

Presentation to the  
Standing Committee on Heritage, Infrastructure and Cultural  
Policy

on

*Bill 23 – More Homes Built Faster Act, 2022*

by

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Good afternoon. My name is Gregg Lintern and I am Toronto's Chief Planner. I would like to thank the Committee, on behalf of the City of Toronto, for this opportunity to comment on Bill 23. I am joined by some associates on line.

Toronto is one of the fastest growing municipalities in North America, attracting tens of thousands of newcomers from around the world every year. The need for coordinated actions related to housing supply, affordability and infrastructure in Ontario is a shared objective with the Province. While the City supports the Province's goal to build 1.5 million homes over the next 10 years, we are very concerned about several aspects of the proposed legislation that negatively impact growth funding tools and curtail land use planning tools needed to build complete and sustainable communities. Bill 23 would have the unintended consequence of impeding the City's ability to deliver growth-related infrastructure and selected essential services and facilitate access to a range of housing options for Torontonians.

Quality of life for future generations of Torontonians hinges on the City being able to build complete and sustainable communities – with access for residents and workers to local parks, community centres, libraries and child care facilities as well as essential hard infrastructure – in tandem with faster development of more homes. It also requires other levels of government to ensure that other infrastructure such as schools and hospitals keep pace with development.

I would like to highlight five key concerns with the proposed legislation, with further detail provided in our written submission:

First, the City of Toronto is concerned that the discount and in some cases elimination of developer fees, some retroactively, would impede the City's ability to build the infrastructure necessary to support growth and the intensification envisioned under Bill 23. Toronto's 2031 share is 285,000 units – a 115% increase or 150,000 additional units over current projections. However, based on our current analysis, the City would lose about **\$230 million** in DCs and parkland annually – a more than 20% reduction – and

our DC rates would be reduced to levels lower than our previous (2018) DC bylaw. This comes at a time when Toronto has real challenges with an **\$815M budget shortfall** as a result of the COVID-19 pandemic, with residents struggling with higher inflation and borrowing costs. The revenue loss would dramatically impact Toronto's finances and be unaffordable for existing taxpayers to fully fund. As a result, the City would have no choice but to postpone or not proceed with many capital projects. In the absence of the Province offsetting lost funding, these revenue losses limit our ability to advance the necessary infrastructure in tandem with new housing supply. We therefore recommend that:

- There be no discounts or reductions to municipal growth funding tools. Discounts to growth funding tools are not the appropriate mechanism to ensure delivery of housing supply. Instead, it would be more effective for provincial incentives to be provided directly to developers or homeowners through targeted grants, rebates or other financial incentive programs;
- Phase-in should remain a municipal decision and should not apply retroactively to adopted bylaws; Toronto's bylaw already has a two-year phase-in.
- Housing is a critical DC service that services the most vulnerable and should remain eligible;
- Growth studies and land costs are critical and directly relate to the delivery of growth-related infrastructure and should remain eligible; and
- The DC freeze interest rate should at a minimum reflect capital cost inflation.

Second, the proposed Bill would diminish housing affordability and rental housing replacement protection. This includes placing a 5% cap on Inclusionary Zoning and a reduction of the affordability period from 99 years to 25 years. The proposed definition of what constitutes "affordable", tying it to average market rates rather than income, would result in higher rents and prices for those needing an affordable place to live. The removal of rental replacement would eliminate our current policies that prevent the net loss of thousands of existing units through demolitions and conversions. We therefore recommend that the Province:

- Be mindful of the unequal impact of this Bill on equity-deserving communities and maintain protection of existing rental housing stock; and
- Adopt a higher cap for inclusionary zoning and an affordability period of 99 years.

Third, Bill 23 would erode sustainability and resilient development practices. The Bill would remove the City's ability to secure sustainable design elements from the Site Plan approval process, which we currently do through the Toronto Green Standard. These include such matters as energy efficiency, street trees, mitigating urban heat island effects, and deterrence of bird collisions, to name a few. It would be unfortunate for this Bill to inadvertently limit the City's ability to address climate change, biodiversity loss and our TransformTO Net Zero Strategy targets. Therefore, the City recommends that the Province:

- continue to allow municipalities to address sustainable design through Site Plan approval.

Fourth, Bill 23 would decrease the amount and quality of parkland the City can secure. It would compromise the City's ability to provide sufficient and high-quality parkland where it is needed the most – for new residents and equity-deserving communities where gaps exist. New caps for parkland dedication rates place a downward pressure on park provision, with an impact of about \$15 million annually. Therefore, the City recommends that the Province:

- Provide financial incentives directly through a grant, rebate or other incentive program rather than implement the proposed parkland dedication caps;
- Reverse the requirement for the City to accept encumbered and stratified parks and privately-owned publically accessible spaces; and
- Continue to grant municipalities the power to determine the suitability of parkland to be dedicated, rather than handing that determination over to developers.

Fifth, Bill 23 proposes a number of changes to the Ontario Heritage Act that threaten the City's ability to identify and protect cultural heritage resources. Limitations proposed for the Heritage Register would require all existing and newly listed properties to be

designated within two years or be removed from the Register for five years. This would leave thousands of heritage properties across the city vulnerable to demolition.

Therefore, the City recommends that the Province:

- Remove all proposed time limitations on listed Heritage Register properties.

In closing, while we support the intent of Bill 23 to address housing supply, we would urge the Province to **pause implementation of a number of the changes proposed to assess short and long term financial and quality of life impacts and to allow for further consultation on alternative proposals and options** that can successfully achieve the desired outcome of delivering significantly more homes over the next decade.

The City of Toronto is committed to working in partnership with the Province of Ontario and we look forward to a continued and constructive dialogue to advance needed solutions.

Thank you.