

From: [Baakal Geleta](#)
To: [Planning and Housing](#)
Subject: [External Sender] EHON Major Streets Study - Comment
Date: May 7, 2024 9:10:56 PM
Attachments: [image054577.png](#)
[image120186.png](#)
[image677610.png](#)
[image154344.png](#)
[image649586.png](#)

To the Planning and Housing Committee,

We are The Aruldason Group - a real estate company based in Toronto. Our team has experience with small residential redevelopment and would like to share our support for the proposal to allow small-scale apartment buildings on Main Streets. We think this policy is an excellent starting point to build more housing in Toronto and a critical step to solving our housing crisis.

Currently, the financials around a small-scale purpose-built rental building are almost impossible to justify. This was highlighted in the City's own Financial Feasibility Study for this policy, conducted by Parcel Economics, which showed that **purpose-built rentals are not viable under this plan**. With that said, we have to begin somewhere, and opening up land for development is the most important first step.

Subsequently, we would like to recommend that the City consider the following three points that will help bring more affordable purpose-built rental projects to life:

1. making all setbacks requirements, in every zone, 1.8 meters from side lots. We have run internal models for various building types and while the difference between 2.4m and 1.8m may seem small, it is the difference between a viable project or not, as 2 less feet on either side can make an apartment too narrow to live in.
2. removing all development charges from purpose-built rentals. The financials around a small apartment building are notoriously difficult to make work. The cost of development charges will be the difference between a viable building which is profitable and a money-losing building that cannot be built.
3. greatly improving the timeline for site-plan approval and building permit issuance. It can regularly take 16-24 months to receive site-plan approval and a permit for a building. This time period eats away at the financial prospects of many projects as the cost and risk of holding land is too great. Reducing the timeline for building-permit issuance for purpose-built rental buildings on Main Streets to 3 months would greatly increase the viability of many projects and will certainly result in more affordable housing across the city.

With these 3 critical components in place, we think there is an excellent runway for builders to begin making the affordable homes that this city so desperately needs. We are encouraged by the work the City of Toronto has done so far and are hopeful that it will continue moving towards a policy environment that practically and constructively addresses our dire housing needs.

Thank you for taking the time to read our letter and we look forward to working together to solve our housing crisis.

Kind Regards,

The Aruldason Group



BAAKAL GELETA


Director of Land Acquisition & Development

4950 Yonge St. #2108


Toronto, ON, M2N 6K1

www.aruldasongroup.com

 bg@aruldasongroup.com

 **416 228 2699** x606

 **416 505 8939**

 **416 222 5876**

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