



GRAYWOOD
AN INTELLIGENT MOVE

November 5, 2021

VIA E-MAIL

His Worship Mayor John Tory and Members of Council
100 Queen St W 13th Floor,
Toronto, ON M5H 2N2
Attention: City Clerk

Your Worship and Members of Council:

RE: Agenda Item PH28.1 Inclusionary Zoning Official Plan Amendment, Zoning By-law Amendment and Draft Implementation Guidelines

On behalf of Graywood Developments we want to express concerns with some of the Inclusionary Zoning ("IZ") recommendations to be tabled at the November 9th/10th Council meeting for final approval. We believe these recommendations will have severe unintended consequences, will lead to increased housing costs, and may stop certain development projects proceeding. These consequences will negatively impact housing supply in Toronto, contrary to the Growth Plan's vision for the Greater Golden Horseshoe to increase housing supply.

Graywood supports IZ; however, the policy framework must recognize financial responsibility cannot be shouldered by one industry alone and that Government has a fiscal and societal responsibility to work with partners to deliver essential services, such as affordable housing.

Financial incentives or density bonuses are recognized features of successful IZ policies implemented by jurisdictions around the globe. The City's own consultants understood this evidence and recognized the need to include incentives as part of their 2020 recommendations to the City of Toronto. Without incentives to offset the cost of incorporating IZ, the sole burden of significant expense increases must be offset by revenue increases, if new home purchasers don't tolerate price increases; new housing will not proceed, as financing will not be secured.

The financial structures behind mixed-use development projects are complex and require investment capital to proceed. Capital sources, such as banks, pension funds, insurance companies and private equity have thresholds to advance investments, otherwise they will not proceed.

Graywood wants you to be aware of the facts of the financing behind market-based housing development in Toronto as you consider your vote and any motions to increase the percentage of units set aside for IZ units.

Your Worship and Members of Council, Graywood has a proud 37-year track record of City building and share your commitment to ensure that together we can provide housing for all. The current IZ policy framework is not a partnership and will not achieve this goal. To enable the provision of affordable housing in Toronto we recommend structuring an IZ framework around financial partnerships with Government to deliver affordable housing, not hinder housing supply.

Thank you for your consideration.

Sincerely,
Graywood Developments

Neil Pattison MCIP, RPP
Senior Vice President, Development