

Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes

Presentation to City Council

November 8, 2023



Toronto's Housing Context



Toronto's Housing and Homelessness Challenges

There is a **lack of housing options for low, moderate and middle-income households** whose needs are not being served by the private market:

- **9,988** individuals experiencing active homelessness (end of August)
- About 48% of Toronto households (557,970 households) are renters, and **40% of renters are living in unaffordable housing** (based on 2021 Census data).
- **1 in 5 households** (215,225 households or 19%) are living **core housing need** (based on 2021 Census data).
- **Indigenous and Black residents** overrepresented in homeless population

Toronto's Rental Housing Stock



Most purpose-built private and publicly owned rental homes were built in the **1960s and 1970s**.



Beginning in the 1980s and into the 1990s, the construction of purpose-built rental housing and non-profit co-ops rapidly declined, while demand continued to grow.



This overlapped with less direct federal and provincial investments in housing and downloading of responsibilities to municipalities.



Today, almost **79% of all rental housing is privately owned**, compared with 15% owned by Toronto Community Housing Corporation (TCHC) and 6% owned by non-profit and co-op housing sectors.

The Plan to Strengthen Toronto's Housing System –

Overview of Staff Report



The City of Toronto's Approach

Generational change to shift and strengthen the housing system

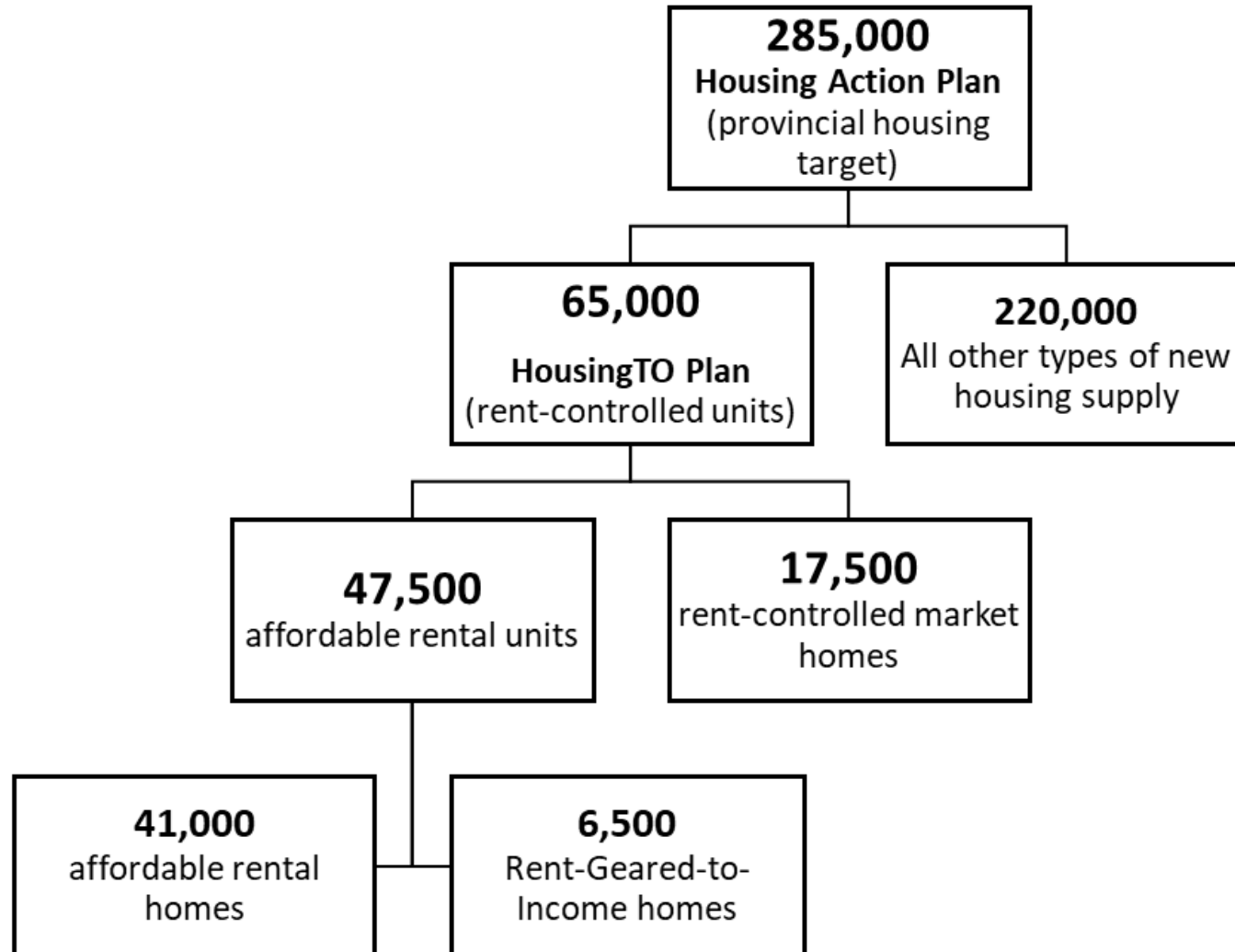
Improving affordability while increasing and accelerating supply for current and future generations of Torontonians

Creating efficiencies within the City, and the system as a whole

Investments from all orders of government to achieve shared housing objectives

We cannot afford not to act

Putting the Targets into Perspective – The ‘Big Picture’



Overview of Staff Report

- Outlines **22 recommendations**, as well as **new and ongoing initiatives** focused on:
 - Accelerating the delivery of ‘housing ready’ projects on City and Non-profit owned land.
 - Dedicating more City-owned land to create new affordable homes.
 - Streamlining and Optimizing People, Processes, and Technology to Expedite Approvals and Delivery of new homes.
 - Developing New and Sustainable Funding Models.
 - Supporting and enhancing collaboration with the Non-profit and Co-operative Housing Sectors.
 - Intergovernmental collaboration and new tools to increase the supply of purpose-built rental homes, protect existing rental homes and support renters.

People, Process, Technology and New Tools to Build Housing Faster



New Development & Growth Service Area



The City has recently established the new Development & Growth Services (DGS) Area, with a new Deputy City Manager to oversee this area.



DGS will comprise of the following divisions: **City Planning; Toronto Building; Housing Secretariat; and a new Development Review Division** (which will consolidate all development review staff from various commenting divisions).



This organizational change is **necessary to accelerate development approvals and construction of new housing supply**, particularly purpose-built affordable and market rental housing, to respond to the housing crisis.



Key focus is **implementing business process changes and optimizing resources**.



More efficient streamlining of **decision-making authority and accountability**.

Public Builder Approach

The report recommends advancing a City-led development model at five 'housing ready' sites located at:

405 Sherbourne St.

150 Queens Wharf Rd.

1113-1117 Dundas St. W.

11 Brock Ave.

35 Bellevue Ave.

City will lead all aspects of the delivery of these sites under a 'public builder model' including undertaking all due diligence.

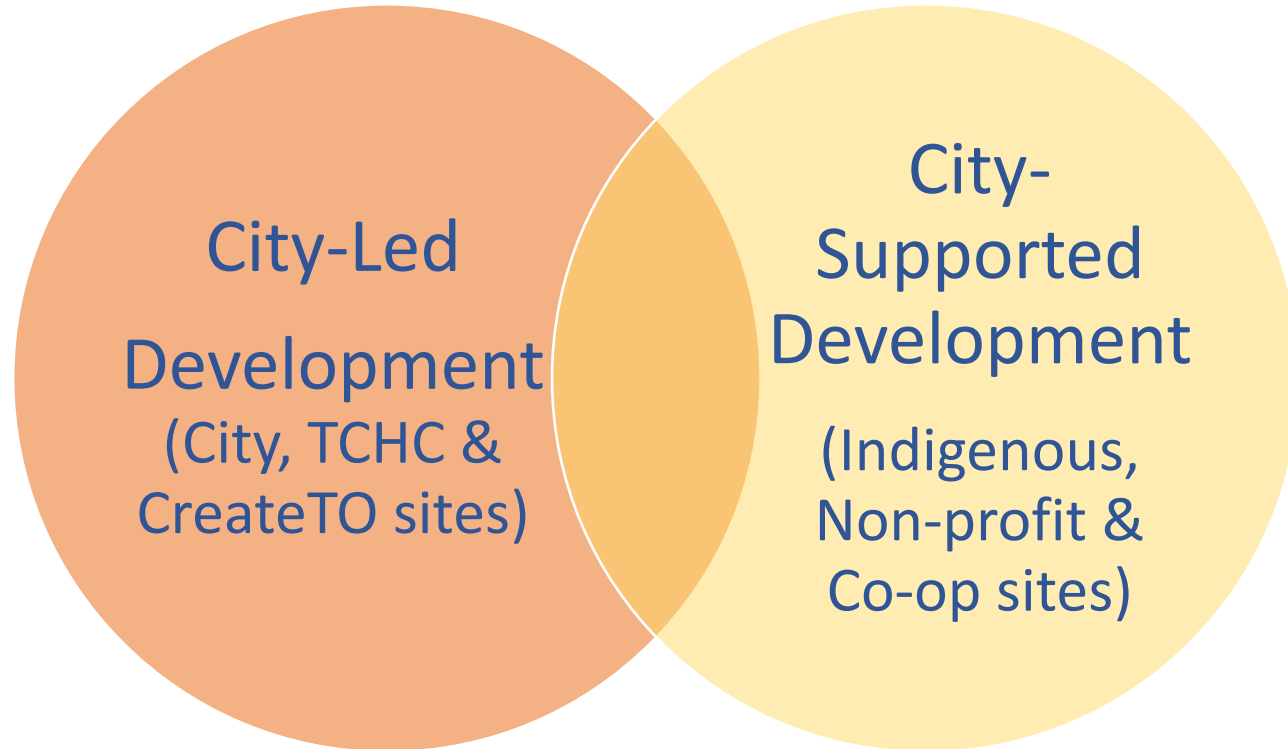
Staff will report back by Q3 2024 with a status update and to identify any tools and new approaches needed to expand this model to additional sites.

The City will also expedite delivery of housing on 47 other City-owned sites

This report also recommends a review and further an alignment of mandates of CreateTO and TCHC to support the City's new housing targets

Interim Housing Delivery Framework

Creating a new integrated approach with City divisions, to advance both City-led and City-supported sites through an expedited review and approval process



New Sustainable Fund for Public and Non-Profit Housing Projects

Over the upcoming months, City staff will:

- Engage with the federal and provincial governments, Indigenous organizations, non-profit and co-op housing organizations, financiers, academic institutions, philanthropic organizations and private sector organizations (including large employers), to explore the establishment of a **sustainable 'Toronto Housing Affordability Fund'** to support non-profit and public-led housing developments.
- Engage with the United Way Greater Toronto, the Atkinson Foundation, and other partners to **explore opportunities that support non-profit led affordable housing development and acquisition projects** and create new affordable and RGI homes, with a particular focus on community service infrastructure needed for equitable and complete mixed-income communities.
- Explore feasibility of various options including an **endowment fund, patient capital and philanthropic opportunities** to expand the acquisition of private rental homes through the [Multi-Unit Residential Acquisition \(MURA\) program](#).

New and Enhanced City Housing Programs

To help achieve the new housing targets, staff are proposing to:

- Develop a new **Community Housing Sector Strategy** aimed at protecting existing non-profit homes and co-operative homes on City land that are approaching end of lease terms, end of mortgage, and/or end of operating agreement terms, and to increase the stock of net new non-profit and co-operative homes (due Q4 2023)
- Review and recommend **changes to the Open Door Affordable Rental Program** in light of Council's revised HousingTO Plan targets that include both affordable rental (including RGI) and rent-controlled market units (due Q1 2024); and
- Review and recommend **changes to the City's Affordable Home Ownership Policy and Program Framework**, with consideration of the Government of Ontario's *More Homes Built Faster Act, 2022* (Bill 23), including its recently announced [affordable ownership definition](#) (due Q2 2024)

New and Enhanced Technology

Application Submission Tool (AST):

- Launched 2021 and **upgraded over 2022 and 2023** to simplify workflows, enhance collaboration, and improve transparency of the intake of application materials.
- Allows for the digital intake of materials, resulting in greater flexibility for both applicants and staff
- Has also resulted in greater accuracy of the information collected by applicants.

New File Circulation Tool (FCT)

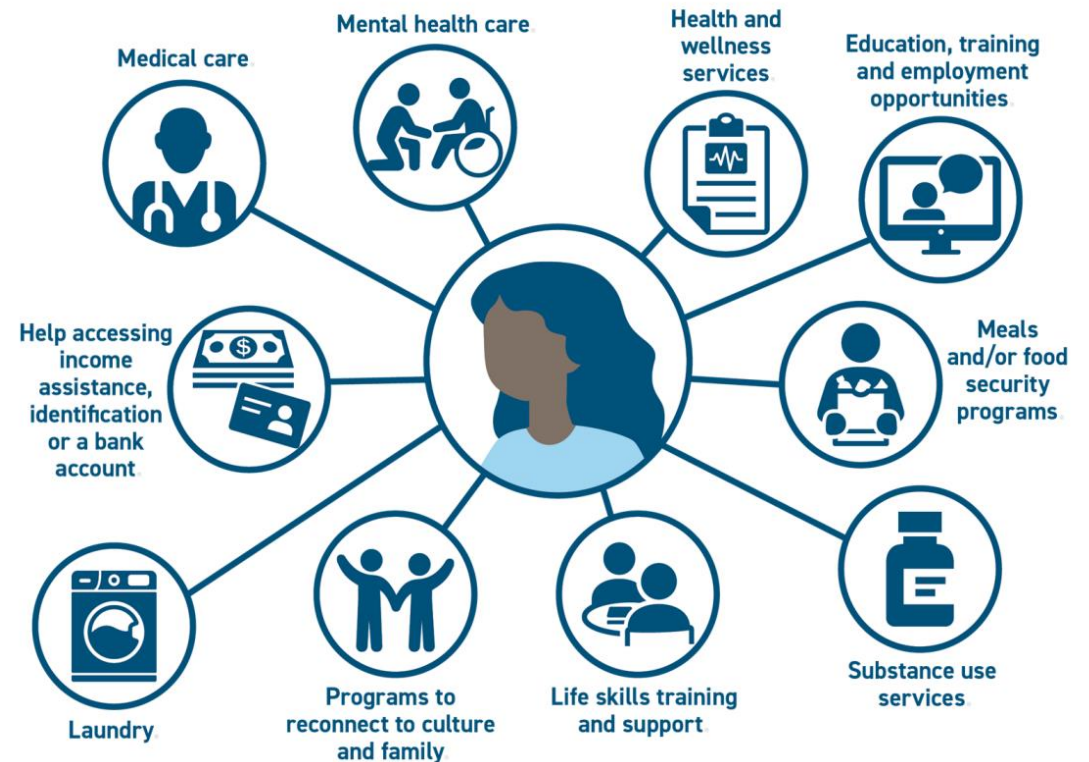
- Tool will integrate with the City's backend technologies, such as the City's Integrated Business Management Services (IBMS) and the Application Information Centre (AIC), to improve commenting, circulation, document mark up and enable better collaboration between City staff and developers/applicants.
- FCT will also provide City staff with performance tracking capabilities through data analytics and intuitive dashboards to continuously inform and improve the development review process.
- FCT is scheduled to be piloted in **early 2024**, and a **City-wide release in 2025**.

Community Development Regulatory and Licensing (CDRL) Program Phase 1:

- Focused on efficient enterprise-wide service request management, investigation handling, violations management, remediation, and payment processing in the context of various service requests, including MLS and Building complaints and research requests from City Planning.
- Launch of Phase 1 system - **Q2 2026**

Continued Focus on Supportive Housing

- HousingTO Plan currently sets target of 18,000 supportive housing opportunities by 2030
- To scale up supportive housing efforts to address the needs of very low-income residents, many of whom are vulnerable and marginalized, this report recommends that the federal and provincial:
 - **Scale up the Canada-Ontario Housing Benefit (COHB)** – through the HousingTO Plan, the City has requested 31,000 COHB allocations by 2030.
 - **Dedicate sustainable (and incremental) operating funding for Supportive Housing**
 - **Increase Investments in mental health and addictions supports**



Improve Financial Viability of TCHC Revitalization Projects

Staff will advance the following key actions and report back to Council as part of the 2025 budget process:

- Full review of the TCHC revitalization program including in-flight and future projects, to identify opportunities to improve financial viability (e.g. co-location with other City facilities, increased planning permissions to add additional height and density, design efficiencies, etc.).
- Review of existing proformas, including assumed costs, funding sources, etc.
- Work with TCHC to identify and minimize procedural, legal and legislative red tape that limit financial feasibility (e.g., by increasing costs or extending timelines) and/or create unintended implementation roadblocks to the speedy delivery of housing.
- Review existing TCHC and City pre-development processes and align planning procedures and proforma assumptions, including assumed costs, funding sources, etc.
- Work with TCHC to update 10-Year rolling capital Revitalization Plan based on the outcomes of the full review of the TCHC revitalization program.

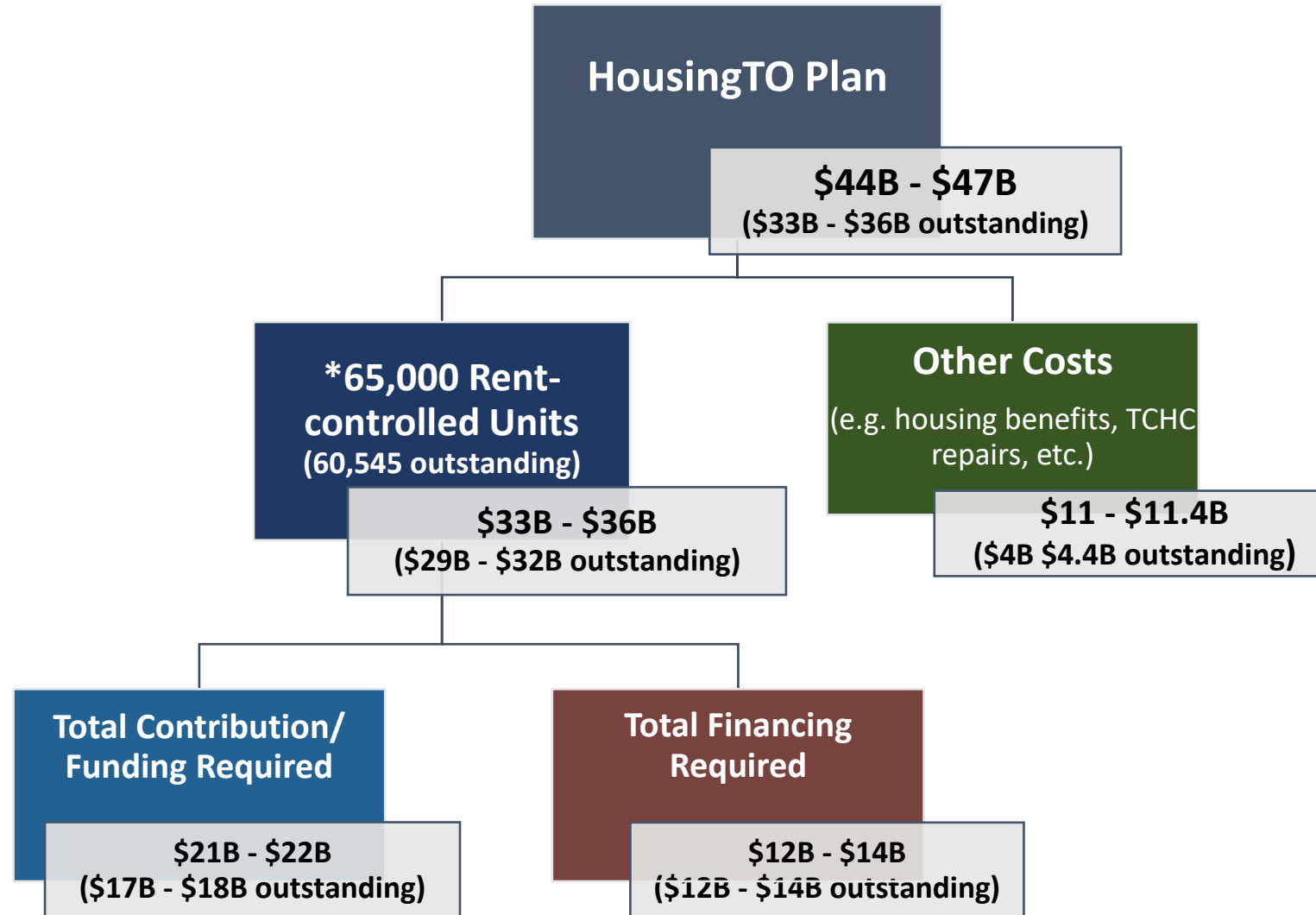
New Community Infrastructure and Housing Accelerator Tool (CIHA)

- The CIHA tool provides municipalities the opportunity to request the Minister of Municipal Affairs and Housing to issue a zoning order.
- Enables the City to include various conditions in the zoning request, such as securing matters like the tenure or rent levels in a project.
- Report will be considered by **City Council on November 8, 9 and 10th** and will include recommendations to consider the use of the CIHA to expedite the delivery of projects that meet City objectives, including:
 - new rent-controlled affordable, RGI and market rental homes;
 - long term care homes;
 - City, Agency, or Non-Profit/Co-operative-initiated projects (including Housing Now, Rapid Housing and Modular Housing Initiative projects, TCHC revitalization projects); and
 - Other community infrastructure projects

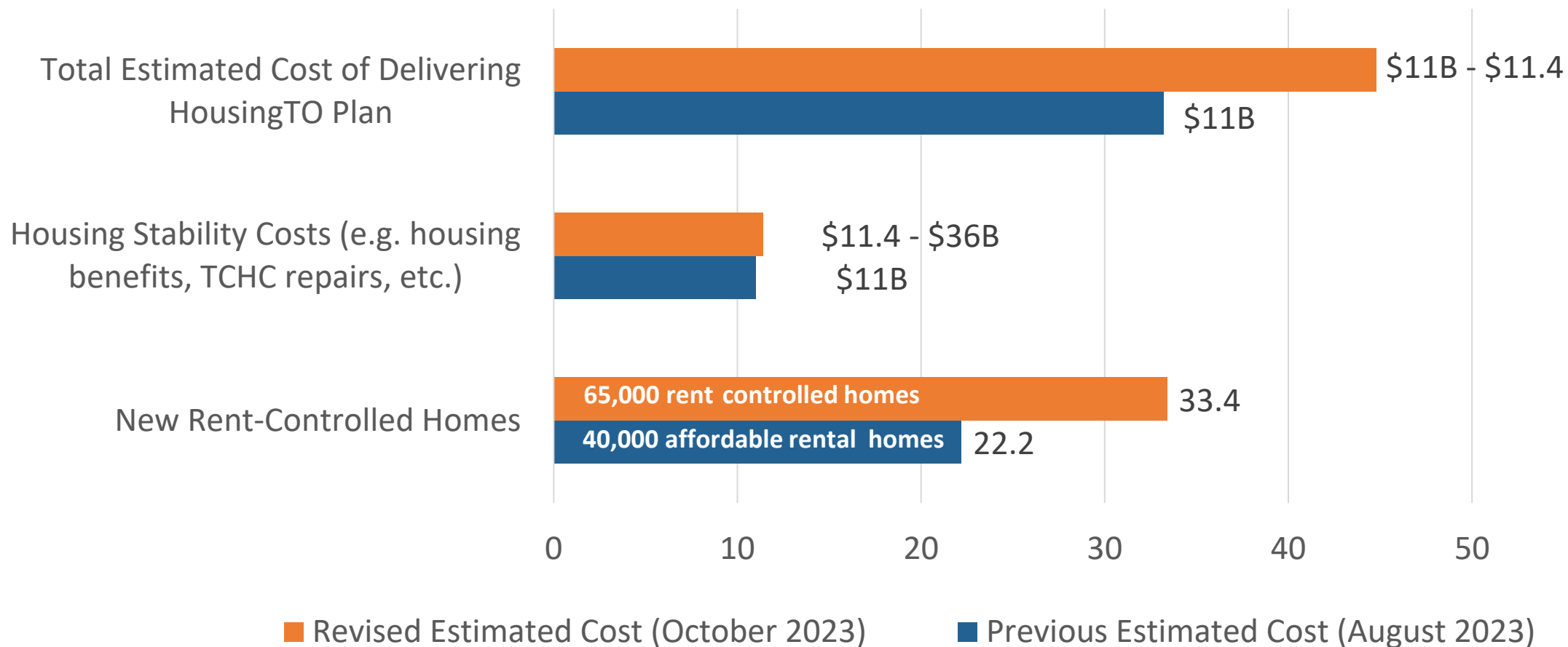
Updated Cost to Deliver the HousingTO Plan



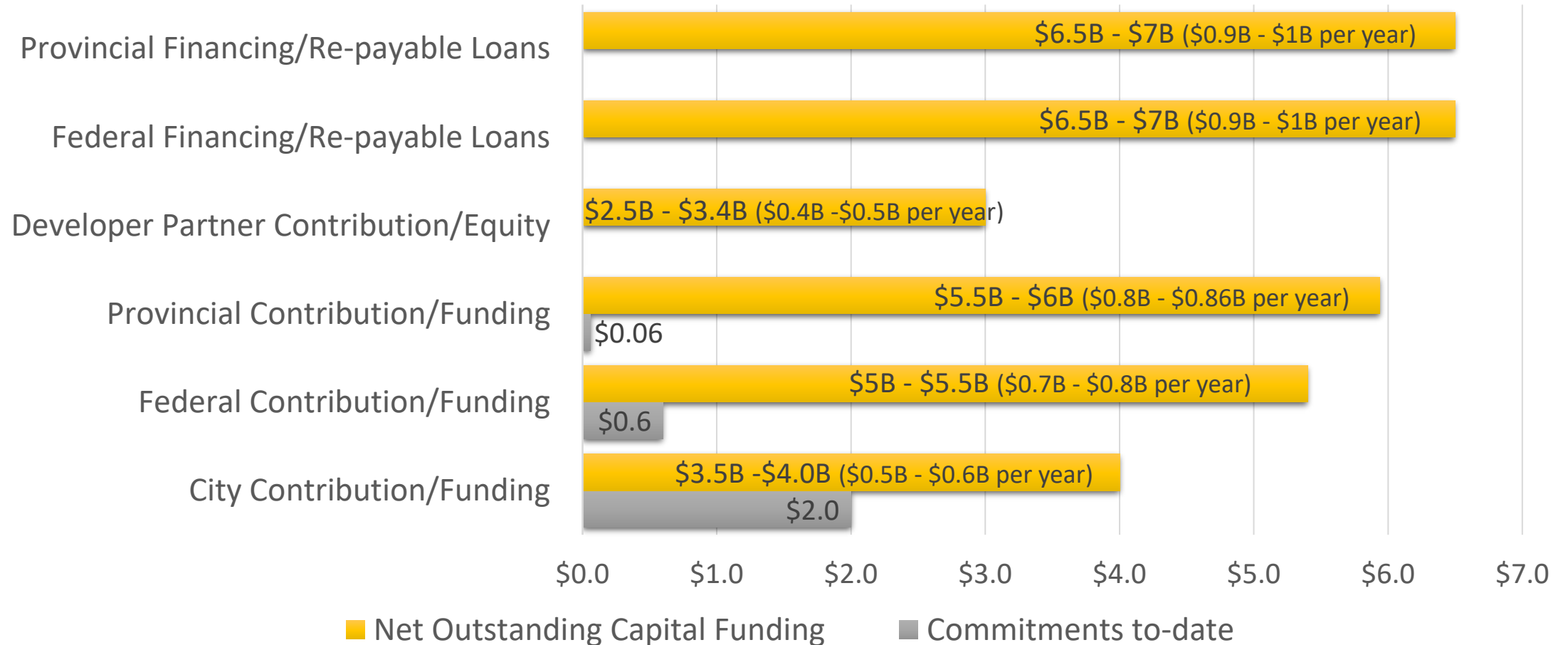
Updated Cost to Deliver HousingTO Plan



HousingTO Plan Cost Comparison



65,000 Rent-Controlled Homes Component - Funding and Financing Required



The Cost of Inaction



Economic Cost



The Board of Trade and WoodGreen, in July 2021, estimated that the **lack of affordable housing for key workers with lower, moderate and middle-incomes is costing** the Greater Toronto Area up to an estimated **\$7.98 billion per year**.

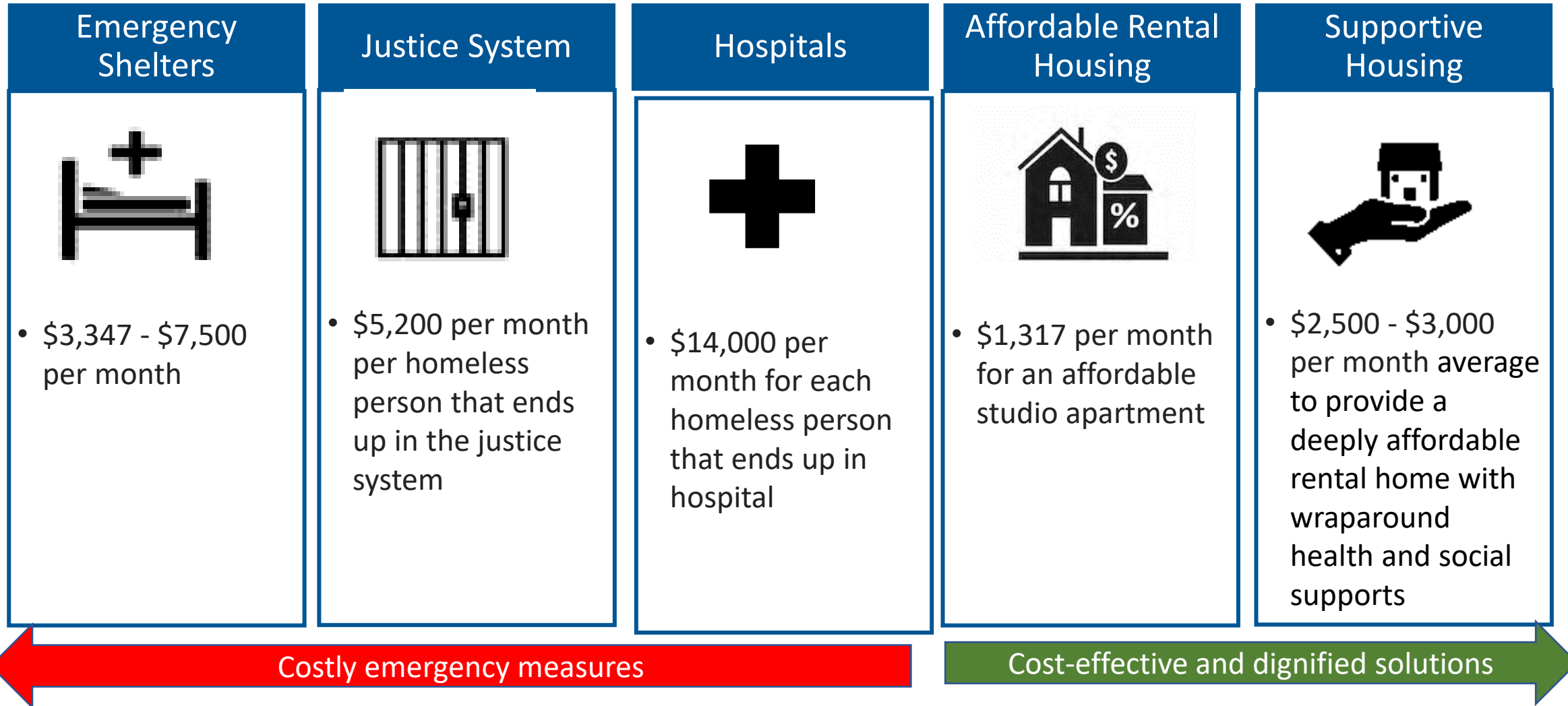


Occupations that have been **priced out of the private rental and ownership market** generally include **cashiers, administrative staff, nurses, custodians, transit operators, students and restaurant workers**.



A **lack of affordable housing options**, and purpose-built rental homes in general, is also **impacting** the ability of **employers in all sectors** to attract and retain the talent needed to sustain Toronto, the region and rest of Ontario and Canada's economic and social growth and vitality.

Cost of Affordable Housing vs. Emergency Measures





THANK YOU