Financial Barriers to Legalization of Non-compliant Units in Ground Level Housing - by Councillor Ana Bailão, seconded by Mayor John Tory

* This Motion has been deemed urgent by the Chair.
* This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.

Recommendations
Councillor Ana Bailão, seconded by Mayor John Tory, recommends that:

1. City Council direct the Chief Financial Officer and Treasurer, in consultation with the Deputy City Manager, Community and Social Infrastructure and the Deputy City Manager, Infrastructure and Development Services, to conduct a review of the City's development related fees and taxes particularly as they pertain to renovations for grade related housing, and to report back to Executive Committee with recommendations on how to address the impact of City imposed financial barriers on increasing the number of units by second quarter of 2020.

Summary
It is understood that increasing the supply of housing units to meet a wide area of need is a priority for Toronto and an important way to help address housing affordability issues. One area within the City's control is the treatment of building permit applications involving houses with supplemental units that were not originally established through the building permit process. These are sometimes referred to as 'illegal' units. When permit applications are received to renovate these houses, significant development charges and parkland dedication fees can be incurred. These costs can be a barrier to bringing 'illegal' units into conformity with City by-laws, and to the creation of additional units. Examples are coming to the attention of Council with increasing frequency.

Current City policies regarding charges for additional units are meant to allow incremental increases in units without incurring substantial fees that are otherwise associated with growth related development in new buildings. However, these policies are not sensitive to the situation where tenancies may have been long established, but in 'illegal' units. This Motion would direct staff to review the situation and make appropriate recommendations to address this challenge.

The Province introduced changes to the application of development charges and parkland fees through the More Homes, More Choices Act. These changes are expected to come into effect
in the coming months as Provincial regulations are developed and enacted and may influence the City's policy options regarding the treatment of illegal units. It is expected that the staff review would take these pending changes into account.

**Background Information (City Council)**

Member Motion MM11.27