

BILD AND RESCON Deputation to City of Toronto Budget Committee

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Paula Tenuta - SVP, Policy & Government Relations, BILD

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PAULA:

- Good day Councillors, Members of the Budget Sub-Committee.
- My name is Paula Tenuta, and I am staff from the Building Industry & Land Development Association.
- With more than 1500-member companies, BILD is the voice of the land development, home building and professional renovation industry in the City of Toronto
- Our industry is essential to Toronto's long-term economic strength and prosperity
- A bit of this economic impact:
- In 2017 alone, the residential construction industry generated over 90,000 on-site and off-site jobs in new home building, renovation and repair – one of the City's largest employers
- These jobs paid over \$5 billion in wages (5.4) and contributed almost \$11 billion (10.8) in investment value to the local economy
- Today, I am joined by my colleague Paul from RESCON – the Residential Construction Council of Ontario
- Paul,

PAUL:

- Thank you, Paula, and hello to members of the Budget Sub-Committee. My name is Paul De Berardis and I am the Director of Building Science and Innovation for the Residential Construction Council of Ontario, or RESCON.
- RESCON represents more than 200 residential builders of high-rise, mid-rise and low-rise buildings in Ontario.
- Our goal is to work in cooperation with governments and related stakeholders to offer realistic solutions to a variety of challenges facing the residential building industry, to ultimately deliver much needed housing.
- Residential construction represents one of the biggest construction employment sectors, yet it has become burdened with undue regulation, drawn-out approvals and staggering municipal fees and taxes, exacerbating the housing affordability crisis.

PAULA:

- We are here today to express our collective industry association views on the concerns with the proposed changes to the Land Occupancy Fee Policy which is up for consideration with this year's budget
- By way of description, this policy is designed to charge a fee for development projects that have to occupy a laneway in order to have a safe place for construction workers, AND the public with the associated overhead protection.
- The charges associated to the policy vary by area or neighborhood. More densely populated areas have a higher associated charge.
- Last year, via a letter in November, BILD was advised that the City was making two changes to their lane occupancy fee as part of this 2019 budget process. There was no consultation, just this letter, although BILD had been heavily engaged with the review of this fee prior to them being adopted by Council in 2015

- The first change that the letter indicated was an increase in rates by 25 – 50% to reflect the Toronto Parking Authority's parking rate increases
- The second would be a new charge of \$97/ per hour for additional TTC vehicles that would apparently be needed as a result of the added route time that's needed because of the lane that has been occupied
- Over to Paul now to address some of the industry concerns with these proposed changes that I've outlined

PAUL:

- In reviewing the proposed changes, we have expressed our concerns to City Staff and various Councillors.
- We believe that it is unfair to adopt such significant and sudden lane occupancy fee increases, simply because the Toronto Parking Authority rates were updated. All while other municipal fees imposed on the development industry are sharply on the rise, namely development charges and considerations for higher parkland fees.
- Furthermore, no industry consultation took place to provide feedback on the parking fee increases, which evidently formed the basis for the revised lane occupancy fee structure. The consultation on parking fee increases did not signal changes to lane occupancy fees. Therefore, only BIA's were seemingly affected and thus consulted.
- With respect to the new TTC charge, there are many un-answered questions, despite our efforts to dialogue with TTC staff. The TTC has not provided a valid rationale or even the legal and jurisdictional authority to impose this TTC charge.
- All we have been told is that in circumstances where a lane is occupied for construction, an incremental route time increase is incurred by TTC surface vehicles, which may result in additional buses being added to a route to maintain transit customer waiting times and vehicle loading.

- However, our industry is concerned that there isn't adequate clarity or information on the details of this proposal. Our questions include:
 - What are the eligibility criteria for adding TTC surface vehicles?
 - What happens if there are 2 or more developments along a given transit route? Do the developers split the costs?
 - Who determines how many additional TTC vehicles are required?
 - What is the duration of having additional busses along the route? Would it be for the duration of the whole project, during rush hour only, or some other time frame?
 - What about instances that require lane occupancy, other than construction staging, would there still be a need to add additional TTC vehicles along a route, for example with utility or municipal construction projects, or even routine city congestion?

- These key questions should be address and clearly communicated to stakeholders, and additional consultations should be conducted with all impacted parties prior to the adoption of this arbitrary TTC charge.

- Given the already high lane occupancy fees, builders have minimized the usage of public rights-of-way where safely possible. Alternative as well as innovative technical solutions have been employed to reduce the reliance on lane occupancies. Builders have leased adjacent private property where available or utilized automated climbing system platforms, suspended construction staging structures and elevated construction site offices. Increasing the rates will not further reduce the use of construction lane occupancies, it will simply raise the cost of construction.

- Ultimately, additional fees borne by the development and building industry, will be passed onto new homebuyers. At a time when all levels of government are supposed to be committed to addressing the housing supply and affordability crisis, tacking on additional costs are not aligned with these overarching policy initiatives.

PAULA:

- At time where all eyes are on housing affordability, and noting that this is a rental project, these are costs that are built in to the cost of the unit.
- Its' also important to note that if this is adopted with the budget, that it's retroactive to January 1st, also concerning, since there's so much uncertainty associated with this fee.
- What we're recommending today is that in the interest of transparency, and the need for additional consultation and time to have some of the TTC related questions answered, you do not approve these two proposed changes as part of the budgetary process.
- We recommend that these fees are instead returned to staff for a review, and that we can all have our questions answered, especially on the rationale for the TTC portion of \$97/hour, how this is even translated, and whether or not they are even legally permitted to collect. That is a key point that should be answered before we move forward.
- On behalf of BILD and RESCON, thank you for the opportunity to address you today. We're happy to take any questions.