



April 8, 2025

Chair Mike Colle
and Members of the Infrastructure and Environment Committee
City of Toronto
Toronto City Hall
100 Queen Street West
Toronto, ON
M5H 2N2

Via Email: iec@toronto.ca

Re: IE20.3 - Congestion Management Plan - 2025 Update

Dear Chair Colle and Members of the Infrastructure and Environment Committee,

We are writing on behalf of the Building Industry and Land Development Association (BILD), which represents land development, home building, and professional renovations in the Greater Toronto Area and Simcoe, as well as the Residential Construction Council of Ontario (RESCON), the province's leading association for residential builders. Together, our organizations represent all facets of the residential development process, from planning through to construction.

We understand that the Committee will be reviewing agenda item IE20.3 – Congestion Management Plan - 2025 Update on April 10th. You may recall that in September 2024, we jointly submitted comments urging the Committee not to proceed with the investigation of a new Congestion Management Levy, as we emphasized its negative impact on housing affordability and the broader housing market. Unfortunately, the situation in the housing market has since worsened.

The Canadian housing market is currently experiencing an unprecedented slowdown, with the City of Toronto facing particularly severe challenges. In February 2025, only 57 new homes were sold in the city, a stark decline from the 938 homes typically sold in February. This represents a 75% decrease compared to February 2024 and is 94% below the ten-year average for the month. However, the full impact of this slowdown will likely not be felt immediately—it will take two to three years for the slowdown in new housing sales to fully affect housing construction starts. We anticipate that housing deliveries will remain minimal, if not nonexistent, in Toronto and possibly the broader Greater Toronto Area (GTA) by 2027 and beyond.

Despite the significant challenges in the market, the April 10th report continues to pursue additional fees, on top of the existing Lane Occupancy Fees and the recently adopted Road Disruption Activity Reporting System (RoDARS) administration fees. Specifically, the report is seeking Council direction to explore an escalating Road Disruption Activity Reporting System fee and report back on the plans for a Construction Congestion Management Levy.

Given the current housing market challenges—historically low new home sales, stagnant residential supply, and fluctuating consumer confidence — we believe it is essential to take decisive action to promote affordability, rather than imposing additional costs on homebuyers. We are deeply concerned that, in the midst of a housing crisis, the City is considering raising or introducing new fees.

As road occupancy for new residential construction projects represents only 5% of total road occupancies, and prioritizes expeditious completion we respectfully recommend the following actions:

- Exempt residential construction projects from the Lane Occupancy and RoDARS administrative fees.
- Cease pursuing the implementation of a Congestion Management Levy targeted at residential construction projects.

Without these adjustments, we risk exacerbating the ongoing housing crisis in the City of Toronto. Thank you for your consideration of our perspective on this critical issue. Should you have any questions or require further information, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Danielle Binder'.

Danielle Binder, RPP MCIP
Senior Director, Policy and Advocacy, BILD

A handwritten signature in blue ink, appearing to read 'Richard Lyall'.

Richard Lyall
President, RESCON