

ATTACHMENT 3- PROPOSED ENHANCEMENTS TO THE CITY'S HOUSING ACCELERATOR FUND APPLICATION

Below is a list of enhancements to the City's HAF application requested by Minister Sean Fraser ("Minister") and proposed City of Toronto responses and actions to address the Minister's requests.

- 1) **Federal Request #1** - Increase minimum allowable density and minimum allowable height within walking distance to transit. Consider the merits and opportunities of the legislation introduced by the provincial government in British Columbia and advocate alignment with Ontario's approval of Toronto's Protected Major Transit Station Area Official Plan.

Proposed City Response/Action

On November 27, 2023, the City and the Government of Ontario ("Province") entered into the New Deal, which places Toronto on a path to growth and long-term financial sustainability. Included in the [Terms of the New Deal](#) are nine commitments of the City of Toronto to the Province. The second and fifth commitments are related to the Province's review and approval of Toronto's Protected Major Transit Station Area Official Plan amendments, both city-wide and area specific:

- **Building homes**, including a commitment to develop and submit a detailed plan to meet or exceed the city's annual housing targets and support density near transit, including through the use of tools such as the city's official plan; and
- **Advancing Transit-Oriented Communities** by prioritizing approvals and finalization of agreements for the development of East Harbour; and cooperation and collaboration from the city on a proposal for mixed-use Transit-Oriented Communities at the future Woodbine GO Station.

Consistent with these New Deal terms, City staff will continue to work with the Ministry of Municipal Affairs and Housing staff to increase minimum allowable density and building heights within walking distance to existing and planned transit stations through the approvals process for Protected Major Transit Station Areas.

From December 2020 to March 2022, City Council adopted policies for 133 Major Transit Station Areas, including 104 which are designated as Protected Major Transit Station Areas. These policies will not come into effect until approved by the Ministry of Municipal Affairs and Housing.

Following City Council's adoption of the Protected Major Transit Station Area policies, the City has continued to increase allowable density and heights through several initiatives, including:

- permitting three storey multiplexes across all Neighbourhoods; and
- permitting garden suites across all Neighbourhoods.

Other initiatives underway include the Expanding Housing Options in Neighbourhoods Major Streets study which has proposed to increase height limits to 6 storeys on Major Streets within Neighbourhoods and to permit low-rise apartments of up to 30 units.

- 2) **Federal Request #2** - Streamline the issuance of building permits through innovative digital technologies which enable more automation and conserve valuable staff time.

Proposed City Response/Action

Toronto Building is in the process of implementing a new organizational structure and service delivery model. Technology is a key enabler to support improved performance and enable modern regulatory approaches to service delivery. The following are some key initiatives which will be expedited with HAF investments:

- A corporate-led multi-year technology transformation program is underway to modernize the City’s legacy workflow management system that is shared by a number of Divisions for review and approval of development and building permit applications.
- Toronto Building is also developing additional customer-facing digital tools with the capability of automating routine internal business processes. These tools will provide clarity for applicants, reduce the administrative burden on staff, expedite processing times and increase the system capacity for value added work. A pilot program for small-scale permits is underway with the intention of expanding to housing applications within the next 18 months.

- 3) **Federal Request #3** - Where enabled by legislation, empower City staff in decision-making to ensure routine matters do not have to be decided on by Council, and where constrained by legislation move forward on ways to expedite the process, including and in particular for modular and non-market affordable housing as well as allow them more flexibility with development applications.

Proposed City Response/Action

City Council and the public service have made significant changes to expedite housing approvals, particularly for modular and affordable housing, including:

- Delegated authority to the Chief Planner to make decisions on removal of a Holding Symbol;

- Improved application review processes to help meet provincial Planning Act review timelines;
- Amendments to Site Plan Control to allow for certain projects to be exempted, or provided with a scoped Site Plan Control process;
- Use of Municipal Infrastructure Agreements to expedite review of matters involving construction of municipal infrastructure; and
- Recent approval of the use of the Community Infrastructure and Housing Accelerator tool to enable priority infrastructure projects, such as non-market affordable housing, to be expediently advanced as zoning orders, which protects against appeals to the project.

Additionally, Official Plan policy allows the City to further delegate other minor zoning by-law approvals, including housekeeping/technical amendments and bringing lands that remain subject to pre-amalgamation zoning by-laws into the harmonized City-wide zoning by-law, 569-2013. These two types of by-laws would just require a separate delegation by-law, which the City will advance in 2024.

- 4) **Federal Request #4** - Significantly increase the percentage of land in the City with 4-storey as-of-right zoning.

Proposed City Response/Action

As noted above, From December 2020 to March 2022, City Council adopted policies for 133 Major Transit Station Areas, including 104 which are designated as Protected Major Transit Station Areas. These policies will not come into effect until approved by the Ontario Ministry of Municipal Affairs and Housing. City staff will continue to work with the Ministry staff to increase minimum allowable density and building heights within walking distance to existing and planned transit stations through the approvals process for Protected Major Transit Station Areas.

Additional studies are underway to significantly increase the percentage of land in the city that has permissions to develop 4 or more storeys. The Expanding Housing Options in Neighbourhoods Major Streets study proposes to increase height limits on Major Streets within Neighbourhoods, to permit townhouse developments up to four storeys and low-rise apartment buildings of up to six storeys and up to 30 units. In addition, the Housing Action Plan includes a planning study to propose as-of-right zoning for midrise buildings ranging from 6 – 11 storeys along Avenues, implementing the Council-adopted midrise urban design guidelines on those streets.

These studies, coupled with the Protected Major Transit Station Areas work, will provide as-of-right permissions for development of four or more storeys to tens of thousands of land parcels in Toronto.

- 5) **Federal Request #5** - Commit to reducing restrictions requiring angular planes and rules regarding the “no net new shadow” policy that restricts apartments to areas further from parks and schools.

Proposed City Response/Action

City Planning has undertaken a review of the City's urban design guidelines to ensure alignment with the priority of optimizing the delivery of housing opportunities for a range of housing forms.

On June 1, 2023, the Planning and Housing Committee adopted recommendations to consult on the Mid-Rise Buildings Rear Transition Performance Standards Review & Draft Update with the goal of reducing the requirement to use angular planes in transitioning from low rise building areas to mid-rise buildings. The focused review of these Performance Standards identified that providing flexibility in the rear transition of mid-rise buildings to adjoining areas creates additional opportunities to further facilitate development of mid-rise buildings, provide for additional housing units within the mid-rise building form, achieve economies in construction and result in more sustainable building design. A final report identifying as-of-right zoning permissions for mid-rise buildings, removing the rear yard angular plane requirement, will be advanced to Council in Q2 2024 for consideration.

The City of Toronto uses "no net new shadow" policies sparingly, and only following detailed analysis of parks and open space areas, and parkland provisions rates in local contexts. With 89% of new development projected to be in buildings of five-storeys or greater, delivering and maintaining high-quality parks and public amenities is important to support quality of life for the residents and workers who occupy dense development. The City has been careful to develop sun/shadow policies that relate to directly thermal comfort, local microclimates created by new development, supporting vegetation growth, or preserving sunlight on park areas that perform a specific function.

With respect to affordable housing, affordability will be a consideration (along with the thermal comfort, microclimate, etc. considerations) when determining the use of "no net new shadow" policies, with angular planes not intending to limit the creation of new affordable housing.

Despite climate change, Toronto is a winter city and access to direct sunlight in parks can extend the period of comfortable conditions for park users by several months.

- 6) **Federal Request #6 (clarified following letter from the Minister dated November 22, 2023)** - Introduce processes and policies that enable the faster approvals and greater options of housing for students, including both apartment and dormitory style units on- and off-campus, whether owned by post-secondary institutions or the private operators; and eliminate parking requirements for such units within walking distance of a campus, while leveraging existing parking lots to redevelop into housing for students.

Proposed City Response/Action

The majority of Toronto's post-secondary school campuses are located within Protected Major Transit Station Areas and Major Transit Station Areas. Once the Province approves the related Official Plan Amendments, implementing zoning by-laws will increase minimum and maximum allowable density and building heights in these areas. Development proposals for student residences and other residential development geared to students will be able to take advantage of these planning permissions, both on-campus and off-campus.

In 2022, City Council adopted zoning by-law amendments that fundamentally shifted the way in which Toronto's zoning regulates automobile parking for new residential development. Residential development is no longer subject to requirements for a minimum number of parking spaces (with the exception of requirements for accessible parking spaces and visitor parking spaces). Instead, residential development is limited to a maximum number of parking spaces to discourage over-provision of parking. Student residences and other multi-unit residential development for students benefit from these rules in the same way as other residential development. Parking will also not be a limitation to housing geared for students within walking distance of transit, including campuses in areas such as Etobicoke and Scarborough.

In addition to the above regulatory and policy changes, and in recognition of the importance of developing housing solutions for students, faculty and staff, the City established a "HousingTO Plan and Academic Institutions Working Group" in 2022 with a mandate to:

- Increase the supply of affordable housing opportunities for low-and-moderate income students and staff;
- Assist the City through providing advice based on research, data, evidence and holding annual summits to share innovative housing practices; and,
- Support City efforts and advocacy to other orders of government to increase the supply of affordable and supportive housing.

As part of the [Housing Action Plan](#), and the [Housing TO Action Plan](#), the City also committed to developing a "Post-Secondary Affordable Housing Strategy" in collaboration with post-secondary institutions in Toronto. This work is expected to be completed in 2024.

- 7) **Federal Request #7** - Where enabled by legislation, establish pre-approved designs including for four-unit multiplexes, and accessory dwelling units like garden and laneway suites.

Proposed City Response/Action

Provincial legislation in Ontario prescribes the role of the Chief Building Official in approving designs, limiting the City's ability to develop pre-approved designs.

However, the City has responded to Ontario Building Code challenges of new housing options by developing innovative design options that all property owners and designers can use to more easily meet Code requirements.

Toronto Building and Toronto Fire Services, for example, have developed options to help designers meet requirements for firefighting and emergency access to laneway suites. Work is currently underway to consider options to achieve compliance with the Ontario Building Code for garden suites. This approach for specific Code challenges can reduce costs and simplify the permit process for both applicants and building officials, similar to other jurisdictions which have established pre-approved designs. In addition, the City is developing information and resources to assist homeowners and applicants in exploring the potential opportunities for their properties and to help with understanding the permitting and construction process.

- 8) **Federal Request #8** - In implementing HAF initiatives, work with Toronto's world-class foundation and philanthropic community to leverage funding for the city's Multi-Unit Residential Acquisition program.

Proposed City Response/Action

On November 9, 2023, City Council adopted Item EX9.3 – Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes, which requested City staff 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.

The report also recommends that Council request staff to engage with United Way Greater Toronto to explore partnership 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. As part of these discussions, staff will also 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](#).

Additionally, staff will explore feasibility of establishing a capital equity program where a portion of future surpluses in projects that have received grants, are re-invested into other projects.

As part of this initiative, the City will consider how HAF, and other sources of government funding could be leveraged and stacked with other sources to maximize impact.