

Supplementary Report - Recommended Parking Requirements for New Development

Date: December 15, 2021

To: City Council

From: Chief Planner and Executive Director, City Planning Division

Wards: All

SUMMARY

This report responds to two requests from Planning and Housing Committee at the November 25, 2021 meeting in relation to PH29.3 Recommended Parking Requirements for New Development.

With respect to the request related to 1400 Weston Road, Staff have been unable to complete the assessment of whether to apply the recommended parking rates to future development on Block 2 and 4 in Plan of Subdivision 66M-2265 in the time available. Staff recommend completing the assessment and reporting back in 2022 with a recommendation.

In response to the request for relevant information regarding the application of the proposed parking policy for new developments in areas outside of downtown, the report presents material from a variety of sources to demonstrate variation across the city in existing parking patterns and likely variation in the effects of the recommended parking requirements.

Official Plan policies which require adequate parking on-site can be achieved without minimum parking standards in the Zoning By-law. The recommended changes to the on-street residential permit parking program will align with and support the Official Plan requirement for the provision of sufficient on-site parking. Ultimately, market demand will determine the amount of parking constructed in new development in all areas of the city. The amount of parking provided will vary by local context and change over time. Where the parking requirements and market demand are closely aligned, the policy change will likely have little impact on development viability, land values, or developer net revenue. Other key findings include:

- Most Mixed Use and Apartment projects in all of the City's Community Council Districts are already being approved with less parking than the Zoning By-law 569-2013 requirements.

- Significant proportions of low income households, in all of the City's Community Council Districts, do not have a car and notable proportions of all income categories similarly do not have a car.
- The importance of cars for work and school trips is decreasing in all of the City's Community Council Districts.
- When other cities removed minimum parking requirements:
 - The amount of parking provided overall decreased but not all developments took advantage of the change, and
 - The amount of parking supplied tended to be higher in areas with lower density and in areas not as well served by transit.

Like other aspects of the Zoning By-law, the parking standards are not static. The recommended monitoring program will gather more data related to parking demand and supply to assess whether the recommended parking standards have their intended effect and will support any adjustments to the standards required in the future.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning Division recommends that:

1. City Council request the Chief Planner and Executive Director, City Planning to complete the assessment of whether to apply the proposed parking rates to any future development on Blocks 2 and 4 in Plan of Subdivision 66M-2265 for 1400 Weston Road and report back to Planning and Housing Committee in 2022.

FINANCIAL IMPACT

There are no additional financial implications beyond what has already been noted in PH29.3 Recommended Parking Requirements for New Development report submitted to Planning and Housing Committee on November 25, 2021.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On November 25, 2021, the Planning and Housing Committee considered the report PH29.3 Recommended Parking Requirements for New Development (URL: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH29.3>). The Committee requested the Chief Planner and Executive Director, City Planning to prepare a supplementary report directly to City Council:

- On whether to apply the proposed parking rates to any future development on Blocks 2 and 4 in Plan of Subdivision 66M-2265 for 1400 Weston Road; and
- With relevant information regarding the application of the proposed parking policy for new developments in areas outside of downtown.

COMMENTS

Planning and Housing Committee requested staff to assess whether to apply the proposed parking rates to any future development on Blocks 2 and 4 in Plan of Subdivision 66M-2265 for 1400 Weston Road. The areas of 1400 Weston Road which are not built out include half of Block 2 and all of Block 4 in Plan of Subdivision 66M-2265. These are referred to as Blocks B and D, respectively, in Section 16(306) of ZBL 1-83.

The lands are subject to a registered subdivision agreement dated February 15, 1990, with subsequent amending agreements that also have been registered on title. Most of the materials related to these agreements is not available in electronic format. Staff have been unable to retrieve the original materials during the time available and so have not been able to determine if there are site-specific conditions which would justify maintaining the existing parking requirements. Staff recommend completing the assessment and reporting back in 2022.

The new parking rates are recommended to apply immediately to all properties covered by Zoning By-law 569-2013. Any applications submitted prior to the date of adoption of the Zoning By-law Amendment will continue to be considered under the currently existing parking rates. As with other areas of the city, the new recommended parking rates will advance the City's policy objectives and help address several major challenges including a climate emergency; decreasing housing affordability; and increasing demand for mobility. Should Council wish to apply the new recommended parking rates to the site without further assessment, the required Zoning By-law Amendment to put this into effect is included as Attachment 1 to this report.

The remainder of this report responds to a request from Planning and Housing Committee at the November 25, 2021 meeting for relevant information regarding the application of the proposed parking policy for new developments in areas outside of downtown. During the meeting, a number of questions were raised related to the impacts on parking supply, housing prices, and developer *pro formas*, among other considerations. The material in this report draws from a number of sources in order to respond to the request. The recommended monitoring program will gather data like that presented here, as well as other data related to parking demand and supply, to assess whether the recommended parking standards have their intended effect. Like other aspects of the Zoning By-law, the parking standards are not static. If the monitoring program indicates the objectives are not being met, further amendments to the parking standards will be recommended.

Economic Impacts of Removal of Minimum City Parking Standards

In order to address questions related to the impacts on housing prices, developer *pro formas* and related economic matters, N. Barry Lyon Consultants Limited were retained to provide commentary. They concluded that the elimination of minimum parking standards is a positive step towards improving the supply and reducing costs associated with the delivery of housing in Toronto.

Although the impacts would vary across the City, market demand will determine the amount of parking constructed in new development in all areas of the city. The amount of parking provided will vary by local context and change over time. Where the current parking requirements and market demand are closely aligned, the policy change will likely have little impact on development viability, land values, or developer net revenue. In general terms, projects in more suburban areas of the City, or where parking is required by the market, will benefit less than transit-oriented developments. In weaker market areas, reduced parking could help bring housing to the market at a more affordable price point. The construction cost savings could allow for increased affordable housing from programs such as Housing Now on City-owned land and to help offset cost increases associated with inclusionary zoning.

The complete findings are included in this report as Attachment 2.

Local Development Patterns

Official Plan policies which require adequate parking on-site can be achieved without minimum parking standards in the Zoning By-law. The City has already routinely supported lower parking rates than those specified in zoning by-law requirements. In these cases, applicants must submit justification for the request which is reviewed by staff. To encourage the adequate supply of parking, staff recommended changes to the development review process which standardizes an approach to excluding new development from participating in the on-street residential permit parking program. Other measures to further discourage development from using on-street parking will be considered as part of ongoing City-Wide Parking Strategy.

PH29.3 reported the proportion of a sample of projects with at least one planning approval and known parking requirements active between 2013 and 2019 which were approved with more or less parking than that required by Zoning By-law 569-2013 at a city-wide level. Splitting this data by Community Council Districts reveals that in all areas of the city, the majority of mixed use apartment projects are being approved with less parking than the amount required in the zoning by-law.

Scarborough:

- 58% (25 of 43) of mixed use projects (which may include both residential and non-residential uses) and residential apartments received a planning approval with less parking than the Zoning By-law 569-2013 minimums,
- 87% (48 of 55) of residential singles and townhouse projects received a planning approval with more parking than the minimums in Zoning By-law 569-2013.

Etobicoke-York:

- 63% (43 of 68) of mixed use projects (which may include both residential and non-residential uses) and residential apartments received a planning approval with less parking than the Zoning By-law 569-2013 minimums,
- 78% (44 of 56) of residential singles and townhouse projects received a planning approval with more parking than the minimums in Zoning By-law 569-2013.

North York:

- 72% (73 of 101) of mixed use projects (which may include both residential and non-residential uses) and residential apartments received a planning approval with less parking than the Zoning By-law 569-2013 minimums,
- 91% (92 of 101) of residential singles and townhouse projects received a planning approval with more parking than the minimums in Zoning By-law 569-2013.

Toronto-East York:

- 92% (228 of 247) of mixed use projects (which may include both residential and non-residential uses) received a planning approval with less parking than the Zoning By-law 569-2013 minimums,
- 86.3% (63 of 73) of residential apartment projects received a planning approval with less parking than the Zoning By-law 569-2013 minimums,
- 44% (15 of 34) of residential singles and townhouse projects received a planning approval with more parking than the minimums in Zoning By-law 569-2013.

A map showing the amount of parking provided relative to the amount required by Zoning By-law 569-2013 in the developments considered is included as Attachment 3.

The high proportion of mixed use and apartment projects approved with less parking than the Zoning By-law 569-2013 minimums suggests that in all areas of the city, the current minimums in the by-law do not accurately reflect the level of parking demand in the market. As suggested in PH29.3, a market driven approach, capped with maximums, is more responsive to trends and aligned with public objectives.

A map of sales prices of parking spaces in new high-rise developments recorded in the RealNet database is included as Attachment 4. The prices range from \$35,000 to nearly \$200,000. Generally, prices are higher closer to downtown and the subway. Toronto-East York has the highest selling price of parking, followed by North York.

Local Transportation Patterns

PH29.3 also reported the proportions of apartment households without a car by income category city-wide. This revealed that significant numbers of households across all income categories do not have a car, and that low income households were much less likely to have a car.

Examining these patterns for all households in each Community Council District, the findings largely hold. Low income households are much less likely to have a car in all districts. Removing parking minimums will remove the inequitable burden of parking costs from low income households who do not own cars. Higher-income households outside of Toronto-East York are more likely to have a car, but there are still

measurable numbers of households of all income levels, in all Community Council Districts that do not have a car (Table 1). These households would also benefit from the potential to avoid parking costs.

Table 1: Proportion of Households in Toronto without a Car by Income and Community Council District (TTS, 2016)

Household Income	Etobicoke-York	North York	Toronto-East York	Scarborough
\$0 to \$14,999	60.5%	57.8%	79.6%	57.0%
\$15,000 to \$39,999	38.5%	43.0%	67.7%	29.4%
\$40,000 to \$59,999	19.4%	27.5%	56.7%	14.4%
\$60,000 to \$99,999	10.9%	19.6%	45.4%	7.4%
\$100,000 to \$124,999	4.3%	11.3%	32.1%	3.4%
\$125,000 and above	2.3%	4.1%	17.5%	0.7%
Decline / don't know	20.5%	23.6%	43.7%	20.0%

The importance of cars for work and school trips has been declining in all of the City's Community Council Districts (Table 2). This trend is expected to continue as the City, together with the Provincial and Federal governments, is making significant investment to expand the rapid transit system and the City is also making significant investments in cycling infrastructure. The trend reduces the need for new parking in all Community Council Districts.

Table 2: Work and School Trip Auto Mode Share by Community Council District of Household (TTS)

Year	Etobicoke-York	North York	Toronto-East York	Scarborough
1986	57.6%	54.5%	39.1%	56.5%
1991	64.2%	61.9%	44.1%	62.2%
1996	62.3%	60.1%	42.2%	61.6%
2001	62.2%	58.0%	41.5%	62.2%
2006	61.0%	55.1%	38.3%	59.3%
2011	57.3%	51.7%	36.2%	55.0%
2016	57.7%	50.4%	30.1%	56.1%

Impacts of Removing Parking Minimums in Other Cities

As discussed in PH29.3, a number of major cities have recently reviewed their requirements for parking in new development and either significantly reduced or even eliminated their requirements. These cities frequently do not have as well-developed a transit system as Toronto, particularly in outer parts of the cities. Nonetheless, the removal of minimum parking requirements is often done on a city-wide basis.

The City of Buffalo, New York, removed their minimum parking requirements city-wide in 2017 as part of their "Green Code", a comprehensive review of the City's land use and zoning policies. Buffalo's transit system consists of a single light rail transit (LRT) line and about 60 bus routes. At the time, the system had daily ridership of approximately 90,000 riders.

Hess and Rehler, in their research paper titled "Minus Minimums: Development Response to the Removal of Minimum Parking Requirements in Buffalo (NY)", 2021, examined the impacts of removing parking minimums for 36 major developments over the two years following the removal of minimum parking requirements. Some of the key findings from the study included:

- 47 per cent (47%) of major developments included fewer parking spaces than was previously required;
- The developments collectively built 21 per cent (21%) fewer parking spaces than they would have needed to build under the old rules;
- 19 of the 36 developments tracked built the same or more parking than would have been required under the previous zoning rules; and
- Projects constructing the same or more parking than would have been required consisted mostly of single-use residential or commercial developments outside the downtown core.

The different effects across different types of projects and different locations in the City suggest that the development industry responded to market conditions when determining how much parking to provide in new developments (i.e. more parking was provided where it was demanded and less where it was not).

In 2004, the City of London, UK, removed its parking minimums and implemented new parking maximums. The effects of the change to parking requirements was studied from 2004 to 2010 by Zhan Guo and Shuai Ren. Their research paper, titled "From Minimum to Maximum: Impact of the London Parking Reform on Residential Parking Supply from 2004 to 2010", 2013, examined the residential parking supply in London, UK, before and after the zoning reform came into effect in 2004. Their study looked at 216 developments before, and 11,428 residential developments after the parking reform.

This change in parking requirements was also studied by Li and Guo. The research paper, titled "Do Parking Standards Matter? Evaluating the London Parking Reform with a Matched-Pair Approach", 2014, examined how the parking reform impacted parking supply by comparing neighbouring developments before and after minimum parking requirements were removed.

The amount of parking provided in large developments in London, UK, declined by approximately 40 per cent (40%) following the removal of parking minimums. It is important to note that this decline did not occur uniformly. Generally, developments in lower density areas included more parking, as did developments in areas with lower public transport accessibility levels (a measure of the frequency of transit services in an area, where lower levels indicate less frequent service or more distant service).

The Guo and Ren study utilized a smaller sub-sample of 8,258 developments to compare the previous minimum to the new maximum. This comparison found that parking was provided at a minimum rate of 1.12 spaces / unit (if the project were to occur before the reform), and that parking was provided at an overall rate of 0.63 spaces / unit (actual supply) under the new maximum parking standard scenario.

These studies found that the market-oriented approach to parking regulation taken by London, UK resulted in a reduction in parking. However, the effect varied by particular sub-market and geography. Supportive policies, such as parking maximums and on-street parking controls were identified as necessary components of a parking strategy.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Draft Zoning By-law Amendment

Attachment 2: Memo: Economic Impacts of Removal of Minimum City Parking Standard

Attachment 3: Sample of Mixed-Use and Residential Apartment Projects with at least One Planning Approval and Known Parking Requirements Active Between 2013 and 2019

Attachment 4: Selling Price of Parking Spaces in Active High-rise Developments