

**DC HEARING COMPLAINT – 601 SCOTTSDALE DRIVE, GUELPH**  
**THE CORPORATION OF THE CITY OF GUELPH**  
**WRITTEN SUBMISSION**

**I. OVERVIEW**

1. The Responding Party, The Corporation of the City of Guelph (the “**City**”), makes these submissions in response to the complaint of 601 Scottsdale GP Inc. and Forum 601 Scottsdale LP, affiliates of Forum Asset Management Inc., relating to development charges for re-development of 601 Scottsdale Drive, Guelph (the “**Subject Property**”), pursuant to section 20(1)(a) and (c) of the *Development Charges Act, 1997*, S.O. 1997, c. 27 (the “**DC Act**”).
  
2. The Subject Property is owned by, and vested in, the University of Guelph (the “**University**”). Forum Asset Management Inc. is an investment fund manager and portfolio manager, which seeks “to acquire cash-flowing, resilient residential real estate assets (including equity interests and direct ownership) with opportunities for capital appreciation, underpinned by strong market fundamentals, with a focus on purpose-built student accommodation, multi-family apartments and furnished rentals” in its capacity as manager of Forum Real Estate Income and Impact Fund (the “**Fund**”). The Fund is “a \$2.4 billion institutional quality, private REIT that is the leading owner and investor of purpose-built student accommodations across Canada”.<sup>1</sup> The Fund’s investment and risk-mitigation strategy is, in part, “to invest

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<sup>1</sup> Forum Real Estate Income & Impact Fund – Press Release, February 7, 2025: <https://mfgltd.com/forum-real-estate-income-impact-fund-press-release/>

in inflation-hedged residential real estate (naturally elevated turnover in purpose-built student accommodations and co-living communities), [with] higher expected future rental rates”.<sup>2</sup> 601 Scottsdale GP Inc. and Forum 601 Scottsdale LP (together, “**Forum**”) are property investment/holding entities. The Fund’s organizational structure is depicted in the Offering Memorandum.<sup>3</sup>

3. Forum-affiliated entities have entered into lease agreements with the University to re-develop the Subject Property as a privately owned and operated, for-profit, student residential complex in two phases.
4. Phase 1 involved the redevelopment of a former hotel on the Subject Property. Phase 1 is built and occupied and was determined by the City to be exempt from payment of development charges under the City’s then in force Development Charges By-law Number (2019) – 20372 (the “**2019 DC By-law**”). However, the 2019 Development Charges By-law was repealed when City Council passed a new Development Charges By-law in 2024 (the “**2024 DC By-law**”).
5. Phase 2 on the Subject Property is a separate development application for a new purpose-built rental building. Forum has entered into a lease agreement with the University for Phase 2 (a separate lease from Phase 1). Phase 2 should be subject to development charges under the 2024 DC By-law.

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<sup>2</sup> Offering Memorandum <https://www.forumreiiif.ca/wp-content/uploads/2024/03/REIIF-Offering-Memorandum-Bonus-Offering.pdf> at page 31.

<sup>3</sup> Offering Memorandum <https://www.forumreiiif.ca/wp-content/uploads/2024/03/REIIF-Offering-Memorandum-Bonus-Offering.pdf> at page 44.

6. The only issue to be determined by Council is whether the Phase 2 development is intended to be occupied and used for University purposes.
7. The City should dismiss this complaint for four reasons:
  - (a) First, the lease between the University and Forum makes it clear that it is Forum who will use and occupy the Subject Property and buildings over the long term for its own purposes.
  - (b) Second, the *Planning Act* and instruments under it do not support Forum's position that the Subject Property will be used and occupied by the University or used and occupied for University purposes.
  - (c) Third, providing an exemption for a private development of above-market rental units with high turnover, for the predominant purpose of investor returns, is contrary to the objects and purpose of the DC Act and City's Policy Goals. Exemption of this development would result in a windfall to a private party and investors at the expense of the City's taxpayers which is against the public interest and the overarching purpose of the statutory exemptions.
  - (d) Fourth, the Phase 2 development is contrary to the University's purposes of providing affordable and inclusive housing options for its students in order to contribute to "the intellectual, social, moral and physical development" of the University's members or the betterment of society. The University's own

housing study has found that it is University-operated housing that is needed to meet student residence demand.

## II. BACKGROUND

8. The Subject Property is approximately 2.2 hectares in size with approximately 122 metres of frontage along Scottsdale Drive. The Subject Property is partially re-developed, with the eastern portion occupied by a former hotel building that was converted by Forum into a residential building containing 164 residential suites geared to students as part of the Phase 1 re-development. Phase 1 was approved through previous planning applications, was completed in 2023, and is currently occupied.
9. Phase 1 was exempt from development charges under the 2019 DC By-law, a now repealed DC By-law that provided the following exemption for land owned by the University that was developed for University Related Purposes:

3.5.1 Notwithstanding the provisions of this By-law, Development Charges shall not be imposed with respect to:

(a) Development of land, buildings or structures for University Related Purposes within the University defined area as set out in Schedule C; [emphasis added]

(b) land, buildings or structures outside the defined area as set out in Schedule C, which are now owned directly or indirectly by the University or on behalf of the University or which may be acquired by the University and which are developed or occupied for University Related Purposes, provided that, where only a part of such land, buildings or structures are so developed, then only that part shall be exempt from the Development Charges specified under this By-law;

10. The 2019 DC By-law defined “University Related Purposes” by reference to section 3 of *An Act to incorporate the University of Guelph*, S.O. 1964, c. 120 (the “**University of Guelph Act**”):

3. The objects and purposes of the University are,

(a) the advancement of learning and the dissemination of knowledge, including, without limiting the generality of the foregoing, the advancement of learning and the dissemination of knowledge respecting agriculture; and

(b) the intellectual, social, moral and physical development of its members and the betterment of society.

11. In contrast, the 2024 DC By-law passed by City Council on January 16, 2024, includes a revised definition of “University Land”. Section 1 defines “University Land” as:

“University Land” means land vested in or leased to a publicly-assisted University which is intended to be occupied and used by the university. [emphasis added]

12. Section 3.5.1 exempts Development of University Land or Buildings:

Notwithstanding the provisions of this By-law, Development Charges shall not be imposed with respect to:

(a) Development of University Land or Buildings;

13. The 2019 DC By-law does not apply to Phase 2; the 2024 DC By-law applies to Phase 2.

14. The Phase 2 development proposes two, 7-storey residential rental buildings with a combined total of 489 units connected by a single storey indoor amenity area.

Together, Phases 1 and 2 will result in a student residential complex with a total of 665 units.

15. The University owns the Subject Property and has entered into a 99-year land lease (the “**Lease**”) with Forum that allows Forum to build, use, operate and maintain student housing for students at the University, per Article 9.1:

The Property shall be used, operated and maintained by the Tenant and any permitted subtenant (as hereinafter provided for) solely for the Use in a first class and reputable manner. For clarity, the permitted use of the Property is for a student residence and ancillary uses operated by the Tenant for the sole benefit of students of the Landlord. The Property may not be used for any other purpose whatsoever without the prior written approval of the Landlord, which approval may be unreasonably withheld. [emphasis added]

16. The Lease expressly declares at Article 15.9 that the University and Forum are not partners, joint venturers or agents for each other:

15.9 No Partnership

The Landlord and the Tenant hereby expressly declare that it is neither their intention nor their agreement that this Lease or any arrangements between them shall constitute or be deemed to constitute the parties as partners, joint venturers or agents for each other.

17. The Lease goes on to further declare at Article 15.12 that the University is not a partner, co-venturer, operator, or manager with respect to the student residences:

Notwithstanding anything else contained in this Lease, at no time shall the Landlord be considered to be a partner, co-venturer, operator, manager, etc., of or with Forum or with respect to the operation of the student residences. [emphasis added]

18. The Lease assigns responsibility for the development to Forum. The University is not assigned responsibility and only maintains rights to review the development plans as Landlord. Articles 3.3, 5.1, and 7.1 specify:

3.3 Completion of Improvements

All Improvements and all additions, changes or alterations thereto, shall be constructed:

- (a) at the sole expense of the Tenant; [...]
- (f) under the proper and diligent supervision of the Tenant’s architect or other qualified professional or contractor; and
- (g) subject to the reasonable regulation, supervision, control and inspection of the Landlord.

5.1 Payment of Impositions

During the Term hereof the Tenant will pay promptly when due the Impositions to the taxing authorities or other entities or Persons to whom the same must be paid.

7.1 Operation of the Property

The Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Property. [emphasis added]

- 19. A November 13, 2024, Staff Report to City Council supporting Forum’s proposed Official Plan and Zoning By-law Amendments reported that the estimated development charge revenue would be between \$15,586,875 and \$20,655,360.
- 20. Counsel for Forum wrote letters to the City on February 20 and March 21, 2025, explaining its position that development charges do not apply to Phase 2.

21. The City responded to Forum's letters on March 17 and 31, 2025 explaining that it will be the City's position that development charges would be payable in respect of Forum's Phase 2 development on the Subject Property at the applicable time. According to section 3.12 of the 2024 DC By-law, development charges are calculated, payable, and collected upon issuance of a building permit for the Development, which has not yet occurred. As such, Forum's complaint may be premature, because it was filed before the City imposed the development charge and before it was due and payable.
22. Forum has alleged that if its DC complaint is not heard and decided by the end of April 2025, Phase 2 will not be ready for occupancy by September 2027. Forum has also stated that if Phase 2 is not exempt from development charges, Phase 2 will not proceed at all.
23. However, on April 8, 2025, an article in GuelphToday reported that Sydney MacDougal, the Associate Director, Real Estate Marketing and Communications for Forum Asset Management, stated via email that "Unfortunately, we have now missed the window to complete the project in time for the September 2027 school year." Based on Forum's own assertions, regardless of Council's decision regarding this DC complaint, Phase 2 will not be ready to house students for the 2027-2028 academic year. Therefore, the outcome of these proceedings will have no impact on the timing of the Phase 2 development. Even if Forum appeals Council's decision to the Ontario Land Tribunal ("**OLT**"), there will be ample time for the OLT to consider the merits any such appeal and render its decision without compromising occupancy for the 2028-2029 academic year.

### III. LEGAL FRAMEWORK

24. There is no dispute between Forum and the City about the appropriate test that must be applied to determine if Phase 2 qualifies for an exemption to development charges.

25. Forum agrees with the City that the 2019 DC By-law does not apply to Phase 2. The applicable by-law is the 2024 DC By-law.

26. Section 6.1(1) of the *Ministry of Training, College and Universities Act*, R.S.O. C. M. 19 (the “**Universities Act**”) states:

Land vested in or leased to a publicly-assisted university is exempt from development charges imposed under the Development Charges Act, 1997 if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university. [emphasis added]

27. The 2024 DC By-law mirrors the Universities Act exemption, providing at Section 3.5.1:

Notwithstanding the provisions of this By-law, Development Charges shall not be imposed with respect to:

(a) Development of University Land or Buildings;

28. Section 1 of the 2024 DC By-law defines “Development” as:

“Development” means the construction, erection, or placing of one (1) or more Buildings on land or the making of an addition or alteration to a Building that has the effect of increasing the size or usability thereof or any development requiring any of the actions described in section 3.4(a), and includes Redevelopment.

29. Section 1 defines “University Land” as:

“University Land” means land vested in or leased to a publicly-assisted University which is intended to be occupied and used by the university. [emphasis added]

30. Section 1 defines “Building” but does not define “University Building”:

“Building” means any structure or building as defined in the Building Code (O. Reg. 332/12 made under the Building Code Act, as amended, or any successor thereof) but does not include a vehicle.

31. The City agrees with Forum that the two-part test to meet the Universities Act exemption is the same as the test under the 2024 DC By-law: (a) the land must be vested in the University; and (b) the development must be intended to be occupied and used by the University.

32. In the City’s letter to Forum dated March 31, 2025, the City stated that it has at all times taken the position that the Subject Property is owned by, and is vested in, the University.

33. Section 19 of the University of Guelph Act exempts real property vested in the University from taxation as long as it is actually used and occupied for the purposes of the University:

The property vested in the University and any lands and premises leased to and occupied by the University are not liable to taxation for provincial, municipal or school purposes, and are exempt from every description of taxation so long as the same are actually used and occupied for the purposes of the University.

34. The Ontario Court of Appeal has determined that development charges are taxes.<sup>4</sup>

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<sup>4</sup> *Ontario Cancer Treatment and Research Foundation v. Ottawa (City of)*, [1998 CanLII 1255](#) (ON CA).

35. The only issue to be determined by Council is whether the development is intended to be occupied and used for the purposes of the University. This is a factual determination that depends on terms of the lease as well as the control and management of the property, and the identified purpose(s) that are fulfilled, supported, or advanced.

#### **IV. FORUM IS THE USER AND OCCUPANT OF THE SUBJECT PROPERTY**

36. The Lease specifies the permitted use of the Subject Property. This permitted use is “for a student residence and ancillary uses operated by the Tenant for the sole benefit of students of the Landlord.” The Subject Property is to be “used, operated and maintained by the Tenant.” The Lease goes to great lengths to emphasize that the University has not undertaken to partner with, or enter into, a joint venture with Forum for this development and is strictly a landlord.
37. Any landlord may limit or specify the uses for which it leases its property in accordance with applicable legislation. Such limits, which may be to a landlord’s benefit, do not make the landlord the occupant or user of a property.
38. By the terms of the Lease, the University will not occupy or use the buildings, collect or set rents, determine tenancy periods, address tenant issues or complaints, provide University services such as Resident Advisors or teaching and research facilities, or administer the operation of the Phase 2 building directly or indirectly. Forum will not undertake any of these activities on the University’s behalf. The University’s role with respect to the Subject Property is limited to that of a landlord. Forum will be responsible for managing the property, staffing,

maintenance, tenant selection, tenant complaints, and rent collection. Forum is operating independently of the University to develop and operate Phase 2 within the scope of the Lease terms, which assign no responsibility for the development to the University. Forum is not acting as an agent of the University or occupying the property or buildings on its behalf.

39. In determining that McMaster University was actually using and occupying a student residence in *McMaster University v City of Hamilton et al*, the Ontario Court of Appeal relied on the fact that the residence was owned and operated by the University, wherein the University administered housing admissions, rental collection, management, staffing, and regulation.<sup>5</sup> The activities and ownership structure that were determinative for the Court in *McMaster University* contrast with the facts of this case where the same activities are all to be undertaken by Forum, a private, for-profit developer and investment fund manager lacking any corporate, joint venture, partnership, agency or other relationship with the University through which the development could be said to be occupied and used, directly or indirectly, by the University. Forum advanced an alternative argument in its February 20, 2025, letter that Phase 2 constitutes the “Development of University Buildings” and is thereby exempt from the 2024 DC By-law. Under the Lease, the Phase 2 development is a tenant improvement that is the separate property of Forum as tenant during the term of the lease, which is for 99-years. At the operative

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<sup>5</sup> *McMaster University v City of Hamilton et al*, (1975), 1 O.R. (2d) 378.

time for the purpose of development charges, the Phase 2 building is not vested in the University and cannot be a University Building.

## **V. THE PLANNING ACT DOES NOT SUPPORT FORUM'S COMPLAINT**

40. In its Complaint, Forum argues that because Official Plans and Zoning By-laws governed by the *Planning Act*, R.S.O. 1990, C. P. 13 (the “**Planning Act**”) establish permitted “uses” of the Subject Property, it is not Forum as tenant that uses the student residence use but instead the students at the University. This argument is illogical for three reasons:
41. First, neither Guelph’s Zoning By-law nor its Official Plan or the Planning Act define “occupy”. The University Act requires that a development be “occupied and used by the University.” Importing a definition of “use” from the Planning Act regime where there is no definition of “occupy” cannot satisfy the requirements of the University Act exemption.
42. Second, the regulation of “use” under the Planning Act regime is a regulation of land use, or “use as”. It is a well-established principle of planning law that the regulation of who can use a property (“use by”) rather than the regulation of how the property is used (“use as”) is not permitted under the zoning provisions of the Planning Act.<sup>6</sup> The Guelph Zoning By-law allows the Subject Property to be used as a student residence, it does not speak to who the user of the Subject Property is or can be.

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<sup>6</sup> *Bell v. R.*, [1979] 2 SCR 212 at p. 3 and 5.

43. Third, at the decision meeting for planning approvals of Phase 2, Forum publicly took the position that the Planning Act does not apply to the Subject Property because of an exemption for undertakings of publicly assisted universities. Forum cannot simultaneously argue that the Planning Act does not apply to the Subject Property but that the Official Plan and Zoning By-law under the Planning Act determine the user of the Subject Property.

**VI. EXTENDING THE EXEMPTION TO FORUM IS CONTRARY TO THE PURPOSE OF THE DC ACT AND CITY'S POLICY GOALS**

44. The DC Act's overarching purpose is to allow a municipality to impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies. The basic principle is that the cost of servicing new development should be borne by the developer and not by the existing taxpayers.
45. While there has been public debate about whether this principle should remain, neither the Ontario legislature nor this City Council has altered this principle in the DC Act or the 2024 DC By-law.
46. Public disclosures made by Forum indicate that the naturally elevated turnover rate in purpose-built student accommodations ensure higher expected rental yields. 98% of Forum's portfolio is "focused on high-turnover rental housing, allowing investors to benefit from long-term supply shortfalls in Canadian housing."<sup>7</sup> Rent

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<sup>7</sup> News Release: "Forum real Estate Income and Impact Fund Reports Q2 2024 Results" August 7, 2024, available at : <https://www.forumreiiif.ca/news-media/forum-real-estate-income-and-impact-fund-reports-q2-2024-results>

hikes on turnover units accounted for more than 40% of overall rent increases in Canada in 2024, which higher rents make it both harder for new renters to enter the market and limit mobility for existing tenants.<sup>8</sup>

47. Forum stands to minimize risk and make significant profits from Phase 2, by shifting the cost of public services and infrastructure required by developing the Subject Lands to existing City taxpayers. The burden of approximately \$17 million would result in a subsidy to the private sector at the expense of the public, contrary to the purpose of the DC Act and 2024 DC By-law and not in the public interest.
48. Forum suggests that completing Phase 2 will free up other forms of housing in the City for people who need it. Building above-market residential units is an unproven strategy to address housing availability and affordability in Canada, with some research indicating that the effect could be an overall increase in rents for local low-income renters.<sup>9</sup>
49. The Ontario government has implemented several legislative changes as part of its long-term strategy to address the housing shortage. In 2022, the DC Act was amended by the *More Homes Built Faster Act, 2022* to provide a detailed scheme of mandatory exemptions for certain housing developments, including the addition

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<sup>8</sup> CMHC, Fall 2024 Rental Market Report, p. 5, available at: <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>

<sup>9</sup> CMHC, Understanding Filtering: A Long-Term Strategy to New Supply and Housing Affordability, June 2024, p. 4, available at: [https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/housing-research/research-reports/2024/understanding-filtering-long-term-strategy-new-supply-housing-affordability-en.pdf?rev=0b29bf99-eac2-4404-a416-e59d570e34d4&\\_gl=1\\*daexuk\\*\\_gcl\\_au\\*MTcxNDU1NzlyMC4xNzQ1MjYzNzk0\\*\\_ga\\*MTA1MzYwNzcwNC4xNzQ1MjYzNzk2\\*\\_ga\\_CY7T7RT5C4\\*MTc0NTI2Mzc5NS4xLjEuMTc0NTI2NDA4Ny42MC4wLjA](https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/housing-research/research-reports/2024/understanding-filtering-long-term-strategy-new-supply-housing-affordability-en.pdf?rev=0b29bf99-eac2-4404-a416-e59d570e34d4&_gl=1*daexuk*_gcl_au*MTcxNDU1NzlyMC4xNzQ1MjYzNzk0*_ga*MTA1MzYwNzcwNC4xNzQ1MjYzNzk2*_ga_CY7T7RT5C4*MTc0NTI2Mzc5NS4xLjEuMTc0NTI2NDA4Ny42MC4wLjA).

of secondary residential units on single-home lots, affordable housing units, non-profit housing developments, and inclusionary zoning residential units. A mandatory discount was also provided for rental housing developments. In 2024, the *Cutting Red Tape to Build More Homes Act*, 2024, S.O. 2024, c. 16 amended the Planning Act to provide broad exemptions to Planning Act approvals for universities. Neither of these legislative changes addressed the Universities Act exemption, which has existed since 2020. Had the Legislature intended to include an exemption for privately owned and operated student residential developments on university land, it could have easily done so but chose not to.

50. If Forum wishes to address the City's housing affordability issues and the University community's need for affordable student housing and make use of the exemptions under the 2024 DC By-law, it can do so by entering into an agreement with the City to provide Affordable Residential Units as defined in section 4.1 of the DC Act and which are exempt from development charges under section 3.5.4 of the 2024 DC By-law:

(2) A residential unit intended for use as a rented residential premises shall be considered to be an affordable residential unit if it meets the following criteria:

1. The rent is no greater than the lesser of,
  - i. the income-based affordable rent for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), and

ii. the average market rent identified for the residential unit set out in the Affordable Residential Units bulletin.

2. The tenant is dealing at arm's length with the landlord.

51. The City wrote to Forum on March 31, 2025, encouraging it to consider entering into such an agreement to address its stated aim of addressing the student housing shortage while avoiding the cost of development charges. The letter cited the University of Guelph's Housing Demand Study, which was completed in November 2024 and found that "existing and planned purpose-built student housing in the City was mostly at the higher end of the rental price range, which is not aligned with student needs, and that it will be important to ensure that purpose-built student housing meets students' needs in terms of affordability."<sup>10</sup> To date, Forum has not responded to this proposal.

## **VII. EXTENDING THE EXEMPTION TO FORUM IS CONTRARY TO THE PURPOSE OF THE UNIVERSITY**

52. University purposes are not limited to education. They can include a wide range of ancillary services that universities legitimately provide including housing, transportation, food services, and health care clinics to "reasonably attend to the needs of their students and faculty."<sup>11</sup> Courts have interpreted this and similar terms broadly to include student residences but have cautioned that privately

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<sup>10</sup> March 31, 2025 letter from Jennifer Charles to Joe Hoffman Re: 601 Scottsdale Drive, City of Guelph (the "Subject Property") Development Charges – Phase 2, City File No. 2024 006489, Goodmans File No. 250940; "Housing Demand Study Finds University-Operated Housing is Meeting Student Residence Demand", posted Mar 11, 2024, updated April 21, 2025: <https://news.uoguelph.ca/2024/03/u-of-g-housing-demand-study-finds-university-operated-housing-is-meeting-student-residence-demand/>

<sup>11</sup> *Assessors of Areas #1 and #10 v. University of Victoria*, [2010 BCSC 133](#) at para 68.

owned student residences on campus may not qualify.<sup>12</sup> While university purposes can include for-profit commercial enterprises, a commercial enterprise's mere presence on university property is insufficient to meet the test. If the mere location of a retail, commercial or other third-party service or amenity on university property was enough, the requirement for "university purposes" would be redundant.

53. The University of Guelph Act defines the objects and purposes of the University as:

(a) the advancement of learning and the dissemination of knowledge, including, without limiting the generality of the foregoing, the advancement of learning and the dissemination of knowledge respecting agriculture; and

(b) the intellectual, social, moral and physical development of its members and the betterment of society.<sup>13</sup>

54. The University's own housing study has found that it is University-operated housing that is needed to meet student residence demand. The study specifically found that for-profit purpose-build student housing in the City was not aligned with student needs.<sup>14</sup> Forum's Phase 2 development is part of an investment portfolio designed to enhance yields and returns, "focused on high-turnover rental housing, allowing investors to benefit from long-term supply shortfalls in Canadian housing, with more frequent mark-to-market of rental income".<sup>15</sup> Purpose-built student

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<sup>12</sup> *Re University of Ottawa v City of Ottawa/Re Carleton University v City of Ottawa*, [1967] O.J. No. 1154, [1969] 2 O.R. 382 at para 4.

<sup>13</sup> *An Act to incorporate the University of Guelph*, S.O. 1964, c. 120, s. 3.

<sup>14</sup> "Housing Demand Study Finds University-Operated Housing is Meeting Student Residence Demand", posted Mar 11, 2024, updated April 21, 2025: <https://news.uoguelph.ca/2024/03/u-of-g-housing-demand-study-finds-university-operated-housing-is-meeting-student-residence-demand/>

<sup>15</sup> Forum Real Estate Income and Impact Fund Reports Q2 2024 Results, August 8, 2024: <https://www.accessnewswire.com/newsroom/en/real-estate/forum-real-estate-income-and-impact-fund-reports-q2-2024-results-897843>

accommodation “is specifically designed and constructed as student housing with a view towards targeting the unique characteristics of the student tenant”<sup>16</sup>, with environment, social and governance (ESG) plans designed to drive rents:

“Key to REIIF's impact and environmental, social, and governance (ESG) initiatives is driving sustainable value to residents and investors. Offering an unparalleled and well-designed resident experience is central to REIIF's strategy. ALMA @ Guelph, the inaugural property under REIIF's ALMA brand, exemplifies the Fund's commitment to tenant engagement. The property hosted 20 resident events year-to-date, boasts high-value amenities, and an enhanced sense of community which has contributed to its top-performing Net Promoter Score, and correspondingly, market-leading rents.”<sup>17</sup>

55. The Phase 2 development provides student housing as a strategy to an ultimate objective which does not contribute to “the intellectual, social, moral and physical development” of the University’s members or the betterment of society and is contrary to the University’s purpose of providing affordable and inclusive housing options for its students.

## **VIII. CONCLUSION**

56. Development charges are the revenue tool provided to municipalities by the province to fund the capital costs of enabling and servicing growth. Improving housing supply requires all parties to participate in delivering infrastructure. Arbitrary exemptions from development charges shifts the burden of growth capital

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<sup>16</sup> Offering Memorandum <https://www.forumreiif.ca/wp-content/uploads/2024/03/REIIF-Offering-Memorandum-Bonus-Offering.pdf> at page 34.

<sup>17</sup> Forum Real Estate Income and Impact Fund Reports Q2 2024 Results, August 8, 2024: <https://www.accessnewswire.com/newsroom/en/real-estate/forum-real-estate-income-and-impact-fund-reports-q2-2024-results-897843>

costs on to property tax and utility ratepayers and is detrimental to overall housing affordability.

57. Exemptions from development charges should be narrowly scoped so that only those projects that provide the most needed interventions for affordable housing supply are subsidized by the City. In this case, Forum is a private sector developer and investment manager building above-market housing and stands to make considerable profits, with a view to driving return on investment for unitholders of the Fund. The lease between the University and Forum makes it clear that Phase 2 is not a University project, and that Forum will use and occupy the Subject Property to earn profits for 99 years, aligned with its stated investment focus on high-turnover student housing for more frequent mark-to-market rent increases, providing a stable and growing income stream for investors.
58. For these reasons, City Council should dismiss Forum's complaint under the DC Act.

April 25, 2025

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