



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

Re: **EX34.1: [Growth Funding Tools - Development Charges](#)**

Dear Mayor and Executive Committee Members,

TEA supports The Atmospheric Fund's recommendation to amend the proposed development charges bylaw to increase incentives for developers to build to the higher tiers of the Toronto Green Standard (TGS).

When TGS version 4 was approved in July 2021, [City Council directed](#) that the Growth Funding Tools report include recommendations for enhanced incentives for developer participation in the higher (voluntary) tiers, which would have a deeper impact on many of the City's goals including greenhouse gas emissions reductions. However, the draft bylaw will instead freeze incentives at 2021 levels.

Since incentives have remained frozen, developer participation in the higher and more impactful tiers of TGS has fallen drastically over the past five years. The City has twice updated and strengthened the requirements in this time.

Effective incentives are critical for achieving a net-zero future. Developer participation in the voluntary higher tier standards means buildings that are more resilient and produce fewer carbon emissions, with lower energy and operating costs. If we don't improve participation in Tiers 2 and 3 now, it may not be feasible for the entire industry to comply with future planned updates to the TGS in 2025 and 2028. This would put the city-wide net zero by 2040 target at risk.

The simplest proven model for incentivizing developers to build to the higher tiers is expanding development charge refunds. . Based on cost modelling and industry feedback, the incentives for tier 3 need to increase by at least 50% to enable significant industry participation.

We strongly urge you to increase incentives for the higher tiers of the Toronto Green Standard, in order to increase participation and meet TransformTO timelines.

Sincerely,

Sarah Buchanan, Campaigns Director

Toronto Environmental Alliance