



Jan 25, 2019

The Honourable Steve Clark  
Minister of Municipal Affairs and Housing  
17th Floor  
777 Bay St.  
Toronto, ON M5G 2E5

Dear Minister Clark,

**RE: Consultation: Increasing Housing Supply in Ontario**

Thank you for the opportunity to comment on the government's consultation document that will inform the Housing Supply Action Plan. We are pleased to provide our perspective and recommendations on the current barriers that are negatively impacting the development of ownership and rental housing in Ontario.

The Residential Construction Council of Ontario (RESCON) represents more than 200 residential builders of high-rise, mid-rise and low-rise buildings in the province. The focus of RESCON's work is on technical standards; labour relations; industry research and innovation; health and safety; regulatory reform and streamlining; as well as training and apprenticeship.

Unnecessary constraints on new housing supply – both ownership and rental – has artificially increased housing prices in the GGH. This has created hardship for homebuyers and renters alike and reduces the economic competitiveness of the GGH. As a result, too many job creating investors will continue to invest in other comparable cities with a high quality of life but much more reasonable housing prices.

Our recommendations focus on several areas including: the need to move quickly to update chronic under zoning in the GGH; using innovative ways to fix our huge transit deficit; speeding up and modernizing our development approvals regime with more transparency, more accountability, and more technology; and finally, supporting innovative building approaches that introduce more competition. In addition to these key themes, our report includes several other recommendations.

I appreciate the opportunity to provide you with our recommendations on this very important topic. Please do not hesitate to contact me if you want to further discuss these ideas.

Richard Lyall  
President

Encl.: RESCON Correspondence, 2018. "Implementing the 2017 Growth Plan with a focus on MTSAs".



## **Key consultation topics in the Provincial Action Plan**

1. Speed: faster development approvals
2. Mix: the right mix of housing where it is needed
3. Cost: development costs are too high
4. Rent: it's too hard to be a landlord while tenants need to be protected
5. Innovation: we need more innovation in the building industry and to increase supply

## **RESCON Recommendations**

Our recommendations focus mainly on certain key themes. These are: the need to move quickly to update chronic under zoning in the GGH; using innovative ways to fix our huge transit deficit; speeding up and modernizing our development approvals regime; and finally, supporting innovative building approaches that introduce more competition. In addition to these key themes, our report includes several other recommendations.

There are other important topics - including serviced land supply, agricultural and natural heritage mapping, and high development charges - that are not discussed in this submission, but we expect that they will be effectively addressed by the other industry associations such as the Ontario Home Builders Association (OHBA) and the Building Industry and Land Development Association (BILD) who have studied these matters more closely.

RESCON's comments, which largely follow the themes in the housing supply action plan consultation paper, are organized as follows:

- A. Faster municipal zoning updates to align with provincial plans**
- B. Faster development approvals and a modernized regulatory regime**
- C. Improving the mix of housing typologies**
- D. Reducing infrastructure and housing costs**
- E. Helping to improve the climate for market rental construction**
- F. Increasing innovation in the building sector**



## **A. Much faster municipal zoning updates to align with provincial plans.**

Updating municipal zoning and planning to align with the provincial Growth Plan will mean faster approvals for developers since proposals that comply with the Growth Plan will in most cases not require official plan and zoning amendments.

### **1. Much faster zoning updates are required across the GGH and in particularly in MTSAs.**

Toronto and other parts of the GGH, are plagued by chronic under-zoning. While it is the intent of the provincial growth plan that municipal zoning be updated to align with the 2017 Greater Golden Horseshoe Growth Plan, this process of updating is notoriously slow.

For example, many major transit station areas (MTSAs) are under-zoned relative to the provincial growth plan. RESCON previously recommended that zoning near MTSAs be updated within one year, rather than eight years under the current municipal comprehensive review process by which the provincial growth plan is implemented. Intensification around MTSAs should be a priority given the enormous potential to add housing supply and reduce road congestion.

Amendment 1 to the Growth Plan, just released for consultation, expands the MTSA area from 500 to 800 metres. It also allows the Municipality to identify minimum density targets for MTSAs through an official plan amendment in advance of the next municipal comprehensive review. This change has the potential to allow for updated zoning for these areas within a one-year time frame as recommended by RESCON. Another Amendment 1 change removes the ability to shift most of the density increases to one MTSA so long as the average among at least 4 MTSAs is met. Another change allows the Minister to more quickly to lower density targets for particular stations but only for specific reasons. These appear to be positive changes, but we still believe that a one-year time frame for updating zoning in MTSAs is necessary.

One remaining area of concern is that the Growth Plan and associated implementation documents refer to “stable neighbourhoods” that include areas near MTSAs, resulting in conflicting objectives. In fact, areas within 800 metres of an MTSA should be considered “existing neighbourhoods” until the official and secondary plans have delineated more precise boundaries responding to local circumstances. Please see our Growth Plan comments in our December 10, 2018 letter which was a response to the Ministry’s Growth Plan implementation consultations (see attached document).

In other areas, outside MTSAs, municipalities also need to move much faster to align zoning with the Growth Plan – within two years rather than 8 years, as the circumstances outside MTSAs may be a little more fluid.

### **2. Province and outside consultants should assist municipalities with the planning and zoning updates.**

Given municipal resource constraints, the Province needs to “get its hands dirty” and assist municipalities with the development of a complete planning package (official plan, secondary plan, site plan and zoning by-laws or community permits) that is updated and aligned with the Growth Plan. This will substantially reduce



the common municipal practise of handling development applications for rezoning and/or official plan amendments on a site-by-site basis which is laborious and time intensive for municipal planning staff.

Guidelines are also needed to facilitate some development that is compliant with the Growth Plan before zoning is updated. Updated zoning will greatly reduce municipal planning staff time that is allocated for development applications since official plan and zoning amendments are virtually eliminated. Staff can focus on remaining development approvals (site plan, subdivision, etc.) and then focus on across- the- board zoning updates. In addition, municipalities should engage outside consultants, subject to municipal direction of course, to work on a complete planning package.

This should especially be a priority for MTSAs given the large public investment in infrastructure.

### **3. MCEAs should be integrated into municipal official plan reviews.**

Approval of municipal infrastructure projects such as roads, bridges, bike paths and other public works must go through a Planning Act process but often are subject to review under the Municipal Class Environmental Assessments (MCEA) process.

An opportunity exists to streamline approvals by consolidating public consultation requirements. Having two separate consultation processes, including appeal rights under the MCEA process (known as a Part II Order request or PIIOR) is duplicative and unnecessarily adds costs to many local projects. The Ministry of the Environment, Conservation and Parks (MECP) accepted an EBR application in 2017 by the Residential and Civil Construction Alliance of Ontario and the Municipal Engineers Association to undertake a comprehensive review to improve the MCEA process. This review was to have been completed by the end of 2018.

Currently in the United Kingdom, environmental assessments for local projects are integrated into the official plan development process. MECP should still be responsible for environmental assessments for higher risk or larger municipal infrastructure projects such as sewage treatment plants and power stations.

PIORs, which are request that deal with outstanding environmental issues that have not been addressed through the class environmental assessment process, create substantial additional delays and costs on municipal proponents. Time and costs associated with PIIORs can be reduced by delegating authority to the MECP director level and adhering to reasonable deadlines following which PIIOR are presumed denied.

### **4. Zoning first and then transit.**

The Province needs to exercise leverage to achieve up to date zoning that reduces unnecessary red tape.

This means no transit investment is approved until updated zoning is in place. Since transit investments serve a broader public good (less congestion, more housing supply, more economic competitiveness), and since we already have a substantial transit deficit, the Province should consider multiple transit line options and have municipalities compete via updated zoning for the privilege of a getting new provincial transit investment. Other tools exist for enforcing compliance with the Growth Plan as outlined elsewhere in this document.



## **5. Replace zoning with properly designed community development permits to streamline approvals.**

Instead of traditional zoning, community development permits (previously called development permits) provide further streamlining opportunities, provided that they are properly designed.

Community development permits combine zoning with site plan control into more flexible planning tool. This provides not only opportunities to speed up the zoning and site plan control updates (combined in a single district wide community development permit package) but can also speed up development approvals since zoning and site plan are integrated or consolidated into one approval process.

## **6. Remove Section 37 density bonusing provisions that delay municipal zoning updates.**

Under Section 37 of the *Planning Act*, a municipality can permit increased building heights or densities, in return for the provision of facilities, services or matters (including money) as set out in the bylaw.

This provision, when combined with the fact that the Province allows municipalities eight years to update zoning to align with the provincial Growth Plan and does not penalize or hold municipalities accountable if this timeframe is not met, has the effect of encouraging if not almost endorsing, a municipal practice of chronic under-zoning. This in turn provides municipalities with a platform for extracting substantial financial benefits from developers who just want to comply with the approved provincial Growth Plan. Site plan control already addresses site specific requirements for larger buildings, while development charges are intended to address the incremental impacts of new development on services, infrastructure, etc.

Therefore, there should be no need for Section 37, since these impacts can be addressed in a more standardized way through existing planning tools (site plan control and development charges). One possibility is for the province to standardize requirements for larger building currently captured under Section 37, site plan control, development charges and parkland dedication fees, to provide transparency and certainty. This could eliminate the need for Section 37 without removing the current provision immediately. However, this may not be sufficient since the combination of NIMBYism and the existence of section 37 will still encourage municipal under-zoning. Therefore Section 37 should still be eliminated or substantially reduced in scope. There may still be an argument for retaining a limited and reformulated version of section 37 to address local impacts of certain unique buildings (e.g. super tall buildings) that exceed the provincial Growth Plan, but still have merit.

## **7. Minister's zoning powers should be used if municipalities don't update zoning.**

Under the "Places to Grow Act", there are detailed provisions requiring public consultation and notice provisions to ensure that municipalities and the public are notified of proposed provincial growth plans and have an opportunity to provide input.

In general, new developments following the July 1, 2017 effective date are expected to align with the 2017 Growth Plan – but as noted earlier we continue to have a chronic under-zoning problem. The Planning Act,



under Section 47, gives the Minister the same zoning powers as municipalities and can potentially be used to make sure zoning is quickly updated as recommended above.

If the Province assists with MTSA planning and zoning updates, and the municipality does not comply with new and much shorter timeframes suggested in this submission, then the province could be in an excellent position to use the Minister’s zoning powers to update municipal zoning in a knowledgeable fashion.

#### **8. Substantially reform LPAT and bring back a planning appeal system similar to the OMB.**

The new Local Planning Appeals Tribunal (LPAT) represents an effort to move away from what was seen as the paternalistic approach of the Ontario Municipal Board (OMB).

The LPAT shifts the focus back to municipalities to comply with provincial policies and the Growth Plan. Where the LPAT agrees that a municipality has denied approval for a development project that complies with the Growth Plan, the first step for the LPAT is to bring it back to the municipality for a second try. Therefore, a municipality with out of date official plans and zoning, that has refused an application compliant with the Growth Plan, is under LPAT, given a second chance to make a different decision (as if the first decision was an over-sight or mistake).

LPAT should be replaced with an appeals system similar to the OMB where the OMB itself makes a decision on an application that a municipality has refused to approve, even though it is compliant with the growth plan – with no second chance for the municipality.

Perhaps the new LPAT could depart slightly from the OMB in that it would avoid including the concept of “good planning”. This concept was understood to be the basis for some OMB decisions and was the source of some concern. Appeals under the new body should be judged purely on a reasonable assessment of Growth Plan compliance. Also, LPAT needs to be properly resourced to respond to files in a reasonable timeframe. However, updated zoning should result in far fewer appeals to the new body.

### **B. Faster development approvals and a modernized regulatory system**

The recommendations in the previous section should help to substantially eliminate out of date planning requirements thereby streamlining development approvals. However, there is still a need for better agency compliance with timelines. In addition, these timelines need to be shortened in many cases, and they need to be risk-based. We also need to modernize our development approval system. Further information on modernizing the development and building approval process is outlined in RESCON’s July 2018 report “Streamlining the Development and Building Approvals Process in Ontario” (see attached report, Chapter 8).

## **Streamlining the Development and Building Approvals Process in Ontario**

Good practice concepts and a guide to action



July 2018



### **1. Risk-based approval timelines.**

A major concern of builders is that even though the Planning Act include timelines for certain development approvals, there is very poor compliance with these timelines. Many municipalities are very blasé about timeline compliance. For builders, timeline compliance is critical because it affects project cost and uncertainty. Risk based timelines are one important part of fixing this problem

Development approval timelines should not be uniform but rather risk-based, similar to review timelines under *the Building Code*, in order to achieve a better allocation of scarce agency resources.

For example, site plan control approvals, which deal with technical matters, are very slow in the GGH. Site plan control covers matters such as building siting; exterior design; as well as grading, landscaping and parking. Under Section 41 of the Planning Act, municipalities can prepare site plan control bylaws and guidelines to help developers more quickly comply with these largely technical requirements within the 30-day approval timeline. Yet, according to a World Bank “Doing Business” review, Toronto’s building permit system for a warehouse in an area zoned for warehouses has a global ranking of 54<sup>th</sup> for efficiency. A key reason is a very long site plan approval process (180 days). Other studies by the Ontario Association of Architects (OAA) and Ryerson University report show approval timelines of one to two years for residential buildings. Slow site plan approval process is the “canary in the coalmine”, suggesting broad and systemic problems with our regulatory regime.

RESCON’s report on streamlining the approvals process – released in July 2018 – recommended better adherence to site plan timeframes (through web-based reports on actual performance and a modernized approval regime were discussed elsewhere), and a move to risk-based timeframes. The July report



recommended a one- to three-month risk-based timeframe for site plan control. Recently, OAA has recommended a 20- to 40-day range for site plan control, which RESCON supports.

A recent survey of GGH municipalities prepared for RESCON by Pound and Stewart planning consultants confirmed that most municipalities don't comply with prescribed Planning Act timelines. Approval timelines in months (including time the application was back with the applicant for revisions) were: site plan approvals (4 to 36); plan of subdivision (6 to 36); plan of condominium (2 to 36); official plan amendments (6 to 36); and zoning bylaw amendments (4 to 36).

These timelines also need to be more risk-based.

Similarly, timelines for other largely technical municipal and external agency approvals also need to be risk based. These external agencies include: *Ministry of Environment Conservation and Parks* (Environmental compliance approval; renewable energy approval); *Ministry of Transportation* (Corridor management, building and land use permits; corridor management, entrance permits); *Conservation Authorities*, (permit for development, interface with wetlands, alteration to shorelines/watercourses). Currently external agencies have no mandatory timelines, which has caused a lack of accountability.

RESCON is working with municipalities and industry experts to propose risk-based approval timeframes for external approval agencies, starting with conservation authorities, that are based on a modernized regulatory system described below. It is likely that the recommended timelines for largely technical approvals by these external agencies will be in the range of about 20-40 days as is proposed for site plan approvals.

## **2. Regulatory agencies need to be more transparent and more client-centric.**

Development applications can be approved much more quickly when applications are complete and compliant with regulatory and other requirements, from the very beginning. This is only possible if the regulatory agencies are totally transparent with respect to their requirements.

Total transparency means including the following information on the agency website: requirements and regulations; complete application requirements and checklists; guidelines for typical development scenarios; decision-making criteria; high resolution maps; and annual reporting on actual timeline performance metrics.

In addition, more client-centric agencies will help applicants submit more complete and compliant applications, but such agencies will also transform their "DNA" to be more focussed on facilitating compliance and approvals.

Measures to achieve more client -centric agencies include: committing more resources to pre-consultation that includes key agency experts and decision-makers; persons reviewing applications should not call themselves "planners", they should be called "development approval facilitators" or something to that effect, to reinforce their role to facilitate compliance with updated municipal planning requirements; within the municipality there should be a person, a "coordinator", who can work with the developer or developer's





consultants, to help address conflicts and coordination issues among various municipal and external agency requirements.

More information on this can be found in RESCON's July 2018 Streamlining Report.

### **3. Improve application quality, documentation through professional coordination and peer review.**

As noted above, a major complaint of regulatory agencies is that development applications are not complete and compliant. Agency transparency and pre-consultation will help improve application completeness and compliance.

Also, applications will be more complete if complex submissions with multiple professionals are properly coordinated (to avoid conflicts) with an identified person taking responsibility for coordination issues, and if critical or high-risk elements are peer reviewed to provide third party review, which is regulatory agencies will otherwise do themselves. (Please see attached report, page 33).

This is similar to the approach in British Columbia's "letters of assurance" and will require at least some regulatory changes. These ideas can apply to several types of applications including, complex planning applications, site servicing or engineering applications and building permit applications. Documentation that demonstrates that the application has been closely reviewed to ensure coordination and peer review will help a client-centric regulatory agency approve such an application much more quickly.

The Province may need to review the robustness of the Professional Engineers Ontario and the Ontario Association of Architects regulatory regime to ensure that it can assure the same high level of performance, accountability and documentation as the licensing regime in British Columbia.

### **4. With improved application quality and documentation, regulators should shift to an expert audit role.**

As the quality of and completeness of applications are increased through more transparency, better pre-consultation, interagency conflict resolution, more supportive client centric agencies and also submissions that are properly coordinated and critical elements peer reviewed, the work of regulatory agencies should be much more streamlined.

Under this modernized regime the focus of regulatory agencies will be to go through checklists to confirm that key documents are included, and key issues addressed, and to undertake expert technical audits on a random basis or to focus on areas of legitimate concern. Afterall, licensed planning professionals, professional engineers and architects, as well as professional planners, already have a professional obligation to comply with all relevant legislation and regulations so it is prudent that the regulatory system, in order to be more efficient, takes full advantage of the expertise and accountability of licensed professionals.



## **5. Province should endorse common data platform supporting expanded e-permitting and 3D BIM.**

Some regulatory agencies have begun to use electronic-permitting (e-permitting) but we need to greatly expand its use in the areas of planning, engineering and building permitting. Not only must all municipal approval departments be linked together through a comprehensive e-permitting system but also external commenting agencies such as the conservation authorities, and relevant ministries.

An efficient e-permitting system can incorporate geographic information system (GIS) technology and building information modelling (BIM). This would allow for 3D location specific representations of developments and buildings. In addition, this would promote accessibility for all agencies, and facilitate planning approvals as well as building permit approvals. Developers and builders should be able to informally test development ideas for regulatory compliance prior to a formal submission.

Establishing a comprehensive e-permitting system requires a common information and data platform to facilitate data sharing among municipal and other regulatory agencies, while allowing for competition amongst multiple solution providers. A working group composed of subject matter experts from the Ontario Building Officials Association (OBOA) and the Large Municipalities Chief Building Officials group (LMCBO), are currently developing such a platform. Since this platform will also need to connect provincial agencies, we would ask that the Province support and endorse the current effort led by municipal building departments and industry to create an Ontario-wide e-permitting platform.

For optimal results, expanded e-permitting should be implemented province-wide to eliminate the current fragmented patchwork system with municipalities operating in silos each working on their own different platforms, unable to interact easily with other municipalities and regulatory agencies. Examples of other jurisdictions that have implemented advanced e-permitting systems and achieved streamlined approval timelines and better use of staff resources, are Singapore and Finland. (See attached report, page 30).

## **6. Public consultation to update municipal plans to align with the Growth Plan should be limited in scope.**

Public consultations related to the updating of municipal official plans and zoning to align with the provincial Growth Plan should not revisit matters covered by the Growth Plan consultation (for example, the decision to increase densities within 800 meters and representing a 10-minute walk of a transit station).

The consultation should only address how to implement the Growth Plan. That is to say, how local planning tools such as official plans, secondary plans, zoning bylaws, site plan control or community development permits, can more effectively implement the provincial growth plan.

In addition, the public consultation strategy should also be designed to ensure that persons supporting proposed approaches to meeting Growth Plan goals are also part of the discussion and not just those who oppose municipal implementation strategies – the YIMBYs vs the NIMBYs.



## **7. Public consultation should include an online component which utilizes GIS.**

Public consultations on new municipal official, secondary plans and zoning bylaws or community permit bylaws, should include an online/electronic component. This means that new municipal plans should be made available online so local residents can better understand what is being proposed with supporting visual information on the Growth Plan.

To the extent possible, site specific development proposals should use a similar approach.

## **C. Improve the housing mix**

### **1. The Growth Plan should support a mix of housing types including detached housing in the right place.**

Proposed Growth Plan changes under Amendment 1 which reduces density targets, and allows for limited expansion to the settlement areas, allows for a greater choice of housing. This is a good step in the right direction.

This change allows for more detached housing forms in suburban/fringe areas away from high-order public transit. This means allowing for an increase in the supply of detached housing in the right locations in response to very strong consumer demand. More compact and dense housing typologies should be delivered in urban settings serviced by effective public transit options while somewhat less dense detached housing can be located a little further away from higher-order transit.

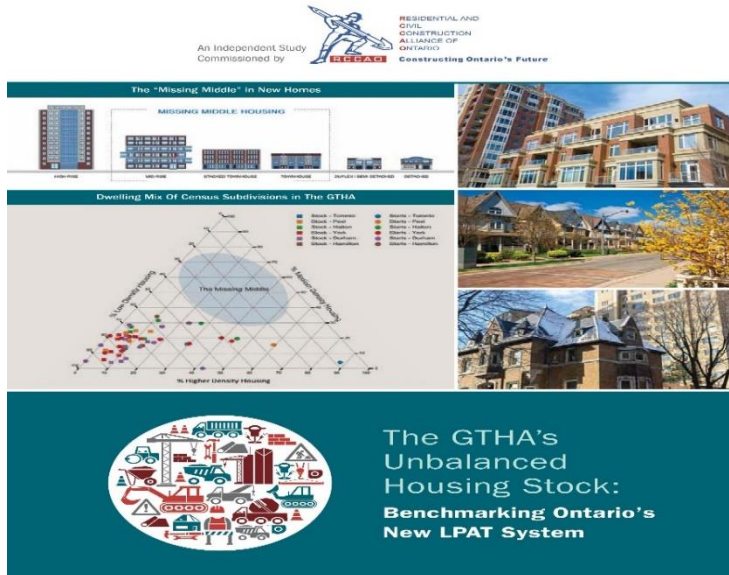
### **2. The Growth Plan should support complete communities.**

The Growth Plan talks a lot about complete communities, but it still needs to put more emphasis on implementation. That includes linking transit infrastructure and urban form through much faster zoning updates aligned with transit developments, in order to support complete communities.

The Growth Plan's density targets are not enough to achieve complete communities that provide and support a mix of housing options. Complete communities include transit and pedestrian oriented high-rise, mid-rise and other "missing middle" types of ownership and rental housing near transit stations and arterials with amenities such as stores, libraries, cafes etc. A recent report by CANCEA, *The GTHA's Unbalanced Housing Stock: Benchmarking Ontario's New LPAT System*, found that only 15 percent of GTHA households live in medium-density housing, or "the Missing Middle". The dominance of single-detached homes and high-rises over all other possible types of housing in the GTHA results in large areas of detached housing with pockets of ultra-high-density clusters. There is currently a shortage of missing middle housing forms – such as mid-rise buildings as well as stacked and regular townhouses – in existing communities, although the Growth Plan has been changing that with its density and intensification targets for designated greenfield areas.

Complete communities also include a balanced portion of ground oriented detached and family-oriented housing. This diversity of housing forms serviced by transit and other key facilities, allows people to remain in the same community as their housing needs change over time and through changing circumstances.

Something similar to the old “streetcar suburbs”, needs to be replicated in some of the designated greenfield and urban fringe areas in order to provide complete communities.



## D. Reducing infrastructure and housing costs

### 1. Use air rights above transit stations to capture land value increases for transit system capital investments.

To ensure that funds are available for growth related infrastructure, there are huge opportunities to improve and greatly expand transit in the Greater Toronto Area (GTA) through the use of land value capture.

As we know, the GTA has a huge transit deficit - with a population of 6.5 million, the region has only 77 kilometres of subways including the recent extension to Vaughan (with the bulk of the subway being built in the 1950’s and then followed by sporadic transit development which has far lagged behind population growth). Meanwhile, Melbourne with a population of 4.8 million has 390 kilometers of subway and high capacity transit. Recently the Province announced it will partner with a private firm to build a new GO station at Mimico in exchange for the right to develop above the station (e.g. air rights). Metrolinx is currently exploring the feasibility of this approach.

There are several examples of the successful use of air rights above transit stations to fund transit system improvements and expansion. Hong Kong’s self-funded transit bod, the Mass Transit Railway (MTR), is a rail plus real estate company that develops land above and adjacent to new subway and transit stations. MTR also manages the entire system in both Melbourne and Stockholm where densities are more in line with Toronto. If new transit lines are to follow pre-zoning, as suggested earlier in this document (see recommendations A1 and A4), then to take full advantage of land value capture, transit station land would be purchased or expropriated by the transit authority at land values that existed prior to the transit investment or announcement.



## **2. The Relief Line subway, and other transit expansions can be funded in part through air rights.**

There is severe over-crowding not only on the Yonge subway line but also in other parts of the network, especially during peak travel times. Any further system expansion that impacts on the Yonge line becomes problematic unless additional measures are taken to reduce capacity pressure on the line. Development above and perhaps immediately adjacent to existing subway stations, can facilitate the allocation of rising land value increments into the funding of additional transit projects, which should be one of the important funding strategies to fast track construction of this vitally needed infrastructure. Most of existing Toronto subway lines, particularly the Yonge line, are chronically over-crowded and additional capacity needs to be provided including a Relief Line from Queen to Pape, in phase one, and north of Eglinton in phase two.

While the planned GO service expansion is welcome, overall the GTA transit network is inadequate to meet the demands of this region's rapidly growing population. An increase of all modes of service, with an eye to smartly incorporating transportation network companies such as Uber and Lyft, will help to facilitate intensification objectives, expand housing supply, reduce road congestion, improve the quality of life and attract international job creating investments. Market-based solutions will assist in accelerating transit service expansion.

## **3. Municipal parking requirements hinder new condos in areas with sewer capacity problems**

A large portion of the City of Toronto's sewer system consists of outdated combined sewers, where sanitary and storm sewers utilize one pipe, and are grossly inadequate to handle the loads of urbanized wet weather flow. This results in Toronto sewers releasing untreated sewage from overloaded sewer pipes in many locations across the City through the numerous combined sewer outfalls (CSO).

Notwithstanding skyrocketing development charges, the City of Toronto has an outdated and aging sewer system. The City of Toronto requires that new high-rise condominium buildings not contribute ground water to the sewer system. The City is moving towards requirements where project engineers and the developer guarantee that underground parking structures of buildings be made water-tight – thereby preventing ground water from entering the sewer system. However, there was a broad consensus that such a guarantee was not practically feasible, so other alternatives are still required.

The City of Mississauga has acted responsibly by implementing a Stormwater Charge to pay for needed repairs, replacement and expansion of the existing aging sewer infrastructure. Meanwhile Toronto has appeased existing residents by avoiding such a fee and instead diverting the problem and associated costs to new residential developments. Toronto has now put several residential development projects on hold as a result of sewer infrastructure limitations.

Reduced underground parking and aesthetically pleasing above ground parking, are one solution as excavation depths can be greatly reduced. The Province should direct or encourage the City to revise and modernize minimum parking standards for condominium buildings that are more reflective of market demand and consumer preferences. Let the real estate market and buyers decide how much parking is required for individual condominium buildings, and parking stall requirements can be adjusted to represent



perhaps 10% of the number of units in a building as a minimum, particularly those condos located in transit and pedestrian friendly locations. Car ownership options, ride sharing, and taxi alternatives are continually evolving, in addition to automotive technology and future autonomous vehicles, therefore parking requirements need to be revisited.

#### **4. Review current parkland fees for high rise condos which make these projects unfeasible.**

Current parkland fees for condominiums constructed in areas of high-density re-development amounts to one hectare for 500 units in the case of cash-in-lieu. The result in many cases is that after a pro-forma analysis the high-rise condominium project is not feasible. In some cases, the amount paid for parkland exceeds the cost of the land for the building.

Parkland fees can add about \$20,000 to the cost of a condominium unit. According to BILD, the City of Toronto has collected over \$482 million in fees over the past 10 years but still has \$196 million in the parkland reserve funds that are uncommitted. City of Toronto plans to update its cash in lieu formula, however we understand that the ideas under consideration would all increase costs to developers. We recommend that the Province considers working with municipalities, such as the City of Toronto, to develop a viable and sensible approach to parkland fees that does not discourage high rise condominium construction, thereby reducing much needed housing supply.

#### **5. The Province must prohibit illegal above code standards through municipal “over-reach”.**

Municipalities are exceeding their authority under site plan control and subdivision control provisions by imposing energy-efficiency or resiliency standards that exceed the requirements of the Ontario Building Code. Examples of municipal overreach include mandated programs such as Energy Star, LEED and the Toronto Green Standard.

These additional building standards can add more than \$25,000 to the construction cost of a detached house. This is completely unnecessary since the Ontario Building Code already far exceeds carbon emission reduction standards set in the Paris Climate accord for new housing.

Municipalities lack the authority under these planning regulations, to impose such above Code standards and therefore their actions are ultra vires. RESCON has obtained a legal opinion from an expert law firm to confirm this.

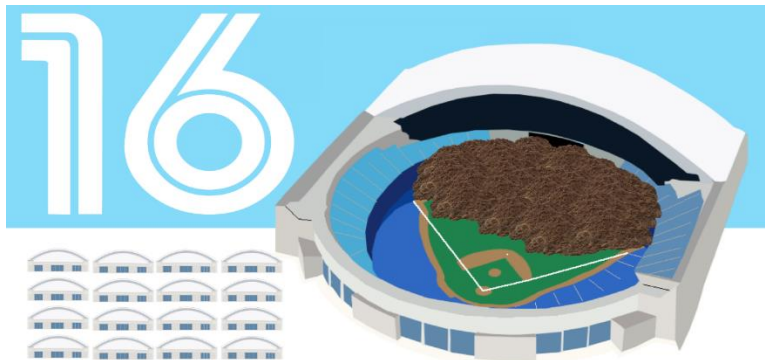
The Province should direct municipalities to cease this practice immediately as these actions have a direct negative impact on construction costs and affordable housing supply. If the practice of municipal “over reach” does not stop, a judicial review may be necessary.

#### **6. Excess soils generated from projects in Ontario should be treated as a resource, not a waste.**

For 2015, it is estimated that a minimum of 25.8 million m<sup>3</sup> of excess construction fill was generated in Ontario. To put this volume into perspective, this amount of soil would fill the Rogers Centre to the top of

the roof 16 times. A mindset seems to exist among people managing soil that it is easier (and less risky) to dispose of soil as a waste rather than to implement ways mechanisms to reuse or recycle it. This is reflected in research that shows that in 24 case studies of construction projects, more than 50 percent of the soil is disposed of in landfill. One way to ensure more soil is treated as a resource, is to put more onus on the source site or property owners (including municipalities) through more front-end soil reuse planning.

In the recently released Made-in-Ontario Environment Plan, there is movement in the right direction regarding management of excess soils, including a recommendation for increasing the redevelopment and clean-up of contaminated lands in Ontario and making it easier and safer to reuse excess soil. Properly managing excess soils would result in significant cost savings, given that on average, handling and disposal of excess soil represents 14 percent of the total project value. For the 24 case study projects, this represents total costs of \$46 million. RCCAO and the Greater Toronto Sewer and Watermain Contractors Association released a three-part video series in 2018 on the advantages of implementing best practices for managing construction soil.



## **E. Helping to improve the climate for market rental construction**

### **1. The Province should set a market rental vacancy rate benchmark.**

The Province has recently amended Ontario’s rent control legislation to remove new rental construction from limits on rent increases, while existing units are still subject to rent control.

Current vacancy rates in the GTA are extremely low after many years of under-investment in new purpose-built rental supply as a result of a tightening up of rent control legislation under the previous government and a lack of industry confidence in provincial policy regarding private sector rental housing.

Therefore, in addition to this recent change by the current government, which will hopefully see an increase in new rental construction, the Province also should set a vacancy rate benchmark as a policy for the purpose-built, market rental housing of 5%. The government would report annually on compliance with this target which would serve to inform any additional market-based, supply-oriented measures that the Province may consider to further stimulate the construction of purpose-built, private rental housing.



## **F. Increasing innovation in the building sector**

### **1. The Province should fast-track Code changes allowing tall timber buildings.**

Other jurisdictions in Canada and around the world have already changed building code provisions to allow tall - timber constructions of 12 or more storeys.

The current Ontario Building Code limits building height for wood buildings to six storeys. The government of Ontario should fast track proposed changes in the model National Building Code that would allow 12 story timber buildings that would, if the traditional consultation and code amendment process were followed, come into effect in Ontario by 2021 or later. We should fast track these changes given abundant Canadian and international experience in constructing high rise timber buildings including an 18-storey mass timber building in Vancouver.

The benefits of fast-tracking tall timber construction include: 1) providing builders with another construction option for high rise buildings thereby increasing competition with steel and concrete materials which currently dominate this market; 2) tall timber construction is fast, quiet, and light weight (shallower foundations), providing an excellent option of in-fill developments where existing residents are sensitive to noise and disruption; 3) it is an environmentally friendly building option. Many jurisdictions around the world, including Quebec, British Columbia, Europe and Australia, are already allowing tall timber buildings – Ontario needs to catch up to increase choice and competition in the building sector.

### **2. Facilitate pre-fabrication of building components contributing to faster, higher quality construction.**

The Ontario Building Code requires updating to facilitate the use of off-site factory-built, prefabricated building components.

For example, the Building Code currently does not reference standards governing the use of closed pre-fabricated wall and floor panels in six-storey wood buildings currently permitted in the Code. A newly updated CSA A277-16 standard on the “Procedure for certification of prefabricated buildings, modules, and panels” needs to be properly referenced in the OBC to further facilitate this growing market sector.

### **3. School boards, libraries and community centres should make efficient use of land**

In many new residential communities and developments, far too much land is used for the construction of new school buildings are too often one-story buildings. Barrier free schools should be three or four storeys, or even incorporated into mixed-use high-rise building. This limits the ability of developers to create more compact, pedestrian and transit-oriented communities. Similarly, libraries and community centres often do not use land as efficiently as they could.