



January 18<sup>th</sup>, 2016

Mayor John Tory  
City Hall, 2nd Floor  
100 Queen St. W.  
Toronto, ON M5H 2N2

Dear Mayor Tory:

## **Re: Planning Downtown – Item EX21.7 TOcore**

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 study and associated proposals.

### **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. Our industry is concerned that possible changes may disrupt efforts to meet housing demand, particularly in the Downtown core and increase the cost of housing for first-time homebuyers.

2. We are also concerned about the proposal to utilize holding provisions on projects “to ensure the timely provision of Community Services and Facilities as growth occurs.” Community Services and Facilities associated with development can take many forms and are often subject to 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 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 encourages City Planning staff to 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, including 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 imposed 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.

#### **Updated Zoning Needed:**

The rezoning process is an important part of the development approvals system, however builders that seek to build more compact dwellings which align with intensification targets often face long and costly rezoning applications. If the City truly wants to facilitate greater density by promoting the development of more compact communities, then I urge you to consider as-of-right, pre-zoning and development permitting options, along with a more balanced and expedient municipal approval process. This will make it easier for builders to provide housing options along transit corridors, creating compact, pedestrian friendly, mixed-use communities.

With so much demand for housing in the City, our member builders urge the City to examine the opportunities where we can speed-up the approvals process and reduce the administrative delays and associated costs which serve to increase home prices and slow down the supply of affordable housing options.

#### **Clarity on Development Charges:**

Council members, our industry and the public require greater clarity on the current flow of funds representing development charges, park levies, Section 37 investments and other fees that our member builders are required to contribute to the City. Our industry hopes that these investments flow into those communities that are most impacted by development for local amenities, but too often we are left confused by the tangled bureaucratic system involved with 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.

**Conclusion:**

Working together, we need to explore mechanisms which can strike a better balance between managing growth in the Downtown core, giving communities a robust voice in the planning process and the urgent need for new compact housing supply. 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](tel:905-760-7777).

Thank you for your consideration.

Sincerely,

Richard Lyall  
President, RESCON

Copy to:

Executive Committee Members

- Mr. Vic Gupta, Principal Secretary, Office of Mayor John Tory
- Ms. Jennifer Keesmaat, Chief Planner & Executive Director, City Planning
- Ms. Ann-Marie Nasr, Manager, Strategic Initiatives, City Planning
- Ms. Sarah Phipps, Senior Planner, Strategic Initiatives, City Planning
- Mr. Luke Robertson, Director, Council & Stakeholder Relations, Office of Mayor John Tory
- Mr. Mike Williams, General Manager, Economic Development & Culture Division