

THE REGIONAL MUNICIPALITY OF YORK

Housing York Inc.
October 19, 2005
Report of the
General Manager

TENANT PARKING CHARGE STANDARDIZATION

1. RECOMMENDATIONS

It is recommended that:

1. The Board approve the implementation of new parking charges in eleven Housing York Inc. properties, effective November 1, 2005, on the basis that parking charges apply to new tenants only, in keeping with the requirements of the *Tenant Protection Act*.
2. The General Manager be authorized to review parking rates annually, as part of the rent setting process, and to make appropriate changes from time to time to reflect economic change.

2. PURPOSE

The purpose of this report is to review the current status of Housing York Inc.'s (HYI) tenant parking charges and propose the implementation of a standard policy for parking charges across the portfolio.

3. BACKGROUND

HYI has 28 rental properties located in eight of the Region's nine municipalities. In some of those municipalities parking charges are routinely applied by landlords and commercial establishments. In other municipalities, parking charges are not yet the norm in the marketplace.

Properties constructed under the non-profit housing program typically included tenant parking charges in municipalities where it was an accepted practice. HYI has five such properties. Townhouse properties typically have a private driveway and charges are only applied where a household has a second vehicle using a common parking lot. This would apply to four of HYI's properties. Seventeen of the properties were part of the older public housing stock transferred to the Region by the Province and historically parking charges were not applied in those programs.

This leaves HYI in a position where parking charges are not consistent across the portfolio and in fact within some municipalities, buildings located within the same neighbourhood may have differing parking rates being applied.

Parking charges are an important revenue source to HYI's operation, assisting in offsetting the costs of operation. As well, parking charges serve to assist us in controlling parking demand and ensuring that only properly licensed and operating vehicles are on our lots. It is therefore desirable to implement parking charges across the portfolio, moving toward a consistent approach over time.

4. ANALYSIS AND OPTIONS

4.1 Legislative Limitations

The *Tenant Protection Act* prevents landlords from adding new charges for existing tenants, where a service was previously included within the rental rate. Therefore, new parking charges could only be applied to new tenants as they move in. Existing tenants could not be charged the new parking charges.

It is therefore recommended that HYI introduce parking rates within the appropriate market areas on the basis that new tenants only have the charge applied.

It is estimated that at the present attrition rates it will take approximately seven years before the vast majority of tenants would be paying a parking charge in buildings where there are currently no parking charges in place. Therefore, for a number of years some buildings would have a mixture of tenants, some with free parking and others paying for parking.

4.2 Parking Charges within Local Municipalities

HYI has properties within eight local municipalities. Of those municipalities, surveys indicate that charging for parking is not a common practice in either non-profit housing or in the commercial sector in Georgina or King, likely reflecting the more rural character of these communities and higher auto use.

It would be appropriate to consider implementing parking charges in the balance of HYI's apartment buildings on the basis suggested above. *Attachment 1* outlines the current and proposed rates by building and municipality.

Adopting the proposed new parking charges creates consistency between HYI properties and the local community.

4.3 Other Housing Providers

Large municipal non-profits in the Greater Toronto Area (GTA) were contacted to compare parking charge policies. Several have also completed a similar rationalization of differing parking policies across their portfolios.

As well, a review of practices of neighbouring private non-profits has been part of the analysis to ensure that our residents experience similar parking policies to other non-profit residents in their municipalities.

4.4 Ongoing Review of Parking Charges

In order to remain competitive and comparable with the broader marketplace periodic reviews will be undertaken to ensure parking fees reflect changes in geographic economic conditions. It is suggested that the General Manager be delegated the authority to authorize increases to rates that reflect market practices.

5. FINANCIAL IMPLICATIONS

Currently HYI receives approximately \$53,000 annually from parking charges in six properties. Adopting a new parking charge policy in eleven properties will result in estimated additional revenue of \$7,000 in 2006, and increasing annually by \$7,000 per year, as existing tenants vacate and are replaced by tenants paying for parking.

Once all units within the eleven properties are paying for parking it will result in estimated additional revenue of \$85,000 annually.

6. LOCAL MUNICIPAL IMPACT

Parking charges will be standardized across the housing communities within local municipalities reflecting market conditions consistent with each geographic area.

7. CONCLUSION

Implementing a universal parking service charge policy ensures, over time, equitable charges, generates revenue to assist in affecting capital and operating costs, and encourages tenants to retain vehicles only if they utilize them.

Due to legislative requirements only new tenants are affected by the new parking charges. Existing tenants continue to receive parking included in their rent.

The Senior Management Group has reviewed this report.

Prepared by:

Reviewed by:

Doug Manson
Manager of Housing York Inc.

Sylvia Patterson
Assistant General Manager

Recommended by:

Approved for Submission:

Joann Simmons
General Manager

Michael R. Garrett
President

September 22, 2005

Attachment -1
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Version 4-2003-5-30