



July 12, 2022

Mayor John Tory &
Members of Executive Committee
Toronto City Hall
100 Queen Street West
Toronto, Ontario
M5H 2N2

Dear Mayor Tory & Members of Executive Committee,

RE: **City of Toronto 2022 Proposed Growth Funding Tools
July 12th Executive Committee Agenda Items:**
EX34.1 Growth Funding Tools - Development Charges
EX34.2 Growth Funding Tools - Community Benefits Charge
EX34.3 Growth Funding Tools - Alternative Parkland Dedication Rate

The Building Industry and Land Development Association (BILD) has been fully engaged in the ongoing review of the City's proposed Growth Funding Tools which include the review of the current development charges and parkland by-laws as well as the introduction of a new community benefits charge. We submit these comments as part of the public meeting statutory requirements through the July 12th Executive Committee meeting.

Since last July, BILD has participated in the City's Growth Funding Tools stakeholder consultations, and has had its team of consultants undertake a detailed technical review of background material provided by City staff and by Hemson Consulting.

In the context of this review, BILD had first raised several concerns with the proposed development charges calculated in the Background Study, which have been communicated to the City through previous correspondence and in stakeholder consultation meetings convened by the City. We did the same regarding the proposed parkland by-law and new community benefits charge.

We now acknowledge the new approach that the City has taken with its proposed Growth Funding Tools to recognize that growth pays for growth while balancing the need to ensure housing affordability and supply.

Therefore, we hereby confirm that, notwithstanding BILD's concerns with the proposed Growth Funding Tools, that BILD agrees that it will not oppose the 2022 development charges by-law, the 2022 parkland dedication by-law and official plan amendments, and the 2022 community benefits charge by-law, or any part thereof, either publicly, before Council or through an appeal to the Ontario Land Tribunal or support any such appeal, in whole or in part, provided that the approved Growth Funding Tools reflect the following:

Development Charge By-law

- Adjustments to the DC calculation would reduce the overall increase in the Large Apartment DC from 49% (as proposed in the draft April DC Background Study) to 46%, with corresponding reductions for other residential unit types.
- The DC increase for non-residential development will be 40%, as proposed in the April DC Background Study .
- The current DC rates would continue to apply after the By-law is enacted in July 2022, with the increase phased in as follows:
- 50% of the increase in May 2023; and 50% of the increase in May 2024.
- No further indexing would be applied to the DC until May 2023 (i.e., no indexing of current rate in November 2022). In May 2023 indexing would be applied to the increased rate based on the most recent annual change in the prescribed Construction Price Index (CPI) available on May 1, 2023. Thereafter, annual indexing will be applied in May.
- The existing DC rates would continue to apply to inclusionary zoning units for two additional years, with 50% increases applied in May 2025 and May 2026. Indexing would be applied as of May 2023.
- The rate of interest applied to “frozen” DC rates under section 26.2 of the *Development Charges Act, 1997* would be reduced to 15%. The cap on interest based on the DCs otherwise applicable would continue.
- The new DC By-law would be enacted by Council in July or August 2022

Community Benefits Charge

- A transition will be applied for developments with residential GFA less than 10,000 m² so that no CBC will payable if, as of the date the CBC By-law is enacted, either: (i) zoning for the development has been approved, or (ii) a complete application for the development has been filed, provided that the development is not subsequently revised to have a residential GFA of more than 10,000 m².
- The Council decision to enact the CBC By-law would be made in July 2022, but the By-law will not be enacted by Council until August 2022.

Parkland Dedication By-law

- A Parkland Dedication By-law with no changes to the dedication rates, including the alternative rates, except for those changes required to comply with Bill 109, will be enacted by Council in July 2022.
- Likewise, any update to the parkland dedication official plan policies adopted in July 2022 will not affect the parkland dedication rates, except for changes required to comply with Bill 109. R.S.O. 2022, c. 12, Schedule 5, s.8
- The City will advance parkland dedication rate changes in 2023. This will include further public consultation.

The agreement of BILD not to appeal by-laws would in no way affect any individual landowner’s right to appeal, including members of BILD; and BILD’s decision not to appeal the by-laws shall not be taken as an indication that BILD, or its members, accepts or supports the development charges Background Study or other supporting material, nor does it affect BILD’s ability to oppose or appeal future development charge, parkland or community benefit charge by-laws proposed or enacted by the City.

BILD looks forward to being engaged in further dialogue regarding the alternative parkland policies and by-law in 2023, and would like to thank staff for their fulsome engagement as part of the Growth Funding Tools stakeholder consultations.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Wilkes".

Dave Wilkes
President & CEO

The Building Industry and Land Development Association is an advocacy and educational group representing the building, land development and professional renovation industry in the Greater Toronto Area. BILD is the largest home builders' association in Canada, and is affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association. It's 1,500 member companies consists not only of direct industry participants but also of supporting companies such as financial and professional service organizations, trade contractors, as well as manufacturers and suppliers of home-related products.