



July 11, 2022

Executive Committee

c/o Julie Amoroso

exc@toronto.ca

Re: EX34.1: Growth Funding Tools – Development Charges

Dear Councillors:

On behalf of our members, the Toronto Region Board of Trade (“the Board”) is a strong advocate for policies that enhance Toronto’s economic growth and competitiveness. Toronto’s economic prospects depend on smart land planning to protect for employment uses while also building enough homes where workers can afford to live. This also requires the city to have adequate and up-to-date physical and social infrastructure.

Growth Funding Tools are a necessary source of revenue for the city to ensure that it remains a vibrant, enjoyable and functional place to live. These fees also impact the cost of building new homes, which is why any decisions to increase them must be carefully considered and in consultation with stakeholders. With Mayor Tory and Council’s focus on addressing Toronto’s housing shortage, we know these considerations are top-of-mind for you as well.

To that end, **the Board supports the current report’s proposal to phase in the Development Charge (DC) increases over the next two years while delaying the indexing that was scheduled for November.** Likewise, the decision to provide additional time before applying the increases to buildings also subject to Inclusionary Zoning is a positive decision. There are many headwinds facing Toronto’s construction industry at this moment – including rising interest rates, higher input costs and a softening real estate market. This proposed approach will allow more time for the market to stabilize and for builders, and new homeowners, to adjust to these increases.

In addition, the Board supports the decision to continue exempting new industrial developments from DCs. This provides an important advantage for Toronto in attracting valuable new investment and well-paying jobs, such as the new Sanofi facility announced last year.

To make better use of existing city infrastructure and services, as well as to encourage more sustainable urban living, **the Board encourages Executive Committee to exempt multiplexes up to four units from paying DCs.** Adding gentle density to existing neighbourhoods helps make better use of existing infrastructure and does not incur the same investment costs as major new developments might. Further, a [Technical Assistance Panel](#) convened by the Urban Land Institute (ULI) Toronto found that the added cost of DCs would likely prevent many multiplex projects from proceeding. Providing this exemption would be a strong action to enable more gentle density in existing neighbourhoods.



Housing is a critical priority for the city's economic and social well-being. Businesses need workers, and workers need homes. The Board applauds the efforts of Mayor Tory and councillors over the past term to advance solutions to the City's housing crisis and encourages Council – and all orders of government – to continue pursuing policies that can streamline processes and reduce the costs of increasing and diversifying our housing supply.

Sincerely,

Roselle Martino

Vice President of Public Policy

Toronto Region Board of Trade