

City of Toronto: Growth Funding Tools

Public Information Session • October 2021

Land acknowledgement



We acknowledge the land we are meeting on is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit.

Today's agenda



1. About the project
2. Growth funding tools
 - Development Charges
 - Parkland Dedication
 - Community Benefits Charges
3. Project timeline
4. Questions and Answers

Housekeeping



Technical support

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Questions:

Type your question into the Q&A box located at the bottom right-hand corner of the WebEx screen. Please keep comments brief.



Raise Hand:

Found in the bottom right-hand corner of the participant pop-up screen. You can also use this to ask a question of the panelists.

Please be aware this meeting is being recorded and personal information, such as your opinions, statements and voice will become part of a public record.

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Purpose of today's session



Image: spacing.ca

- Share information about the growth funding tools
- Update you on future opportunities to engage
- Answer your questions
- Request your input on a brief survey

About the project

Lubna Saleem, City of Toronto



Why are we here?



Provincial Bill 108 & Bill 197

- Legislation made changes to the *Development Charges Act* and *Planning Act*, which **impact municipal growth funding**
- The City must now **update the relevant bylaws**
- Revised bylaws will be presented to Council in **Spring 2022**

The Growth Funding Tools

Three tools that pay for growth related infrastructure and services

Development Charges

- Fees paid by new development for capital facilities and services
- Prescriptive list of services, including water, housing, childcare, transit, etc.

Parkland Dedication

- Tool that supports the expansion and improvement of the parks system and the funding of recreational facilities

Community Benefits Charges (new)

- Fees paid by new development for capital facilities and services
- Levied on new developments with five+ stories and 10+ residential units and 4 per cent cap on land value
- Examples: public art, parks, library, etc.

Our growing city

- Toronto is one of the fastest growing city in North America and it will continue to grow.
- Population is projected to increase by 20 per cent over the next 30 years for a total population of 3.65 million people, adding about 700,000 more people.
- More infrastructure and services will be required for the additional people, which requires more funds.
- Growth funding tools are a significant source of growth funding

Visit toronto.ca/growthfundingtools



**Toronto is growing,
how do we
pay for it?**



Principles for growth

Complete communities



Growth pays for growth

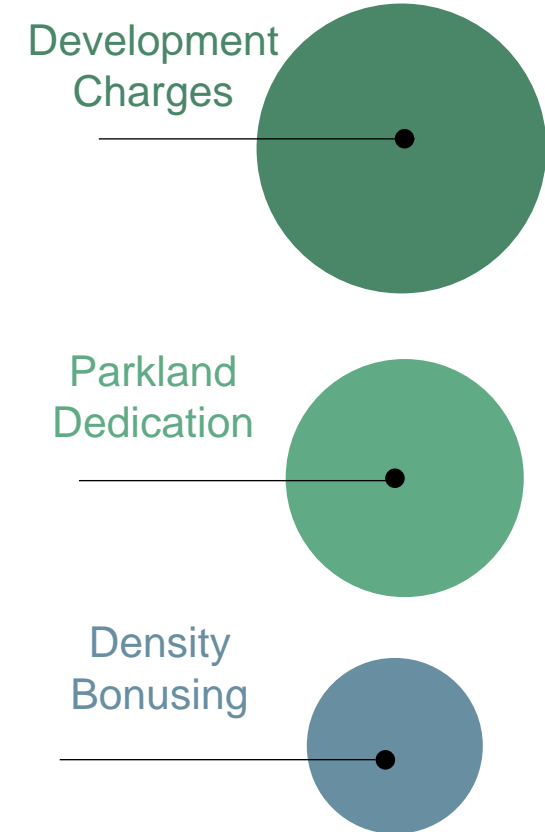


Revenue neutrality



How do we pay for new growth?

- Growth funding tools currently generate about \$750M* annually.
- What happens if these tools do not fully pay for growth infrastructure?
 1. Service levels may drop
 2. Other funding sources will be required to maintain service levels



* In-kind contributions are not included in this amount.

Development Charges

Angeline Vanniasinghe, City of Toronto



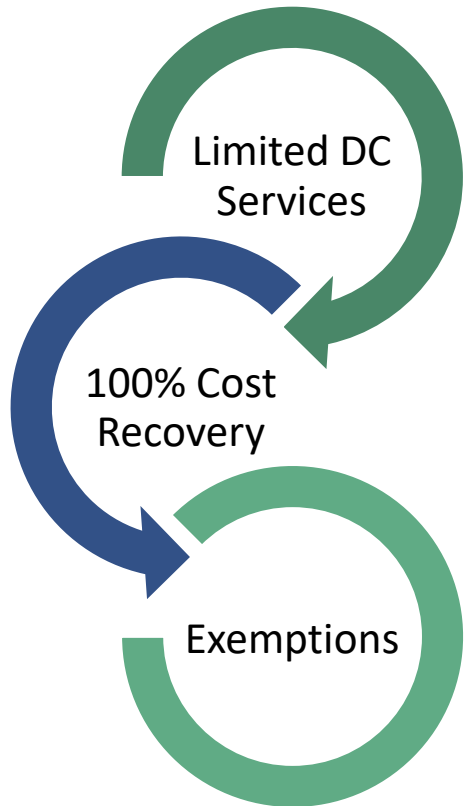
What are Development Charges?



- A one-time fee collected as a condition of new development
- Pay for growth costs: new municipal capital projects, which are construction or purchases of major city assets like parks or water mains
- Charges are calculated through a study of the costs of the new project
- Residential and non-residential charge

How have Development Charges changed?

Legislative changes



Eligible “hard” services

- Waste water
- Water supply services
- Storm water management
- Roads
- Transit
- Waste diversion
- Electrical power services

Eligible “soft” services

- Policing services
- Fire protection
- Ambulance services
- Public libraries
- Child care
- Shelters and housing
- Long-term care
- Park improvements and recreation services
- Court services
- Public health
- Emergency preparedness

Steps to calculate Development Charges



**Growth
Forecast**

**How fast
is Toronto
growing?**



**Historic
Inventory**

**Benchmark
for future
projects**



**Capital
Programs**

**Cost of
development
related projects**



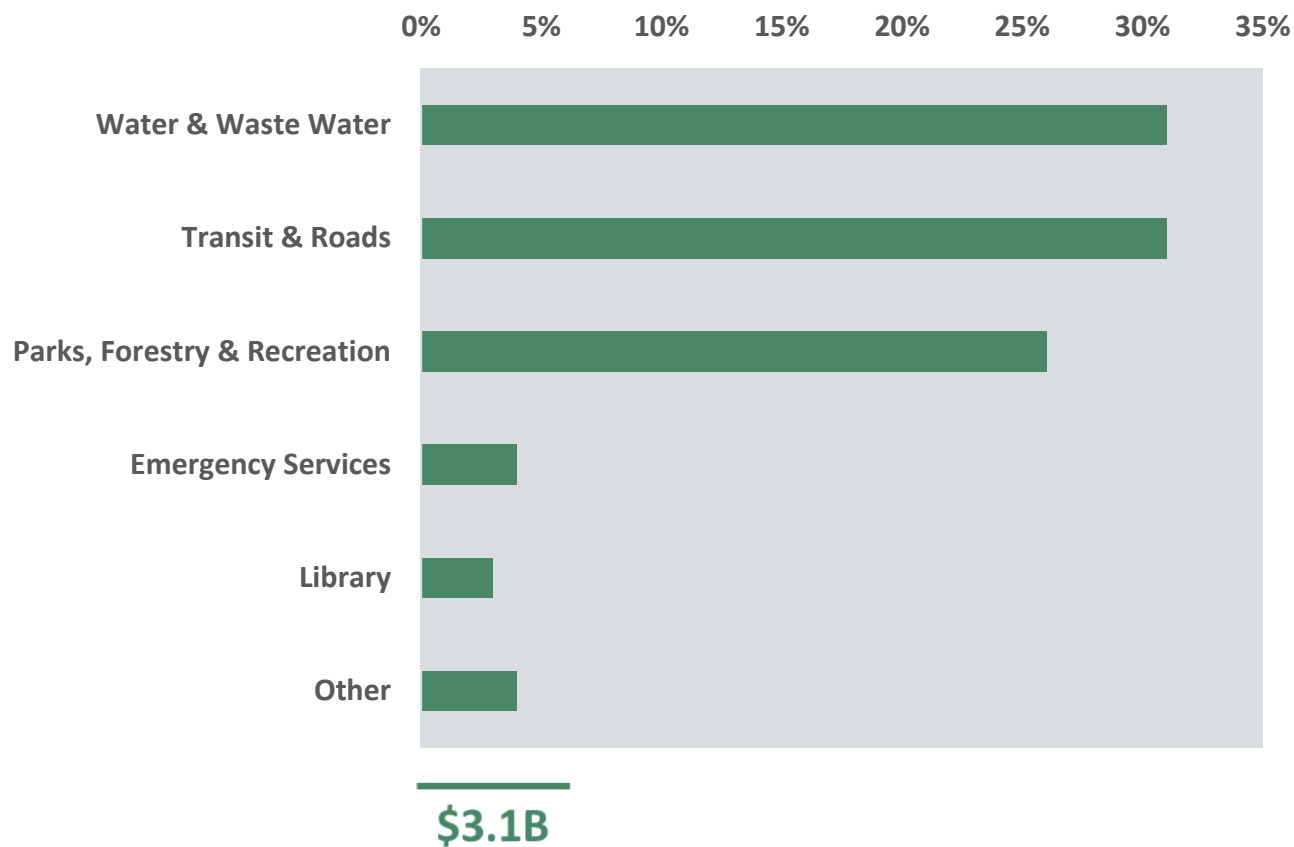
**Final
Rates**

What we need to know:

1. How many new people will be added to the city?
2. What is the replacement cost of existing stock of municipal assets?
3. What projects are we building in the coming years to serve new growth?

With these steps, we can calculate the final rate.

How does the City use Development Charges?



- **\$3.1B** in Development Charges budgeted over 10 years
- Funding spreads across numerous capital projects
- Eligible projects identified through Development Charges background study

Example Project: Transit



Bus Purchases

- Total Cost: \$693M
- DC Supported: \$180M

Example Project: Library

Circa 1916



2022



TPL Wychwood Branch

- Total Cost: \$15.8M
- DC Supported: \$6.4M

Parkland Dedication

Danny Brown, City of Toronto



What is parkland dedication?

- Parkland is **critical** to building and maintaining liveable and healthy neighbourhoods.
- As Toronto grows and welcomes new residents, we need to **expand and improve the network of parks and open spaces** that serve our growing communities.
- **Section 42 of the *Planning Act*** allows municipalities to require development projects to dedicate a portion of their site as public parkland.
- A municipality may also require parkland dedication as **cash-in-lieu of parkland**. These funds can be used to acquire new parkland or improve existing parks and recreation facilities.



What is an alternative parkland dedication rate?

Parkland Dedication

Base Rate

- Residential development: 5 per cent
- Commercial or industrial development: 2 per cent
- Land or equivalent value as cash-in-lieu of land

Alternative Rate Parameters

- Applies only to residential development
- Maximum of 1 hectare per 300 dwelling units for land
- Maximum of 1 hectare per 500 dwelling units for cash-in-lieu

Toronto's Current Alternative Rate

- 0.4 hectares per 300 dwelling units for land and cash-in-lieu
- Capped at 10, 15, or 20 per cent of the site based on site size

- The *Planning Act* sets out a “**base rate**” and allows municipalities to establish an “**alternative rate**” for parkland dedication.
- An “alternative rate” can be more responsive to **demand for parkland in high growth urban areas** where high density development is proposed on small sites.
- The “alternative rate” must be supported by a **parks plan (the Parkland Strategy)** that examines the need for parkland.

The Parkland Strategy

Final Report | November 2019

PARKLAND STRATEGY

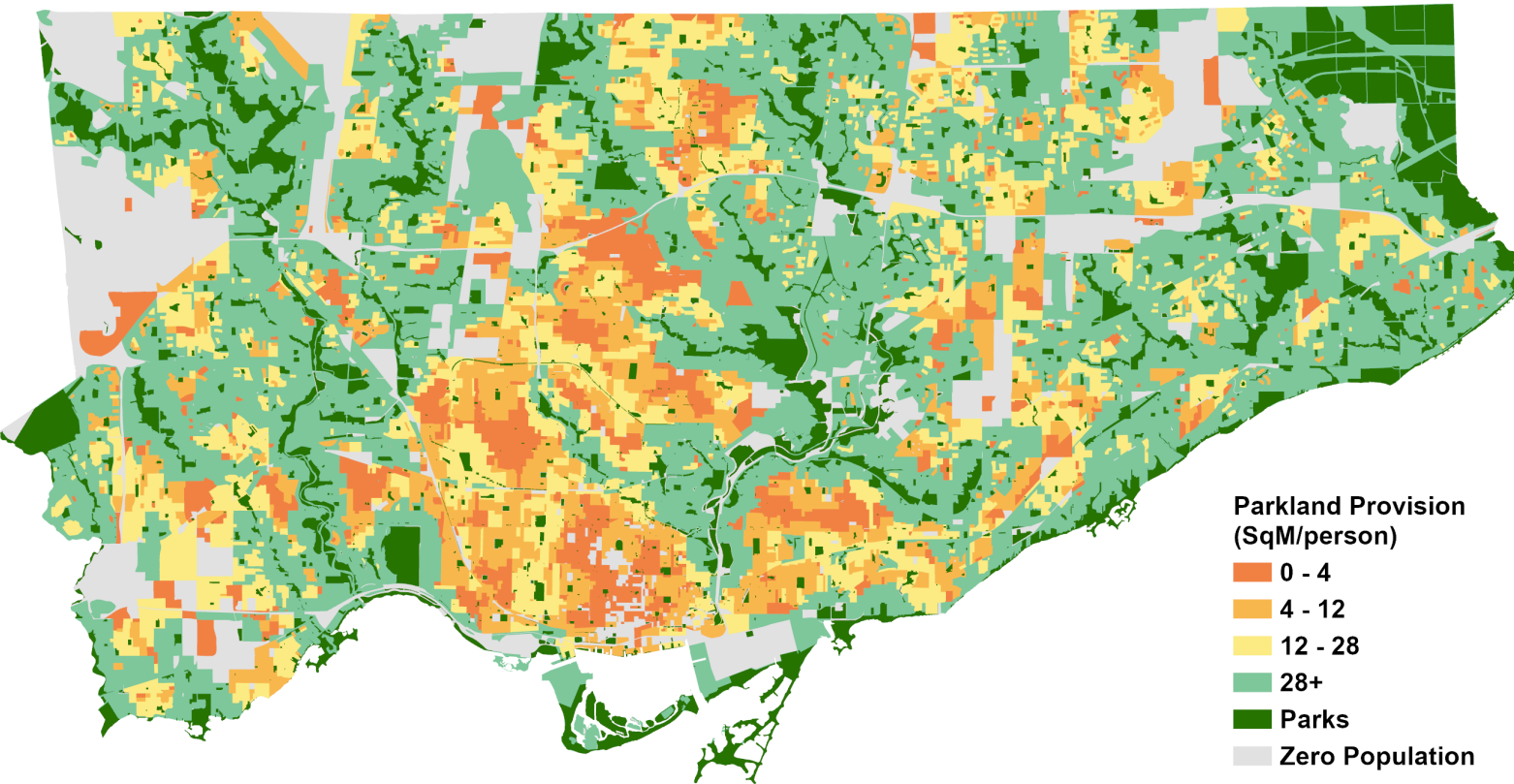
Growing Toronto Parkland

Toronto

Parks, Forestry and Recreation

Highlights

- **1,500+** parks
- **13%** of Toronto's land area
- **28 m²** – Average city-wide parkland provision in 2021
- **15 m²** – Average city-wide parkland provision in 2021 excluding ravines
- **10%** – Decline in city-wide parkland provision by 2034 without park system expansion



Toronto Parkland Provision – 2021

Parkland Dedication in Action



 Parkland dedication

Celestica Redevelopment

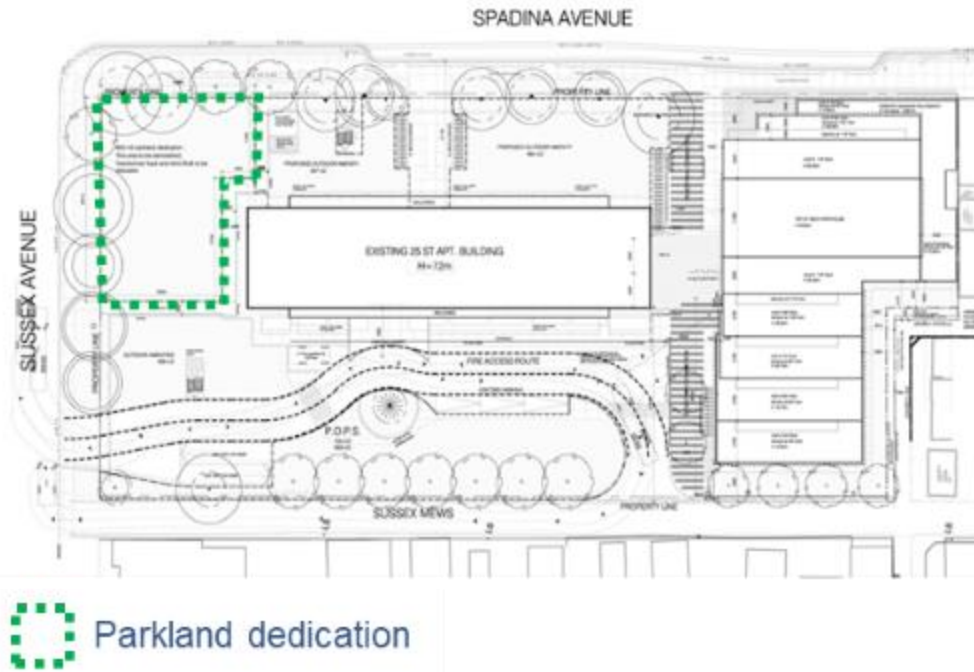
Location: Don Mills Road and Eglinton Avenue East

Site size: 24 hectares (ha)

Residential units: Approx. 5,000

Parkland dedication: 2.57 ha + \$500,000 CIL

Parkland Dedication in Action:



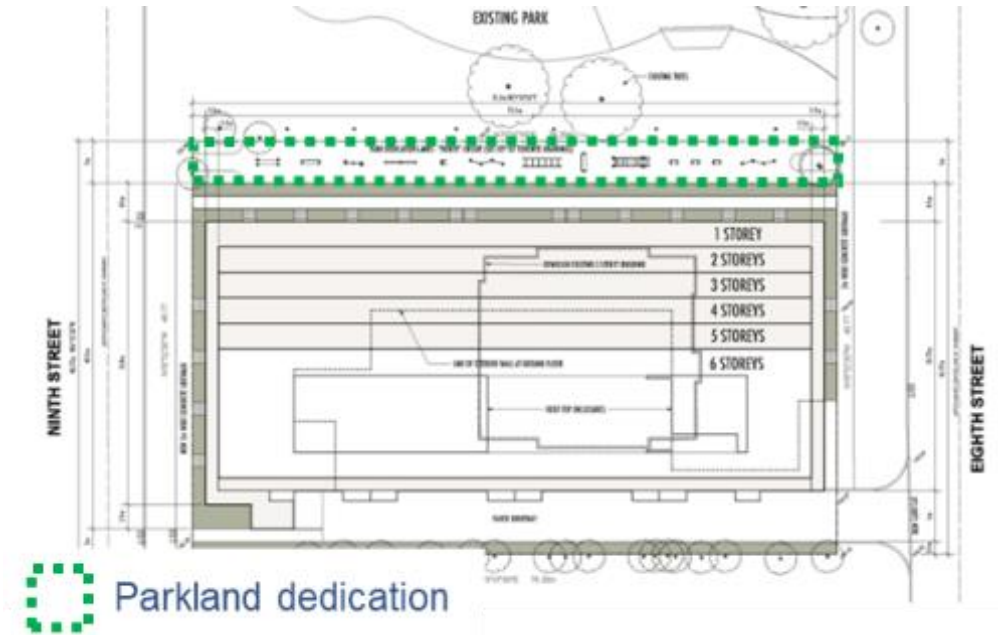
666 Spadina Avenue

Location: Spadina Avenue and Sussex Avenue

Site size: 0.73 hectares (ha)

Residential units: Approx. 465

Parkland dedication: 0.06 ha (600 m²)



150 Eighth Street

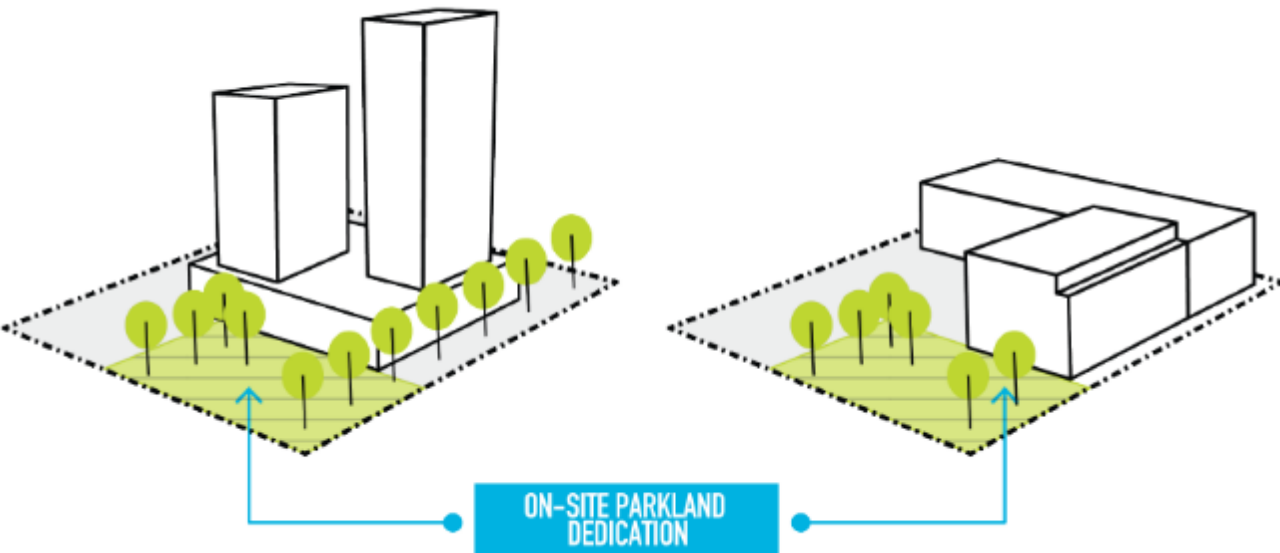
Location: Islington Avenue and Lake Shore Blvd West

Site size: 0.33 hectares (ha)

Residential units: Approx. 90

Parkland dedication: 0.038 ha (380 m²)

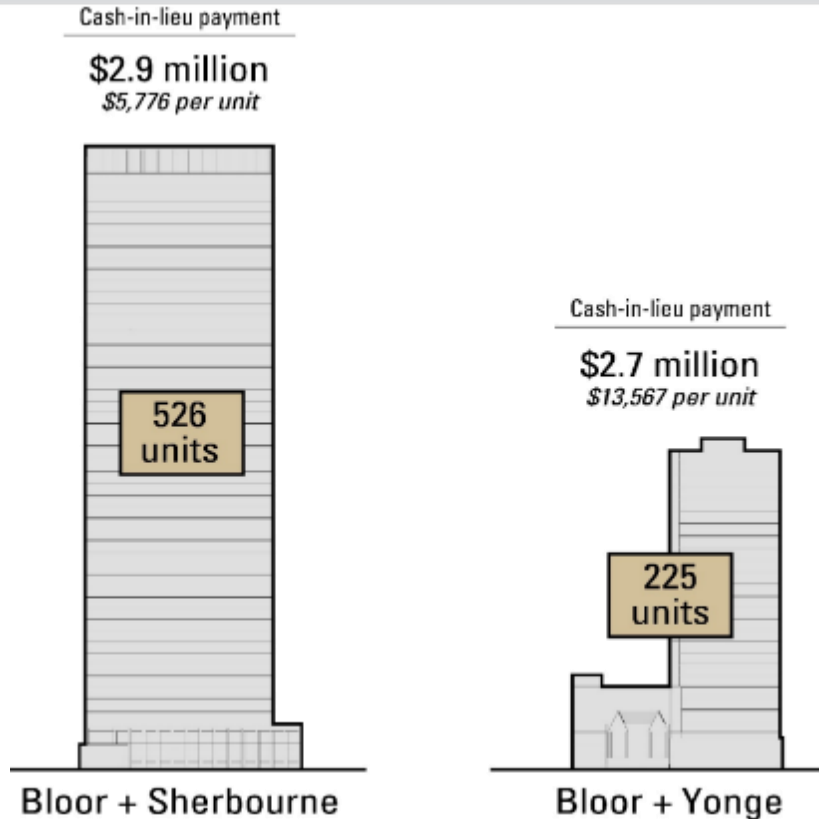
Current challenges – on-site



Denser developments often contribute less parkland per person than smaller developments because of dedication caps

- The alternative parkland dedication rate is **based on the size of the site** rather than the **number of new residents**.
- Small site caps on small sites result in small parks. Small parks can be effective, but there is a **need for larger parks** that can be programmed more effectively.

Current challenges – cash-in-lieu



Caps on parkland dedication result in limitations on parkland funding needed to support growth

- The City must **pool cash-in-lieu** from **multiple developments** over time to secure enough funds to purchase parkland.
- In Toronto's real estate market, **increasing land prices are outpacing the City's ability** to make effective use of the cash-in-lieu of parkland it receives.
- The City is at a **disadvantage when competing with private buyers** for land, who have fewer regulatory constraints and more options for financing.

Next steps



- New alternative parkland dedication rate will seek to **address challenges** with current approach
- Parkland Strategy's **parkland provision analyses** will be updated
- Alternative parkland dedication rate will be **calibrated with the other two tools** to ensure they all work together effectively

Community Benefits Charges

Mario Giambattista, City of Toronto



Community Benefits Charges

CHILD CARE



PARK IMPROVEMENTS



PUBLIC ART



AFFORDABLE HOUSING



RECREATION CENTRES



STREETSCAPES

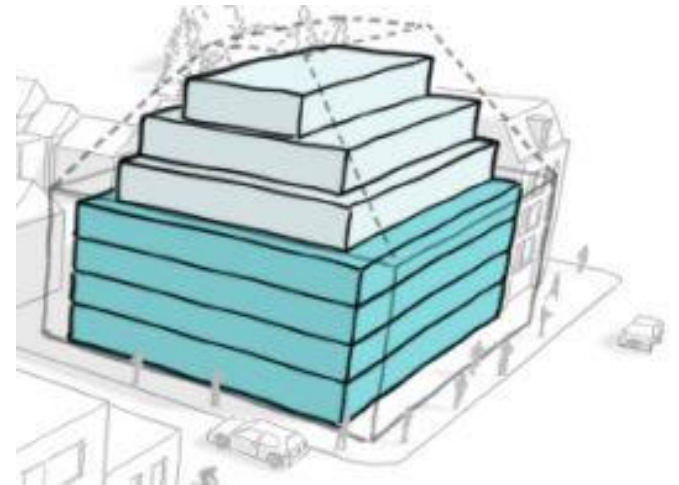


What is a Community Benefit Charge?

Monies, or in-kind work, collected from developers to pay for growth-related capital facilities and services.

History

- Formerly Section 37 density bonus benefit.
- An amount negotiated between the City and the developer in exchange for more height and density (i.e., a taller building with more units than would otherwise be allowable).
- No set cap on value. Amount of the required payment was based on the increase in value resulting from new density or height.



Legislation Overview

- CBCs will work in partnership with Development Charges
- CBC strategy is required
- Implemented through a CBC bylaw which sets rate(s) and list of eligible services – the by-law is appealable

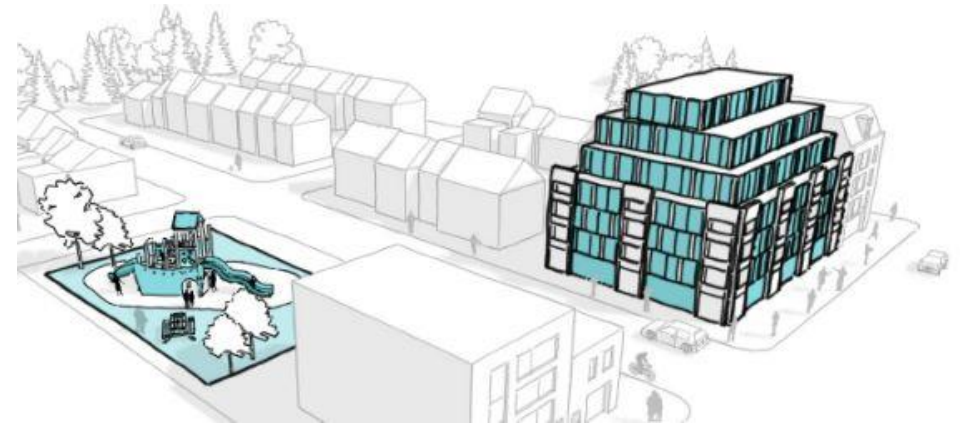
How does it apply?

- Applies to all developments that are five+ stories and include 10+ residential units
- Regulation sets value cap at 4 per cent of land value on day before first building permit is issued
- In each calendar year, 60 per cent of funds are to be allocated or spent

What are we working on?

Questions:

- What is the rate structure?
- What services and facilities will be eligible?
- What are the capital costs to provide for these services / facilities?
- How should the funds be allocated to the eligible services and facilities?
- How should it be implemented?
- How do we deal with disputes?



Project Timeline



Project Timeline:

Date	Deliverables
Spring and Summer 2021	<ul style="list-style-type: none">• Project launch• Technical studies – data collection and analysis• Bill 197 and Work Plan report to Executive Committee (EX24.4)• Industry engagement sessions
Fall 2021	<ul style="list-style-type: none">• Draft technical studies materials released for review• Public information sessions and workshops (next slide)• Industry engagement sessions• Interim report to Executive Committee
Winter 2022	<ul style="list-style-type: none">• Draft studies and policies• Additional public and industry engagement
Spring 2022	<ul style="list-style-type: none">• Studies and bylaws released• Statutory public meeting• Final Report to Executive Committee and Council

Upcoming Engagement

- Two information sessions: October 6 and October 13
- Meetings with Indigenous groups, Black community organizations, and other groups
- Industry sessions planned over the next few months
- Public and community workshops in November and early December
- Additional engagement early next year (e.g. online survey, sessions)



Contact Us



- Email your questions or feedback to the project team: GFT@toronto.ca
- Learn more on the City's website: toronto.ca/growthfundingtools

Q&A Session

Shirley Siu, City of Toronto



Q/A Session

Questions: Type your question into the Q&A box located at the bottom right-hand corner of the WebEx screen. Please keep comments brief. One of the panelists will provide a verbal response.

- If we do not get to your question today, we will update the FAQ document found on the project website.
- There will be more opportunities for engagement, where you can learn more and ask your questions.

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Short Survey

Please go to: **Slido.com**

Enter code: GFT

Or, **scan this QR code** with
your phone camera:



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Thank you!

