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# EX30.3.9

January 23, 2018

**Via email at [exc@toronto.ca](mailto:exc@toronto.ca) and courier**

City Clerk  
Toronto City Hall  
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Toronto, ON M5H 2N2,

**Attention: Ms. Josephine Archbold,  
Committee Administrator,  
Executive Committee**

Dear Sirs/Mesdames:

**RE: ITEM 30.3- Development Charges Review  
Executive Committee- January 24, 2018**

We are writing on behalf of our client, Ryerson University ("Ryerson"), to express its concerns with respect to the draft development charges by-law to be considered by Executive Committee at its session on January 24, 2018 (the "draft DC By-law"). Our understanding is that the draft DC By-law is intended to form the basis of a new development charge by-law to be brought before Council in the spring of 2018 to replace the City's current development charges by-law, due to expire in October of 2018.

The draft DC By-law proposes to eliminate the existing exemption from development charges applicable to student accommodations located on lands or buildings that are owned by and used for the purposes of colleges or universities as defined in s. 171.1 of the *Education Act*. The removal of this exemption represents a significant departure from both the City of Toronto's 2009 and 2013 development charges by-law, both of which recognized the exempt status of student residences owned and operated by colleges and universities as uses ancillary to exempt post-secondary institutional uses. In Ryerson's respectful submission, the proposed imposition of development charges on student accommodation within the City of Toronto has not been justified and is undesirable, for a variety of reasons. While the reasons set out below are not intended to be exhaustive, they serve to highlight a number of Ryerson's central concerns with the proposed legislative change:

1. The provision of high quality, affordable housing for post-secondary and graduate students represents a major challenge to Ryerson and other institutions for higher learning within the City of Toronto. A variety of municipal and provincial policies recognize the need to ensure that post-secondary education remains within reach for

students from a broad range of socioeconomic and cultural backgrounds and that the intellectual and economic competitiveness of the City and province depends on the ability to attract and retain a large and diverse pool of talent from within Canada and abroad.

2. The ability of post-secondary institutions within Toronto to continue to create and maintain an affordable and hospitable living and learning environment in furtherance of these goals, however, will be significantly impacted by the proposed imposition of development charges on student accommodations.

In this regard, we note that student accommodations both owned and managed by Ryerson (as compared to privately-operated residences) are operated on a strictly not-for-profit basis, with rent charged to students priced only to permit the recovery of the university's costs. At the same time, the construction and operation of university-operated student residences are not eligible for provincial funding. As a result, any increases in the university cost-base for provision of student housing will translate indirectly into a higher overall cost to students.

3. Secondly, Ryerson respectfully submits that the blanket elimination of development charge exemptions for all student residences proposed in the draft DC By-law has not been appropriately justified and is overreaching. Neither the 2018 Development Charges Background Study, dated January 9, 2018 prepared by Hemson Consulting Ltd., nor the Staff Report, dated January 10, 2018 to the Executive Committee respecting the City's current Development Charges By-law Review (the "Staff Report") provide an adequate rationale for the proposed change. In support of the proposed removal of development charge exemptions for student accommodation, the Staff Report notes that:

*University residences are considered ancillary to university purposes and in some cases are no different than privately owned and operated properties rented by students, both in function, and in terms of demand for City services. Furthermore the distinction between exempt and non-exempt residences can be difficult to adjudicate.*

The above statement ignores the very real distinctions that separate university operated residences and traditional, apartment-style rental housing in terms of their dedicated purpose, specific function, and specialized conditions of occupancy. Academic residences that support universities function as an extension to the university itself, and reflect this institutional character: in addition to providing accommodation, they are designed and organized to foster community and ensure student well-being and support student programming. Ryerson's residences are carefully integrated with the fabric of its academic campus. Internal unit configurations typically differ from rental apartment housing, consisting of groups or "pods" of private or semi-private bedrooms organized around shared washrooms and common space, with clusters of "pods" sharing kitchen facilities and living areas. In terms of occupancy, such residences also provide temporary rather than permanent accommodation, with periods of full occupancy generally restricted to the academic year from September to May. These fundamental differences, amongst others, coupled with non-profit character of the operations of academic residences do in fact permit them to be distinguished from privately-operated housing which may simply serve students amongst other demographic groups and should be recognized.



4. Thirdly, the proposed levy of development charges on lands and buildings used for the purpose of university residences is a form of taxation, and is inconsistent with the explicit exemption provided in section 16.1 of Ryerson's constituting act- the *Ryerson University Act, 1977* as amended. This provision reads as follows (emphasis added):

16.1 The real property vested in the University and any lands and premises leased to and occupied by the University shall be exempt from taxes for provincial, municipal and school purposes so long as they are actually used and occupied for the purposes of the University.

For the foregoing reasons, in Ryerson's view, the removal of existing exemptions for residential use of lands or buildings owned by and used for the purpose of a college or university under the *Education Act* as proposed in the draft DC By-law represents an inappropriate and indeed undesirable change to the development charge regime in effect within the City.

The provision of student housing is a central component to the provision of affordable and accessible post-secondary education with a view to fostering a vibrant and diverse knowledge-based economy in the City: for the academic year of 2018-2019 alone, Ryerson anticipates a projected demand for approximately 1,500-2,000 net new beds in 2018-19, primarily to accommodate international and first-year domestic students. Its ability to meet this demand while ensuring affordability will be significantly and negatively impacted by the proposed changes to the City's development charge by-law.

Yours truly,

McCarthy Tétrault LLP

Per:



Cynthia A. MacDougall

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