



July 17, 2023

Office of the Mayor
City Hall, 2nd Floor
100 Queen Street West
Toronto, ON M5H 2N2

Sent electronically

Dear Mayor Chow,

On behalf of the Residential and Civil Construction Alliance of Ontario (RCCAO), we would like to extend our congratulations on your election as Mayor of the City of Toronto.

RCCAO is a unique alliance of key labour and management stakeholders derived from the residential and civil construction sectors. Working together to promote positive change, our members build the homes, transportation networks, water systems and other critical infrastructure that is essential to the living standards of residents and businesses in Toronto and across Ontario.

Our members include the Greater Toronto Sewer and Watermain Contractors Association; Heavy Construction Association of Toronto; International Union of Operating Engineers, Local 793; Joint Residential Construction Association; LiUNA Local 183; Ontario Formwork Association; and Toronto and Area Road Builders Association.

A primary focus of RCCAO has been the importance of investing in core public infrastructure – from transit and waterworks to roads and bridges – and doing so smartly and efficiently for taxpayers and daily users of infrastructure. As RCCAO members deliver the majority of Toronto's capital works program and new housing developments, we have worked in partnership with the City to build this critical infrastructure and to address any issues that impact our industry. We look forward to continuing this productive relationship under your leadership.

One of the most pressing issues for RCCAO is Toronto's significant budgetary gap caused by the pandemic. Over the last three years, RCCAO has worked closely with all three levels of government to ensure that funding is allocated to shovel-ready projects that can be immediately tendered, protect a high number of jobs, and address critical infrastructure renewal.

If the current budgetary gap is not addressed and concerted support from the federal and provincial governments is not available, municipal capital and state-of-good repair projects are at risk of being delayed or cancelled. Such ramifications would have negative consequences for workers and would add significant strains to critical infrastructure that already operates with a backlog in state-of-good-repair work. A report that we commissioned in 2020 from Prism Economics and Analysis, called [*Averting a Crisis: The Need to Protect Ontario's Infrastructure Investments*](#), found that 41,000 construction-related jobs would be at risk if building permits decline remarkably.

Beyond the current funding challenges, it is critical that under your new leadership, there be a focus on improving the procurement process in the City of Toronto. The cost of building

infrastructure in Toronto is increasing and continues to be more expensive than in surrounding municipalities. While some extra expense may be attributed to uncontrollable cost (e.g., more congestion, greater number of utilities to dig around, etc.), much of this added 'premium' cost for work in Toronto is a result of risk being downloaded into contracts, and disputes and delays on payments and approvals.

Contractors often cite the unmanageable risk levels that they must assume when bidding for work in Toronto and the difficult administration of contracts as key reasons why they are, increasingly, choosing not to bid on City work. These problems are unique to the City of Toronto.

Lastly, the housing crisis is having a significant impact on the lives of Torontonians. It is imperative that the City addresses the housing supply shortage and ensures continued investment in critical infrastructure to keep up with growth. Key things we know will help reduce wait times and costly delays are to speed up the development approvals process and embrace innovative concepts like electronic permitting. Additionally, development on arterial roadways, allowing above-grade parking and removing floor plate restrictions will also be elements that increase housing supply.

RCCAO recently [commissioned a report](#) from the Canadian Centre for Economic Analysis which found that 31 percent of the cost of a new home in Toronto is taxes, fees and levies. On a \$1 million home, [the purchaser pays \\$310,000 in taxes, fees and levies](#). There are opportunities to address this imbalance and the processes that manage planning, development and taxation associated with housing in Toronto.

These are unique times for the City of Toronto, filled with challenges, but also many opportunities to improve stagnant administrative, financial, and bureaucratic practices. Embracing innovation, true partnership with industry and collaboration with higher orders of government will ensure that the City not only addresses its current challenges, but also is well placed to harness its economic might and capitalize on it for the long-term success of Toronto.

We would appreciate the opportunity to discuss the aforementioned issues with you and your team. RCCAO looks forward to working with you and your administration to ensure Toronto's critical infrastructure and housing delivers a prosperous future for all Torontonians.

Sincerely,



Nadia Todorova
Executive Director