BILD | BUILDING A GREATER GTA
Building Industry and Land Development Association

May 3, 2011

Mr. Bryan W. Tuckey, MCIP RPP
Commissioner of Planning and Development Services
Regional Municipality of York
17250 Yonge Street
Newmarket, Ontario
L3Y 6Z1

Re: Report to the Planning and Economic Development Committee – May 4, 2011
RICHMOND HILL OFFICIAL PLAN (2010)

The Building Industry and Land Development Association (BILD) is in receipt of the staff report being presented to the May 4th meeting of the Planning and Economic Development Committee regarding the Town of Richmond Hill's Official Plan. Although BILD is not in a position to comment directly on the four recommendations of the report relating to approval authority of the Town of Richmond Hill's Official Plan, we would like to take this opportunity to formally present to you our position on the Town's current parkland dedication/cash-in-lieu policies and their relevance to the Region and the Provincial Growth Plan objectives.

The Region's report provides the basis and planning justification to approve the Richmond Hill Official Plan, as modified, in full or in part by either the Ontario Municipal Board or the Region of York. The Province requires local municipalities to adopt Official Plans that conform to Provincial legislation and policies, and the Regional Official Plan. Having said this, ***BILD believes that in its current form, the Town of Richmond Hill's Official Plan contains policies which are not conducive to achieving Provincial Growth Plan requirements for both the Town and the Region.***

Parkland Dedication and Provincial Growth Plan Objectives

The Province of Ontario has advocated for intensification to be the key direction for managing growth in communities throughout the Greater Golden Horseshoe in its Places to Grow Plan. Integral to the Growth Plan is an emphasis on intensification and re-urbanization of existing built-up areas.
The Province of Ontario has expressed that by 2015, 40 percent of residential growth is to be directed to existing built up areas. The Town of Richmond Hill's Official Plan purports to be in conformity

with the Growth Plan, however, **the parkland dedication policies that are currently included in Richmond Hill's Official Plan will not assist the Town or Region reach these targets.**

In order to uphold their own goals for intensification and reaching Growth Plan density targets, BILD strongly recommends that the Region closely examine the Town of Richmond Hill's parkland dedication policies, and consider suggesting the use of a more practical alternative.

When staff from the Ontario Growth Secretariat and the Ministry of Municipal Affairs visited the BILD Toronto Chapter and the BILD Land Council at its meetings of April 13th and 19th respectively to hear about impediments to Growth Plan implementation, one of the first points that BILD made was that quite often, it is the municipalities' own policies which act as barriers to intensification.

As indicated in the Town's own Official Plan Parkland Review Background Paper, "the Town's current parkland dedication policies approved pursuant to the *Planning Act*, have been used to date in the context of Greenfield (ie. suburban) development. **They may not necessarily be supportive of the Town's future vision and urban form, and they may not be particularly reflective of changing municipal growth patterns and socioeconomic trends. The Town therefore needs to revisit its existing parkland dedication policy and align it with the policy direction and urban structure plan that have been adopted by Council for the new OP."** The Town's parkland policies are antiquated and, in their current form, do not supportive intensification. They must, therefore, be revisited.

<u>Parkland Policy Alternatives</u>

As indicated in our attached submission to the Town on April 1, 2010, and in our more recent briefing note of March 2011, BILD members are extremely concerned that the cash-in-lieu/ parkland dedication policy currently used by the Town will not yield the optimal intensification results.

In addition, as required by Section 42 of the *Planning Act*, any developments must provide 5 per cent of the land for parkland dedication at the time of development, or **<u>up to</u>** 1 hectare per 300 dwelling units. If the development does not have a park site, the applicant is required to pay cash-in-lieu for the value of the land. The Town's new Official Plan includes specific policies which continue to require the provision of lands for park or other recreational purposes at the alternative parkland dedication rate of one hectare for each 300 units. It is very discouraging that the cash-in-lieu policy in the Town of Richmond Hill is calculated based on the market value of land at building permit stage. At this point, a project has received all of its development approvals, which means that the cash-in-lieu is calculated when the value of land is at its highest.

In some cases, the total cash-in-lieu requirement for parkland dedication has the potential to be greater than the purchase value of the land and can sometimes be ten times greater or more than what we see charged in other municipalities. Often, the parkland dedication rates would require more than 100 per cent of the site to be dedicated. This simply does not make sense, and presents one of the biggest problems which is sure to affect a housing mix supply, affordability, and consumer choice – all of which the residents of the Town of Richmond Hill, who are also residents of the Region, rightfully deserve.

BILD members are extremely concerned that the cash-in-lieu/ parkland dedication policy currently used by the Town of Richmond Hill will have huge ramifications on the ability of existing higher density projects to come to market. Higher density projects provide a very real and affordable housing choice for consumers. There is a real possibility that this sole policy could very well bring, what would otherwise be exciting projects that represent good planning, to a complete halt. This would be an incredible disservice to Town and Region residents.

As a way for the Town to balance their intensification and centres and corridors objectives with reasonable parkland dedication policy, and to have higher density projects as an affordable housing choice for consumers, ***BILD has suggested the use of an alternative parkland dedication policy that institutes a CAP based on development land size for high-rise developments for the Town to consider. We have recommended, and also ask the Region to consider suggesting, that the Town of Richmond Hill institute a policy where the value of cash-in-lieu/parkland dedication is CAPPED at 5 to 10 per cent of the value of the development site or the land area of the site.***

The mechanism of 'capping' is utilized in other municipalities, which essentially maximizes the parkland dedication based on the size of the development site. This capping methodology supports the town policies for competitiveness and intensification. This reduced parkland dedication requirement will also better serve to facilitate sustainable building and healthy communities, in both the Town and the Region, that represent good planning principles.

BILD has specifically recommended to the Town that they look at the City of Toronto's method of 'capping." There are some beneficial aspects to the City of Toronto's alternative parkland policy that needs to be examined, and evaluated as to how best they can be suited for and applied as a "made in Richmond Hill" solution.

A comparison of a project using a Town of Richmond Hill parkland policy model versus that using Toronto's approach results in substantially lower cash-in-lieu payments per unit. If you consider a Town of Richmond Hill project at a value of $20 per square foot, with a parks policy of up to 1 hectare per 300 dwelling units and no cap, at three times density, the cash-in-lieu payment is over $21,000 per unit. An applicant with the same project using Toronto's alternative parkland policy of 0.4 hectares per 300 dwelling units and a 10 percent cap for sites less than one hectare pays only $1,700 per unit. If we say that the same project in the City of Toronto yields a higher land value of $40 per square foot, the alternative parkland policy used there now would translate in to a per unit cost of $3,400. This is still considerably less than what would have to be paid in Richmond Hill. The discrepancy warrants an examination of what more can be done for the Town of Richmond Hill, and as a benefactor, the Region.

York Region as a voice for Intensification

Onerous parkland dedication requirements are listed several times as a concern in the various submissions which comment on the Town of Richmond Hills Official Plan. For example, on page 11 of the second part of Council Attachment 1 to the staff report titled "Richmond Hill Official Plan (July 2010) Submission Review", under the heading "submission comments", it reads *"Parkland dedication, for high density residential developments, is too onerous."* The York Region response to this is *"parkland dedication is a local issue... Local Councils have the prerogative to require the maximum dedication standard per the Planning Act."* The current parkland policies of the Town's Official Plan will affect the Region as a whole. ***We therefore strongly recommend that you take a second look, and where possible, echo our concerns to support parkland alternatives which will benefit the entire Region and its citizens.***

As the Region examines the Town of Richmond Hill's Official Plan, ***we recommend that staff examine the current parkland dedication/cash-in-lieu policy and determine its practical translation when applied on the ground.*** We must ask ourselves if it really yields the optimum intensification results.

The Town of Richmond Hill has developed into a dynamic community where its residents can claim to be proud of the quality of life that they enjoy. This momentum can continue with good planning policies that will assist in providing the right mix of housing types, that will assist the Town in reaching their objectives for intensification, and that will assist in offering affordable housing options. These same goals for the Region can also be achieved through a change in local parkland dedication/ cash-in-lieu policy.

Parkland dedication policies can be made into a tool that supports intensification, and BILD recommends that the Region take this into account and take more of a pro-active role towards achieving a goal that is beneficial for everyone involved. BILD strongly recommends that the Region consider the more realistic costing approach to the collection of parkland dedication requirements that we have suggested to the Town, that the Region recognizes our concerns, and where possible, also helps to promote a policy that will assist to achieve Growth Plan targets.

Sincerely,

Paula J. Tenuta, MCIP, RPP
Vice President (A), Policy & Government Relations

cc. Victor Severino, Assistant Deputy Minister (A), Ontario Growth Secretariat
Hannah Evans, Director, Partnerships and Consultation, Ontario Growth Secretariat
Tija Dirks, Director, Growth Policy, Planning and Analysis, Ontario Growth Secretariat
Audrey Bennett, Director, Provincial Planning Policy Branch, Ministry of Municipal Affairs & Housing

Ken Petersen, Manager, Legislation & Research Section, Ministry of Municipal Affairs & Housing
Michael Pozzebon, BILD York Chapter Chair
Neil Rodgers, BILD Land Council Chair
Joe Vaccaro, Chief Operating Officer, Ontario Home Builders' Association
Danielle Chin, BILD Municipal Government Advisor
John A. R Dawson, McCarthy Tetrault LLP
Barry Horosko, Bratty & Partners LLP
David Bronskill, Goodmans LLP

Opportunities for Intensification in Richmond Hill
Using Parkland Policy Alternatives

BRIEFING NOTE
March 2011

As required by Section 42 of the *Planning Act*, any developments must provide 5 per cent of the land for parkland dedication at the time of development, or **up to** 1 hectare per 300 dwelling units. If the development does not have a park site, the applicant is required to pay cash-in-lieu for the value of the land.

BILD members are extremely concerned that the cash-in-lieu/ parkland dedication policy currently used by the Town of Richmond Hill will have huge ramifications on the ability of existing higher density projects to come to market. Higher density projects provide a very real and affordable housing choice for consumers. There is a real possibility that this sole policy could very well bring, what would otherwise be exciting projects that represent good planning, to a complete HALT. This would be an incredible disservice to Town residents.

The Town's new Official Plan includes specific policies which continue to require the provision of lands for park or other recreational purposes at the alternative parkland dedication rate of one hectare for each 300 units. It is very discouraging that the cash-in-lieu policy in the Town of Richmond Hill is calculated based on the market value of land at building permit stage. At this point, a project has received all of its development approvals, which means that the cash-in-lieu is calculated when the value of land is at its HIGHEST. **In some cases, the total cash-in-lieu requirement for parkland dedication has the potential to be greater than the purchase value of the land and can sometimes be ten times greater or more than what we see charged in other municipalities. Often, the parkland dedication rates would require more than 100 per cent of the site to be dedicated. This simply does not make sense, and presents one of the biggest problems which is sure to affect a housing mix supply, affordability, and consumer choice – all of which the residents of the Town of Richmond Hill rightfully deserve.**

THERE IS A SOLUTION

There IS a way for the Town to balance their intensification and centres and corridors objectives with a reasonable parkland dedication policy. There IS a way to better serve to facilitate more intensification, sustainable building and healthy communities that represent good planning principles. There IS a way to have higher density projects continue to provide a very real and affordable housing choice for consumers.

USING A "CAP" IN RICHMOND HILL

BILD recommends that the Town consider a more realistic costing approach to the collection of parkland dedication requirements. We strongly suggest that the Town implement a reduced parkland dedication requirement that institutes a CAP based on development land size for high-rise developments.

The mechanism of 'capping' is utilized in other municipalities, which essentially maximizes the parkland dedication based on the size of the development site. This capping methodology supports the town policies for competitiveness and intensification.

USE TORONTO FOR A "MADE IN RICHMOND HILL" SOLUTION

There are some beneficial aspects to the City of Toronto's alternative parkland policy that needs to be examined, and evaluated as to how best they can be suited for and applied as a "made in Richmond Hill" solution. A comparison of a project using a Town of Richmond Hill parkland policy model versus that using Toronto's approach results in substantially lower cash-in-lieu payments per unit.

Let's look at a Town of Richmond Hill project at a value of $20 per square foot, with a parks policy of up to 1 hectare per 300 dwelling units and no cap. At three times density, the cash-in-lieu payment is over $21,000 per unit! An applicant with the same project using Toronto's alternative parkland policy of 0.4 hectares per 300 dwelling units and a 10% cap for sites less than one hectare pays ONLY $1,700 per unit! Let's say that the same project in the City of Toronto yields a higher land value of $40 per square foot, the alternative parkland policy used there now means a per unit cost of $3,400 which is STILL CONSIDERABLY LESS than what would have to be paid in Richmond Hill. There would be similar impacts on parkland dedication amounts.

The discrepancy warrants an examination of what more can be done for the Town of Richmond Hill. Toronto has been through its growing pains as they have grappled with what some would perceive as the complexities of growing "up." Let's look at the lesson's they've already learned, and take their best practices for a "made in Richmond Hill" solution.

As an interim measure, BILD recommends that the Town of Richmond Hill institute a policy where the value of cash-in-lieu/parkland dedication is CAPPED at 5 to 10 per cent of the value of the development site or the land area of the site.

BILD recommends that staff examine their current policy and determine its practical translation when applied on the ground. Does it really yield the optimum intensification results?

The Province of Ontario has advocated for intensification to be the key direction for managing growth in communities throughout the Greater Golden Horseshoe in its Places to Grow Plan. Integral to the Growth Plan is an emphasis on intensification and re-urbanization of existing built-up areas. The Province of Ontario has expressed that by 2015, 40 percent of residential growth is to be directed to existing built up areas. The use of a practical, alternative parkland dedication policy will assist the Town's objective to reach this density target.

As indicated in the Town's OWN Official Plan Parkland Review Background Paper, "the Town's current parkland dedication policies approved pursuant to the *Planning Act*, have been used to date in the context of Greenfield (ie. suburban) development. **They may not necessarily be supportive of the Town's future vision and urban form, and they may not be particularly reflective of changing municipal growth patterns and socioeconomic trends. The Town therefore needs to revisit its existing parkland dedication policy and align it with the policy direction and urban structure plan that have been adopted by Council for the new OP."** The Town's parkland policies are antiquated and, in their current form, do not supportive intensification. They must, therefore, be revisited.

The Town of Richmond Hill has developed into a dynamic community where its residents can claim to be proud of the quality of life that they enjoy. This momentum can continue with good planning policies that will assist in providing the right mix of housing types, that will assist the Town in reaching their objectives for intensification, and that will assist in offering affordable housing options.

Parkland dedication policies CAN be made in to a tool that supports intensification. In the spirit of cooperation, **we call on our municipal partners to work with the industry to find a solution that works in everyone's best interest.**

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Building Industry and Land Development Association

April 1, 2010

Ms. Ana Bassios, Commissioner of Planning and Development & Mr. Shane K. Baker, Acting Commissioner of Parks, Recreation, Culture
Town of Richmond Hill
225 East Beaver Creek Road
P.O. Box 300
Richmond Hill, Ontario
L4C 4Y5

Re: Town of Richmond Hill's Staff Report SRPRC.10.13 Parkland Dedication Rate Review

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The Building Industry and Land Development Association (BILD) is in receipt of the Town of Richmond Hill's ***Staff Report SRPRC.10.13 Parkland Dedication Rate Review*** and submits the following comments for the committees' consideration at the April 6, 2010 Committee of the Whole meeting.

We note that the Staff Report makes the following recommendation;

> *That the Town's new Official Plan continue to include specific policies requiring the provision of lands for park or other recreational purposes at the alternative parkland dedication rate of one hectare for each 300 units as permitted by Section 42 of the Planning Act, R.S.O. 1990.*

To complete our comprehensive review of the Staff Report, BILD requested the Consultant's Report which had informed and was referenced within this Staff Report. BILD understands that the Town has denied public access to the Consultant's Report. To ensure a transparent public process, BILD requests that any documents which inform policy decisions be made available to the public. In this instance, if the Consultant's Report is to remain as an internal document, we request the removal of the Consultant's Report reference in the Staff Report.

As per Town Staff, cash-in-lieu of Parkland Dedication in the Town of Richmond Hill is calculated based on the Assessment Value of Land at the Building Permit Stage. Therefore, the Town will collect their cash-in-lieu when a project has all its development approvals and the value of land is at its highest. Also, according to Town Staff the average value of land in Richmond Hill is \$1 million - \$1.8 million/per acre. Using these assumptions please refer to the following comparative table and figures.

20 Upjohn Rd, Suite 100
North York, ON M3B 2V9
Tel: 416.391.3445
Fax: 416.391.2118
www.gthba.ca

Table 1. Comparative Table of Cash-in-lieu of Parkland Dedication:

	Town of Richmond Hill	City of Toronto
Parkland Dedication Rate	**1 ha/300 units**	**0.4 ha/300 units**
(1 ha = 2.47 acres)		
Number of Units	300	300
Average Assessment Value of Lands/per acre	1,000,000	1,000,000
Size of Development Property in acres	2.47	2.47
Total Parkland Dedication/Cash-in-Lieu Requirement	**$2,470,000**	**$247,000**
Variance between Town and City (60%)	$2,223,000	
Cost per unit	**$8,233**	**$823**
Variance per Unit between Town and City	$7410	

Figure 1. Parkland Requirement by Product Showing CAP Jurisdiction

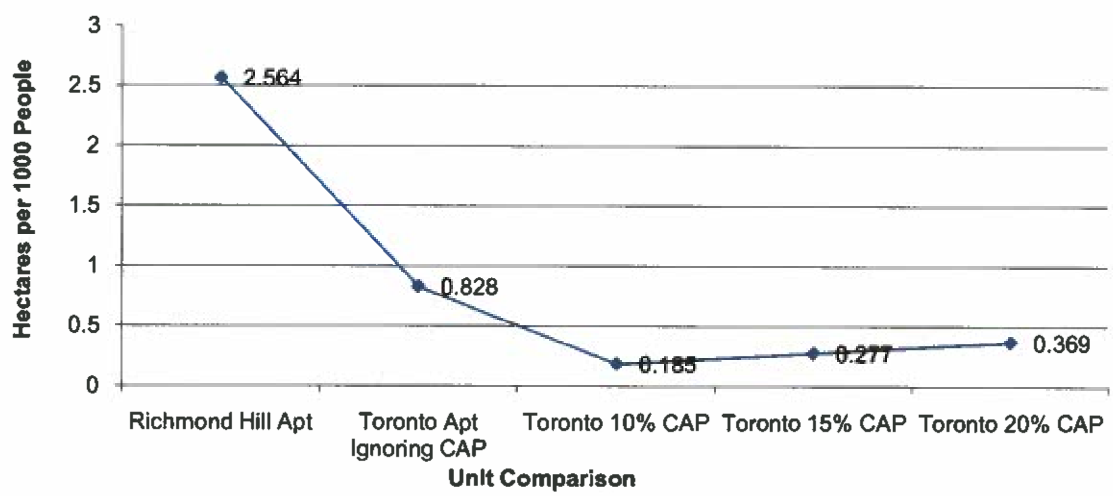
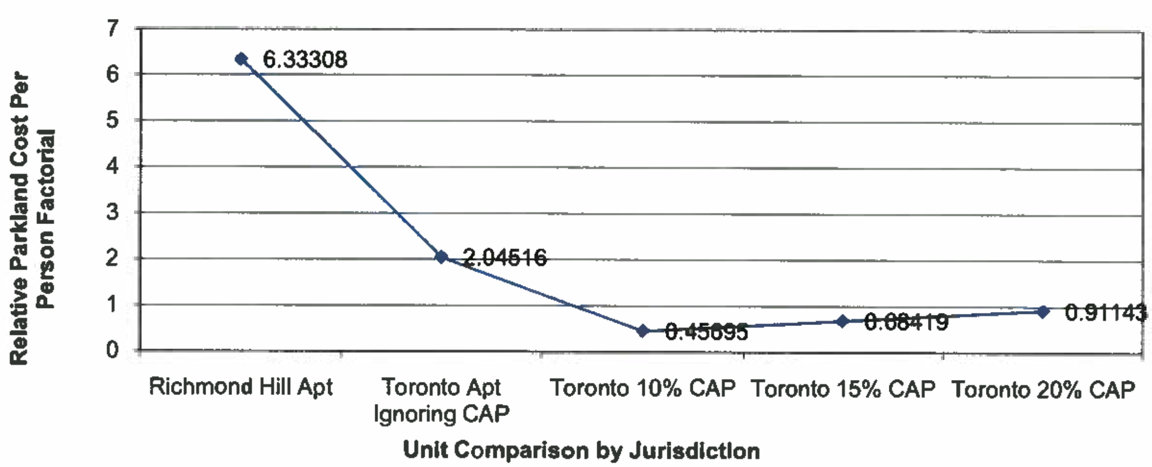


Figure 2. Relative Cost Per Person



As seen in *Comparative Table 1,* BILD is very concerned that in this scenario the total cash-in-lieu requirement for parkland dedication in the Town ($2.47 million) is equal or greater to the purchase value of the land. We also note that the Town of Richmond Hill is requesting $2.223 million for cash-in-lieu of parkland dedication over and above the City of Toronto.

Figure 2 clearly illustrates the financial impact on residents of Richmond Hill to be an $8,233.33 cost per unit versus a resident of Toronto to be an $823 cost per unit, a rate that is truly 10 times more.

As depicted in *Figures 1 and 2,* BILD is concerned that there are no 'caps' for the Town's Parkland Dedication Rate Policy. BILD supports the mechanism of 'capping' that the City of Toronto utilizes which maximizes the parkland dedication based on the size of the development site. This capping methodology supports the town policies for competitiveness and intensification. Furthermore we request that the Town of Richmond Hill reconsider the decision to withhold 'capping' on its Parkland Dedication requirements.

Furthermore, recognizing the considerable efforts that the Town of Richmond Hill has made through its *Housing and Residential Intensification Study,* including public consultations and the development of an *Intensification Guide*, it is important for the Town to consider the effects that corresponding policies have on one another.

As we first indicated in our letter dated November 18, 2009 to the Town, BILD is very concerned with this parkland policy. We recognize that it is difficult to see how the Town is aiming to balance their intensification and Regional Centre growth objectives with this parkland policy. They appear to be in direct conflict and will not assist the Town in achieving its stated sustainable intensification objectives. Prior to York Region finalizing the Town's parkland OPA, BILD understood that the Town would revisit the policy during the Town-wide OPA to consider a formula that will better serve to facilitate more intensification and sustainable building.

In order to avoid a punitive charge to a new homeowner or business owner in the Town, the Town may consider a more realistic costing approach to collection of parkland dedication requirements. In terms of the discussion around intensification, affordability considerations are paramount, especially when the price points of new condominiums range from $175,000 to $350,000 when compared to new non-high-rise product.

Examples specific to the high-rise sector could include:

(a) Implement a reduced parkland dedication requirement and apply a cap based on development land size for high-rise developments. The City of Toronto recently reduced its parkland requirement by 60%, so as not to penalize new developments and to place a better correlation between lands required for parkland and considerations of affordability;
(b) implement a parkland policy where the maximum payable by a hi-rise development is not more than the cash-in-lieu value for single family parkland dedication values; and,
(c) where hi-rise developments provide their own facilities, such as open space, exercise equipment, etc., a tax rebate could be provided back to the homeowner or a discount in parkland levies could be provided back to the developer.

20 Upjohn Rd, Suite 100
North York, ON M3B 2V9

Tel: 416.391.3445
Fax: 416.391.2118

www.gthba.ca

We trust that you will take these comments into consideration and we look forward to working with you on this and other mutually significant matters of concerns. If you have any questions or concerns, please do not hesitate to contact the undersigned.

Best regards,

Danielle Chin, BURPl
Municipal Government Advisor

cc. *Dave Barrow, Town of Richmond Hill, Mayor*
Brenda Hogg, Town of Richmond Hill, Regional Councillor
Vito Spatafora, Town of Richmond Hill, Regional Councillor
Arnie Warner, Town of Richmond Hill, Councillor
David L. Cohen, Town of Richmond Hill, Councillor
Lynn Foster, Town of Richmond Hill, Councillor
Nick Papa, Town of Richmond Hill, Councillor
Godwin Chan, Town of Richmond Hill, Councillor
Greg Beros, Town of Richmond Hill, Councillor
Joan, Anderton, Town of Richmond Hill, CAO
Paul Freeman, Town of Richmond Hill, Manager of Policy
John Waller, York Region, Director of Long Range & Strategic Planning at the Region of York
Joe Vaccaro, BILD
Fraser Nelson, BILD York Chapter Co-Chair
Michael Pozzebon, BILD York Chapter Co-Chair
BILD York Chapter

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