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Standing Committee on Social Policy

Smart Growth for Our Communities Act, 2015

Chair: Peter Tabuns
Clerk: Valerie Quioc Lim

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Comité permanent de la politique sociale

Loi de 2015 pour une croissance intelligente de nos collectivités

Président : Peter Tabuns
Greffière : Valerie Quioc Lim

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON SOCIAL POLICY

COMITÉ PERMANENT DE LA POLITIQUE SOCIALE

Monday 2 November 2015

Lundi 2 novembre 2015

The committee met at 1401 in room 151.

SMART GROWTH FOR OUR COMMUNITIES ACT, 2015

LOI DE 2015 POUR UNE CROISSANCE INTELLIGENTE DE NOS COLLECTIVITÉS

Consideration of the following bill:

Bill 73, An Act to amend the Development Charges Act, 1997 and the Planning Act / Projet de loi 73, Loi modifiant la Loi de 1997 sur les redevances d'aménagement et la Loi sur l'aménagement du territoire.

The Vice-Chair (Mr. Jagmeet Singh): Good afternoon, everyone. The Standing Committee on Social Policy will now come to order. We are here for public hearings on Bill 73, An Act to amend the Development Charges Act, 1997 and the Planning Act. I'll ask you to please note that hard copies of written submissions have been distributed. Additional written submissions that were received today are distributed as well.

I want to point out one thing, though, before we begin: The deadline that was agreed upon by committee for written submissions is tomorrow at 6 p.m. But since the committee is actually meeting next Monday, November 9, I want to put it to the committee that if the committee would like to change the deadline for written submissions to next Monday, November 9, at 6 p.m.—the reason being that traditionally the deadlines for written submissions are set on the last day that we have actual deputations and hearings. Is this something that the committee would agree to? I just want to put that out to the committee.

Yes, I recognize Mr. Hatfield.

Mr. Percy Hatfield: Thank you, Chair. Good afternoon. Yes, I would make that motion.

The Vice-Chair (Mr. Jagmeet Singh): Okay. Do I hear any other concerns? Anyone else wish to add their voice? Okay. So can we say that there is unanimous agreement to move the deadline for written submissions to next Monday, November 9, at 6 p.m.? Yes? Okay, thank you. So be it. That's how it will be.

Just a quick preamble before we get into the presentations: The presenters will have up to 15 minutes for their presentation. Any time that's remaining can be used by the committee members and will be shared. I'll facilitate a fair sharing of whatever time is left over.

ONTARIO HOME BUILDERS' ASSOCIATION

The Vice-Chair (Mr. Jagmeet Singh): We will begin with our first deputation. We have the Ontario Home Builders' Association, I believe: Joe Vaccaro, chief executive officer, as well as Neil Rodgers, first vice-president. Is that correct? Excellent. Thank you so much for being here. Your 15 minutes will begin now.

Mr. Joe Vaccaro: Thank you, Chair, and members of the committee. Good afternoon. My name is Joe Vaccaro. I am the CEO of Ontario Home Builders' Association. Joining me is OHBA's first vice-president, Neil Rodgers, who's also the executive vice-president of acquisitions and land development at Tribute Communities, which has built thousands of new homes and condos across the GTA.

Let me begin by thanking you all for today's opportunity, and tell you a little about the association. The Ontario Home Builders' Association is the voice of the new housing, land development and professional renovation industry and includes 4,000 member companies organized in 30 local associations from across the province. I emphasize "from across the province" as the proposed amendments in this bill to both the Planning Act and the Development Charges Act will impact how we plan for communities and finance growth-related infrastructure in municipalities from right here in Toronto to Sudbury and from Niagara to Windsor.

OHBA members have built over 700,000 homes in the last 10 years in over 500 Ontario communities. Our industry contributed over $46 billion to the province's economy last year, employing 300,000 people and providing over $16 billion in wages, supporting families and individuals across Ontario.

We would appreciate your consideration of our views on the proposed Smart Growth for Our Communities Act. It is a significant piece of legislation that will have a significant impact on all of Ontario's communities.

At this point, I would like to ask VP Neil Rodgers to say a few words.

Mr. Neil Rodgers: Thank you, Joe. The proposed Smart Growth for Our Communities Act, Bill 73, marks the next step in a long consultation process that began in 2013. Our members were consulted with and contributed to the conversation around the land use planning and appeal system and the development charges consultation,

and informed the drafting of the legislation before us today.

The association took these consultations very seriously and formed two internal association working groups to draft recommendations.

We'd also like to thank the Ministry of Municipal Affairs and Housing for its commitment to consultation with OHBA and our local associations. During that time, we met with ministry staff on numerous occasions, as well as held consultations with the Building Industry and Land Development Association in Toronto, the Hamilton-Halton Home Builders' Association, the London Home Builders' Association, the Greater Ottawa Home Builders' Association and the Waterloo Region Home Builders' Association.

OHBA brought forward a couple of key messages which we will reiterate through our presentation today: first and foremost, transparency; second, accountability; equity and fairness; and lastly, that this piece of legislation cannot simply be another opportunity to pile taxes on the backs of new neighbours.

The proposed legislation is an important piece of the puzzle to create a complete picture of how Ontario will grow in the future. I want to emphasize that this proposed bill cannot be looked at in isolation. There are a lot of moving parts and active consultations currently under way. The provincial government is consulting on upwards of 10 pieces of proposed legislation, policy and regulatory reform affecting our industry, such as the coordinated review of the greenbelt and the Growth Plan for the Greater Golden Horseshoe; the Municipal Act; the City of Toronto Act; the Conservation Authorities Act; a comprehensive wetlands strategy; a climate change strategy; the Long-Term Affordable Housing Strategy; and soon will be launching a review of the Metrolinx Big Move.

I could go on for a lot longer, but the message to legislators is that we have to connect all the dots to ensure that public policy is appropriately implemented and aligned between the ministries, the province and municipalities.

As the Minister of Municipal Affairs and Housing stated in the Legislature during the second reading of Bill 73 on April 21, "To manage growth, we had to put the pieces together and build the framework...." It is important that the minister's words are taken very seriously and that all of the pieces to the puzzle do, in fact, fit and work together.

I'm going to start with some recommendations and concerns regarding the Planning Act and then Joe will talk on specifics regarding the development charges side and asset management planning.

OHBA is supportive of provincial policy objectives to support a diversity of housing choices and to support intensification. However, OHBA contends that there is a disconnect in land use planning policy that has emerged between municipalities and the province. This disconnect threatens the successful implementation of the provincial policy statement and provincial plans and manifests itself in increasing costs, longer and uncertain approval processes, local decisions that do not always align with provincial policy and investment objectives, and challenges to housing affordability.

Ensuring better alignment between provincial land use policy and municipal planning implementation tools was a major theme of our submission and was a key recommendation to the coordinated review consultation. We recognize that the provincial government has made a number of important steps towards facilitating intensification; however, the province must provide stronger leadership to better align provincial and local municipal public policy, while ensuring that fiscal and infrastructure investment supports planning policy and provincial plans.

We are very concerned that the legislation before us today does not take any real steps to ensure municipal official plans and zoning by-laws are consistent with and conform to provincial planning policy by actually requiring municipalities to pre-zone growth centres and transit corridors at appropriate densities. As it stands, most areas targeted for growth and intensification are vastly underzoned with policies that are decades out of date.

The government of Ontario has now made a billion-dollar commitment to the Hamilton LRT and a similar commitment to the Mississauga LRT. Add to that improved GO service to Durham and Simcoe, the plans for 50 more GO stations in the greater Golden Horseshoe, and provincial funding of the Ottawa LRT, and you can appreciate the truly provincial interest and need in seeing that these high-order transit lines are planned through an integrated planning process that benefits from pre-zoning to create investment-ready communities that the province wants, and the population and employment densities that will be required to operationally support these investments. I would like to point out the success of pre-zoning in Waterloo region along their proposed transit line as a positive example.

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I wish I could be so supportive of what is happening, or not happening, in Toronto, where zoning is archaic, where existing subway lines remain under-zoned, and where new subway lines continue to be stuck in perpetual policy gridlock instead of pre-zoning and consultation.

Toronto will continue to suffer through the difficult and confrontational process of rezoning, where community groups ask, "Why so high?" and city planners try to defend historically low densities or local council decisions that cannot be defended against good planning principles—the very "smart growth" planning principles that this act gets its name from.

My company, Tribute Communities, recently completed a 42-storey tower about a block south of here, at Dundas and University, where the Royal Canadian Military Institute is located, on top of a subway, on a major avenue. The site is a model of intensification. It's a 50-by-125-foot site, with no parking—the redevelopment of an aging asset into a modern mixed-use commercial/residential project. Yet we spent too many years

going through the rezoning process. Without the will of former councillor Adam Vaughan, city staff might have likely refused this application, precipitating an Ontario Municipal Board hearing. It may be hard to believe, but the zoning for that site, when we acquired it, was about 20 storeys high, despite sitting on top of significant infrastructure and on one of the most densely urbanized avenues in this city, if not the province. That is what we at OHBA are referring to as the disconnect between local planning and provincial policy.

Ontarians are about to embark on a generational infrastructure and transit investment renaissance, with perhaps some significant help from Ottawa coming soon. As legislators, the public and stakeholders will look to you to ensure that these investments maximize public investment and, more importantly, are leveraged with private sector investment. Getting it right, the alignment of policy at the provincial and, most importantly, the local level—the connecting-the-dots strategy—is something we must collectively execute to benefit Ontarians.

I'll turn this over to Joe.

Mr. Joe Vaccaro: The Smart Growth for Our Communities Act refers to the smart growth principles grounded in the Places to Grow Act. Investment-oriented communities along transit corridors are a central part of that planning philosophy.

To be positive to the proposed act, it does apply smart growth principles in updating the 30-plus-year standard for cash-in-lieu parkland dedication. The improved legislative maximum reflects the provincial focus in the growth plan and the provincial interest in making transit-oriented communities happen. It should be noted that a number of municipalities already cap the parkland rate to support transit-oriented developments, and there are a number of planning policy papers that provide a clear public policy rationale to support this change. Yes, parks will still be developed and provided as part of this act's master parks plan requirements, and as the Ministry of Municipal Affairs and Housing has reported, with almost $800 million in municipal reserves for recreational land and having collected over $220 million in cash in lieu of parkland in 2013 alone, the funds are available for municipalities to make those investments in parks.

But to be clear, although there is an improvement in this aspect, the current debate on the proposed Smart Growth for Our Communities Act continues to be focused on how municipalities can generate more new neighbour taxes instead of achieving smart growth objectives.

As the industry has been reminded over and over again by regional chairs, mayors, councillors and municipal senior management, development charges will continue to increase, fees and levies will continue to increase, and the planning process will continue to be complicated between the tension of elected officials presenting the concerns of their constituents and professional planners presenting the best and highest use for the proposed development.

OHBA continues to advocate for fairness and transparency for new neighbours, and Bill 73 cannot result in a further piling on of taxes on the backs of future new home buyers and employers. Every increase in new neighbour taxes is absorbed by new home buyers and employers. This is a truth that those regional chairs, mayors, councillors, municipal senior management, MPPs, ministers and even the Premier understand.

Bill 73 will increase new neighbour taxes for new home buyers and new employers. The forward-looking transit formula has municipalities preparing to triple their current DC rate. The decision to add new services to the development charges list adds a new bucket of chargeable services to be captured in the mortgages of new home buyers.

The decision to remove the ineligible services list from the act and replace it with a regulatory list will add new costs with little notice. Of course, the government is contemplating other acts and policies that will increase the cost of home ownership across the province.

Bill 73 will continue to add cost to creating transit-oriented communities, and attracting and building new employment centres. The impacts will be across the province, from Ottawa to Windsor, from London to Toronto, from Niagara to Sudbury.

Recognizing that, OHBA goes back to the core recommendations we have made from the beginning of this legislative consultation.

Transparency: We need to ensure that those new neighbours—the new home buyers and employers—understand what they are required to pay to the municipalities, and that existing communities understand why their communities are changing under provincial policy and municipal planning.

Accountability: We need to ensure that commitments made by municipalities to provide roads, transit, parks and facilities with the new neighbour taxes they collect are delivered to those new home buyers and employers on time and on budget, and that provincial investments are supported by local planning so that transit lines have the ridership that makes them revenue generators, not revenue losers.

This is a key aspect of where the asset management plans come into place. Those asset management plans tied into development charge background studies will provide the baseline by which those charges can be reasonably applied. Those asset management plans need to come forward—which has been the provincial perspective for many years—to ensure municipalities are doing their part in renewing their own infrastructure.

Equity and fairness: We need to reality-test the new neighbour taxes, do the math, and ask ourselves a question: Is it appropriate to have new neighbours carry $150,000 of taxes in their mortgage? It is fair and equitable to have the new neighbour carrying the cost of infrastructure renewal or transit expansion when that new neighbour will be a property taxpayer for the next 100 years?

The government has made an effort in the proposed act to provide greater transparency, accountability, equity and fairness. More can be done and should be done

through regulation and policy. We have formally submitted those recommendations to government and believe that the respectful, evidence-based discussion we are having—and we are sharing—will serve to further improve the proposed act.

The Vice-Chair (Mr. Jagmeet Singh): Fifteen seconds.

Mr. Joe Vaccaro: In closing, I'd like to thank you for listening to our deputation today. We look forward to your questions. Again, it's a major piece of legislation that impacts everyone in the province.

The Vice-Chair (Mr. Jagmeet Singh): That's some impeccable timing. Thank you very much for that. Since there's only 15 minutes for each presentation, we have no time for questions, but I thank you very much for your presentation. Thank you for taking the time to be here.

Mr. Joe Vaccaro: Thank you.

BUILDING INDUSTRY AND LAND DEVELOPMENT ASSOCIATION

The Vice-Chair (Mr. Jagmeet Singh): We'll move on to the next deputation. Do we have the Building Industry and Land Development Association? Yes. And Bryan Tuckey, president and chief executive officer, as well as Steve Deveaux, chair? Excellent. Just to reiterate, it's 15 minutes for your presentation. I'll give you a 30-second or a 15-second reminder near the end. We do have a very packed schedule today. Just keep in mind that if you do want to open yourself up for questions, the 15 minutes is inclusive of questions. If you want to leave a minute or two for questions, it's up to you—however you wish to spend your time.

Mr. Bryan Tuckey: We'll do our absolute best, Mr. Chair.

The Vice-Chair (Mr. Jagmeet Singh): No problem. Please begin.

Mr. Bryan Tuckey: Good afternoon, Chair, and members of the committee. My name is Bryan Tuckey. I'm the president and CEO of the Building Industry and Land Development Association. Today with me I have our association's chair, Steve Deveaux.

With more than 1,450 member companies, we are the voice of the building, land development, and professional renovation industry, which are all part of building complete communities across the GTA. The impact of this industry is significant in the GTA. We created 155,000 jobs and generated over $8.6 billion in wages in 2014. What I take great pride in is that our industry is committed to affordability and choice for Ontario's new home owners. Our members not only do business in the GTA, we also live here and raise our families. That's why this is so important to us.

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Bill 73 has implications for municipalities, developers and stakeholders at all stages of the development process. It reflects critical components of the planning and development system of our communities. As interested and affected stakeholders, we thank you for the opportunity to speak to Bill 73. It is a bill that has sparked considerable interest to this association since the review was announced in 2013.

We worked closely with our colleagues at the Ontario Home Builders' Association and have invested significant amounts of time and resources to be engaged in the consultation process. Our numerous written submissions go back to 2013 and have been thoughtful and solution-oriented. I will leave one copy for the record today of some of our submissions. We're pleased to say that many aspects of Bill 73 speak to our recommendations around transparency, fairness and accountability.

For the consultations, we brought together teams of member experts who volunteered countless hours on the municipal affairs and housing development charges technical committees and the Planning Act working groups. These were established in April to support potential regulatory amendments and to look at issues requiring further analysis.

The DC groups looked at items such as a planned level of service for transit, the 10% mandatory discount from services beyond transit, ineligible services, and the applicability of implementing area-rated development charges. These issues are much too detailed for today's discussion, but I will leave you with some high-level principles and recommendations. I, too, was honoured to lend my expertise in the development charges steering committees, and today my focus will be on development charge items, and my colleague Steve will speak to some of the proposed Planning Act amendments.

First, development charges: While transit development charges is important public policy, we must recognize that they are built into the cost of every new home in Ontario as a series of taxes, fees and charges that governments place on new housing. A 2011 Altus Group study found that these fees, on average, made up one fifth of the cost of a new home in the GTA. It is important to understand that these charges are ultimately absorbed and paid for by the new neighbour. Our new residents deserve to know that the taxes they are paying are fair, accountable, transparent and, most importantly, affordable.

The industry supports transit development around transit centres and hubs and all of the associated benefits to the communities that transit serves. We're happy to contribute our fair share on behalf of the new home owner. We also recognize that there have been historic constraints on available transit funding for municipalities.

With that, Bill 73 proposes to change the way the transit DC is calculated, allowing municipalities to determine charges by looking forward at their future plans for transit. This will effectively increase the amount of transit-related capital costs that can be included in the transit DC, and OHBA's presentation outlined the impact of that increase.

During the committee process, we focused on providing professional technical advice, expert evidence and rationale. We responded to the requests of the ministry

staff team while searching for forward-thinking approaches to these issues. We would have appreciated seeing the same spirit of collaboration and critical thought from our municipal partners.

We also identified actual anticipated costs on new home owners and employers by calculating the implications on the tax base, and we went so far as to present draft transit-related regulations. Putting the numbers to public policy changes is absolutely necessary. I'm sure staff will make the committee aware of the financial impact to new home owners so you can understand the implications of these changes.

Our work showed that when the 10% eligible service requirement was removed, the tax burden equivalency on new home owners is approximately 10 times greater than that of the property taxpayer—an illustration of the actual impact on the purchase price of new homes.

We recommend the province look at and test the public policy effect of these transit DC charges by instituting a mechanism that "ground truths" the charges and their impact. This much-needed reality check relates to figures that go into the transit DC calculation to make sure we get it right and do not end up seeing what I will term as unnecessary gold-plated infrastructure.

We also need to understand the potential tax burden on the new home owner. Our future resident should not have to face paying for transit on the back of their new mortgage.

Transit funding sources for municipalities are important. We support the principle that growth pays for growth. We trust that this government remains mindful that equity and balance are required to ensure that charges for transit expansion do not disproportionately increase the cost of housing for residents or increase the cost of setting up new businesses in transit-connected communities.

Next, a bit about asset management plans.

We're very pleased to see that Bill 73 will require municipalities to integrate their use of development charges with their long-term funding strategies through an asset management plan. It is essential from an accountability perspective, and must be completed and enacted at the same time.

Background studies associated to a new DC bylaw will now expand into preparing these types of plans, which will help define what is needed versus what is wanted. This integrated system will require municipalities will look at their funding sources to build critical infrastructure to ensure their investments are financially sustainable for the full lifecycle.

Asset management plans are critical to the success of any proposed changes to the Development Charges Act, and are critical to good financial planning. They involve a detailed review of the current and future assets of a municipality, including the cost to build, operate, maintain and replace, and answer the question of whether a piece of infrastructure is affordable, not only today, but for the generations that follow. It shows a complete accounting of financial sources and clearly demonstrates how much tax revenue is needed to sustain the project.

Municipalities collect over $2 billion in DCs annually from homeowners and have over $3 billion in development charge reserves, which makes new home owners one of the major sources of infrastructure funding in the GTA. It is our collective responsibility to ensure appropriate measures to maintain accountability, transparency and fairness to the new home owner or new employer. This is essential for the future prosperity of the GTA.

I think this is where I'll hand over the microphone to my colleague, Steve Deveaux, who will make some additional points.

Mr. Steve Deveaux: Thank you, Bryan, and thank you, Chair and committee members. As Bryan mentioned, I am the chair of BILD, and when I am not volunteering my time here, I'm vice-president of land development with Tribute Communities.

The first item I'm going to speak to is voluntary charges. In our consultations with the province dating back to 2013, we raised concerns regarding payments extracted by municipalities through the use of voluntary agreements. In certain regions, access to services is not provided until the developer provides funds to the municipality, and the funds can be used at the discretion of the municipality. We found that some municipalities successfully levied additional charges on the industry for a variety of proposed projects with questionable public policy merit. This resulting voluntary agreement is only agreed to because there is no other way of getting approvals, permits or servicing to the project.

We are pleased that Bill 73 addresses this by including a section that states that municipalities shall not impose a charge related to a development or service unless it's permitted under the act. This will serve to support greater transparency and accountability to the new neighbours, home owners and new employers who would have ultimately absorbed unrecorded payments outside of the legislation.

However, what Bill 73 fails to acknowledge is that there are instances involving co-operative agreements where a developer agrees to make payment, to advance required infrastructure that is found in the approved municipal development background studies of the municipality and is in the best interests of the municipality and community. As written, Bill 73 would prohibit these. What we're recommending is that there be wording in Bill 73 to acknowledge and allow for the co-operative agreements entered into to fund this critical infrastructure.

Now over to a few of the Planning Act-related elements: Broadly speaking, our land use planning process shapes how communities grow, evolve and change over time. Any good land use planning decision has to be a reflection of the shaping and evolving nature of those communities, and municipalities must accommodate their growth in a responsible way.

Municipalities should always maintain up-to-date zoning bylaws and official plans, which you've heard before; these should align with provincial policy objectives and long-term infrastructure investments. This

legislation gives municipalities opportunities to modernize their zoning and official plans, where the focus should shift to getting it right at the beginning of the process.

With that, my first recommendation is to ask for you to restore the requirement for municipalities to review employment lands as part of their official plan review. In its current form, Bill 73 would remove the requirement to confirm or amend policies dealing with areas of employment, including the designation of areas of employment in an official plan. At a time where our vibrant cities are constantly changing and evolving, municipalities should be required to look at employment lands as they are reviewing their OP policies. Every 10 years, if it is a new official plan, is a reasonable time frame to do this in.

We don't want to take away the opportunity to have good planning for employment areas in a rapidly changing municipal environment. Instead, we should be looking to stimulate investment-ready communities that have creative, true mixed-use opportunities, perhaps in areas of our cities where traditional employment uses simply no longer make sense.

Secondly, regarding minor variance applications: Bill 73 states that minor variance applications may not be made in the two-year period following an owner-initiated amendment to the zoning bylaw. We understand this change may have been brought about as a result of a municipal concern that they would be faced with applications for additional floors and density to projects shortly after an approved rezoning.

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Unfortunately, this change does not only work to eliminate these actions; it also has the unintended consequence of eliminating a variety of other, more typical minor variance applications. When design drawings move from conceptual to detailed, there are occasions where minor adjustments to buildings are necessary to realize what has been approved. It could be a change of the height of the mechanical penthouse or the inclusion of a pipe in the ceiling of a parking space that hangs down five centimetres too low. The intent behind allowing for minor variances is in recognition that these matters develop over time.

Our request is germane to ensuring that there is a suitable amount of flexibility to completing what can be very complex development applications.

Thirdly, comprehensive zoning bylaws: In many GTA municipalities, bylaws do not truly conform to either your provincial Places to Grow plan or the official plan of a municipality. Bill 73 says that no applications or appeals would be permitted for a two-year period after a new comprehensive zoning bylaw is updated. It puts a moratorium on applications to amend a new OP or zoning bylaw for two years from the date it comes into effect.

This amendment presents a challenge for a few reasons. First, we are often left without an understanding of what sort of threshold has to be achieved to be considered comprehensive. Although it should, a comprehensive review does not require a municipality to increase height and density to be in accordance with the official plan review or the growth plan.

For example, we know that the city of Toronto took the position that its harmonized zoning bylaw conformed to the official plan, while in its eight-year review process it did not update height and density permissions to align with the OP visioning. We would suggest that this wasn't comprehensive, and it neglected to update the key elements that are essential to promoting growth in a vibrant, dynamic city.

In our experience, comprehensive bylaws are perceived to be up to date but in fact do not go nearly far enough. They may have a new date on them, but it does not mean they were comprehensively reviewed.

Without a revisit to the proposed amendments to comprehensive zoning bylaws, we can't be sure we'll collectively be able to reach the goals and reach true conformity to the provincial growth plan.

Our members work very closely with municipalities in an effort to get it right for our future residents and employers, and we collectively aim to support the creation of strong and complete communities across the GTA.

I thank you for your time.

The Vice-Chair (Mr. Jagmeet Singh): Thank you so much for your presentation. We have approximately two minutes, so we can spread those over the three parties. We'll start with the official opposition—perhaps about 40 seconds, so maybe a question or two for each party.

Mrs. Gila Martow: We all listened very intently, and I certainly understand your concerns in terms of the transparency and the costs to the actual homeowners.

My concern remains that, yes, they're setting aside land for employment purposes—we don't want to just see bedroom communities; we do want to see employment hubs. My question to you is, what sort of employment could we be seeing outside the Toronto area?

Mr. Steve Deveaux: It's a great question. I think, depending on the municipality that you're in, builders and developers and municipalities are finding it challenging to attract the kind of employment growth that they may want, and they're grappling with how to achieve some of the growth numbers that are currently in the plan with jobs per hectare.

It is a challenge. That's why we believe that municipalities would be well suited to constantly review and update—it doesn't mean convert all their employment lands to residential. That's not what we're talking about. But once you stop looking at these things, and you stop requiring that rigour of review, then you stop thinking outside of the box.

There are a lot of areas in the old city of Toronto that were formerly areas in the core that were heavy manufacturing, that have evolved into great mixed-use communities.

We're not talking about—

The Vice-Chair (Mr. Jagmeet Singh): Thank you.

Mr. Steve Deveaux: Sorry. I'm going on too long.

The Vice-Chair (Mr. Jagmeet Singh): My apologies. Time is limited. It's a really awkward system. I apologize for the way it's set up.

We have to go to the next party. Mr. Hatfield.

Mr. Percy Hatfield: Let me go back to Bryan. During the committee process, you mentioned that you were searching for forward-thinking approaches to the development charges involving transit. Your quote is, "We would have appreciated seeing the same spirit of collaboration and critical thought from our municipal partners." I read into that that, in your opinion, you didn't get that. What was the problem?

Mr. Bryan Tuckey: The problem, as I saw it, sitting in that committee—the development industry and the municipalities put forward an alternative approach to development charges. We were asked to look at each other's approach to see how it might fit. We spent a considerable amount of time working on what's called the Toronto-York subway extension model and really put in a lot of effort with our various experts. When it came to municipalities reviewing the model we put forward, there was nothing forthcoming.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. I apologize; the 40 seconds are up. To the government. Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you, Mr. Chair. I'll try and be very brief.

You touched on the issue of municipal reporting around the payments that are made, so that is development charges, payments under section 37 of the act and parkland charges. The combination of more transparency and accountability around municipalities reporting on how they use those funds, being audited—the development charges are increasing but at the same time there is going to be more accountability about how that money is spent. Do you think that is welcome to you and welcome to the prospects of ensuring that people are actually getting what they're paying for?

Mr. Steve Deveaux: I would say yes, and that's a good question. I think the point that Bryan was making with respect to asset management plans is that there requires an added level of rigour to the review of some of these infrastructure programs to make sure that not only can you pay for it today but it's going to sustain itself long-term. Are you putting the right amount of density on these plans? Is there a funding formula that makes sense? Is there going to be proper taxation for the lifespan of the project? What's been proposed in the legislation is good, but with some of the other changes that add costs to the development industry and the new neighbour, we think that there's an added level of rigour that's necessary.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much, Mr. Deveaux. Thank you very much to you both for your presentation today.

MR. JUSTIN DI CIANO

MR. ROBERT HATTON

The Vice-Chair (Mr. Jagmeet Singh): Our next presentation is from the city of Toronto, Ward 5, Etobicoke-Lakeshore, city councillor Justin Di Ciano. Welcome. Thank you for being here, sir. You've heard it before: 15 minutes for your presentation including any questions, if you'd like to leave time for that. Please begin.

Mr. Justin Di Ciano: Thank you and good afternoon, Mr. Chairman and committee members. Thank you very much for the opportunity to speak on this critical and important issue. My name is Justin Di Ciano and I am the Toronto city councillor for Ward 5, Etobicoke-Lakeshore. I have the pleasure of serving as the vice-chair of the planning and growth management committee, as well as a member of the city of Toronto's budget committee. Further to these roles, I was appointed to the committee that will be working with the province in the upcoming review of the City of Toronto Act. To my right is Rob Hatton, who is the director of corporate finance for the city of Toronto.

I am aware that city of Toronto staff participated in working group consultations over the summer and have advised their provincial counterparts of the city's position on development charges reform as part of the working group consultation. Those positions and more are laid out in a city of Toronto report on Bill 73 and DCs adopted in May 2015, which the city submits to these proceedings for your consideration.

I speak today to emphasize some of the points made in the report about Bill 73 that, if enacted, will continue to handcuff the city of Toronto in its abilities to fund necessary growth-related infrastructure. The fundamental premise of the Development Charges Act is "Growth pays for growth." In essence, development should pay for the cost of infrastructure that is required to service it, not the taxpayers. This premise is based on fairness and recognizing the need for municipal infrastructure funding.

Ontario municipalities and Toronto in particular face the dual challenge of maintaining existing infrastructure and investing in new infrastructure projects to meet the demands that growth puts on our city. The current limits facing Toronto on development charge recoveries significantly restrict municipal growth-related capital recoveries from developments in Toronto. The limits I'm talking about are:

(1) A mandatory 10% discount to the rates for specified services;

(2) The level of service caps limiting recoveries to expenditures in line with average past spending; and

(3) The list of municipal capital programs ineligible for development charges.

The Development Charges Act and the restrictions I mention were implemented by the government of Ontario in 1997 as a result of rapid greenfield growth in suburban municipalities. They are not appropriate and not properly suited for Canada's largest city, where all development is infill, and thus is directly contributing to the municipal infrastructure funding challenges faced by the city of Toronto today.

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The reality of Toronto's municipal infrastructure gap is unsustainable. We are struggling to maintain assets such as the Gardiner Expressway, the TTC and the largest social housing portfolio in the country. These

demands are disproportionate to the size of the city. We are the only municipality that operates and maintains limited access and elevated expressways. We have the highest per capita transit use, and we operate high-cost, high-order transit facilities like subways. We have the largest stock of old social housing communities, where over 200,000 people live in buildings that were designed and built when electricity was cheap and reliable, carbon wasn't a concern and air conditioning was a luxury, not a necessity.

The development industry recognizes these challenges, but does not support removing the restrictions on development charges, citing housing affordability concerns. As a commercial real estate and finance executive for the past 10 years, I can tell you first-hand that this argument is simply misleading.

Like all input costs, development charges obviously make up a portion of the purchase price for a new residential dwelling. However, overall, development charges have very little to do with new housing prices. The only factor that changes when development charges in Toronto go up is the price for land will go down. This is what we call the variable cost.

Home prices are established by market conditions, interest rates, location, type of housing, access to transit etc. Developers sell new homes based on fair market value: What can people afford to pay and what can developers offer for that price? Only then do developers know what value they can afford to pay with respect to the variable cost of land.

Today, development charges and levies in Mississauga, Oakville and Brampton are up to three times higher than in Toronto, and yet labour costs are the same; concrete costs are the same. The only difference is, home prices in those cities are $100 less on average per square foot than in Toronto. Still, developers continue to develop in those cities and they continue to make money.

Developers in Toronto pay the lowest development charges in the GTA, yet we have the highest price per square foot for new residential units. Simply put, input costs are not dictating prices in Toronto. Supply and demand is dictating prices, placing landowners in a very privileged position. Of course, when development charges are higher, the value of their land is discounted. So I ask you, who is in a better position to afford it?

Development charges are required to provide services that new residents need and deserve. Constraining development charges impedes a municipality's ability to provide this infrastructure for services on a timely basis. It is for these reasons that I respectfully ask that the province move beyond limited changes to the act related only to transit and solid waste diversion and restore the ability to fully charge DCs for all services.

I would also like you to consider improvements to the act to address administrative changes that, if enacted, will be financially punishing for the city of Toronto to administer. They include reversing the proposed amendment to make DCs payable at the time of the first building permit, reversing the proposed amendment to give the minister authority to require area-specific development charges, and eliminating the provision that guarantees the OMB can never rule to increase the DC cost to developers. The way it is now, developers can only win. I think you can appreciate that it doesn't create conditions for fair discussions when one side is in peril and the other risks nothing.

I know the development industry will tell you to move slowly and carefully in regard to anything that will increase development charges. One of their most successful strategies is to require delaying implementation. I'm here to tell you the opposite. Developers in Toronto must pay their fair share. Since 1997, the city of Toronto has lost hundreds of millions of dollars in forgone development charges. As Canada's largest city, we risk losing competitiveness from a lack of infrastructure investment required for future growth. As Mayor Hazel McCallion said, we have two choices: We can advance development fees for infrastructure or put it on our property taxes and utility bills. Now is the time that, as politicians, we act in the interests of the people, not special interests. We have a duty to restore fairness and balance for both the city of Toronto and the taxpaying public. Our prosperity as a city lies with you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much, Councillor, for your remarks. They're well appreciated.

We have about two minutes for each party for questions. In this rotation, we'll begin with the third party.

Mr. Hatfield, please begin.

Mr. Percy Hatfield: Good afternoon. Welcome. You talked about development charges in, of course, the GTHA.

The municipality of Leamington, in a three-year experiment, did away with development charges altogether, replacing it from a reserve fund, having a housing boom. New subdivisions are going up everywhere: multi-residential, industrial.

When you talk about development charges, are there creative ways of still having development in the greater Toronto area that you could look at, as opposed to just talking about the elevation of development charges?

Mr. Justin Di Ciano: I don't believe that we have an issue in Toronto with respect to attracting development. I think that as Canada's largest city, we're in a very unique position, much different from our surrounding municipalities, with the social costs we bear to deliver services.

With the amount of growth that's coming, we simply cannot move any further without bringing development charges that are meaningful. Like I said in my speech, we have the largest stock of social housing; we have the most complex forms of public transit. When people migrate to Canada, most of them are coming to Toronto. Without the ability to invest in infrastructure, the city is going to be swallowed by its own success.

The Vice-Chair (Mr. Jagmeet Singh): Thirty seconds, if you'd like to ask—

Mr. Percy Hatfield: Of course. Where are you going to get the money to improve your stock of social housing?

Mr. Justin Di Ciano: Well, if we didn't, as a city, have to take tens of millions of dollars of our own capital money to put into infrastructure, understanding that between 2009 and 2013, the city of Toronto taxpayers paid $350 million extra to receive the same level of service as a result of new development—if we could take that money and allocate it where we need to allocate it, because we had the right calculation for development charges coming in, we could focus on both, as opposed to just trying to make a priority with the limited resources that we have.

The Vice-Chair (Mr. Jagmeet Singh): We'll now move to the government. Mr. Milczyn.

Mr. Peter Z. Milczyn: Good afternoon, Councillor Di Ciano. Welcome to Queen's Park. Thank you for your presentation. You raised a number of good issues.

Certainly, the changes in this bill, should it be enacted, will increase development charges for transit, which is a significant issue in the city of Toronto, and also for waste diversion facilities, which, in the city of Toronto, whether there are challenges with implementing new systems for the separation of waste or eventually looking at a new landfill or other technologies to deal with increasing levels of waste—those things are being built in.

Also, while not part of the bill itself, the minister did announce certain regulatory changes that would allow for a forward-looking averaging of service levels for development charges. In 2017, when the city of Toronto undertakes its next development charges background study, I believe you will have a lot of tools at your disposal to conceivably dramatically increase development charges, if the city so chooses.

Mr. Justin Di Ciano: I don't see it 100% like that. I did state that we appreciate the fact that waste diversion and transit are going to be treated differently from development charges, but we're asking for all growth-related infrastructure to have the same courtesy.

I can put it over to Rob to further clarify.

Mr. Robert Hatton: I think that's fair to say. When city council looked at this in May, they said what is being proposed is great but it just needs to go further.

Mr. Peter Z. Milczyn: And the city of Toronto has the lowest property tax rates and the lowest DC rates in the GTA.

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The Vice-Chair (Mr. Jagmeet Singh): You have about 10 seconds, if you'd like. There's not much you can do in 10 seconds.

Thank you very much, Mr. Milczyn. Now to the official opposition.

Mr. Ernie Hardeman: Thank you very much for your presentation. I'm a little inquisitive about when you talked about the cost of development charges: that if you took the lid off and just charged as much as we need to cover the infrastructure costs, that's not having an impact on housing. Then you carried on and said that, in fact, what causes the increase in housing is the marketplace, because people are willing to pay for it because they have to. Isn't there a connection between the two: that the reason that prices are so high is because it costs that much to create that, and if you're not willing to pay it, it wouldn't be created? Is that—

Mr. Justin Di Ciano: To an extent, you're correct, but we need to fully understand the dynamics of how the industry works. The only variable cost, essentially, is land. We know what our soft costs are, we know what our hard costs are, our marketing costs, our agency fees, all that kind of stuff. Ultimately, developers look at it as, "What's the affordability rate? What's the fair market value? What can people pay?" They look at interest rates and they say, "Okay, $400,000 is the average price that someone can pay for a condo." So we know what are our hard costs are and we know what our soft costs are. What's left is our land and our profits.

If development charges go up, simply put, the development industry just has to pay less for land, because they're not going to build at a loss—needing to understand that a lot of developers own a lot of land. But if you look at the average gas station in the downtown core that was purchased 10 years ago for $2 million, today it's worth $30 million. I'm fine if it goes back down to $25 million, but at a certain point—that's why it's misleading to suggest that we're going to put it on to the end consumer, the end buyer. If we think that it would be that easy to just add another $25,000 to the price of a residential dwelling—it doesn't work that way. If they could do it, the development community would do it. They don't because they're going after what's fair market value.

As long as people are buying at fair market value, provided that development charges and levies are elevated, land values will go down. It doesn't have an effect on whether construction starts are going to happen or whether we lose jobs. It has nothing to do with that. You're simply taking away from the land value to put into the development charge, to just do what the Development Charges Act states, which is—

The Vice-Chair (Mr. Jagmeet Singh): Sorry, we've run out of time. I wanted to just jump in. Thank you so much to the councillor, Mr. Di Ciano, for your presentation.

Mr. Justin Di Ciano: Thank you very much.

TIMES GROUP CORP.

The Vice-Chair (Mr. Jagmeet Singh): The next presentation will be from Times Group Corp. Is the Times Group Corp. present? Excellent. I have Ira Kagan.

Mr. Ira Kagan: Thank you very much. Good afternoon, Mr. Chair and members of the committee. I'm a lawyer who practises municipal and land development law and I've done so for the past 25 years. My clients include both developers and municipalities.

I'm here today on behalf of one of my clients, Times Group Corp. They're one of the largest developers of high-density residential in York region. Times builds its projects in the very areas that the growth plan identified as growth areas, such as Markham Centre and parts of Richmond Hill. Not only do they build in the areas that

the growth plan wants them to build in, but they build the type of projects that the growth plan envisions, which are these higher-density residential complete communities. In addition, Times also builds LEED gold and higher projects. The projects that Times builds have been used as examples, by York region itself, as being the kind of projects that are critical to fulfill the goals and objectives of the growth plan.

As many of you know, York region and the province have invested billions of dollars in higher-order public transit, and York region relies on money earned from these higher-density projects to pay back the substantial investment and debt that it's incurred. So the backdrop of my deputation today is that the province and the municipalities and my client—in fact, beyond my client; most developers in the development community—all want to see the growth plan succeed. They want its vision to succeed and for good planning to result. The challenge is how to get there. So I'm going to make, respectfully, three recommendations on how to improve that vision through the proposed changes to the Planning Act and the Development Charges Act.

My first topic is going to be parkland dedication. As you know, the current Planning Act permits municipalities to take land or cash in lieu of land at a maximum rate of one hectare per 300 dwelling units. The bill before this committee proposes to change that maximum to one hectare per 500 dwelling units. While that change is a step in the right direction, it isn't going to fix the problem. More is needed.

The problem is the formula. If you base Planning Act parkland dedication on number of hectares per dwelling unit, you can change these numbers any way you want and make these numbers anything you want, but no matter what you do, the formula itself is flawed and will discourage intensification and affordable housing—and I'll work through some simple arithmetic to show you—because it penalizes higher density development and penalizes smaller, more intrinsically affordable units. I'm going to show you how this works.

For high-density residential sites, the land value of the site is directly proportional to the permitted density. Everything else being the same, if you have a site with two times density and a site with four times density, the site with four times density is worth double. Now, if you're bordering Central Park in New York, obviously your land value is going to be more than if you're bordering a garbage dump. But in the GTA, we don't have those kinds of locational attributes for most high-density sites, because the growth plan tells you where to put the high-density sites. So everybody is on the same playing field, more or less.

I want to use an example to illustrate the problem. Imagine you have a parcel of land with permission for a 10-storey apartment building. I'm going to ask you to assume that the 10-storey apartment building has a density of 2.0 times the lot area—2.0 is not a very high density site in the GTA, but it's something you would see planned, for example, on Highway 7 in Richmond Hill, Markham and Vaughan. That's the minimum—2 or 2.5.

So you've got this 10-storey apartment building with two times density. The average apartment size being built these days is between 700 and 800 square feet. Based on current land values in Richmond Hill, Markham or Vaughan, each of these apartments would pay approximately $25,000 in cash in lieu of parkland. The municipality takes the money from this one apartment unit—$25,000—gathers up all the other money it receives from every other apartment unit and uses it to go out and buy parkland in the appropriate location.

Based on the municipal estimates, this unit in the apartment building that I've just designed would have anywhere from 1 to 1.5 persons living in it. Just to make the math easy, assume therefore that the municipality has calculated that each person in the 10-storey apartment building pays $20,000 toward a fund, and that money goes to buy parkland for them. So the amount of money it would cost to buy parkland for one person is $20,000 for the 10-storey building.

Now, I'm taking that exact same 10-storey building to illustrate the problem with the formula. I take that same 10-storey building and put another 10-storey building directly on top of it. Now I've got a 20-storey building. Everything else is the same. Average apartment size is the same. You have doubled the number of units on the same piece of land; you have double the density. You'd think that if $20,000 was enough for the person living on the second floor of the building—I live on the second floor in an apartment unit by myself; I just paid $20,000 toward parkland. You'd think that if there was another building built right on top of me, I would still pay $20,000. I'm one person living in one unit, and that's how much parkland generation I create; $20,000 was enough for me before, and it should be enough for me now.

Because of the way the formula works, the density of the site doubles and the parkland rate doubles. I'm now paying $40,000 in parkland. Why? Because I've got a neighbour on top of me. If I didn't have the neighbour on top of me, I would pay $20,000. The building itself, at 20-storeys high, pays four times the amount of parkland as the 10-storey building. It should be double. If I have double the number of units, I should pay double the amount of parkland.

The problem is the formula, because the formula does a double multiplication. It says you have doubled the units; you pay double. Everyone is okay with that. But the land value has doubled, so it's double times double—four times. Now, if I make it a 30-storey apartment building, that would be six times density. It sounds like a big number, but it isn't. That's the density being planned in parts of Richmond Hill, for example. I work on a project right now in Kitchener at over eight times density—21 storeys high. Not the biggest deal in the world. So these numbers, six times density, are very realistic and they're what the growth plan encourages and envisions.

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I've got a 30-storey apartment building—a 10-storey apartment building on top of another, on top of another.

Now, me, living on floor number 2—I now pay $60,000 of the purchase price towards parkland. What happened to the fact that $20,000 was enough to buy me the parkland that I was going to need? Why did it become $60,000? Not because, all of a sudden, I need a more expensive fancy park, but because the formula creates this inequity.

No tinkering with the formula—X hectares per X dwelling unit—is going to fix this problem. The only thing that fixes this problem is a percentage cap on parkland. Many municipalities are doing that right now voluntarily, but not all are. Examples of who is doing it voluntarily: Toronto has a 10% to 20% cap on parkland; Aurora, 5%; St. Catharines, 30%; Guelph, 20%; Windsor, 25%; and Waterloo, 15%. This is not a complete list. These places have the concept right.

The province has an opportunity in Bill 73 to require a percentage cap for parkland dedication. I want to make it clear that, with a percentage cap, there will never be free units built because, as the number of units in a building goes up, every unit has to pay parkland dedication, but the first unit in the 10-storey building will pay that same amount. Whether there's a unit on top, or on top, or on top or on top, every unit in the building will pay the same amount. It makes no sense, when I go from a 10-storey building to a 20-storey building, that I personally have to pay double for parkland. It makes no sense, and it's the problem with the formula.

My respectful recommendation is that the province amend the Planning Act to provide a percentage cap on parkland takings for high-density residential development. That's all we're talking about: high-density residential in planned growth-plan intensification areas. My recommendation, based on the survey I've done, is for a 15% cap.

My second recommendation deals with development charge credits for LEED development. LEED development is Leadership in Energy and Environmental Design. It's a way to build more sustainable buildings. All municipalities encourage builders to do it, but they're not required to do it. Builders, being business people, will do it if there's a reason to do it, if there's a market to do it, but if it just costs more money and you can't get anything out of it, it's hard to motivate people to do it.

So the province has an opportunity to provide an incentive for LEED development. LEED development would create less waste water, use less fresh water and, depending on the type of LEED features that are put in the building, put less of a strain on roadways. You can actually, by encouraging LEED development, reduce the amount of money the province and municipalities have to spend on new development.

If a building has LEED development and produces less waste water and uses less water, it should pay less in development charges, but the act doesn't require that. It says, instead, that we spread the cost of all kinds of development equally amongst everybody, so the first people to build LEED development get no benefit from it. You'd need lots of people to build LEED developments before you start to see a reduction in the amount of roads and water that are required. How do we do that? We have to incent them to do it.

My recommendation is that there be a statutory discount for LEED development buildings. It doesn't have to be a huge discount at the beginning, but you have to provide a reason for people to build this, so that everybody saves money in the end, so eventually development charges can come down. Right now, municipalities encourage this LEED development, but they have very little way of requiring it.

My last recommendation is also a development charge credit, and it's for higher-density development. The same idea as I described with respect to parkland occurs with respect to development charges. Generally speaking, development charges hit the smaller, more affordable apartment units and the more dense development projects. It hurts them much more than it hurts the subdivision, low-scale development. Yet the growth plan specifically encourages this higher density development, so you've got one piece of legislation saying, "Please build more high density in the growth-plan-identified areas," but you've got all your taxes, if I can call it that, working in the opposite direction.

Development charges are very complicated, but if I can just summarize it this way: The municipality goes out and does a big study and determines that these are the roads and water services, for example, that it needs to build in order to accommodate the planned intensification. That planned intensification is based on growth plan minimums, so it assumes, for example, a 20-storey building over here and it creates the charge for that. Then that developer comes in and says, "I know you assumed 20, but I really think good planning is 30 storeys over here," and the municipality agrees.

Why does that project have to pay 50% more development charges when the entire study was based on the assumed density, that that's what they're going to build? My recommendation is that where a project comes in at a higher density than was assumed in the background study—a higher density than was assumed in the growth plan minimum—that that project only pay the development charge that was assumed in the study; again, only for high-density development. This is a great way to encourage the type of development that the growth plan envisions.

Those are my recommendations. I hope I didn't take all 15 minutes because I'd love to answer some questions.

The Vice-Chair (Mr. Jagmeet Singh): Thank you. No, you haven't taken all 15 minutes. There are about two minutes, 10 seconds left.

We will begin first with the government side. I believe it's Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you, Mr. Kagan—a fascinating presentation. I'd be happy to debate it with you all afternoon, but we don't have the time.

In this legislation, however, we are putting in place a measure to ensure that municipalities, when they take

cash in lieu, they take a more reasonable amount, and also put an onus on municipalities to actually plan for parks, which they will build and provide to new purchasers.

Notwithstanding your presentation, do you think it is a step in the right direction?

Mr. Ira Kagan: Absolutely. I fully support the requirement for a parks plan; I fully support that. The change in the legislation from 1 to 300 to 1 to 500 is a step in the right direction, but the formula is what's broken. That was the point of my presentation.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. We'll have to move to the next party. Thank you for your question.

From the opposition, Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your very involved presentation. I noticed that you listed three or four things in your recommendations. If I had a magic wand and I could fix one thing for you, what would it be?

Mr. Ira Kagan: Parkland. That's why I did it first. Hands-down, the parkland charge in the GTA exceeds all other development charges combined by a significant factor. If you want to fix one thing that will make a really big difference, put a percentage cap on parkland, please.

Mr. Ernie Hardeman: Thank you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you, Mr. Hardeman.

Moving now to the third party: Mr. Hatfield.

Mr. Percy Hatfield: Not all of us are from the GTA. A lot of us would like to see a lower limit on parkland so that we would have more parkland as a quality-of-life issue; so the 200 or 300 doesn't do a lot for me.

Why don't we just say to the developers, "Before you come in with a plan, bring your parkland with you. Don't give me cash in lieu; bring parkland"?

Mr. Ira Kagan: For low-density, grade-related housing, that's exactly what developers do, and no one was suggesting that that system was broken. My recommendation only dealt with high-density residential developments.

Mr. Percy Hatfield: Exactly. So instead of putting up two towers, put up one and give parkland and you have a more valuable neighbourhood?

Mr. Ira Kagan: If it weren't for the growth plan requirements, that's what developers would choose to do, in fact. Now the fight at municipalities is quite different than it used to be. It used to be that the developers would fight really hard to get more density on a site. Now, because the parkland rates are so high, developers are saying, "I can't afford to build the high-density anymore. I want to change my permission to lower density and I will give you dirt." And the municipalities are saying, "You can't do that, because then we can't meet our growth plan targets."

It's exactly the reverse of what you were saying. For this very reason, the formula is broken.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much.

Mr. Ira Kagan: Thank you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you for your presentation, sir. Thank you for all of the questions.

ONTARIO PROFESSIONAL PLANNERS INSTITUTE

The Vice-Chair (Mr. Jagmeet Singh): We'll move now to the next presentation: the Ontario Professional Planters Institute. Are you present?

Mr. Peter Z. Milczyn: Planners.

The Vice-Chair (Mr. Jagmeet Singh): Sorry. My apologies. I have trouble reading.

Ms. Andrea Bourrie: I could be a planter, if you want me to be one.

The Vice-Chair (Mr. Jagmeet Singh): I would love for you to show us the importance of planting. Thank you.

The "planners" institute—right. Andrea Bourrie, president, and we have Loretta Ryan, director of public affairs. Please begin.

Ms. Andrea Bourrie: Thank you very much, Mr. Chairman and members of the standing committee. It is my pleasure to be before you today. My name is Andrea Bourrie, and I am the president of the Ontario Professional Planners Institute, also known as OPPI. We appreciate the opportunity to speak to you today about Bill 73, the proposed Smart Growth for Our Communities Act.

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We are the recognized voice of the professional planners in Ontario, and our more than 4,000 members do work in government and private practice. We work with respect to not-for-profit agencies, academia, in the fields of urban and rural planning, as well as in community design, environmental planning, transportation, health, social, so we certainly cover the full gamut of the types of issues that you deal with. Our members meet quality practice requirements and are accountable to OPPI and the public to both practise ethically and abide by a professional code of conduct. So we really are a professional organization that feels we have some great ideas to bring forward to you today.

Only full members are authorized to practise in Ontario under the Ontario Professional Planners Institute Act, 1994, and to use the title "registered professional planner." We have made numerous submissions to the province over the last several months and years and do feel that we have an opportunity to continue that consultation and really welcome the opportunity.

We really support the efforts of the province to improve our legislative tools and welcome a number of the positive changes that are being proposed within Bill 73. We are pleased to see that many of the comments that we have raised previously have been included. For your reference, these submissions are available on our website at ontarioplanners.ca.

While we are pleased to see a number of our previous submissions included, there are a few things that I would like to raise to you today, some additional improvements

to the bill that we think would make things even better. My comments are going to be given to you in two parts, the first part related to the Planning Act and the other section related to the Development Charges Act.

With respect to the Planning Act, generally we believe that there are a number of proposed changes to the act that will achieve the goals that you have set out with respect to effective citizen engagement, stability for planning documents and increased municipal accountability, strengthening the protection of provincial interests, encouraging more proactive planning and providing enhanced planning tools at the local level. I do applaud you for those efforts.

With respect to some additional comments, the 10-year time frame to implement the provincial policy statement: We do support the extension that has been included in the bill. The extension of this time frame should afford municipalities more time to properly contemplate and implement major changes that are being proposed by the province. It also allows the province an opportunity to conduct meaningful stakeholder engagement when reviewing the PPS.

I would like to suggest to you that the province also harmonize the time frames for reviewing the PPS with other major provincial plans, specifically the Greenbelt Plan, the Oak Ridges moraine plan, the Growth Plan for the Greater Golden Horseshoe and the Niagara Escarpment Plan. Really, what we're talking about is minimizing the potential for being in a constant state of perpetual review, particularly related to these foundational policy documents that guide land use in Ontario. I think that that would be an additional help to the province, the municipalities and certainly the planners who are involved in these reviews.

With respect to the 10-year time frame for a review of new official plans, again we support the changes that have been proposed to extend the time frame for reviewing plans from five years to 10 years, particularly after a new official plan has been approved under the Planning Act. Most municipalities undertake considerable effort and community engagement during these official plan processes. In some cases, it may take up to five years to actually complete the process and have a new official plan come into place when we account for dispute resolution and appeals. With this in mind, we believe that the extended time frame is reasonable and the rationale that has been provided is appropriate.

We would suggest, however, that the 10-year time frame be stated as a maximum and, where desirable, municipalities should be encouraged to review their plans based on local circumstance, and potentially even review things sooner if those circumstances require it. Some consideration for the term "new official plan" may also be appropriate because there may be some interpretation about what "new" actually means. A famous interpretation issue is trying to make sure we understand what we're all talking about.

With respect to limitation of whole plan appeals, OPPI had previously commented that the province should consider limiting whole plan appeals. We are supportive of the current effort to limit the potential for frivolous whole plan appeals. We are also supportive of the changes which limit appeals on certain matters of provincial interest, including:

—vulnerable areas under the Clean Water Act;

—population and employment forecasts assigned through the growth plan to an upper-tier municipality, as well as forecasts assigned to a lower-tier municipality where an upper-tier plan has been approved; and

—settlement area boundaries in a lower-tier official plan where a corresponding upper-tier plan has been approved.

We note that the need to review employment lands as part of an official plan review process has been removed as a mandatory requirement. This does cause a little bit of concern. While we understand that the employment land component of an official plan review can be controversial and result in time-consuming appeals, we do believe that the province needs to encourage municipalities to proactively plan for employment growth.

Our economy is dynamic and it's crucial that communities should be free to modify, update and review employment area policies to respond to emerging issues and opportunities. I do believe that there are alternative tools that would help to better protect employment areas over the long term and reduce the potential for controversial appeals and that these opportunities and these tools should be further explored.

While the current Planning Act limits appeals on site-specific employment land conversions, we do suggest that the province consider restricting appeals on the approval of employment land policies where local municipalities have implemented or applied the growth plan. Some criteria could be established to further scope the potential for appeals on employment land policies.

With respect to two-year restrictions on amendments to new official plans and comprehensive zoning bylaws, again, we are supportive of the province's intent to limit appeals for new official plans and comprehensive zoning bylaws, but we do think that some additional attention is needed to allow for flexibility to recognize different approaches that municipalities may choose to undertake. Some rural municipalities, for example, rely on the amendment process to refine official plan boundaries, and older municipalities may actually look at the amendment process to refine development standards which may not necessarily apply to all sites. There needs to be some flexibility, I think, to take a look at specific standards.

With respect to mandatory policies on public engagement for official plans, we are very supportive of the idea to include those policies as a mandatory requirement for official plans.

As well, alternative forms of consultation and notification: We think that the Planning Act currently allows for alternative measures for consultation, and we're very supportive of the idea of extending these permissions to subdivisions and consents. Making best use of technology is really something that we need to be thinking

about, and making sure that the public can be effectively engaged on planning matters.

With responses being required for written and oral submissions: It's our understanding that Bill 73 provides a new direction for various decision-makers to provide explanations as to how to deal with various written and oral submissions that might come forward as part of a public meeting. Overall, OPPI is supportive of this direction and encourages transparency and accountability in all of these initiatives. The province should, however, consider providing some guidance that will help implementation and allow for some flexibility for the general summary of comments because it does get a little bit challenging to make sure that you're dealing with things comprehensively.

We do support Bill 73's direction with respect to dispute resolution in allowing decision-makers to resolve conflicts prior to holding an OMB hearing. We expect that there would be further details coming as we move towards implementing regulations.

With respect to mandatory planning advisory committees, again, we are very supportive of this initiative. I think it does talk a lot about engagement and there are municipalities that are using this, and I think that it is a great opportunity to bring this forward.

The community planning permit system is always an interesting topic, and OPPI is an advocate for the development permit system which is intended to streamline the development approvals process. Through proper guidance and criteria, the tool can avoid unintended consequences: conflicts between upper- and lower-tier municipalities, increased costs and the potential for appeals.

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While Bill 73 does provide provisions that would allow the province to impose these requirements, we note that there aren't a lot of municipalities that have taken up this tool voluntarily. I think it's important that the province consider providing some criteria for how and when such a system would actually be imposed, because I think we need to understand what the criteria are for requiring this, when until this point it has been voluntary.

I'm going to move on to changes to the Development Charges Act, because I know I'm probably almost out of time, and you gave me a lot of material to cover. Obviously, development charges are a very important tool for municipalities. It's one of the primary financial tools allowing municipalities to plan for growth and deliver the necessary physical improvements for communities.

OPPI supports the province's efforts to improve the Development Charges Act. We do applaud you in some of the changes that have been made. With that in mind, I do have a few comments that I'd like to make.

The transit discount: OPPI does support the removal of the 10% discount for transit services. This was previously raised in our January 2014 submission, and we are encouraged by the proposed changes. I think they will help to better support local sources of transit funding.

We would also like to take the opportunity to reiterate the concern raised in our May submission about the provincial plan review. Local sources of funding alone will not be sufficient. We need to find an opportunity to explore dedicated sources of funding for transit. I think that our May 28 submission goes into that in additional detail.

With respect to the use of alternative levels of service, OPPI does support the opportunity for municipalities to develop cost recovery charges based on projected future levels of service. While we understand that these regulations will provide more details, we encourage the province to provide clarity on how and when alternative methodologies will be accepted. We suggest that the province strengthen this particular policy to reduce the potential for conflict in its application.

With respect to reporting requirements, we do support the requirements that are intended to increase transparency and accountability. Requiring municipalities to create an annual report that shows how parkland dedication and density bonusing fees have been collected and applied is a very reasonable policy, and we're happy to see that.

To ensure that a consistent approach for reporting is applied, we think there might be some opportunity for some additional guidance to come down from the province.

Lastly, with respect to linking development charges to asset management, the proposed changes to the act direct municipalities to integrate asset management planning with the preparation of development charges background studies. In principle, we do support the change, although we understand that this may require some significant harmonization for many municipalities, and that's something that I think you need to take into consideration.

Thank you very much for the opportunity to speak to you. We do support your efforts to improve and streamline Ontario's planning system. It's very important to OPPI, and we welcome the opportunity to continue our collaboration.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. We have just a little bit over one minute. It's not a lot of time for questions, but perhaps we could try to do some questions quickly. We'll begin with the official opposition. Ms. Martow.

Mrs. Gila Martow: I'm going to ask you very quickly: A lot of times, governments make regulations, but people try to find a way around them. My concern, which I see up in York region, is that we're building bus lanes for rapid transit but we're still building high density along those bus lanes, with lots of parking. What is your opinion on allowing higher density along transit routes but still building all this parking?

Ms. Andrea Bourrie: Thank you very much for the question. I think it's a matter of change management, right? We're human beings, and we have to get used to these differences. We have to continue to provide efficient, affordable and easy-to-use options. I think that will happen over time. As we move, we have to phase those parking requirements. To go cold turkey is a little

bit difficult, and I think we just have to continue to work toward it.

The Vice-Chair (Mr. Jagmeet Singh): We'll move now to the third party.

Mr. Percy Hatfield: Thank you, Andrea, for a very comprehensive presentation. What are your suggestions for the criteria for citizen appointments to the planning advisory committees?

Ms. Andrea Bourrie: Again, an interesting question. I think that one of the key things is training. I think it has been used in other jurisdictions, where people who are sitting on a planning advisory committee need to go through a formal training process. It doesn't really matter what your background is, as long as you've had some training. I think that's a good first step.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much, Mr. Hatfield; thank you very much for the answer. To the government side, Mr. Milczyn.

Mr. Peter Z. Milczyn: Ms. Bourrie, thanks for your presentation. Your organization represents both municipal planners as well as private sector planners. Do you think that the suite of changes that's being proposed in this legislation will make the planning process more transparent, more accountable and more predictable for everybody?

Ms. Andrea Bourrie: Thank you very much for the question. I do think that the transparency and accountability improvements are positive. I think that you'll still have some debate over it, as there always is, but I do think that they are very positive steps.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much for your presentation, and thank you for being here.

Ms. Andrea Bourrie: Thank you.

The Vice-Chair (Mr. Jagmeet Singh): We have two cancellations, so we're going to move ahead, if the other presenters are here, by chance. Is anyone here from the Liberty Development Corp.?

CITY OF PICKERING

The Vice-Chair (Mr. Jagmeet Singh): Is anyone here from the city of Pickering? Would you be in a position to present, sir?

Mr. Paul Bigioni: Certainly.

The Vice-Chair (Mr. Jagmeet Singh): Excellent. Is it Paul Bigioni—

Mr. Paul Bigioni: Yes, it is.

The Vice-Chair (Mr. Jagmeet Singh): —director of corporate services and city solicitor. Please have a seat. Sir, you have 15 minutes to present. That 15 minutes also provides time for questions, if you choose to leave any time for questions. Please begin.

Mr. Paul Bigioni: Thanks for this opportunity to speak about concerns that the city of Pickering has regarding Bill 73. I'm going to address specifically the proposed amendments in the bill concerning the Development Charges Act. My submissions today are confined primarily to proposed section 59.1.

I'm here primarily because I'm concerned about the impact that Bill 73 may have on the Seaton development area within the city of Pickering. Seaton is the largest new development area within Pickering and, in fact, one of the largest greenfield developments in all of Canada. I need to give you just a little bit of background about the scope of Seaton so that you can appreciate its importance to the city.

By the year 2021, Seaton is expected to have almost 13,000 housing units occupied by over 36,000 people. These are all new residents. In the same time period, Seaton will be home to over 7.3 million square feet of institutional, retail, commercial and other non-residential development. These numbers are expected to increase with subsequent phases of development. Seaton includes also about 800 acres of employment land, most of which is currently owned by the province of Ontario, which is presently considering the appropriate means of marketing those lands

Seaton is, for those reasons, of tremendous importance to the city, but to put it in perspective for you, Pickering has a population of only about 94,000 people, so adding 36,000 more residents will increase our population by over a third by 2021 or shortly thereafter. So imagine, to put it in perspective, adding a million more people to the city of Toronto within that same time frame. This is radically important for the city of Pickering and for its taxpayers.

Seaton will require a massive investment in infrastructure. Roads, storm sewers, storm water management facilities, libraries, recreational facilities, parks and fire stations will all have to be built, and have all been planned for, to accommodate the influx of residents and employees in Seaton.

As required by the provincial plan for Seaton, the city has conducted a detailed fiscal impact study surveying the infrastructure demands. Based on the results of that study, the city has negotiated an agreement with the province and with the private landowners in Seaton to provide for the equitable sharing of infrastructure costs among all the parties. This agreement provides, in part, that the private landowners shall make payments to the city over and above the development charges which are payable under the act. This agreement is crucial because without it, Seaton is not fiscally viable. I need to be completely clear about this: Seaton can't proceed without this financial agreement in place, and development charges alone are manifestly insufficient for the financing of the necessary infrastructure. This is why I'm worried about Bill 73.

In its present form, Bill 73 would add a new section 59.1, which I can state very briefly will say, "A municipality shall not impose, directly or indirectly, a charge related to a development or a requirement to construct a service related to development, except as permitted by this act or another act."

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This new section is dangerous because it could possibly, arguably, nullify the Seaton financial agreement, and I respectfully submit that a new section 51 must be

added to the bill or it must be entirely removed from the bill. Bill 73 may, as a result of this section, have an unanticipated consequence of stopping development in Seaton, and I can't believe that that was the legislative intent underlying the bill.

Section 59.1 is important because it purports to end, at least by necessary implication—and according to MMAH staff, it is intended to end—voluntary contribution agreements. Those are agreements between municipalities and landowners providing for payments over and above development charges under the act. The Seaton agreement is but one example of a voluntary contribution agreement. These agreements are used in situations where necessary infrastructure to support new development would be an undue burden on a municipality's tax base.

Getting down to it: The city of Pickering has three key messages which I would like to present to you regarding section 59.1:

First of all, the use of voluntary contribution agreements is at times necessary because the level of cost recovery within the act is insufficient. Pickering, therefore, asks that section 59.1 be removed from the bill or substantially amended.

Second, if the province is intent on prohibiting voluntary contribution agreements, that should only be done after an exhaustive and comprehensive review of the sufficiency of the level of cost recovery contemplated by the act itself. While the province has held certain round table discussions in connection with this bill, the agenda for those discussions has been somewhat limited, and they don't suffice to address the overall insufficiency of cost recovery under the act.

Third, if the province remains intent upon prohibiting voluntary contribution agreements, then I ask that section 59.1 of the bill be amended to clearly exempt the Seaton financial agreement.

I prepared a draft revision to section 59.1. It is included with the handouts that I've provided. My revision, if implemented, would clarify that voluntary contribution agreements entered into before the bill comes into force would remain valid and enforceable. My proposed revisions would not address the insufficiency of cost recovery under the act, but they would, at a minimum, protect Seaton from the effects of the bill.

I've submitted my revisions to Ministry of Municipal Affairs and Housing staff previously for their consideration as well.

In conclusion, I have to point out that Seaton matters a great deal to the city of Pickering, but it also matters to the province. Seaton is no ordinary subdivision development. It's a provincial plan created by the province under the Ontario Planning and Development Act.

The central Pickering development plan, as it's called, is one of only a few such plans ever created by the province. Changing Bill 73 to protect the Seaton financial agreement is not just good policy; it's necessary for the implementation of the province's own plan for Seaton.

With that, I thank you for the opportunity to speak to this important matter.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much for your presentation. We will begin with the third party with respect to questions. We have about two to three minutes—let's say three minutes—for each party to deliver some questions.

Mr. Hatfield from the third party.

Mr. Percy Hatfield: Thank you for coming in this afternoon. You say the city has negotiated an agreement with the province and the Seaton private landowners already, which provides for the equitable sharing of infrastructure costs among all parties. So what kind of a written signed agreement or whatever have you?

Mr. Paul Bigioni: Well, to answer your question precisely, none whatsoever, because it hasn't been signed as yet. The agreement's been fully negotiated over an extended period of months, and the parties, including the province and the landowners, are agreeable in principle to its terms. For the time being, the province is not content to execute the contract as it's working out additional infrastructure issues with the region of Durham.

Mr. Percy Hatfield: Give me some examples of what would be contained in that agreement. What other costs or payments will the private landowners be expected to make?

Mr. Paul Bigioni: It does provide, on the one hand, favourable treatment to the landowners in respect of transit in return for agreements by the landowners to construct necessary road grid within the development area. It also provides for additional monetary contributions by the landowners to be devoted to specified municipal purposes. It's all articulated within the agreement.

Mr. Percy Hatfield: Are you aware of any other such agreements in Ontario at this point that would be at an advanced stage such as this?

Mr. Paul Bigioni: I'm not personally aware of others, although I have heard speak of one in the Barrie area that is a cause of grave concern. I'm not familiar with the particulars of it, though.

Mr. Percy Hatfield: In the past, has Pickering had such agreements on other projects?

Mr. Paul Bigioni: Not in the four and a half years that I've worked for the city. Seaton is unique. In fact, the provincial plan, the CPDP, as we call it, does contemplate explicitly what it calls the equitable sharing of the financial burden associated with Seaton infrastructure. So the province's own plan did contemplate that the parties involved in the Seaton development area would review these matters and come to some sort of understanding about it.

Mr. Percy Hatfield: Thank you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. That's bang on the time. Well done, Mr. Hatfield.

Moving to the government: Mr. Thibeault?

Mr. Glenn Thibeault: I just want to thank Mr. Bigioni—did I say it correctly?

Mr. Paul Bigioni: Yes.

Mr. Glenn Thibeault: I just want to thank you for your presentation. I know your time was on a very

specific issue, so really, we don't have many questions in relation to the bill on this one, so we'll pass our time.

The Vice-Chair (Mr. Jagmeet Singh): Thank you, sir.

Moving now to the official opposition: Mr. Hardeman?

Mr. Ernie Hardeman: Thank you very much for your presentation, particularly as it relates to section 59.1.

I guess my concern—and I did miss part of the presentation; I had to go out for a minute. As I understand it, the cost of developing the land is in fact greater than the development will bear, so you need supplemental development charges over and above what the normal charge would allow.

How do you justify that for the people who would be moving into the development who, in the end, are going to have to pay all these development charges? If you're going to have a special allotment that more can be charged to that individual house, regardless of how it was formed and how big a parcel it is, and who owned the land and what type of agreements were on it—I'm the consumer who's going to buy the house, and the house goes up twice as much there as anywhere else. How do you justify that, and what legislation would you put in place to allow that? If it's allowed on Seaton land, then it has to be allowed in other places too under similar circumstances.

Mr. Paul Bigioni: If there were no prohibition whatsoever concerning voluntary contribution agreements, then they would really just be the subject matter of negotiation between developers, landowners and the municipalities in which they seek to build.

What I would say to you concerning the equities underlying such an agreement is that we've taken great pains to ensure that the infrastructure that's more directly and entirely related to the Seaton area is more directly payable as site-specific or area-specific DCs, whereas some of the infrastructure, which is for the benefit of the existing built-up areas of the city, would affect DCs generally and is contemplated in our city-wide DC bylaw.

So we've made some effort to address that issue within the four corners of the document and within the city's development charges bylaw, which it reviews at a minimum every five years.

Mr. Ernie Hardeman: Thank you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. That completes all the questions for this round. Thank you for your presentation.

Again to check if anyone from Liberty Development Corp. is present? Seeing no response, we'll move on to the next deputation on the list.

HEMSON CONSULTING LTD.

The Vice-Chair (Mr. Jagmeet Singh): Is anyone here from Hemson Consulting Ltd? Yes? Excellent. Mr. Craig Binning, partner?

Mr. Craig Binning: Yes.

The Vice-Chair (Mr. Jagmeet Singh): Excellent. Thank you for being here. You have 15 minutes to provide your presentation. If you choose to leave any time for questions, that will be split with the members of the committee.

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Mr. Craig Binning: Thank you very much. It's a pleasure to be before the standing committee this afternoon. I do hope to leave some time for some questions at the end.

As indicated, my name is Craig Binning. I'm the partner in charge of what we refer to as our municipal finance practice at Hemson Consulting. Hemson Consulting is a Toronto-based consulting firm. We're made up of two components: One is a land use planning component, and the other is the municipal finance practice that I head up.

Our land use planning firm may be familiar to some of you, as we are responsible for the schedules to the growth plan for the population and employment forecasts that are contained in those documents.

The area that I want to speak to today, however, is restricted to the development charges. We do development charge studies for municipalities across the province

I myself have been active in development charges here in Ontario since 1990. I did numerous studies under the original 1989 Development Charges Act and then more so under the 1997 act. In total, I've done well over 200 development charge studies, as the managing person behind those studies. For the interests of this group, that includes municipalities such as the cities of Toronto, Brampton and Mississauga; the region of Waterloo; the cities of Kitchener and Waterloo; and, in the region of Durham, Clarington and Whitby.

We've done work for municipalities of all sizes across much of the province, and increasingly we're working with municipalities on similar pieces of legislation across the country.

In addition to that, I've been before the Ontario Municipal Board and provided expert evidence on development charges and also generally on land economics issues.

Further to my ongoing and daily professional work, for the past seven years I've taught a course, at the Ryerson School of Urban and Regional Planning, on municipal finance for planners.

That gives you a little bit of a background in terms of where we're coming from.

I have provided handouts, and I'm now on page 2.

In addition to that ongoing work, it was a pleasure that we were able to participate in the technical working groups that met over the summer on Bill 73. My senior staff and I participated in each of those, and I think they provided very meaningful dialogue from all of the interested parties.

I have read the submissions and background material prepared by groups like AMO, the MFOA and the city of Toronto—and I understand that AMO and MFOA will be before you tomorrow. Those are quite comprehensive submissions that deal with the full range of issues related to proposed reforms to the Development Charges Act.

I, however, would like to restrict my comments today to two critical components of the proposed changes; namely, the funding of transit and then the proposals related to area rating.

What I'd like to speak to first is the proposed changes to transit funding, and I would like to start that by saying we strongly support the proposed changes to transit funding. There are two components to it that I would like to refer to.

It's very good to see that the transit services will be moved into what we refer to as the 100% cost recovery services. As I'm sure committee members are aware, a number of services are only permitted to be funded at 90% of the development-related cost, and then there are some services—largely the engineered services of roads, sewer and water, and protection services—that are permitted to be funded at 100% of the development-related cost.

Interestingly—and you'll see it's a theme that comes forward—when the act was changed and regulations were modified to accommodate for the extension of the Spadina subway from the city of Toronto into the region of York, that project specifically was also permitted to be at 100% recovery. I think it's an excellent move that we're now including transit as part of that 100% cost recovery service.

Moving on to page 3 of my handout: I think the most significant change that's being proposed is how we are permitted to determine the share of transit projects that are eligible for DC funding, or development charge funding.

Under the current legislation, transit is restricted to what we refer to as the 10-year historic service level funding cap. What is being proposed is that transit services be permitted to be funded on what the legislation refers to as the planned level of service. Why this is so important is that many municipalities, in order to meet planning objectives, including those set forward by the province, require significant investment in transit above and beyond the historical practice. As we endeavour to move people out of cars and into buses and higher-order transit, we need to expand the service infrastructure beyond the historical practice. Allowing us to base this on a planned level of service will increase the opportunities to recover a greater share of the development-related cost of providing services through development charges. Through the working groups there was much discussion about this, and, really, since the release of Bill 73 there has been a great deal of discussion in those parties that are interested in development charges on what "planned level of service" means.

For me, it's relatively straightforward in that the province, when it changed the legislation and introduced regulations related to the extension of the Spadina subway from the city of Toronto into the region of York, allowed for that one particular project to be funded on a planned level of service rather than as part of the transit 10-year historical service level. That really set in place an approach that we think is quite useful and meaningful moving forward.

On page 4 of my handout, I just provide a little bit of the legislative framework for that. When regulations were introduced to allow for the funding of the Spadina subway expansion, it really did provide a definition of "planned level of service." I've included that under section 3 in the middle of page 4, where it says, "The planned level of service for the Toronto-York subway extension is complete construction and readiness for full operation." What that has effectively meant is that it allowed both the region of York and the city of Toronto to incorporate the costs associated with the Spadina subway expansion that were, from a planning perspective—capital, infrastructure and capacity-wise—related to meeting the increased needs arising from development. We were permitted to recover those costs through the development charge calculations for that project. In our opinion, that approach is easily and readily adjusted to account for all transit services and all transit projects under the proposed changes through Bill 73.

We think that there are three very distinct advantages to following forward with that approach. One is that there are precedents here. The definition is provided in the current act and it has shown, in our opinion, to be workable. To do something else differently would suggest or call into question the approach that's already been used for the Spadina extension.

Also, there's consistency there to ensure that the way in which it has been utilized in those municipalities over several years now remains consistent for the treatment of other transit projects, especially in municipalities, such as the city of Ottawa and the region of Waterloo, which are looking at higher-order transit.

Also, there's an element of fairness here. If that "planned level of service" definition and approach was deemed appropriate and acceptable for the city of Toronto and the region of York, we don't see any reason why that shouldn't be extended to other municipalities across the province.

But most importantly, I think it's important because it matches the way that municipalities plan for and deliver transit services. In order for us to achieve the aspirational planning set forth through the province in the growth plan, I think it's widely recognized that we need to provide enhanced transit services in order to achieve the densities intensification sought through those processes. To do that, we need a better mechanism to allow us to fund the development-related costs associated with the planned delivery of transit services.

I know that some of the industry will express concern about that approach and provisions, but as I set out in the final paragraph of page 5 of my handout, this doesn't negate the fact that there's a set of other tests and requirements under the Development Charges Act that we still have to go through with these projects, that will require us to determine the benefitting allocations both to existing residents and to development. There's sufficient scrutiny, stress, tension, and checks and balances in the system to ensure that we don't over-recover from development for the provision of transit services.

On page 6, I just want to touch on the second topic I'd like to address quickly, and that has to do with area rating or what we sometimes refer to as area-specific development charges. I believe it's fair to say that Hemson Consulting is recognized as being the leading consultant in the use of area-specific development charges. We have implemented some of the most complex and integrated area-specific development charge bylaws in the province, most notably in the cities of Markham and Vaughan. Based on our experience and our practice, implementing area-specific charges requires a significant amount of detailed background information, both from a planning perspective and an infrastructure financing perspective.

Our concern with the proposed changes to the act is not so much the requirement in the background study to consider area rating, but rather the provision set out in subsection 2(3) which would appear to give the ministry the opportunity to impose upon municipalities the requirement to implement area rating or area-specific charges in specific municipalities, specific areas in municipalities and for specific services. Our concern is that without understanding the local consequences of that and the local framework, and having the analysis undertaken, that could result in charges or consequences that were not anticipated through that and may not be in keeping with planning objectives.

1550

So as we recognize the importance of area-specific DCs and area rating in terms of achieving some of the planning objectives, we would strongly encourage that that decision be left with the local entities, the municipalities, and not be imposed upon the municipalities.

That's the end of my formal presentation.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much for your presentation.

We have four and a half minutes, so we'll split that over the groups. It's about a minute and a half per party. We'll begin with the government side. Ms. Mangat.

Mrs. Amrit Mangat: Thank you, Mr. Binning, for your presentation.

In your presentation, you spoke about transit to become a 100% cost-recovery service. Can you estimate how much revenue this will generate for the municipalities?

Mr. Craig Binning: I didn't come prepared with that information. Some of the work that was done through the working group through the summer did some estimates on specific municipalities. Obviously, it will result in most municipalities being able to increase their charges by 10%, even without consideration of the planned level of service. With the exception of the city of Toronto, the transit components are relatively small given the 10-year service level. Once we go through the full process, it will be easier to estimate the total capital improvement arising from that one provision.

Mrs. Amrit Mangat: How will this benefit communities?

Mr. Craig Binning: It will allow municipalities, obviously, to fund more of those costs through development charges and place less burden on the tax base or the fare box revenues.

The Vice-Chair (Mr. Jagmeet Singh): We'll move to the official opposition. Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. Personally, I agree with the portion in there about being able to assess the objective level of service as opposed to the past 10 years.

Having said that, I think it's very important to deal with the fact that that portion that is not going to be covered by development charges for the expansion of the future is going to be covered by all the ratepayers, including those who are presently paying a high share as they buy their new house. Is there any way of dealing with it to make sure we're all being treated fairly, as opposed to the biggest burden falling upon people who are either moving from a part of the community they already paid development charges on or coming from another community and then paying upfront for their share and then paying again when everybody else pays the taxes? Is that part of a development charge bylaw that would prevent that from happening?

Mr. Craig Binning: It's a very complex question when we're dealing with multiple entities and multiple fiscal arrangements—but certainly the cost of new housing and how much it burdens through the increase in development charges. It's important to recognize that through the calculations we recognize that benefit, and certainly shares of the cost will be funded through the property tax base for transit services. However, we also recognize that when new development occurs, they are also benefiting from the investment that's already in the ground for transit infrastructure. They're benefiting from something and not paying for that directly. So their contribution to the overall tax base is operational-related, and the capital components, we feel, are balanced against the benefits they receive from past investments in the infrastructure that already existed in those communities.

The Vice-Chair (Mr. Jagmeet Singh): We'll move to the third party. Mr. Hatfield.

Mr. Percy Hatfield: Mr. Binning, thank you for being here. When you were sitting there listening to the gentleman from Pickering talk about the Seaton lands, did it occur to you that the area rating, section 2 of the act, might work in that case, that if they couldn't get provision retroactively allowing the Seaton development, the specific area rating might fit in there—that that would work just for that one specific area?

Mr. Craig Binning: Potentially, area rating could be appropriate for that. I don't think that it would address all of the concerns being raised by the representative there, because the voluntary payments and additional contributions are really dealing with elements, largely, that would not potentially be fundable under the current confines and constricts of the legislation. So just by doing something on an area rating basis would not necessarily alleviate those fiscal concerns for the municipality. Indeed, under some of the restrictions in the act, area rating can produce additional issues about funding levels.

Mr. Percy Hatfield: Just one other area: transit DCs to be based on planned level of service versus the 10-year historical. What was the biggest problem under the old way of doing it?

Mr. Craig Binning: Under the old way, or under the current way, what happens is that if you're dealing with municipalities like the region of Waterloo, the city of Mississauga or Milton, they have such a low level of existing transit infrastructure because so much of the past has been accommodated through road infrastructure. As we're moving to more mature communities and to accommodate the intensification and the need to provide additional transit, it's at a level greater than the past level of expenditure. Ultimately, we'll likely spend less on road infrastructure than we might otherwise, but because of the restriction under the transit funding, we couldn't fund sufficient levels of the capital.

The Vice-Chair (Mr. Jagmeet Singh): That completes our questions. Thank you so much for your presentation.

I just want to confirm: Do we have Environmental Defence present at this point? No? Then we'll move to the next presentation. We are running a little bit early, so that's good.

COMMUNITY ENTERPRISE NETWORK INC.

The Vice-Chair (Mr. Jagmeet Singh): I do believe that we have Community Enterprise Network Inc. present—Mr. Jeff Mole, the president. Are you prepared to provide your deputation? Yes, it looks like you are. Excellent.

Mr. Mole, you have 15 minutes to provide your presentation. If you choose to leave any time in those 15 minutes, that will be split amongst the committee members.

Mr. Jeff Mole: Good afternoon. My name is Jeff Mole, president of Community Enterprise Network Inc. Our mission is to help build the capacity to develop community enterprise in Ontario communities and give Ontario communities the tools they need to participate in public sector procurement in a way that profits will be reinvested in Ontario. We are a not-for-profit in the business of helping to achieve smart job growth for our communities.

I'm here today to speak in support of Bill 73; however, we ask the committee to consider amending the bill to achieve smart job growth for our communities. We believe the bill should amend the Broader Public Sector Accountability Act to direct the public sector to prioritize community enterprise within all procurement. In addition, government should help facilitate the mobilization of communities and financial resources for developing the capacity of community enterprise to create jobs and attract investment through the delivery of public sector services and regulated products.

In a news release on February 19, 2015, the Premier indicated that she "wants to make Ontario the leading jurisdiction in North America for social enterprise." A community enterprise is a not-for-profit corporation that meets a need and provides benefits. Community enterprise provides an alternative to privatization of public services. This alternative offers greater value for taxpayers and ratepayers by reinvesting profits in Ontario. A community enterprise is run by a group of people who get together to develop a business that creates jobs and generates economic activity, with a view to investing any surpluses or profits for the betterment of communities. Community enterprise delivers comparable services while reinvesting surpluses in education, health care and community benefit.

The government launched a community enterprise strategy for Ontario in 2013. This strategy is the province's plan to become the number one jurisdiction in North America for businesses that have a positive social, cultural or environmental impact while generating revenue. To meet the goals of this strategy, we believe that the government needs to take a strategic look at community enterprise, so policies and funding. Those policies would revolve around government procurement. We encourage the government to have a conversation with us about our community enterprise model and to establish a community enterprise act. This act would help communities create good, quality service and manufacturing jobs.

Community enterprise can help achieve smart job growth for communities; however, there are hurdles. In our experience, mobilization and access to affordable capital are the main hurdles to building a strong community enterprise sector in Ontario. So our goal is to work with government to help overcome these hurdles by involving directors and the governance of these organizations and giving them access to the tools that they need, such as regulatory or procurement assistance, and raising funds, building membership—these are all tasks that need to take place if you're talking about mobilization of community enterprise. But all these tasks, if done correctly and efficiently, can help grow the community enterprise sector in Ontario.

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We can't do it alone. We need a government that understands the need to invest in growing the community enterprise sector, particularly for the delivery of public services. Accordingly, we would encourage the members to amend Bill 73 to help facilitate the mobilization of communities and financial resources for the developing of the capacity of the community enterprise sector in the creation of jobs and delivery of public services. Or as an alternate, we would encourage the members of this committee to bring forward their own private member's bill and call it the community enterprise act. This act would help facilitate the mobilization of communities and financial resources for developing that capacity that I spoke about, particularly around the procurement piece.

I would say to the members of the committee that trade agreements are bringing increased competition from abroad for government procurement opportunities. So now is the time to give community enterprise the adequate tools to do the job that governments have

chosen to outsource or privatize. This is a conversation that we believe is long overdue.

Mr. Chair, forgive me if my presentation seems off-topic. I did look through the bill for a specific purpose; however, I found none. So I looked to the title of the bill, which is the Smart Growth for Our Communities Act, and what I'm talking is all about community growth. In looking through the bill and hearing some of the depositions, it certainly seems that the bill is more of a housekeeping bill specifically around development charges and the Planning Act, but I see no reason why we couldn't put in other measures within the bill that revolve around apparently the objectives of the bill, which is growth related to communities. I think jobs in communities are very important for all parties at the table, and I look forward to your questions with regard to how these motions could improve the bill.

At the end of the day, we are on the verge of spending hundreds of billions of dollars of taxpayer money on services and infrastructure. I think we need to really have a conversation before we get too far along as to how we are going to get the best return on investment for the taxpayer from these procurement and privatization opportunities. I think that conversation is just not being had. I'm here today to beg and plead with you to, please, let's have a conversation about community enterprise as an alternative to privatization. Thank you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much for your presentation. We'll begin now with some questions. We have about six and a half minutes, so we'll split that over the members in the committee.

We'll begin first with the official opposition, beginning with Ms. Martow.

Mrs. Gila Martow: I think that it was wonderful that you came down, not necessarily just to make a presentation, but there are a lot of developers here, and it might be a good time for you to hop out into the hall and give them your card. I think that it's not just about government acts and government regulations. Every time there are new regulations and new acts, that actually takes money away from the public, because it's another bureaucracy and another layer of red tape and complications.

When I was in Vancouver, I visited a high school friend who is part of a co-op. We don't see these things in Ontario, and I think that this is actually somebody you'd really like a lot. With social media, you don't need government getting involved. You need to get out there; this is my recommendation. Have you tried that, I guess is my question, to get a group of like-minded individuals who have some ability and some interest to go to a developer and say, "This is the kind of development we would like. We want to have businesses on the ground floor, very small, community-oriented businesses. We want to live upstairs. What kind of deal could we work out?" Have you approached? Have you thought of a project? Have you tried to present it to a developer?

Mr. Jeff Mole: Developers are a very good source for the community enterprise sector from a standpoint of community benefit agreements that may flow out of this legislation or other legislation, or just flow out of those developers who feel a social responsibility to the communities in which they operate. That's really where we see our partnerships with developers working: those community benefit agreements. They may be looking for an avenue through which to put some resources so that the net profits from their undertaking could be funnelled back into the community. So community enterprise is one area where those areas can be funnelled.

Going to your point about the size of community enterprise, I would encourage you to try not to think small. I believe there's about a trillion dollars in government procurement opportunities out there. Community enterprise could take a good chunk of that.

There have been lots of complaints about, let's say, highway maintenance, a big problem in northern Ontario: a private sector developer coming in and not doing a good job. Community enterprise could do as good or a better job on those large-scale opportunities, but we need to have access to the resources to do that better job, and I think that provides a better return on investment for taxpayers.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. We'll have to move now to the third party. Mr. Hatfield.

Mr. Percy Hatfield: I agree with Mr. Mole: His presentation had little or nothing to do with what's in front of us today. I admire him for pushing his agenda and I encourage him to do so in other forums.

I wish I had a good question for him, but looking at the Planning Act and the development fees, I don't see anything in there that I can direct to Jeff to say, "This is how you do it."

Mr. Jeff Mole: If I could, on that, there is something. The government came out with a report recently on community hubs, where the Premier's advisory panel on community hubs was talking about how we can change various acts to ensure that community businesses can provide services to government. I think if we look to that report, you'll see that there are some Planning Act tie-ins, but it's not really the key piece of legislation that I would suggest we need.

Again, it's all about smart growth for communities. Thank you very much, Mr. Hatfield.

Mr. Percy Hatfield: I don't disagree. Chair, I would just suggest that he's a man with a thousand ideas. Somebody in government could take him to lunch someday and maybe reap some rewards from some of those ideas.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much for that, Mr. Hatfield.

Moving now to the government side: Mr. Thibeault.

Mr. Glenn Thibeault: Thank you, Chair.

Mr. Jeff Mole: It's your turn again.

Mr. Glenn Thibeault: We see each other again. Thanks for coming out and thanks for your presentation. I'm quite impressed that you said you went through the entire bill, because I'm looking through it all here, and—

Mr. Jeff Mole: Sorry, I used the scanner: "Find purpose." If you hit "Find purpose," there's not too

many—then I hit "Find growth and communities," and it really is not in there that much.

Mr. Glenn Thibeault: What I do want to commend you on is that this is an important bill. There was a lot of process, thought and time that went into it. I know we had a consultation process that went from October 2013 to January 2014 on this.

One of the things that you do and do very well is ensure that there's public engagement for us here at the committee level and for the government. Many of the things that we've put in this bill are public engagement strategies. As an individual who is engaged, how do you think—and I'd like to get your opinion on this, sir. How do you think the requirement to have public engagement strategies in municipal official plans, which this bill relates to—will that enhance public engagement, in your opinion?

Mr. Jeff Mole: Well, in my experience, everything is a proponent-driven process. A developer is a proponent of an undertaking. Quite often, they come forward with a plan, and their plan is pretty much set once they come forward. So I'm a bit of a cynic in that pubic consultation can be a bit of a dog-and-pony show and doesn't end up having—it gives the public a feeling that they're being listened to.

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I think the former Environmental Commissioner of Ontario would agree with me that quite often the public gets very disillusioned by the fact that they come forward with what they think are reasonable suggestions, only to have those reasonable suggestions or ideas dashed when the final report or final product comes out.

I'm all about public engagement. I know there are plenty of others like me out there who, if they felt the process worked, great, but I think there are some people out there who don't feel the process always works.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. That's all our time. Thank you for your presentation.

ENVIRONMENTAL DEFENCE

The Vice-Chair (Mr. Jagmeet Singh): Is Environmental Defence present at this point?

Ms. Susan Lloyd Swail: Yes.

The Vice-Chair (Mr. Jagmeet Singh): Excellent. I believe we have Susan Lloyd Swail, greenbelt program manager. Thank you so much for being present.

You have 15 minutes to provide your presentation. If you choose to, you could leave some time and that will allow for questions from the members of the committee, but it is up to you how you would like to spend your time. Please begin. Thank you.

Ms. Susan Lloyd Swail: Thank you. I'm pleased to be here on behalf of Environmental Defence today to speak to Bill 73. In my deputation, I will express support for many of the proposed changes to the Development Charges Act and the Planning Act and ask the committee to reconsider the reduction of the parkland dedication in the Planning Act.

First of all, we applaud the government for taking leadership on developing progressive amendments to the Planning Act and the Development Charges Act. Bill 73 allows municipalities to recover more of the growth-related costs to help our cities and towns create denser, more vibrant communities and move towards fiscal sustainability. It's time to stop subsidizing sprawling, low-density development, and we thank you for bringing this bill forward.

For too long, inadequate development charges and discounts have eroded municipal finances, leading to debt and requiring existing taxpayers to subsidize new development. Bill 73, Smart Growth for Our Communities Act, provides a development charge framework that is more accountable and transparent. Development charges are a key tool to ensuring our land use planning system promotes the efficient use of land and development patterns to support strong, livable communities. As such, Bill 73 proposes to eliminate discounts and increase the costs that municipalities can recover for transit services—an important part of smart growth.

The widespread municipal practice of average cost pricing of development charges across their entire jurisdiction, regardless of the actual marginal cost differentials of providing the infrastructure they require, subsidizes inefficient development. We are pleased that Bill 73 allows councils to pass different development charge bylaws for specific parts of the municipality which can fund these specific services. Development charges can now be used to incentivize development, like infill that has lower infrastructure costs, while discouraging more inefficient greenfield development. Municipalities may also choose to lower or eliminate development charges for farm-related buildings going forward, which is something that the OFA has been asking for.

Within the Planning Act, a number of proposed amendments to the Planning Act through Bill 73 improve transparency and recognize the importance of public engagement in land use planning, which are important steps to ensure land use planning is serving the public interest. By limiting appeals, Bill 73 will reduce the number of costly OMB appeals going forward for municipalities—something that they have been asking for.

While there are a number of progressive changes to the Planning Act and the Development Charges Act, there remain some aspects of Bill 73 that could be improved, specifically parkland dedication.

Building denser cities is a key component of smart growth, but as we intensify within our urban areas, we need to ensure that our cities are livable. Public green space and parkland clean the air and reduce climate change impacts by providing low-cost green infrastructure while providing mental health benefits, like alleviating stress. Therefore, lowering the parkland dedication from 5% to 3% may diminish the livability of our cities.

Parks provide important public health benefits, including contact to nature and reducing nature deficit disorder, thereby providing social and psychological benefits.

Social equity is also something that our parks provide. They provide accessibility to all kinds of people. Physical activity is also something that our parks provide, which helps reduce obesity. As I've said, they mitigate climate change and reduce our air and water pollution.

Parks are also public gathering spaces. As such, they are places where celebrations and cultural events take place that add to the vibrancy of our cities and attract tourism.

Economic development within our cities and towns is tied to parkland. Reducing this parkland dedication is contrary to the aim of the bill, which is creating healthy, livable communities that support local economic development.

Other key amendments to be considered include: No growth-related charges should be exempt, such as hospitals or tourism facilities—growth should pay for growth, period; eliminate the 10% deduction for all services; and require, going forward, full life-cycle costing when calculating development charges.

In summary, Environmental Defence is pleased with many of the changes to the Planning Act and the Development Charges Act. However, changes are still needed to ensure that our land use planning system encourages efficient development and requires that costly, low-density development pays its way.

We are committed, as we have been in the past, to working with the government of Ontario to find ways to build healthy, sustainable communities. We thank you for considering our proposed changes.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much for your deputation. We will begin first with the third party for questions. Mr. Hatfield, you have approximately three minutes for questions.

Mr. Percy Hatfield: Welcome, and thank you for being here. Why are you pulling your punches today? I see "lowering the parkland dedication from 5% to 3% may diminish the livability of our cities." Why wouldn't you say "will diminish the livability of our cities"?

Ms. Susan Lloyd Swail: You just said it.

Mr. Percy Hatfield: I know, but you pulled your punch. I don't get it.

Ms. Susan Lloyd Swail: Why did I pull my punch?

Mr. Percy Hatfield: Yes.

Ms. Susan Lloyd Swail: I don't know. I didn't work on this file to begin with, I have to say. I'm coming in at the end, so—

Mr. Percy Hatfield: You're the expert on the greenbelt.

Ms. Susan Lloyd Swail: I want everyone to get along. You guys tell me.

Mr. Percy Hatfield: I want to get along.

Ms. Susan Lloyd Swail: I think the evidence shows that it will. Shall I say that?

Mr. Percy Hatfield: Yes. Thank you very much.

You're the program manager for the greenbelts. Do you have any concerns at all that the greenbelt and the moraine and all the other studies that are under way will, in any way, be jeopardized by anything that this committee is doing?

Ms. Susan Lloyd Swail: This committee? No, I don't. I think the work that the government is doing in smart growth communities within this bill and through the greenbelt and the growth plan review, and hopefully moving forward with the Big Move review, will all work together to help build more sustainable communities going forward.

There are some inconsistencies, I'll say, going forward with some of the other work that the province is doing, namely the GTA West highway, Highway 413, but maybe that's for another day.

Mr. Percy Hatfield: The developers who were here earlier today, if I could put words in their mouths, say, more or less, that we're already charging too much in cash in lieu for parkland dedication, and you're saying we're not charging enough.

Ms. Susan Lloyd Swail: I'm just saying leave it where it is.

Mr. Percy Hatfield: Thank you.

The Vice-Chair (Mr. Jagmeet Singh): Moving now to the government side: Ms. Mangat.

Mrs. Amrit Mangat: Thank you, Susan, for your presentation. Welcome to Queen's Park.

In your presentation, you spoke about that the proposed amendment to lower parkland dedication to 3% doesn't serve the public interest. Can you throw some light on why parklands are important to communities and the public?

Ms. Susan Lloyd Swail: Why are parklands important?

Mrs. Amrit Mangat: Yes.

Ms. Susan Lloyd Swail: I've outlined a little bit of that in my presentation, but—

Mrs. Amrit Mangat: Yes, but in detail?

Ms. Susan Lloyd Swail: Okay. I don't know if you saw the recent David Suzuki Foundation report that came out that talked about the benefits of parks and green spaces. Trees provide a really important element to our nature-deficit issues within our communities, and I think it's really important, going forward, that we not decrease our parkland and the treed areas that we have available to everybody, but that we increase those going forward. It's especially going to be important when you're increasing the density within your urban areas. So you're intensifying these communities, and people are going to need more space to get out into the environment and get out to breathe the air and to run around in the parks. It's really important, as we grow up, that we also provide those opportunities for people to get out into their parks and into public areas.

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As I've said, there's also that importance of public event space. Parks provide a very important place for people to get out and interact socially with each other. They provide places for cultural events, like Caribana on the Toronto waterfront—I think of that. Think of Queen's Park as an opportunity for public space and the

interactions that happen here. So if we decrease that, going forward, we're really disservicing our communities, lowering the opportunities for those community benefits and for those cultural and social interactions.

Mrs. Amrit Mangat: For my own clarification, who proposed that amendment?

Ms. Susan Lloyd Swail: Who proposed lowering?

Mrs. Amrit Mangat: Yes.

Ms. Susan Lloyd Swail: I believe it was the development community because of the costs associated with it.

Mrs. Amrit Mangat: Thank you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much, Ms. Mangat. We're now moving to the official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much. I've got two questions. The first one is to the Planning Act. You mentioned that limiting appeals to the Ontario Municipal Board will reduce the costly appeals to the board. In rural and small-town Ontario, there is an awful lot of those appeals that are going to the municipal board that are, in fact, appeals of citizens appealing an approval of council.

Ms. Susan Lloyd Swail: Yes.

Mr. Ernie Hardeman: Do you have any concern that, in fact, it is taking away the public's right if these appeals are not allowed anymore? These people are going to have to put up with the severance that was required because council thought it was a good idea to create more assessment.

Ms. Susan Lloyd Swail: I think the bill quite clearly shows where and when you can have OMB appeals going forward, so it's limiting appeals within certain circumstances only. Large appeals of the official plan, let's say, which is a planning process that already has public consultation associated with it—you're only looking at limiting appeals where there is already a public consultation. At least, that's my understanding of the bill as I've read it.

If a citizen brings forward an OMB appeal on a certain development, that would still be permitted, in my understanding. It's official plans. It's large policies that have already gone through a public consultation process. That's my understanding. You can correct me if I'm misinterpreting it.

Mr. Ernie Hardeman: The other question is this: On page 3, you mention that no growth-related charges should be exempt at all. The bill does increase the amount that are not exempt and they're going to make the exemption, I think, easier to deal with, because they are going to be by regulation rather than by bill.

But accepting, on behalf of all the people—recognizing that every new building, every new residence built today, is a citizen of that community tomorrow, why should the people coming in pay more for things? You mention it specifically; that's why it came to mind. Why should they pay to build tourist facilities in the community and pay more than their fair share for that?

Ms. Susan Lloyd Swail: I'm not saying pay more than their fair share; I'm saying that they should be paying their fair share.

Mr. Ernie Hardeman: No, but the person who's already there hasn't paid it so far.

Ms. Susan Lloyd Swail: Oh, they're going to pay through their taxes, you can betcha.

Mr. Ernie Hardeman: Yes. They're going to come in and they're going to pay, so why should they—to me, I think we need some type of exemption that the municipalities can't just charge people at will for anything they want to build. Wouldn't you agree that we need some kind of protection for the citizens?

Ms. Susan Lloyd Swail: I don't know if they need some kind of protection. These things all have to be paid for. They're either paid through the taxes or they're paid through development charges. So "Who's paying those fees?" I think is really the question, right? And whether it goes on the backs of the existing taxpayers within that community or whether it's paid through development charges is something that the government can decide.

Mr. Ernie Hardeman: The only point I'm trying—

The Vice-Chair (Mr. Jagmeet Singh): Thank you. We've reached the three-minute mark. Sorry; my apologies for interrupting you.

Thank you very much for your presentation and thank you for answering the questions. We'll move on to the next presentation now.

FEDERATION OF RENTAL-HOUSING PROVIDERS OF ONTARIO

The Vice-Chair (Mr. Jagmeet Singh): Do we have a representative from the Federation of Rental-housing Providers of Ontario present? Yes. Excellent. Scott Andison, president and chief executive officer. Do you also have Mike Chopowick, vice-president government and—

Mr. Mike Chopowick: Mr. Chair, I'm Mike Chopowick.

The Vice-Chair (Mr. Jagmeet Singh): Oh, excellent. So Scott Andison is not present?

Mr. Mike Chopowick: Unfortunately, not.

The Vice-Chair (Mr. Jagmeet Singh): Okay, no problem.

Mr. Mike Chopowick: Mr. Chair, thank you for the opportunity to present to the committee.

The Vice-Chair (Mr. Jagmeet Singh): My pleasure. You have 15 minutes to present. Please begin.

Mr. Mike Chopowick: My name is Mike Chopowick, vice-president of the Federation of Rental-housing Providers of Ontario, otherwise known as FRPO. FRPO represents 2,200 landlords and property managers across the province who provide rental housing to 350,000 households. One in three Ontario households currently rent their homes.

FRPO supports any measure that improves transparency and accountability when it comes to the administration and operation of government initiatives. Bill 73, concerning municipal development charges, is no exception to this position.

However, we are concerned that these proposed changes will increase the existing high cost of development for rental housing in Ontario, and increase the cost of housing. Currently, and it's somewhat ironic, the Ontario government is working on developing a long-term affordable housing strategy, and yet here we are discussing development charges and excessive parkland dedication, all of which make renting an apartment less affordable for tenants in Ontario.

While development charges do help fund infrastructure, we don't believe it's fair to require residential tenants moving into a new building to pay more than their fair share for new projects. These changes, currently being considered in Bill 73, will only serve to increase the immediate cost of building new rental housing in Ontario, the type of housing that is currently badly needed to meet the growing demand of those who can't afford to purchase a home.

Development charges and municipal permit fees are already some of the highest costs incurred by rental housing developers. On average, for example, in the city of Toronto, just the lower-tier development charge averages about $25,000 per unit. When constructing a new apartment building, development charges and taxes equal 15% of the development cost, and of course all of these charges are passed down to tenants in the form of higher rents, which makes housing less affordable for those who are most in need.

As the cost of home ownership continues to increase for Ontarians, we encourage the government to do more to support the development of purpose-built rental housing in Ontario. Right now, over 168,000 households are on the waiting list for affordable housing, and these numbers have not improved over the years. The government has concluded that the private sector can do more to build more affordable rental housing, but we can't do that under current levels of development charges.

Our members want to work with the government to increase the availability of affordable rental housing in Ontario. There is a proven example in Canada that requires little or no direct investment from the government, which we think would be an excellent template for Ontario. For example, in the city of Vancouver, in recognition of their affordable housing challenges, the private sector and the municipal government have worked in partnership to build thousands of new rental housing units. In order to reduce development costs, the city of Vancouver provided developers with relief from development charges and other incentives to make the rents more affordable for tenants.

The waiving of development charges in Vancouver for new purpose-built rental housing has been successful and resulted in the construction of over 3,700 new rental units in Vancouver since 2010, with the goal to create 5,000 new units. Ontario's private sector rental housing developers and providers are eager to work with the government on similar solutions in this province, to provide more affordable rental housing.

I thank you for your time and the opportunity to present to the committee.

The Acting Chair (Mrs. Gila Martow): Thank you for your presentation. We have between three and a half to four minutes per party.

I think we start with the government side. Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you very much for being here. It's good for you to be here today because, obviously, we want to have a good cross-representation of people making comments to the proposed Bill 73.

Just a bit of clarification, if you could enlighten us a little bit: Bill 73 proposes additional reporting requirements to increase transparency and accountability for municipal decision-making relating to development charges and parkland dedication—just your opinion on whether that would benefit the public or not.

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Mr. Mike Chopowick: Yes, absolutely. I think that's one of the aspects of the bill that we strongly support and something that was, I think, lacking before: increasing the transparency and the accountability on the part of municipal governments when it comes to development charges. That's a positive thing.

Mr. Lou Rinaldi: Good. I've still got time, I presume? So, the second question, if you could maybe just shed some light: Bill 73 proposes additional requirements, once the bill is passed. How important are these additional reporting mechanisms—once again, if the bill is passed?

Mr. Mike Chopowick: Yes, they're very important because, obviously, when my members are embarking on a new rental housing project or a new apartment building, there needs to be much stronger accountability built in to explain how development charges or whatever are imposed, if they're actually going to be a benefit to the tenants moving into that building.

Mr. Lou Rinaldi: Thank you, Chair.

The Vice-Chair (Mr. Jagmeet Singh): Thank you. No further questions from the government side?

Mr. Lou Rinaldi: No.

The Vice-Chair (Mr. Jagmeet Singh): Okay; excellent. Moving on to the opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much, Mr. Chair, and thank you, Mike, for the presentation. I just wanted to go to page 4, where you talked about there being no assurances of the development charges being used for the purposes for which they're collected. We're told that the bill contains a number of areas where we have more transparency and accountability because of the municipalities having to keep track of what they are getting and where they're going to spend it. Could you explain whether you believe that that could be strengthened or that it needs to be strengthened to get the accountability, or is there something completely new that we need to put in the bill?

Mr. Mike Chopowick: Again, just making sure there's an assurance there that, if development charges are collected from a new rental housing project, they are not used for some far-flung project that's, frankly, going to benefit existing citizens who probably should be

paying their fair share for these new projects—just to answer briefly.

Mr. Ernie Hardeman: Going on on that one, I just wanted to know this: The paragraph before that is about paying for transit from—what shall we say?—the suburbs coming in. Everybody should pay for the ability to get them to town.

Mr. Mike Chopowick: Absolutely.

Mr. Ernie Hardeman: If it's treating everybody the same, as far as increasing the cost of housing, why is that part a concern?

Mr. Mike Chopowick: Thank you, Mr. Hardeman. I think that a lot of people have latched onto this mantra of "growth should pay for growth" and taking that a little bit too literally. For example, I've met with members and leaders from all three major political parties, and everyone seems to agree that we need more affordable housing in cities and across the province. That's all part of the province growing.

All households and business should be paying equally for growth-related infrastructure, not just residents who happen to be moving into a new development, whether it be a house, a condo or a new apartment building. That's what we meant by that.

Mr. Ernie Hardeman: In the rental housing market, the number of people who are coming in when you've built a new rental building—even though not many are being built—are they generally people from outside the community or people presently living in the community who are looking for places to rent? Do people generally move into the community or are they community people?

Mr. Mike Chopowick: It's probably half and half. Probably half of the new tenants are from within the community, but remember, our biggest demographic for new rental households is actually new Canadians, immigrants from other countries. That's important to note: For 75% of immigrants to Ontario, for the first two years that they're here, they rent. Affordable rental housing is a very important part of housing choice for new Canadians.

Mr. Ernie Hardeman: Thank you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much, Mr. Hardeman. Moving now to the third party: Mr. Hatfield.

Mr. Percy Hatfield: Thank you, Mr. Chair. Mike, you're one of the experts on rental housing in Ontario. What's the year of the build cut-off date on a cap on rent increases?

Mr. Mike Chopowick: November 1, 1991.

Mr. Percy Hatfield: So anything built after 1991 is not subject to?

Mr. Mike Chopowick: Correct.

Mr. Percy Hatfield: So if the government chose to limit rent increases on all multi-residential rental housing, would that not help more with affordable housing?

Mr. Mike Chopowick: No. No; absolutely not. Right here we're talking about development and new apartment buildings. We can't do anything about the cost of bricks, mortar, glass. We can't do anything about the cost of land, which is one of the biggest costs for new apartment buildings, and certainly the cost of labour and constructing them.

The biggest variable here that we can do something about that affects the cost is government-imposed charges and taxes. That would be the single biggest thing that would improve affordability for tenants, not rent control.

Mr. Percy Hatfield: I can understand your perspective on it, but I'm sure there are others out there who would say that if we want to get a handle on affordable housing, rent control is one method of doing that. With the vast number of new apartment buildings and high-rises and condos—just look around Toronto; a lot of them are built on spec. People don't only buy them to rent them out. If there was a rent-control provision in there, more people who are in desperate need of housing might be able to afford something that otherwise they wouldn't.

Mr. Mike Chopowick: The post-1991 rent control exemption for new apartment buildings is the only incentive that we have to build new rental apartments. You take that away, you won't see a single apartment building built in this province.

Mr. Percy Hatfield: That would slow things down, wouldn't it?

Mr. Mike Chopowick: It would be very bad for tenants.

Mr. Percy Hatfield: All right; thank you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much, Mr. Hatfield. Any further questions? No?

Thank you very much for your presentation, sir.

Just an update to the committee: You'll note on your sheet of deputations at 3:45 the Liberty Development Corp. They are not attending today. They've cancelled. Just to update you on that.

At this point, I'll just quickly check: Is there anyone present from the Toronto Women's City Alliance?

Is there anyone from the city of Toronto—Jennifer Keesmaat? No.

Since we are a little bit ahead of schedule, we'll do a five-minute recess at this point to update the other deputations. Take five minutes, please.

The committee recessed from 1637 to 1647.

The Vice-Chair (Mr. Jagmeet Singh): The committee will resume now; we have a member from each of the parties present.

TORONTO WOMEN'S CITY ALLIANCE

The Vice-Chair (Mr. Jagmeet Singh): We have Kara Santokie, director of the Toronto Women's City Alliance, present. I ask Ms. Santokie to come to the front. You have 15 minutes to provide your presentation. If you do choose to leave some time, that will be used by the members of the committee to ask questions, but you are free to use your 15 minutes as you see fit. Thank you again for being here. Please begin.

Dr. Kara Santokie: Thanks for having me, Chair, and members of the committee. Good evening. My name is Kara Santokie and I'm the director of Toronto Women's City Alliance. We're an organization that works to include the voices of women and girls in policy-making at every level of government here in Canada: municipal, provincial and, indeed, federal as well. I'm here to talk about the interactions between Bill 73 and the need for affordable housing and, in particular, inclusionary zoning as part of this bill.

I'd actually like to begin by drawing your attention to the province's own housing policy statement, which I'm sure you're all familiar with, that explicitly states that its vision is "to improve access to adequate, suitable and affordable housing, and provide a solid foundation on which to secure employment, raise families and build strong communities." This is, of course, a very noble and a very worthwhile vision to have, but what I'd like to say today is that we cannot build strong communities here in Ontario and, in fact, in particular in Toronto, without changes to the Planning Act.

This bill, Bill 73, is being referred to as Smart Growth for Our Communities. Indeed, it came to the city of Toronto in that form: the Smart Growth for Our Communities Act. What I would like for us to do in my less than 15 minutes is just very, very briefly consider what "smart growth" means. If we're passing such a bill, what does it mean to have smart growth for communities?

First and foremost, smart growth means that while we can and we should, indeed, take measures on emergency housing, the longer-term vision and the longer-term policy goals should be to address that chronic and ongoing shortage of affordable housing, especially here in Toronto, because that should be our longer-term vision. We cannot do that without having some sort of mandate and allowing and/or enabling inclusionary zoning in the Planning Act for Toronto.

In terms of thinking about building both affordable and inclusive communities from the ground up for the long term, we need some sort of provision for inclusionary zoning so that "smart growth" finally means we have a vision to see that planning, in the form of the Planning Act, should actually take into account the needs of all communities in Ontario, not just in Toronto, because people live at different margins of communities, they have different income levels and they face different kinds of systemic barriers. Inclusive communities, affordable communities, need to actually take these people into account as well, and we need to address the chronic and terrible shortage of affordable housing in this city through the Planning Act.

I'm sure you're all aware—this was in the news for the entire week—that the province, and indeed this government, has set a deadline. It has given itself a 10-year deadline to end homelessness in the province. I'd like to say to you to consider that we can't end homelessness in the long term without thinking about inclusionary zoning and how the Planning Act can enable affordable housing in this province. Actually, it's in this government's best interest to do so. Addressing long-term affordable housing is indeed a fiscally viable solution because we spend less in the long term on emergency short-term solutions; that means shelters and so on.

I'm sure other speakers have talked about this but I'll just very briefly say that inclusionary zoning creates new and affordable options for both homeowners and renters. There are a number of benefits to this. It helps to foster mixed-income communities all across Toronto, so we don't have a ghetto effect, nor do we have an exacerbation of different kinds of communities at different income levels. It helps to reduce stigma for those living on low incomes, so they're not forced into ghettos. And it gives all members of communities equal access to resources and opportunities. This, of course, demands careful and meaningful planning and a really, really strong, solid vision and leadership on the part of the government.

I'd like to leave that with you. Right now, as it stands, Bill 73 includes no provision for inclusionary zoning. I urge the committee to consider this as something that's essential for long-term growth and planning to create what we all want: those strong communities, with adequate, suitable and affordable housing. Thank you. I'm happy to take any questions if there's time.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much for your presentation. We'll begin with the opposition. Who would like to begin? Ms. Martow?

Mrs. Gila Martow: I think we all agree that we want to help people as much as possible. I was just talking to a developer who mentioned a specific single mother who went back to school and got a good career going and has a decent job and one child. She's paying more in the section of mortgage to cover her development fees than she's paying for child care.

In terms of what you're proposing—I'm just wondering how it would work. That woman is somebody you would want to help, is what I'm guessing. How would you go about that? If you would lower her development fees, are you expecting everybody else to make up the difference? A lot of times, somebody middle-income can't afford—they're a middle-income person—to buy something if it means they're subsidizing lower-income. They could maybe afford it if they were just paying their share, but if they have to cover somebody else's share, it's a challenge. So how would that work, in your mind?

Dr. Kara Santokie: It actually goes to before that, at the level of actually giving licences in terms of planning communities. Correct me if I'm wrong, but what you're describing is a scenario where a building already exists.

Mrs. Gila Martow: No, it's being built and they're selling it before it's being built—you know, condos.

Dr. Kara Santokie: I think this is something that needs to be worked out at the municipal level, actually, because changes can't happen at the level of a municipality without some sort of legislative change at the provincial level. So if municipalities were given the chance to give incentives to developers to create new forms of housing, then hopefully there shouldn't be that effect, where this cost is passed on to middle-income earners or even high-income earners.

Mrs. Gila Martow: It has to be passed on to somebody is what I'm saying, I guess. We have a lot of programs in place already in terms of subsidized daycare. The income tax is all scaled. If we start basically having a scale of development fees, I see that as being challenging for the middle-income people. I'm going to leave it at that, unless there's something you want to add—or my colleague. I'll pass it on.

Mr. Ernie Hardeman: I guess—

The Vice-Chair (Mr. Jagmeet Singh): Thirty seconds.

Mr. Ernie Hardeman: The question is that when we look at this bill and the development charges, do you see it affecting your needs as providing transitional housing and so forth—special-needs housing; let's say it that way. Do you see that there should be an exemption for that type of housing to facilitate building these stronger communities?

Dr. Kara Santokie: I think there could be exemptions, to begin with. Your colleague made mention of that. We have in place these structures; for example, subsidized child care. Bearing in mind that we have long, long wait-lists for both things in this province, both child care and chronic housing shortages—so that's two things; right? In fact, three things: It's emergency housing, it's repairs to existing stock of affordable housing and it's the creation of new housing. So you're sort of having to tackle this problem at three different levels. If that indeed means that we need some exemptions, at least to stem or alleviate that problem, then so be it. There are more than 18,000 people waiting for subsidized child care.

Mr. Ernie Hardeman: Thank you very much.

The Vice-Chair (Mr. Jagmeet Singh): Thank you, sir. We'll move now to Mr. Hatfield.

Mr. Percy Hatfield: Good afternoon, Ms. Santokie. Thank you for coming in. Within just the city of Toronto itself, not the other hundreds of providers of affordable housing, they provide more affordable housing than the entire population of Prince Edward Island. There are more people on the waiting list for affordable housing with the city of Toronto than the entire population of Prince Edward Island. We talk about inclusionary zoning.

One of the government members who was here earlier today, Mr. Milczyn from Etobicoke–Lakeshore, has private member's Bill 39 calling for inclusionary zoning. We have asked the government—

Dr. Kara Santokie: Peter Milczyn?

Mr. Percy Hatfield: Yes. We have asked for his private member's bill wording to be included in this bill, and perhaps at some point the government will make those recommendations. But what is for you the importance of inclusionary zoning? What would that do to the housing crisis in Toronto alone?

Dr. Kara Santokie: For the housing crisis in Toronto alone, I'll answer that question by relating our experiences of talking to many, many women, because we work on this issue quite extensively with regard to poverty reduction strategies, and mostly with the city of Toronto's poverty reduction strategy. This is hundreds of women I'm talking about here who talk about unaffordable housing as being a huge barrier to them providing for their families, because they can't afford rents. Private rental is very expensive in Toronto. Something like owning property is beyond their wildest dreams. This is not something they consider themselves being able to do in their lifetime.

So when you add to that the necessity of working in minimum wage jobs—more women are more likely to be in minimum wage jobs; they're more likely to be precariously employed—you come up with this package of life precarity. That's very hard to tackle.

Now, in thinking about building communities where these people can have the chance at being able to afford even a decent rental apartment that's within their means, so that they have adequate income left over to take care of their other needs, then that's what I see as real progress in terms of addressing housing, because we can't address housing without thinking about people's entire lives.

1700

Mr. Percy Hatfield: It's going to take an enormous amount of money to repair the existing housing stock just within the city of Toronto's portfolio. They can't do it alone; they need help from the senior orders of government. Should there be something in this bill that would put some kind of provision in there to raise money for such things as renovations to existing subsidized housing stock?

Dr. Kara Santokie: I would say so, because I'm not asking for a fairy tale. What we're asking for is to say that, "Yes, we absolutely acknowledge that neither the municipal government nor indeed the provincial government can do this alone." You do need help from the federal level; absolutely. We need a federal partner in this.

However, we also need for the government to show that interest and put pressure on the incoming partner that we now are fortunate to have, to say that this is something we need. It's not going to happen without that political will. We need that dedicated political will at both lower levels of government in order to get the federal government to step in and help with this issue in the largest city in Canada.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. Moving to the government side: Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you, Chair. Thank you, Ms. Santokie. Obviously your passion is inclusionary zoning. Your submission was all around inclusionary zoning, which, you're right, Bill 73 does not touch.

Just to address the issues that you bring forward, I'm not sure if you're aware that through the Long-Term Affordable Housing Strategy, we're dealing with issues like inclusionary housing submissions. The minister is in the midst of that engagement right now, outside of this. That's really dealing with long-term affordable housing.

Do you know whether you or your group has made a submission to the Long-Term Affordable Housing Strategy? Really, it's good that you're here today for a

dialogue with us; that's important and we appreciate it, but that's the venue where those things are being addressed as we speak—or being listened to.

Dr. Kara Santokie: I understand what you're asking. Yes, we have spoken with Minister McMeekin's office. I can't say that we got a sense that this was something that was being seriously considered as part of that long-term strategy. That's the first thing I'll say in response.

The second thing I'll say in response for all members of the committee is that what happens now in Toronto in terms of development and thinking about new developments is that the municipal government can only ask in an ad hoc way and give incentives for affordable housing because they don't have the legislative mandate in the City of Toronto Act to enable this.

Maybe in previous decades that was fine because everything wasn't so horribly expensive. I can't afford a house in Toronto. Considering that I, as a professional woman with a PhD, cannot think about affording a house in Toronto, what does that say for all the other people who cannot be here to speak today and who don't have that voice?

So while I appreciate the Long-Term Affordable Housing Strategy, we actually need this change put down in law because it reflects the time that we live in in this society, which is becoming increasingly polarized because of the lack of affordable housing options.

Mr. Lou Rinaldi: Yes, and not to repeat it, but what I'm saying is that you did speak to the minister's office—we're right now at an input stage. We're listening to people's comments and concerns like yours. Obviously, no decisions have been made. Before the inception of Bill 73, there was a lot of input from all the stakeholders before the piece of legislation that we're in the process of talking about today was even put together. So my reference to you was that I hope that you've made a submission and I hope you spoke to the—because that's the stage that we're in.

Dr. Kara Santokie: Yes.

Mr. Lou Rinaldi: And of course, affordable housing is a big issue. I appreciate the circumstances in Toronto, as a former Torontonian—they're real. But even in small communities—sometimes in small communities it's not as visible as it is in large urban centres, and we understand that. So I think it's something that—

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. Sorry. We've run out. Thank you very much, Mr. Rinaldi. Appreciate it.

Thank you for your presentation today.

LIBERTY DEVELOPMENT CORP.

The Vice-Chair (Mr. Jagmeet Singh): We actually have Liberty Development Corp. and counsel Marco Filice present now. Please take your seat, sir. Welcome. Thank you for taking the time to be here.

Mr. Marco Filice: Thank you. My apologies for being tardy. I was speaking at a conference for the Urban Land Institute downtown.

The Vice-Chair (Mr. Jagmeet Singh): Not at all. I was about to explain that, but thank you for providing the explanation. Excellent. You have 15 minutes to present. Please begin now.

Mr. Marco Filice: I'll be very brief. I'd like to give a one-minute background about our organization and what we do, and I'd like to speak for one or two minutes about one of the proposed changes to the legislation.

Our organization primarily develops mixed-use condominium developments, mostly in the 905—Vaughan, Richmond Hill and Markham. We do have some Toronto projects. Since the legislation called Places to Grow has come into existence, we've embraced the legislation by trying to respond to it and build a development that is sought after by the province of Ontario, which as you know is to build office and residential in the same complex. We have a development that's at Yonge and Steeles called World on Yonge. It's one of the larger developments constructed in the past couple of years. It has almost 1,200 apartments, but it's also mixed in with a 20-storey office building, hotel and retail. So it provides what a lot of us see here downtown to the suburban area, which is not a very common sight.

The advantage of doing that basically allows us to comply with the financial revenue tool that's in Places to Grow. It allows the municipality to receive the coupon, which is an increased assessment from the office product. As we know, generally the non-residential component of any real estate development is taxed at a higher premium than a residential development. So if we plant a tree such as an office building, the municipality, the region and the province will all gain increased tax revenue from that tool. They can take the fruit off that tree for many years to come and use the fruit as revenue to provide further infrastructure upgrades to the municipality in the local jurisdiction where it's created.

As an example of the amount of money that can be generated for taxes for municipalities, that project has provided over $52 million as a stand-alone project to what we call government and post charges. There's a large spinoff of tax revenue coming from these types of developments that are complying with Places to Grow. But since that project has developed, the burdens have increased substantially in terms of the pressures placed on developers to provide products that are required by Places to Grow. For example, when we started the project, government-imposed charges equated to about $0.08 or $0.09 per dollar of sales. Currently, they're up to $0.27. There was a 350% increase in government-imposed taxes over a 10-year period. When people talk about affordability, it's not the developer increasing the price; it's not the developer making more money; it's an increased amount of taxes being flowed through your purchase price to an end user or a consumer. I could give you an analogy and say, for example, why don't we keep the purchase price and the construction costs the same, but when a new resident enters their new city, the mayor or the city councillor can send them a tax invoice and say, "Okay, here's the cost of your new bridges, your

roads, your schools and parks"? That new customer will get a bill for about $60,000, something that may not be palatable in the business. Therefore, a lot of developments now have these charges imposed by governments upon them.

In terms of the section that I'd like to speak to, you've proposed a change here under section 42 of the Planning Act that has to do with parkland levies. Again, this is an item that's levied on a developer and ends up being in the purchase price that a consumer ends up paying. What we've seen in recent years is, a consumer never ends up seeing the fruits of that tax. We have one development where we paid over $6.4 million in parkland development levies at about $10,000 a unit, and none of those 640 new residents in that jurisdiction have seen one square inch of new parkland. There are levies being placed on new home owners, who end up getting burdened with increased mortgage costs and increased tax-on-tax costs and never see the results of what those government-imposed charges are for.

1710

The one recommendation that I'd make in terms of the statute that you're proposing to change is that it appears you're attempting to address some of that by alleviating the maximum penalty under section 42, by modifying the formula of one hectare per 300 units to one hectare per 500 units. The recommendation I'd like to make is to make sure that the language in there does not say "one hectare for each 500 dwelling units." It should say "up to one hectare for each 500 dwelling units." The reason is that the formula as prescribed in 6.0.1 requires the municipality to take two steps to activate a reduction in the maximum parkland penalty under section 42 of the Planning Act. It requires the municipality to have a specific bylaw that addresses an alternative parkland rate and it requires the municipality to provide an opportunity not to comply with the legislation.

I'll give you an example: Under the Planning Act which currently exists, you have a section called 42(6.3). That permits someone who's in compliance with Places to Grow to receive a reduction on government-imposed charges such as parkland levies, if they comply with the tenets of Places to Grow; for example, if you provide bicycle parking, you provide a green roof, you provide transit-oriented development, you provide a mix of uses, such as office with residential. Although the Planning Act does provide permission for a lesser amount of government-imposed charges on a development, for the lower-tier municipality in Ontario, as far as I'm aware, based on my letters to the Ministry of Municipal Affairs and Housing, there's not one entity that has invoked that policy in their official plan to provide that lesser rate.

So, although we are providing the changes proposed here, I'm not certain whether the lower-tier municipalities will invoke the permissions to lower some of the penalties that are punitive. My concern is for the exact language as prescribed. It says one hectare "for each 300"; it should say "up to," so that it's abundantly clear for any staff person of a municipality or any person who works in a senior management position of any municipality or an upper-tier municipality to read the legislation with the intention that there's an automatic discretion, that if you have a project that achieves the goals of Places to Grow and the intention of the Planning Act to make sure that housing is affordable, and that costs are not passed through which will not end up in new infrastructure in your jurisdiction, you do not get penalized with the maximum rate under section 42 of the Planning Act. The discretion should be drafted in, to say "up to" one hectare per 300 units and "up to" one hectare per 500 units.

Another issue with the clause is—not so much with the clause, but we need to be aware of the structures of the development regime which the developers operate to provide housing and new job opportunities and retail and office locations for consumers in the province. We have one ministry which is in charge of municipal affairs and housing, which governs the Planning Act. We have another ministry called infrastructure, which governs Places to Grow. Places to Grow sets the goals for the next 25 years and says we have to intensify, but it doesn't provide any financial tools. Then we have the Planning Act, which gives us the permit permissions, but it also doesn't have the financial tools to allow Places to Grow to be achieved. So we have two ministries, both in charge of the face of development and what the future should look like, but they don't speak to each other in terms of providing the best financial tool kit for people in this province to have so we have affordable housing and we have the mix of uses that we desire.

As a proposal, there should be regulation under the Places to Grow legislation that provides that if you achieve the goals of Places to Grow, you should get an automatic reduction on your government-imposed charges under the Planning Act. So if the Ministry of Municipal Affairs and Housing doesn't want to make any changes to the Planning Act, the Minister of Infrastructure should pass regulation under his or her authority to ensure that if you do achieve the Places to Grow goals, you get the corresponding reduction. If I provide a green roof and I provide bicycle parking and I provide a transit-oriented development and I provide an office building on my residential lands, why should I be paying the same rate as someone who doesn't comply with Places to Grow?

Those are two points that I would suggest to the committee. One is the drafting language, to make sure that the language in 6.0.1 is not written as a maximum penalty but "up to" one hectare, so that the discretion is drafted into the legislation, so that no staff person and no person of authority at a lower- or upper-tier municipality can use it as a tool to say we have to pass a bylaw first.

Secondly, I would recommend that the Minister of Infrastructure be invited to speak to this proposed bill, and speak to whether regulation can or should be passed under Places to Grow legislation to provide the corresponding tool set that is missing since the legislation was passed nine years ago.

Those are my comments for the committee.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much for your presentation and for your deputation. We'll begin first with the third party. Mr. Hatfield.

Mr. Percy Hatfield: Mr. Chair. Welcome and thank you for being here. I believe there was an article last year, maybe in Spacing magazine, that said the city of Toronto had an unused reserve fund of $248 million for parkland dedication. You cited a case where $6 million or $8 million was taken and no parkland was developed in the area that you were developing in. The cost of developing in that neighbourhood: What would be the cost of one hectare of parkland, just to buy something up and put just one hectare in there?

Mr. Marco Filice: The answer to that question is very elementary. At the time the municipality puts in the permissions on its block planning—let's say it develops a block 1,000 acres at a time—the municipality has the authority to buy banks of land for its own parkland.

Currently, for example, if you have a subdivision—a 1,000-acre block—the municipality only takes 5%, which is required under section 51 of the Planning Act. But the mayor has the authority to go buy 10% or 15% at the lower dollar value before everybody piles on. If the municipality were regulated by the Places to Grow Act, municipal affairs and housing could say, "Okay, you have to land-bank for your own community. In the future, there will be higher densities. You should be going out and getting more than the 5% you're entitled to under the statute. Why don't you go buy 10%? You can be a developer and go buy 10% of the land to hold for future generations." Don't wait for the land price to get so high that you can't afford it and have to charge people $10,000 a unit. This is the problem. There's one jurisdiction that's short 370 acres of parkland, and the only way to catch it up is to charge some of the high-rise people these large amounts of money to catch up with the current rates of land prices.

Mr. Percy Hatfield: I think of New York City and Central Park—not that I've been there all that often—but I would assume that a large swath of the people in the greater New York area have access to it and might make use of it. If they don't have access to parkland in your direct neighbourhood, is there any parkland available in the surrounding area that they can make use of?

Mr. Marco Filice: The answer is yes to both. We provide on-site amenities. We've actually tried to convince the jurisdiction—which is permitted under the Planning Act, as I've said—to give us credit for green roofs. Every building we've done for the past eight years has a green roof on it, and we can provide public access. The local municipality did not provide credits for green roofs against the parkland charge, number one. Secondly, yes, there are large local or regional parks, just like you would go to any conservation-area park, that are available for anybody in the community—or a provincial park, such as Algonquin.

The point is, it's not fruitful to collect money where you're not going to spend it in the jurisdiction where it is collected. If you say you're going to collect $10,000 from every unit owner for a park that's nearby for an owner to use, then you should show where you're going to spend the money. Otherwise, you shouldn't collect the money.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much, sir. We've run out of time for this round. We'll move now to the government side: Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you, Mr. Filice, for being here today. Just really a correction for the record of a couple of statements, Mr. Filice, and I just say that for knowledge: The growth plan is under the Ministry of Municipal Affairs and Housing; it's not under infrastructure. As a matter of fact, it's at the back end of a four-plan review—the growth plan, the greenbelt, the Oak Ridges moraine and the Niagara Escarpment—under the same ministry, the Ministry of Municipal Affairs and Housing. So there has been a consolidation so that we get more of a—hopefully after the review is complete; I don't want to predict what the outcome is, but it's really to streamline one of the things that you were asking for.

I think Ms. Mangat has a question.

The Vice-Chair (Mr. Jagmeet Singh): Ms. Mangat?

Mrs. Amrit Mangat: Welcome to Queen's Park. I understand that Bill 73 proposes additional municipal requirements. Can you share with the members of this committee why they are important?

Mr. Marco Filice: Are you asking me about the other sections of the proposed bill, or specifically section 42?

Mrs. Amrit Mangat: Yes. The proposed bill.

Mr. Marco Filice: My unofficial, personal interpretation of the changes being made: I read some of the proposed changes being made as administrative in nature to help facilitate development at the municipal level, to reduce the number of appeals or at least scope them out at the beginning when appeals are made, for example—some of the earlier changes to the legislation.

At the end of the day, the purpose of everything we do, both at Queen's Park and as private developers, is to make sure that future generations are taken care of and we maintain the prosperity of this province. Where there are disconnects, it's important for us to make those statements. Both of us have to work together to make sure people can afford houses, not just today, but five and 10 years from now.

Mrs. Amrit Mangat: Thank you.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. Moving now to the official opposition, I believe it's Ms. Martow.

Mrs. Gila Martow: Thank you so much for coming in. You mentioned World on Yonge, which is in my riding. I think it was very challenging for a lot of people who watched the project not to see the Yonge subway being expanded, as has been promised for, I would say, close to 30 years, off and on, by different governments.

I just wanted you to share your thoughts on what can be done by this government to ensure that transit dollars are put to the best use in terms of getting people on the transit—subways versus bus lanes—and how it would help development.

1720

Mr. Mario Filice: Currently—yes, the subway was approved for an EA fast track during the Liberal government, until it was put into purgatory. But the lack of subway expansion in the GTA is the single greatest deficit that my generation could have experienced. It causes me worries for my kids and where they're going to be employed and where they're going to live.

To the extent that we need to re-designate or redirect part of our $120-billion-a-year budget, 90% of which is spent on two ministries, we need to identify how we can redirect monies back into the neighbourhood where it's needed for transit and where it's going to be an investment for future generations.

There's no shortage of taxes being generated. World on Yonge generates over $10,000 a day in new taxes. Had that project not been brought forward by the developers and created 300 daily jobs—it was like a mini-factory for three years. Had we not done that project to allow over 1,000 people in jobs per hectare, well above the Places to Grow deadline, 25 years ahead of schedule, the jurisdiction of the local, regional and provincial governments would not be getting $10,000 a day in new taxes.

By the way, there are over 100,000 square feet of office building there. Out of every dollar collected for taxes for the offices, 67 cents goes to the Ministry of Education. So you can just do the math on how much money is generated. Do we need 67 cents from every dollar to the Ministry of Education? Maybe not. Can we redirect some of it to transit? Of course we can. Does it take courage to make that decision? Absolutely.

That's the job of the people in this building: to look not at what's going to happen to them in one year or four years, but to look at their children's future and their grandchildren's future and make the difficult decisions today that people made 150 years ago, 100 years ago and 50 years ago to make sure that we have the proper investments so that our future generations can have a great environment, excellent transit and a future for future jobs.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. That completes our time.

Mrs. Gila Martow: Sorry; I want to make one last quick comment.

The Vice-Chair (Mr. Jagmeet Singh): You can make it, I guess, to complete the time.

Mrs. Gila Martow: Getting some of the bus lanes that are being proposed put towards the Yonge subway expansion: Would you find that favourable?

Mr. Mario Filice: The province should be full steam ahead in terms of putting in as many subway lines as they can in this province.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. Thank you, sir, for your presentation.

Mr. Mario Filice: Thank you for your time.

CITY OF TORONTO

The Vice-Chair (Mr. Jagmeet Singh): I believe that our last deputation will be from the city of Toronto. We have Jennifer Keesmaat, chief planner and executive director for city planning. Thank you very much for being here. You have 15 minutes to provide your presentation. Please begin.

Ms. Jennifer Keesmaat: Good afternoon. I would like to thank the committee, on behalf of the city of Toronto, for the opportunity to appear before you. Through Bill 73, I believe that the province is introducing a number of amendments that would allow for greater civic engagement in how their communities grow and provide municipalities with more certainty over planning approval and outcomes and more opportunities, specifically, to resolve disputes that come before the Ontario Municipal Board.

I am here today, primarily, to express the city's support for Bill 73 and to request some specific changes of the committee to better reflect Toronto's land use planning needs, priorities and practices, in the context of provincial objectives to create healthy, sustainable and complete communities. Before I begin, I would also like to congratulate Premier Kathleen Wynne and Minister Ted McMeekin for their leadership in recognizing the need to ensure that the Planning Act remains responsive to the engaging and evolving needs of our communities.

Bill 73 embodies some positive changes to the Planning Act. In particular, I would strongly support the proposed changes to the Planning Act that follow:

—removing the mandatory five-year review period for employment lands, which has had the unintended consequence of precipitating more conversion of employment lands;

—limiting minor variances for privately initiated zoning bylaw amendments prior to the second anniversary of the day on which the bylaw was amended;

—prohibiting amendments to development-permit-system-initiated official plan policies and related development permit bylaws for a five-year period;

—providing legislative authority to make official plan policies regarding procedures for permitting alternative notice measures for informing the public for a wide number of planning applications;

—proposing a 90-day voluntary time-out period before official plan, official plan amendment and zoning bylaw appeals proceed to the Ontario Municipal Board; and lastly,

—strengthening section 37 density bonusing and parkland dedication system provisions to make them more predictable, accountable and transparent.

Now, I recognize that a number of the proposed amendments are intended to ensure that city-council-approved policies are better protected and that in fact there is better citizen engagement. However, while many of these policies might in fact be well-intended in the context of Bill 73, they have unintended consequences in the city of Toronto context, because of our complexity, because of our governance system and because of the unabated and unique development pressures that we have in the city of Toronto. The reality is that the city of Toronto needs a differentiated approach.

I understand that the amendments were proposed to be global and to apply to the entire province, but as you can appreciate, a municipality of 20,000—or even 200,000—people has a very different planning context than we have in a city of 2.8 million people that is adding a municipality the size of Collingwood every six months. That's what we do in the city of Toronto; that's the amount of growth that we in fact see. So what I would like to do is propose some amendments that are intended to respond to some of the recommendations in Bill 73 that I think would in fact slow down the development approval process but will also have significant cost implications and, quite frankly, are inherently problematic in a city of the scale and magnitude of the city of Toronto.

The first relates to the content of notice of a council decision. Of course, in the bill it is proposed that the decision and the reason for the decision needs to be posted, but you can appreciate that in the city of Toronto often council makes a decision and there might be 10 different reasons why the councillors around the table vote the way they do. How do we in fact document that decision? Given that we have a very transparent reporting process, whereby we write written reports on every application and we have the input from the public in those reports, you can appreciate that with the volume of applications that we have—literally thousands and thousands on an annual basis—to be writing a notice of decision would involve an incredibly onerous process: going back to councillors and talking to them about why they voted the way they did.

We would like to suggest that we need some legislative flexibility that would enable us to examine alternative ways to communicate any new information proposed by Bill 73 to include an explanation with respect to the notice of decision. In a much smaller municipality, where there might be maybe 20 or 30 or maybe even 100 decisions a year, that might be a possible requirement. Given the volume of decisions we have on an annual basis, it simply wouldn't be possible.

The second area where I would like to request legislative flexibility and the opportunity to examine alternative ways is with respect to planning advisory models. Whereas there is a recommendation in the context of Bill 73 for a council body that would in fact provide advice on planning matters, given the unique governance structure that we have at the city of Toronto, where we have a planning and growth committee that is a committee of council that in fact hears deputations, to have an advisory body reporting directly to council would in fact be problematic in a variety of different ways. Rather, just as we have currently created a planning advisory committee that is drawn from a lottery of residents across the city, we would ask for some legislative flexibility to recognize the volume of planning applications that we have in the context of the city of Toronto.

With respect to restricting the flow of official plan amendments to the Ontario Municipal Board, we would request a broadening of the "no global appeal" provisions in Bill 73 of new official plans only to also capture those instances where an existing official plan is being updated through thematic policy reviews, or where council adopted a secondary plan. I have a few suggestions that I'll make with respect to this.

Just to give you an example, whereas a smaller municipality, even a municipality like London, Ontario, may spend a couple of years and write a new official plan, we spend a couple of years and, given the vastness of the city and the number of constituents that we might consult with and the complexity of issues we need to deal with, it takes us a couple of years just to update our heritage policies, let alone rewriting the entire official plan. Rewriting the entire official plan is not something that we anticipate in the near future. We will continue on a model of updated thematic reviews. As a result, we would like to see "no global appeals" in fact extended to thematic reviews as well.

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When we've gone through an extensive consultation process to update our official plan and we've consulted thousands and thousands of residents, it's quite disheartening that one resident or a few developers can then turn and appeal that at the OMB when we've been through an extensive process and it has been supported by city council. So we would request a reconsideration of "no right of appeal."

We would also like to see an extension of the statutory review period for all official plans, amending the official plan review period in Bill 73 for all official plans, both existing and new, to 10 years. The situation we're in right now is that we're in a constant process of official plan review. We're never done because we get it reviewed and, because of the legislative requirement, we have to begin again. A 10-year period would give us somewhat of a breathing room in order to get on with the work of implementing the official plan.

I would also like to raise some comments with respect to outcomes related to bringing municipal official plans into conformity with official plans. Currently, when we are required by the province to update our official plan, that can then be appealed at the Ontario Municipal Board. We would like to see a provision whereby when we are bringing our official plan into conformity with official policies, other parties can then not appeal that review. That seems like an incredibly circular process, and we end up perpetually at the Ontario Municipal Board instead of focusing on the important city-building work that we need to do.

I would also like to raise some key points with respect to extending time frames for council to review official plan amendments, extending the planning application process time frames in the Planning Act before municipal failure-to-proceed appeals can be made for official plans in all official plan amendment applications from 180 to 240 days.

We aren't developing greenfield sites in the city of Toronto; every site has adjacent neighbours, heritage buildings or below-grade infrastructure. The buildings we build are incredibly complex. We need more time to be

doing a good job of ensuring that we're getting the best city-building outcomes, but the threat of appeal at the Ontario Municipal Board often forces us into a negotiating or a settlement position when really there is still important work to be done.

We would also like to propose the consideration of expanding the freeze period on certain types of C of A applications by further amending Bill 73 to expand the freeze period for allowing minor variance applications from the second to the third anniversary date on which a privately initiated zoning bylaw was amended.

We recognize the rights of an applicant to make an application. However, there should be a prescribed period of time following a rezoning during which minor variance applications cannot be made unless they are truly technical or housekeeping in nature, in order to allow the outcome of the rezoning process and agreements to settle in and to begin to take hold in reshaping a community. Otherwise, we put a rezoning in place and, before we're fully implementing that rezoning, amendments are being made to it and we end up in this situation of perpetual and constant change.

I would also like to say, just as a closing point, that there are a number of recommendations related to Planning Act reform previously identified by the city of Toronto that were not addressed in the context of Bill 73. These matters continue to be important for the city. They were submitted in written deputations by the city. We hope that there will continue to be refinements to the land use planning and appeals process in Ontario as we move forward and implement the changes that have been identified in Bill 73.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much for your presentation. We have a couple of minutes for questions. I think it will work out to one minute per party. We'll begin with the government side. Mr. Rinaldi, please begin.

Mr. Lou Rinaldi: Thank you very much for being here—a very thoughtful presentation. I'm just trying to keep up with notes, but I'll visit Hansard at the end of the session.

I don't have much time, I guess. One minute, so I'll make it quick. The fact of eliminating the review of employment lands every five years: How important is that to the city of Toronto, or is it?

Ms. Jennifer Keesmaat: This is critical to the city of Toronto for a very simple reason, and that is that we are at risk, given the incredible development pressure we see and the opportunity to put a condo pretty much anywhere, as you can see in the city, that we will in fact lose critical employment lands that are important to sustaining a robust and diverse economy in the city.

Given the land economics, there is incredible pressure to convert those lands to condos, particularly by the owners. Protecting those lands and pushing back against that market pressure to convert to condos is very important to the diversity of the economy in the city and keeping critical jobs in this city. So it's very important that we in fact have a strong policy framework, and the extent to which we can keep that policy framework static in a rapidly changing environment will protect jobs in this city.

The Vice-Chair (Mr. Jagmeet Singh): Thank you very much. Thank you, sir.

Now moving to Mr. Hardeman from the official opposition.

Mr. Ernie Hardeman: Thank you very much for your presentation. I agree with most of the issues as you relayed them. I don't represent the city of Toronto, and obviously planning is different in my community, but it's not as different as one might think, and I agree with most of your suggestions.

The one that I've heard a lot of concern about from the development industry particularly is the freeze on the change to minor variances for two years. When you're going through the process and you're putting up the building and you need to have a minor variance adjusted by two feet, it doesn't make sense to shut the project down for two years waiting for you to be allowed to apply.

Particularly in Toronto where it's much more elaborate, it's very difficult to find a way to get the city's position on approving a minor variance that you're not allowed to apply for, because it can be initiated by the city, but how would you get the city of Toronto to initiate changing the setback by one foot because they can't quite make it the way it is?

If it's a minor variance, it's not going to make a big difference. So it would seem to me that that was one area we should be looking at, broadening it and shortening that time rather than your suggestion that we're going to increase it.

The Vice-Chair (Mr. Jagmeet Singh): That was the entire minute that's given to the party, so it doesn't really allow you time to respond. Given the fact that we are running a little bit ahead of schedule, perhaps you can quickly respond to that question.

Ms. Jennifer Keesmaat: Thank you very much. We do not have a challenge in the city of Toronto with planning policy holding up development. This is a very important point. We see more committee of adjustment activity than probably every other municipality in Ontario combined. Thousands and thousands of applications are processed across the city on an annual basis. So I'm not even remotely concerned that this change would in fact constrain new development or change projects.

What it would do, however, would be to give us the breathing room to actually assess the change that is taking place in communities to ensure that the character of neighbourhoods is protected, and that in fact at this point in time is a bigger concern. Change is happening so rapidly that we don't yet see the way it's transforming communities as that changing growth is happening. So I have no concerns about slowing down change at the committee of adjustment as a result of this recommendation.

The Vice-Chair (Mr. Jagmeet Singh): Now moving to the third party: Mr. Hatfield.

Mr. Percy Hatfield: I'm from Windsor, so $248 million in a reserve fund for parkland is a lot of money. I can understand in Toronto maybe not so much. What is the council's plan—on a parks master plan, what can you do with $248 million? We heard from the developers that they are charged a lot of money but don't get parkland in return.

Ms. Jennifer Keesmaat: It's very important to know that the article that you're referring to is quite misleading, in part because, as you can appreciate, we collect money from a whole series of projects in order to plan for larger parks in the downtown area, and $248 million is a drop in a bucket in the downtown context. All of that money is allocated. Our challenge in the downtown is that, given land values, we cannot collect enough money to be able to create a park of a significant scale that we need.

We have an exercise under way right now called TOcore wherein we are creating an acquisition strategy as well as a master plan for parkland. The biggest challenge to implementing that plan is that we simply cannot collect enough money to compensate for the value of land and the price that we must pay to purchase land in the downtown to create new park space.

All of the money is allocated; that is the first message. The second message is that we have a significant challenge being able to build parks of a significant scale simply because of the cost of land.

The Vice-Chair (Mr. Jagmeet Singh): Thank you to all of the committee members who asked questions.

Thank you very much for your presentation today.

That wraps up the presentations. Just by way of housekeeping: Tomorrow, the committee is scheduled to meet in committee room 1, so it's different from this room. Keep that in mind.

The committee is officially adjourned till tomorrow at 4 p.m.

The committee adjourned at 1741.

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