. These jobs paid \$5.4 billion in wages and contributed \$10.8 billion in investment value to the local economy.

BILD Toronto Chapter members are aware that today the City's Planning and Housing Committee will receive a report that recommends a final, City-wide Official Plan Amendment (OPA) to Section 3.2.1 'Housing' of the Official Plan to address the loss of dwelling rooms through redevelopment proposals. As interested and directly affected stakeholders, BILD and its members have been actively engaged throughout the consultation process for this matter.

The final proposal put forward by staff has not addressed the concerns identified by BILD in our past submission. As such, please find attached our January 5, 2019 letter which provides detailed comments and feedback on the policy approaches to dwelling room replacement for new development. Our Chapter members continue to express outstanding concerns with the City's proposed policies and believe that further dialogue is needed to understand their effect, especially with respect to the unit threshold and affordability periods.

Thank you for the opportunity to participate in this process. Pursuant to Section 17 (23) of the *Planning Act*, BILD respectfully requests that we be provided with notice of any further consideration of this matter by this or any other committee of the City and Council.

Sincerely,



Carmina Tupe, MCIP RPP
Planner, Policy and Government Relations BILD

*Cc: Sharon Hill, City of Toronto
Narmadha Rajakumar, City of Toronto
Gary Switzer, BILD Toronto Chapter Chair
Paula Tenuta, Senior Vice-President Policy and Government Relations BILD
BILD Toronto Chapter Members*



BUILDING A GREATER GTA
Building Industry and Land
Development Association

January 5, 2019

Ms. Kerri Voumvakis
Director, Strategic Initiatives, Policy & Analysis
City of Toronto
100 Queen Street West
Toronto, ON
M5H 2N2

Dear Ms. Voumvakis,

RE: City of Toronto's Official Plan Review – Draft Amendment for Dwelling Room Protection Policies

With more than 1,500 member-companies, BILD is the voice of the land development, home building and professional renovation industry in the Greater Toronto Area and Simcoe County. Our industry is essential to Toronto's long-term economic strength and prosperity. In 2017 alone, the residential construction industry in Toronto generated over 90,000 on-site and off-site jobs in new home building, renovation and repair – one of the City's largest employers. These jobs paid \$5.4 billion in wages and contributed \$10.8 billion in investment value to the local economy.

Thank you for attending the December 5, 2018 BILD Toronto Chapter meeting to deliver a presentation to our members on the draft proposed Official Plan Amendment (OPA) related to Dwelling Room Protection. We understand from our discussions that the intent of these policies is to uphold the City's priority to preserve and increase the supply of affordable housing. While our industry appreciates the City's affordable housing objectives and recognizes the importance of encouraging housing choices, we have carefully reviewed the City's policy proposals and are concerned with the overall direction. As such, we submit the following comments for your consideration.

BILD Toronto Chapter members are concerned with the effect the Draft OPA would have, if adopted, on the feasibility of ongoing and future projects that contain dwelling rooms on-site. The policies within the Draft OPA are overly restrictive and may detrimentally impact the economic viability/opportunity for current owners or operators to make sensible business cases for their projects. In this regard, additional information, clarity, and careful consideration are required in the following outlined areas of concern:

1) Definition of 'affordable'

Toronto Chapter members ask for more clarity on what the City considers affordable and how affordable rents will be calculated. While members were advised by staff that the City commissioned a study that would review and compare asking rents (since September 2017) against the CMHC and City average market rents, we believe that additional information is needed on how staff will determine what is an 'affordable' rental rate. The rental rate should specifically reflect the Toronto market and not the Canadian market overall.

2) Restrictive language

Members are concerned that the overall language of the draft policy may be rigidly applied by the City's local planners and implemented in such a way where there is no opportunity to have open, collaborative discussion with the City to find appropriate and creative solutions to dwelling room replacement. We request that the language of the draft OPA be altered to be more encouraging and enable opportunities to work with City staff on determining suitable dwelling room provisions.

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3) Flexibility for off-site replacement or cash-in-lieu provisions

There may be instances where dwelling rooms would not be feasible to entirely replace on a development site. In these instances, we support off-site replacement or cash-in-lieu payments. This would provide additional flexibility to our members as well as City staff to determine more suitable solutions for dwelling room replacements. BILD notes this was previously contemplated in a supplementary staff report by the City but has not been reflected in the Draft OPA.

Further, the draft policies should consider replacing the dwelling rooms with other forms of housing (ie. converting them from micro-suites, which many dwelling rooms currently are, into bachelors, one-bedrooms, and/or two-bedrooms, etc.). If the intent has always been to allow this, the language should clearly reflect this flexibility.

4) Addressing illegal dwelling rooms

As expressed in the Toronto Chapter meeting, City staff and members have had many encounters and challenges dealing with illegal dwelling rooms. The Draft OPA should make it clear that these policies do not apply to illegal dwelling units, as they have no legal status under the zoning by-law.

5) Application of the Tenant Relocation Plan

In our members' view, the City's draft dwelling room policies focus on one specific demographic: the vulnerable (eg. those on public assistance and/or disability), which we believe is appropriate. However, the policies fail to recognize the wider range of individuals who reside in this type of housing such as students, temporary workers, travelers, and those who simply want "cheaper" housing. Therefore, mandating a "Tenant Relocation Plan" – which City staff have indicated includes rent gap payments, moving allowances, trustee services, intensive housing help, right to return, and housing follow-up services – is burdensome and inappropriate to broadly apply. Not everyone requires these types of services, and the policies within the OPA should take this into account.

For example, a developer should not be required to provide these services to 100% of dwelling room residents if 75% of the residents have the means to provide for themselves. City staff are asked to consider these circumstances and clarify the extent to which members will be required to provide tenant relocation services.

6) Incentives

If the City's ultimate goal is to protect dwelling rooms in order to contribute to the City's housing stock diversity, then BILD Toronto Chapter members believe incentives to create new dwelling rooms should be offered instead of adding additional regulation to those who operate and build these types of units. Incentives such as development charges rebates, revamped zoning by-laws, and streamlined approvals would better position the City and the industry to bolster the stock of this housing type. However, and as currently proposed, the draft OPA may act as a disincentive to create anymore dwelling rooms in the City of Toronto.

7) Premise for 10-unit threshold as well as the 20 year and 25 year rental hold period

BILD understands that the Draft OPA will apply to 10 or more dwelling rooms that would be lost under a redevelopment of a site. However, it is not clear why staff determined 10 units to be the trigger point and more information is requested in this regard.

As indicated by City Staff within their presentation, BILD members understand that the proposed Dwelling Room Protection policies were first introduced within OPA 406, the TOcore: Downtown Official Plan

Amendment. The Draft OPA before us indicates that policies will be introduced to ensure the right of return, for existing rents at similar rates in effect at the time of applications for 25 years with a 5-year phase out. Under OPA 406, similar policies regarding the protection of dwelling rooms provide for a period of only 20 years of similar rents. In comparison, existing rental unit replacement protections span for a period of 10 years for replacement units at the rent at first occupancy.

Toronto Chapter members require supporting justification on how the City of Toronto arrived at 20- and 25-year time periods and ask staff to provide additional information on the phase out requirements as well as recognition on the potential impact the proposed policies of the Draft OPA may have on property owners.

8) Transition/grandfathering provisions

Given the magnitude of the policy requirements, we recommend transition policies be included in the OPA that would ensure that existing property owners, who submitted a development application that would result in the removal or demolition of a dwelling unit prior to the introduction of these policies, are not onerously impacted. We ask that similar transition policies are incorporated into the Draft OPA in accordance with S. 667-22 of the Toronto Municipal Code (By-law 885-200), which relates to rental units.

As previously noted, we are aware that the Draft OPA policies for Dwelling Room Protection were first introduced under OPA 406, which is currently under review by the Ministry of Municipal Affairs. Given the ongoing status of OPA 406, BILD believes it would be premature and inappropriate for the City to pass any Draft OPA that contains policies reflective of those within OPA 406, prior to a decision being made by the Minister.

Thank you for the opportunity to participate in this process. We ask that you continue to keep us informed on this subject at key milestones of the process. Should you require more information, please do not hesitate to contact the undersigned at ctupe@bildgta.ca.

Sincerely,



Carmina Tupe, MCIP RPP
Planner, Policy and Government Relations BILD

*Cc: Narmadha Rajakumar, City of Toronto
Gary Switzer, BILD Toronto Chapter Chair
Danielle Chin, Director Policy and Government Relations BILD
BILD Toronto Chapter Members*