

October 28, 2023

Ruchi Parkash  
Municipal Finance Policy Branch  
College Park 13th flr, 777 Bay St  
Toronto, ON  
M7A 2J3

Dear Ms. Parkash,

On behalf of Tercot Communities, Cityzen Development Group and Greybrook Realty Partners, we are submitting the following comments in response to the proposed Bill 134 amendments to the *Development Charges Act, 1997* to change the definition of an affordable residential unit for the purpose of discounting and exempting these units from municipal development-related charges.

We are experienced developers and builders that have collectively delivered or are in the process of delivering over 100 affordable ownership and affordable rental units in the GTA. We have worked with non-profit organizations like Habitat for Humanity to successfully deliver much-needed affordable housing and continue to engage with these organizations in an attempt to deliver affordable housing on current and future projects.

We currently have a proposal at 155 St. Dennis Drive in the City of Toronto to voluntarily deliver approximately 100 affordable units. There is no policy requirement, inclusionary zoning or otherwise, to provide this affordable housing, rather it is being provided as a community benefit as part of an ambitious, city building proposal on lands which are ideally and uniquely situated to be the location of a vibrant new community. This opportunity provides a real-world, live example of the impact of the proposed Bill 134 amendments and the adverse effect they will have on the amount and type of affordable housing that can be delivered. As you will have heard from Habitat for Humanity GTA's comments on this subject, there is a disconnect between Toronto's above average home price and median income, which is also true of average rents versus incomes. The proposed definitions will create a significant gap between the value of market housing and affordable housing, greater than we have experienced on any affordable housing components delivered in previous projects. Absent a change to the definition to increase the income threshold, and without significant government funding in the form of further subsidies, this gap will significantly discourage builders like ourselves from voluntarily delivering affordable housing as a community benefit. The proposed definitions will skew the incentives toward delivering (1) fewer units, (2) only smaller-sized units (i.e., no family-sized units) and (3) affordable units for sale to private, for-profit interests as opposed to non-profits such as Habitat for Humanity.

We believe Bill 134 provides an opportunity to incentivize the construction of much-needed affordable housing, both rental and ownership, for a variety of households and with the involvement and stewardship of non-profit housing organizations. Unfortunately, as currently proposed, we have no doubt it will limit the amount and breadth of affordable housing

opportunities and significantly diminish the role non-profit housing organizations in the delivery of this much-needed housing.

Should further details on the real-world, project-level impacts of these proposed amendments be helpful to the Ministry in reviewing the proposed legislation, please contact us and we are happy to discuss further.

Sincerely,

*Filipe M. Dias*

Filipe Dias, Development Manager, Tercot Communities

[fdias@tercot.com](mailto:fdias@tercot.com)

416-309-9200