



June 25<sup>th</sup>, 2021

Dear Planning and Housing Committee:

We at Clean Air Partnership are writing in support of Version 4 of the Toronto Green Standard. Clean Air Partnership (CAP) is a charitable organization whose mission is to support municipalities and their partners to improve air quality, advance active transportation, and take bold climate action through supports such as network convening, research and knowledge transfer and action implementation.

I wanted to say thank you to Toronto for your leadership in advancing the sustainability of new developments via Green Standards. Toronto's adoption of its Green Standard in 2010 was instrumental in leading to Green Standard adoption in several other GTHA jurisdictions such as Vaughan, Brampton, Richmond Hill, Halton Hills, and Whitby. I really cannot express enough how important Toronto's leadership on Green Development Standards has been in driving progress on advancing the sustainability of new developments across the GTHA region and beyond.

Green standards for new developments are a critical implementation and policy tool for municipalities. By using Green Development Standards, municipalities can more effectively achieve their Official Plan objectives, their GHG reduction targets, their health and affordability goals, all while stimulating the local economy. These standards are also well aligned with recently declared climate emergencies.

We are particularly supportive of the tiered approach in the Toronto Green Standard and the movement towards continual improvement that is integral in updates to the TGS. These standards reduce utility costs for building owners, reduce flood risk and infrastructure costs and improve the sustainability of new developments and the community. The Toronto Green Standard is an important climate solution and will be critical to meeting climate targets. In addition to the environmental benefits, a tiered approach with mandatory compliance is proven to guarantee minimum standards while also encouraging competition and innovation in the building industry.

I did want to share that while Toronto is proposing to increase its EV requirements to 25% Level 2 installs, with the remainder being EV capable; the leading practice emerging in other jurisdictions is trending towards 100% EV Ready (all conduit and electrical capacity in place to streamline eventual EV charger installation as demand increases). Clean Air Partnership is



working with AES Engineering to undertake an Ontario costing study to better understand the cost implications of EV requirements. The study is not yet completed (sorry, the timing on that did not match with the TGS update), but more information on costs will be available in the coming months and we will be undertaking consultation with developers, municipalities and utilities and will be reporting back to City Planning with the results of the Costing Study and the consultations.

I did want to address some common concerns often raised related to Green Standards, such as affordability and competitiveness. The perception that Green Standards will harm affordability is often raised. While there are concerns related to increasing upfront costs related to increased building performance and EV readiness, it is important to note that there is no better (and cheaper) time to incorporate these energy measures than at the time of construction. Indeed, every building built to Ontario Building Code will have to be retrofitted in 10 – 20 years and it will cost far more to retrofit than it does to build with energy efficiency and EV readiness in mind at the time of construction. The main concern re upfront capital costs increases is that mortgage lenders do not take operational savings into consideration when they determine mortgage eligibility and Clean Air Partnership would like to extend the invitation to the development community, municipalities, and the federal government to work together to address this oversight on mortgage eligibility calculations.

These Green Development Standards are critical for advancing the market. That is what Green Standard achieve; motivating the development community to think about lifecycle costs of property owners rather than simply focusing on the up-front capital costs. For addressing any potential up front capital costs concerns, there are financial mechanisms that can address purchase price differentials such as Community Improvement Loans, local Improvement Charges (LICs), and several other options that can be paid back through operational savings over time. In fact, for the Multi-Unit Residential/Commercial Sector, low emission buildings can be achieved at present without any differential in price between conventional natural gas buildings, especially for higher density properties via emerging utility type models that use operational savings to pay back the higher up-front costs.

Clean Air Partnership would like to encourage Toronto to consider possible additional incentives for achieving the highest Tier of the TGS such as enabling roof space (that would normally be used for mechanical systems) to be used as saleable space to address any possible upfront costs regarding higher performance of the highest tier of the TGS. Or to consider a density bonus such as Vancouver uses allowing for up to 5% more floor space for zero emission buildings. The use of such an incentive has been well received by the development community and does not cost the municipality revenue (in fact it increases revenue to the municipality in increased property tax).



Regarding the competitiveness concern often raised, I understand that it is a very competitive market and that developers would want to ensure they are not undersold by neighbouring developments. This is an issue that is temporary in nature and can be addressed by financial models that help property owners address up front costs for those that may reduce their mortgage eligibility. In addition, Toronto's leadership in using a tiered system (which incidentally is also the direction the National Model Building Code, the BC Step Code, and Vancouver's Green Standard), is also critical to setting the bar for where other Ontario municipalities will go thereby addressing competitive concerns.

Congratulations to the City of Toronto for continuous improvements on its Green Development Standards and improving housing and the sustainability of your new developments for years to come. We look forward to tracking the results of this program and sharing the lessons learned with other Ontario municipalities developing their Green Standards.

Kind regards,

Gabriella Kalapos, Executive Director