



December 15, 2009

Mayor Miller and Members of Toronto City Council:

On behalf of 240 apartment building owners, the Greater Toronto Apartment Association (GTAA) today issued the attached press release in response to the City of Toronto's mailing that advises apartment tenants of a reduction in their rent. In the release, the GTAA cautions that the rent reductions noted will be offset by the fees imposed by the City on building owners resulting from the waste levy.

We felt we needed to communicate this situation, to ensure that tenants are aware of the facts.

GTAA members support the right of tenants to benefit from property tax reductions, but the City's letter to tenants misrepresents the net impact, as the waste levy fees in most cases will inevitably nullify the rent decrease. Association members' hands are tied – they have no choice but to apply to vary the rent decrease due to the discriminatory and punitive nature of the waste levy.

We did our best to avoid this confusion for tenants by trying to work with the City. The GTAA met with Cam Weldon, Deputy City Manager and Chief Financial Officer in April 2009 and on subsequent occasions with other City staff to urge the City to consider how the waste levy will impact any rent reduction and to ensure that this is clearly communicated to apartment tenants.

This is also an opportunity to update Councillors on the GTAA's actions to nullify the waste levy, which has resulted in unintended consequences for apartment building owners and their tenants.

The GTAA announced in September 2009 that on behalf of more than 240 apartment building owners across the city, it had filed an application with the Ontario Superior Court of Justice to quash portions of the by-law pertaining to the waste levy. We would prefer to reach a solution with the City without having to pursue this application further, but to date we have not been successful in our efforts.

Please see below for further details, and if you would like to discuss this matter with me, I would be happy to hear from you.

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## **Background**

- Under the waste levy, as of July 1, 2008, property owners of multi-unit residential buildings pay a fee based on how much garbage the building generates during the billing period and the number of units in the building. They also receive a per unit rebate of municipal property taxes to offset the waste levy.
- Yet most buildings operated by GTAA members are incurring costs far in excess of the rebate - many paying more than double the City's estimated per unit cost - despite concerted efforts by GTAA member building owners to promote the City's goal of waste diversion.
- The impact for some of our building owners is like receiving an 18 per cent property tax increase, where they are paying millions of dollars in fees. As an example, an apartment building with 195 units would be paying approximately \$3,000 a month for six weekly waste pick ups under the City's program, however, under a private service; the same building would only be paying close to \$1,300 per month for waste pick up.
- Apartment building owners are in a legal position to avoid the waste levy by opting out of the City's garbage and recycling collection service by paying private collectors.
- Several hundred apartment buildings have already opted out of the City's program and we anticipate that hundreds more will follow suit in early 2010. **This is costing the City millions of dollars in lost revenue.**
- The GTAA sought to quash portions of the by-law pertaining to the City of Toronto's waste levy through the September 2009 application with the Ontario Superior Court of Justice. This application is still before the Court.
- The GTAA participated throughout the City's review of its waste management and recycling services, making formal deputations to City Council on several occasions to point out the unfair and discriminatory nature of what was at that time a proposed amendment to waste collection provisions of the Municipal Code. Formal deputations to council occurred as early as February 15, 2005 and continued until by-law 506 was passed in 2008.

## **About the Greater Toronto Apartment Association**

The GTAA is a municipal association that represents close to 240 companies that own and operate more than 160,000 private apartment units in the Greater Toronto Area. The Association advocates for residential property owners and managers and provides a source of information, representation and leadership in the rental housing industry.