

# TREASURE HILL

February 27, 2025

Mayor and Members of Council  
Markham Civic Centre  
101 Town Centre Boulevard  
Markham, Ontario  
L3R 9W3

**RE: Item 10.1 “Deferral of Development Charges for High-Rise Residential Buildings”  
Report to City of Markham General Committee Agenda for March 4, 2025**

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Dear Mayor Scarpitti and Members of Council,

We are writing in regards to the above noted staff report recommending that Council approve a policy to defer development charges for high-rise residential buildings aimed at “reducing/deferring some of the carrying costs associated with building high-rise developments, and in turn encourage their construction.”

We appreciate the efforts being made by City staff and Council in their attempt to address both the current housing supply crisis and the housing affordability challenges facing our community.

However, we must request that the proposed policy be amended as follows:

- a) Applying the deferral policy to Stacked Townhouses as defined in By-laws 2022-49 and 2022-50 in recognition of the importance that other multi-unit residential buildings play in the City’s growth plan and how other multi-unit residential buildings - the so-called ‘missing middle’ - also play an integral role in the achievement of Provincial housing targets, and;
- b) Amending the duration of the deferral such that the deferred development charges be due solely at the date of registration of a Plan of Condominium, rather than the proposal that the development charge become due on the earlier of a) eighteen (18) months after the issuance date of the building permit, or b) the date of registration of the Plan of Condominium.

## **STACKED TOWNHOUSES**

Stacked Townhouse buildings, particularly those with underground parking garages, share more similarities with high-rise buildings than they do with low-rise freehold single-family, townhouse, and back-to-back buildings. Stacked Townhouses can provide families with a residential unit that is generally larger than a traditional apartment dwelling and a better living space to raise a family, while being more affordable/attainable than a low-rise single-detached home, therefore providing the alternative ‘missing middle’ housing solution. Many families cannot meet their housing needs in high-rise residential buildings.

Like their high-rise counterpart, stacked townhouses achieve a more compact urban form that efficiently uses municipal services.

Like their high-rise counterpart, stacked townhouses take years to build resulting in similar increased carrying costs over a longer period of time, thereby impacting the overall cost structure of the project.

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Like their high-rise counterpart, a reduction/deferral in the upfront costs will assist in obtaining financing and contribute to reducing the overall cost of stacked townhouse projects, thereby increasing affordability.

Like their high-rise counterpart, many stacked townhouse buildings are built on top of underground parking garages that face the same development/building challenges identified in the staff report.

Like their high-rise counterpart, stacked townhouse dwelling units are defined in Markham's development charge by-laws as either 'small apartments' or 'large apartments' in recognition of the similarities with high-rise residential buildings and as encouragement to build this smaller, denser, and more affordable type of dwelling units.

Like their high-rise counterpart, stacked townhouse projects face severe economic challenges and many projects may not commence at this time without a deferral of the development charges. The City of Markham will likewise not collect the development charge revenue if projects do not move forward as acknowledged in the staff report.

Therefore, it is our strong opinion that the same form of relief being considered for the high-rise residential building sector should apply to stacked townhouses. Delaying the collection of the development charges will enable builders to continue building dwelling units to meet the City's housing need and help support the local economy.

### **DURATION OF DEFFERAL**

Staff recommend the duration of the development charge deferral to be the earlier of a) eighteen (18) months after the issuance date of the building permit or, b) the date of registration of the plan of condominium.

We are suggesting the policy be amended such that the development charges are due solely at the date of registration of a plan of condominium for high-rise residential buildings and stacked townhouses that are registered through a standard plan of condominium.

We believe triggering the development charge payment at registration of the plan of condominium to be a more consistent and more easily administered approach because payment can be required as a condition of final approval of the plan of condominium thereby providing absolute assurance that Development Charges *will* be paid to the Municipality prior to registration.

The deferral will provide greater certainty and continue to provide the carrying cost relief if a project runs into unforeseen challenges beyond the control of the builder. Once construction of large-scale residential projects commence, builders are already heavily incentivized to complete projects and register condominium plans as fast as possible, therefore, we see some redundancy in applying an earlier payment trigger in a protocol that is designed to help encourage construction of these types of projects with longer build-out timelines.

We agree with staff that Section 27 (1) of the *Development Charges Act, 1997* is the appropriate mechanism to implement the deferrals being discussed in the staff report and this written submission.

## **SUMMARY**

Treasure Hill is actively pursuing site plan approvals and building permits on numerous 'missing middle' stacked townhouse projects in the City of Markham. As a community builder, we appreciate efforts from our municipal partners that will help keep our hard-working trades actively building so we can deliver this much-needed housing at greater levels of affordability.

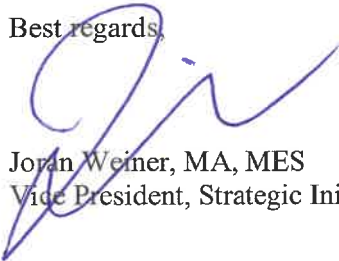
The addition of the stacked townhouse built-form (without height restrictions) to the development charge deferral policy and the clarification that the development charges payment trigger can be deferred to the registration of the plan of condominium will greatly help ease the financial burden associated with providing this 'missing middle' housing and encourage its construction in a manner that is consistent with the City of Markham, Region of York, and Province of Ontario's policy direction.

We thank Markham Staff and Council for their consideration of how the timing of the payment of development charges can affect the viability and affordability of delivering housing at a time when many municipalities in Ontario are looking for ways to help achieve the goal of providing more housing options with greater affordability.

Finally, while acceptance of the deferral policy with our requested amendments will help, we acknowledge that the policy would only apply to the City's development charges and not the Region's or School Board's, as noted in the staff report. We would therefore also ask that Council forward notice of adoption of the City policy to the Region of York and the School Boards so we may make the same request regarding their deferral policies for the same reason.

Thank you again for your consideration.

Best regards,



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