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July 3, 2026

VIA ELECTRONIC MAIL – nycc@toronto.ca

North York Community Council
5100 Yonge Street
Toronto, ON
M2N 4V7

Dear Sirs / Mesdames:

Re: Item 2026.NY34.16

We act on behalf of IMH Pool II LP, the registered owner of the property known municipally as 765 Steeles Avenue West (the "**Lands**"). Our client is in receipt of the staff report dated June 18, 2026, which will be considered by North York Community Council in its meeting on July 7, 2026.

Purpose Built Rental Building to Provide Infill Rental Housing

As you are aware, our client has proposed the addition of a 296-unit, purpose-built rental apartment building on the Lands. Our client remains committed to delivering this important infill development but has been unable to achieve financial viability due to the heavy load of the community benefit obligations secured under the former Section 37 framework in the *Planning Act* at a time when the housing market was significantly stronger than it is today.

Over the past year, our client has engaged in ongoing discussions with both City Planning Staff and the local Councillor's office in an effort to identify a practical and mutually acceptable path forward.

The Previous Benefits are more than 15x Greater than Similar Rental Housing Projects

For context, the current obligations secured through the outdated Section 37 arrangement substantially exceed the value of those that could lawfully be required were this development to proceed today under a rezoning application subject to the Community Benefits Charge ("**CBC**") regime.

In particular, the previous Section 37 arrangement would have my client deliver:

(i) up to $600,000 in improvements to the existing building that is remaining on site;

(ii) the delivery of a daycare facility, valued at approximately $9.0 million as outlined in the report before you;

(iii) the conveyance of a 1,575 sq. m park, with approximately 469 square metres of the parkland dedication beyond current parkland dedication requirements; and

(iv) the delivery of a privately owned publicly accessible space ("**POPS**") comprising approximately 521 m².

Under the CBC regime, a similar development in this area would be contributing 4% of land value, which would equate approximately $550,000 – to $600,000 of total benefits, an amount that is less than 1/15th of the value of the previous Section 37 arrangements.

In short, the Lands cannot be developed with a community benefits burden that is at least 15 times greater than that a competing rental housing project in the same area would provide.

Rental Housing Could be Delivered with an Updated Benefits Approach

To be clear, our client appreciates that the City has recognized that the previous Section 37 arrangement is not sustainable for the site. However, our client continues to have concerns with the proposed amendments from City Planning Staff.

Specifically, those amendments not only result in a cash payment alone that is at least 4 times greater than the total of a CBC payment owing, but also imposes a whole process of delay – the City would retain an option to take space, instead of cash, for a period of 12 months following the entering into of a Section 37 agreement.

At this time, the City has yet to even produce a draft of this proposed Section 37 agreement, meaning that this proposal will result in an additional delay to moving this purpose built rental housing project forward that is well in excess to a year as our client cannot even meaningfully advance its design until it knows what it will be delivering.

In order to unlock this rental housing, our client is proposing a simplified benefits approach as follows:

(i) up to $600,000 in improvements to the existing building that is remaining on site;

(ii) the conveyance of a 1,575 sq. m. park, with approximately 469 square m. of parkland contribution that is beyond current parkland dedication requirements;

(iii) the delivery of a POPS comprising approximately 521 m²; and

(iv) a cash contribution that reflects a reasonable contribution in the current context.

The above would speed forward the development process, while maintaining the overcontribution of parkland, the delivery of a POPS space, and the improvements to the existing building, while also securing a cash contribution that can be allocated for local area improvements to the satisfaction of the Executive Director, Development Review in consultation with the Ward Councillor – ensuring that such funds are contributed to where they are most needed. We believe that such an approach is a "win-win-win" situation. By making the project financially feasible, our client is able to deliver a park and POPS area for the benefit of existing and future residents, the delivery of additional funds that can be allocated where needed most, and the delivery of much needed purpose-built rental housing.

We thank you for your time and consideration.

Yours truly,

BENNETT JONES LLP

Signed by:
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