

HousingTO 2020-2030 Action Plan – 2022-2023 Annual Progress Update

Date: September 14, 2023

To: Planning and Housing Committee

From: Executive Director, Housing Secretariat

Wards: All

SUMMARY

Over the course of 2022 and to-date in 2023, Toronto saw strong signs of social, economic and cultural recovery. During this same time, however, the scale and complexity of our housing crisis has continued to grow, resulting in unique local challenges. The emergency shelter system, the largest system in Canada, is operating beyond capacity. The city's rental vacancy rate of 1.7% is extremely low and 40% of renter households in Toronto are spending more than 30% of their income on rent. The City itself is struggling with severe financial pressures because of pandemic impacts and an outdated funding model, which is inadequate to meet the demands of delivering the infrastructure required to support growth, and the ongoing funding of services.

Despite these challenges, the City, in collaboration with the federal and provincial governments, as well as partners from across sectors, made strong progress over the past 18 months to advance the HousingTO 2020-2030 Action Plan (HousingTO Plan) and improve housing outcomes for residents. This includes:

- completion of 1,082 net new affordable and supportive homes for people experiencing or at risk of homelessness (2022-June 2023);
- approval of 3,340 net new affordable rental homes (2022-June 2023);
- allocation of over 3,300 housing benefits through the Canada-Ontario Housing Benefit program to help people maintain their homes;
- allocation of \$46 million in funding through the Multi-Unit Residential Acquisition (MURA) program in 2022 and 2023 for non-profit organizations to acquire and permanently secure approximately 260 affordable rental homes; and,
- launching a series of new digital dashboards to increase transparency and accountability, and publicly track the City's progress towards advancing the HousingTO Plan.

The City also made strong progress in advancing its commitment to take a rights-based approach to housing and strengthening the housing system. Toronto became the first municipality in Canada to establish a Deputy Ombudsman, Housing Unit, and a Housing

Rights Council Advisory Body – both of which will be fully implemented in 2023. A new regulatory framework for Multi-Tenant Houses was adopted which, will introduce consistent standards, regulatory oversight, and enforcement to help protect the safety of lower-income renters and preserve this much-needed housing option.

Further, as part of the [Expanding Housing Options in Neighbourhoods initiative](#), multiplexes were approved city-wide as a tool to scale up new housing supply more rapidly, increase housing choice and access, and create a more equitable and sustainable city. More recently, in recognition of the growing housing affordability challenges facing residents, in [September 2023](#), City Council voted to increase the new affordable homes target in the HousingTO Plan to include a minimum of 7,500 affordable homes, of which a minimum 2,500 are new rent-geared-to-income homes; and to add a new target for 17,500 rent-controlled homes. Future HousingTO Plan annual updates to Council will reflect this increased target and the cost to deliver the additional homes.

While the City continues to make strong progress on some key targets, others require immediate attention. For instance, since 2020, a robust pipeline of purpose-built rental homes has been approved, including almost 15,000 affordable and deeply affordable homes. However, many of these projects are ‘stuck’ and unable to move into the construction and occupancy phases primarily due to lack of available federal and provincial grant funding and low-cost financing. Specific and targeted investments are also needed to increase housing opportunities for Indigenous and Black residents, people with disabilities, seniors, women and gender diverse households.

For the City to continue to advance the HousingTO Plan and achieve shared municipal-provincial-federal housing and growth targets, accelerated and enhanced investments in housing and new policy tools are urgently needed. These include: access to federal and provincial funding and financing to create new purpose-built rental supply, including new rent-geared-to-income (RGI) homes; increased funding for support services to create new supportive housing opportunities; additional allocations of the Canada-Ontario Housing Benefit, to help people maintain their current homes, or to move out of the shelter system; and a revised provincial funding model to create new long-term care beds to support the city’s aging population. It is critical that the City also be given the ability to implement new revenue tools that are reflective of its responsibilities and contributions to the economy.

Concurrently, targeted upstream interventions across systems and across governments are needed to address the root causes of poverty and housing precarity, including modernized social assistance rates that reflect the current cost of living, improved access to mental and physical health care, and increased access to education and employment opportunities, especially for vulnerable and marginalized communities.

In the absence of coordinated and sustained action across all orders of government, new and enhanced investments in housing, and new municipal funding tools, the City of Toronto, the Government of Ontario and the Government of Canada will be challenged to deliver the ‘right’ type of housing supply to meet the needs of current and future residents, advance their equity and climate goals, and support the economic growth of the region, province and country.

This report was prepared by the Housing Secretariat with input from various City divisions and agencies including: Strategic Communications, Concept 2 Keys, City Planning, the City Manager's Office, Corporate Finance, Customer Experience, Corporate Real Estate Management, CreateTO, Environment and Energy, Financial Planning, the Indigenous Affairs Office, the Office of Strategic Partnerships, Legal Services, Municipal Licensing and Standards, Revenue Services, Seniors Services and Long-Term Care, Shelter, Support and Housing Administration, Social Development and Finance Administration, Toronto Building, and Toronto Community Housing Corporation.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

Improving Access to Rent-Geared-to-Income and Affordable Rental Homes

1. City Council direct the Executive Director, Housing Secretariat to establish eligibility rules for a household to occupy an Affordable Rental Housing unit, including that the income of the household, determined in the manner specified in the rules, meet a specified income threshold and not exceed a specified maximum income, which may vary by unit types and sizes; and to review and adjust such rules annually as needed.
2. City Council direct the Executive Director, Housing Secretariat to establish eligibility rules requiring that, in order for a household to be eligible to occupy an Affordable Rental Housing unit or to acquire an interest in housing under the Affordable Home Ownership program, the value of the assets of the household, subject to specified asset exemptions, may not exceed a specified maximum value, and which may provide for different maximum values based on unit and household types and sizes.
3. City Council direct the Executive Director, Housing Secretariat to align the choice-based system configurations and Rent-Geared-to-Income program rules with the affordable rental housing program as it relates to application dates and a single offer rule, where applicable, to deliver a streamlined access system.

Memorandum of Understanding with Co-operative Housing Federation of Toronto Inc. and Pre-Development Funding for CHFT Development Society Inc.

4. City Council authorize the Executive Director, Housing Secretariat to negotiate and enter into, on behalf of the City of Toronto, a non-binding Memorandum of Understanding with the Co-operative Housing Federation of Toronto Inc. (CHFT) and CHFT Development Society Inc. (CDSI), on the terms and conditions outlined in Attachment 3 to this report and on such other or amended terms and conditions acceptable to the Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor.
5. City Council authorize the Executive Director, Housing Secretariat to negotiate and enter into, on behalf of the City of Toronto, any funding agreements with Co-operative Housing Federation of Toronto Inc. (CHFT) to provide one-time funding from the

Development Charges Reserve Fund for Subsidized Housing (XR2116), in the amount of up to \$100,000, included in the Housing Secretariat's approved 2023 Operating Budget, to support capacity building for existing non-profit housing co-operatives, on terms and conditions satisfactory to the Executive Director, Housing Secretariat, in a form approved by the City Solicitor.

6. City Council authorize the Executive Director, Housing Secretariat to negotiate and enter into, on behalf of the City of Toronto, any funding agreements with CHFT Development Society Inc. (CDSI) to provide one-time funding from the Development Charges Reserve Fund for Subsidized Housing (XR2116) in the amount of up to \$400,000, included in the Housing Secretariat's approved 2023 Operating Budget, to support the identification of and pre-development work related to the new affordable non-profit housing co-operative units identified through the Memorandum of Understanding with Co-operative Housing Federation of Toronto Inc. (CHFT) and CDSI (the New Co-operative Units), on terms and conditions satisfactory to the Executive Director, Housing Secretariat, in a form approved by the City Solicitor.

Intergovernmental Requests

7. City Council re-iterate its requests to the Government of Ontario to support delivery of the HousingTO 2020-2030 Action Plan and provide \$7.6 billion in outstanding capital and operating funding by 2030.

8. City Council re-iterate its requests to the Government of Canada to support delivery of the HousingTO 2020-2030 Action Plan and provide \$7.7 billion in outstanding capital and operating funding by 2030.

FINANCIAL IMPACT

Cost to deliver the HousingTO Plan

As of the beginning of 2023, successful implementation of the HousingTO Plan was expected to cost all three orders of government approximately \$33.2 billion.

The breakdown of required investments and commitments to-date are as follows:

- City investments of approximately \$14.6 billion (approximately \$8 billion committed to-date and \$6.6 billion outstanding);
- Federal investments of approximately \$10 billion (approximately \$2.3 billion committed to-date, and \$7.7 billion outstanding); and,
- Provincial investments of approximately \$8.6 billion (approximately \$1 billion committed to-date, and \$7.6 billion outstanding).

As a result of the recent Council decision to increase the new housing supply targets (outlined in [Item - 2023.EX7.2](#)), further costing updates to the HousingTO Plan will be required.

Financial Impacts of Provincial Policies and Legislation

The City's ability to continue to deliver the HousingTO Plan plus the community infrastructure required to support new housing, is currently at high risk due to the significant financial impacts arising from the recently enacted provincial Bill 23, *More Homes Built Faster Act, 2022* (Bill 23). Specifically, Bill 23 has removed the City's ability to collect anticipated and budgeted development charges for housing services, resulting in an approximate \$1.2 billion in lost revenues over 10 years.

Additionally, the Government of Ontario has introduced a number of changes to policies and legislation over the past few years through Ontario's Housing Supply Action Plan Bill 108, (*More Homes, More Choice Act, 2019*) and Bill 109 (*More Homes for Everyone Act, 2022*). Together with Bill 23, these changes have negatively impacted the City's key tools and programs for creating new affordable rental housing, including the Open Door Program, Section 37 density bonusing, and Inclusionary Zoning.

In the absence of the City being fully reimbursed by the province for the lost revenues as a result of Bill 23, and without new financial and policy tools, the City will not be able to provide the services essential to support growth even in the short term, deliver existing housing programs necessary to scale up supply and respond to the needs of residents, and plan for complete communities.

Capacity-Building Funding for Co-operative Housing Federation of Toronto Inc. (CHFT) and Pre-Development Funding for CHFT Development Society Inc. (CDSI)

- **CDSI** - CDSI's primary mandate is to help increase the stock of new co-op housing in Toronto. CDSI will work with CHFT to explore opportunities to grow Toronto's co-op communities through redevelopment and intensification; and to advance affordable co-op housing development projects currently underway. This report recommends an allocation of \$400,000 in one-time funding to CDSI to enable them to identify suitable sites for development, support co-op member organizations to undertake pre-development work, and help advance sites through the planning and development process.
- **CHFT** - Co-op boards manage millions of dollars in assets that have been built with public funding over the past decades. CHFT plays a critical role in supporting these member organizations through capacity building and developing resources aimed at enhancing members' asset management and governance capabilities. One-time City funding up to \$100,000 is proposed to support CHFT to strengthen its own capacity to be able to work with its members on an ongoing basis to ensure that the existing co-op housing stock across Toronto is well-managed and governed.

The Housing Secretariat's approved 2023 Operating Budget (FH5417) includes these one-time amounts totalling \$500,000, fully funded from the Development Charges Reserve Fund for Subsidized Housing (XR2116), and there is no net new financial impact to the City.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

At its meeting on December 17 and 18, 2019, City Council adopted, with amendments, report PH11.5 – HousingTO 2020-2030 Action Plan and its recommended actions as a strategic framework to guide the City's efforts on housing and homelessness needs over the next 10 years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

At its meeting on September 22, 2020, the Planning and Housing Committee adopted, with amendments, Item PH16.5 - Improving Outcomes for Toronto Residents through Implementation of HousingTO 2020-2030 as the accountability framework to monitor the City's progress towards delivering on the actions identified in the HousingTO 2020-2030 Action Plan over the next ten years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.5>

At its meeting on November 9, 2021, City Council adopted Item PH28.4 - Official Plan Amendment on Updating the Definitions of Affordable Rental and Ownership Housing. The report revised the definitions for affordable rental housing, mid-range rents and affordable ownership housing. The new definitions are intended to better respond to the needs of low- and moderate-income households by establishing definitions of affordable housing that are aligned with incomes, instead of solely on market rents/prices.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH28.4>

At its meeting on November 25, 2021, the Planning and Housing Committee adopted Item PH29.6 - HousingTO 2020-2030 Action Plan - 2021 Annual Progress Update. The report provided an overview of the progress made since late 2020 and over 2021 in implementing the HousingTO 2020-2030 Action Plan. It also outlined some key priority areas that the City of Toronto focused on in 2022.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH29.6>

At its meeting on July 5, 2022, the Planning and Housing Committee adopted Item PH35.19 - Implementation of Income and Asset Limits to Determine Eligibility for Rent-Geared-to-Income Assistance. The report outlined for Council's information the City's new Local Rules for household Income and Asset limits to determine eligibility for households applying for and/or receiving on-going RGI assistance.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.PH35.19>

At its meeting on July 19, 2022, City Council adopted Item PH35.20 - Local Priority Rules for Rent-Geared-to-Income Housing and Centralizing Access for Affordable Rental Housing. The report included recommendations to develop and implement a Centralized Affordable Rental Housing Access System for affordable rental housing opportunities and a hybrid allocation methodology to fill affordable rental homes through the system.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.PH35.20>

At its meeting on December 14, 2022, City Council adopted Item CC2.1 – 2023 Housing Action Plan, which directed staff to develop a Housing Action Plan for the 2022-2026

term of Council to enable both market, non-market and hybrid housing production in order to achieve or exceed the provincial housing target of 285,000 new homes over the next 10 years. This plan was to include community housing intensification plans with specific targets that support and grow existing co-op and non-profit rental homes, and add capacity for the sectors to be able to operate the new homes.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.CC2.1>

At its meeting on September 6, 2023, City Council adopted Item - 2023.EX7.2, and directed the Deputy City Manager, Development and Growth Services to work with all City agencies, boards, corporations and divisions to assess preliminary cost estimates, to create a plan, and an implementation framework and timeline to achieve 25,000 new rent-controlled homes by: increasing the affordable housing target by a minimum of 7,500 affordable homes, of which a minimum 2,500 are new rent-g geared-to-income homes; and adding a new target for 17,500 rent-controlled homes.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX7.2>

At its meeting on September 6, 2023, City Council adopted Item - 2023.EX7.1 and voted to inform the Province of Ontario that the City is unable to implement the previously announced 978 new long-term care home beds in the absence of a revised funding model.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX7.1>

EQUITY IMPACT STATEMENT

The HousingTO Plan envisions a city in which all residents have equal opportunity to develop to their full potential. It is centred in a human rights-based approach to housing, which recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, inclusive and sustainable communities.

Creating new affordable homes and preserving the City's existing housing stock will increase opportunities for lower-income and vulnerable individuals and families, as well as those from equity-deserving groups to access safe, secure and adequate homes. In addition, as the City works to increase the supply of affordable rental housing to better address the needs of residents, it is important that the policies guiding the allocation of affordable homes are established in a fair, consistent, equitable and transparent manner.

Access to good quality, safe, affordable housing is an important determinant of health and improves the social and economic status of an individual. Good quality, affordable housing is also the cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

COMMENTS

A. HousingTO Implementation Progress - 2022-2023 Key Highlights

Over 2022 and into early 2023, the City of Toronto, in collaboration with partners across sectors have advanced the following key priorities:

1) Increasing the supply of affordable and supportive homes:

- Completed 1,082 net new affordable and supportive homes for people experiencing or at risk of homelessness (2022-June 2023).
- Approved 3,340 net new affordable rental homes (2022-June 2023).
- Advanced the Housing Now Initiative (which is focused on using over 22 City-owned transit-oriented sites to create mixed-used, mixed-income, complete communities), despite macroeconomic challenges including significant construction cost escalations and rising interest rates, including:
 - Announced the Missanabie Cree First Nation as the development partner for 140 Merton Street. The site will be the first non-profit developed Housing Now site led by an Indigenous organization and will be dedicated to providing housing options for Indigenous elders and other seniors. It is anticipated to provide up to 294 new rental homes, of which approximately 50% will be affordable. The building will also include ceremonial space, a smudging room and indoor and outdoor amenities for residents.
 - Broke ground at a new 725-unit rental housing development at 5207 Dundas Street West in Etobicoke. The new building, which will have 218 affordable rental homes, includes some deeply affordable homes and 507 market-rate rental suites ranging in size from one to four bedrooms.

2) Protecting the existing housing stock:

- Through two annual request for proposals (RFP) for the [Multi-Unit Residential Acquisition \(MURA\) program](#) in 2022 and 2023, a total of \$46 million in program funding was awarded to support the purchase and conversion of approximately 260 private market rental homes to permanently affordable rental homes.
- In December 2022, Toronto City Council [adopted](#) a new Multi-Tenant Houses Regulatory Framework including amendments to City Zoning Bylaws to permit multi-tenant houses all across Toronto. Council also adopted a new Multi-Tenant Houses Licensing Bylaw, which will introduce consistent standards, regulatory oversight, and enforcement to help protect the safety of tenants and respond to neighbourhood concerns. The City is taking a phased approach to implementation, with significant work completed to-date in 2023, prior to the new zoning and licensing bylaws coming into effect in 2024.

3) Advancing a human rights-based approach to housing and supporting climate resilience

- [Toronto's first Deputy Ombudsman \(Housing\)](#) was appointed in July 2023. As a key part of advancing the City's commitment to the progressive realization of the right to adequate housing, this role will lead a new Housing Unit at Ombudsman Toronto, which will conduct systems reviews and systemic investigations into the planning and delivery of Toronto's housing services and programs, monitor the implementation of the City's housing policy from a human rights and fairness perspective, and engage meaningfully with individuals and communities facing housing precarity.
- Council established terms of reference for a new [Housing Rights Advisory Committee](#) in March 2023, to advise City Council in its efforts to advance a rights-based approach to housing and ensure that the needs and interests of people with living/lived experiences of housing precarity, discrimination and homelessness are reflected in City programs and service delivery.
- Finalized the agreement with the Federation of Canadian Municipalities for the Taking Action on Tower Renewal (TATR) program, as part of the ongoing efforts to support apartment building owners and operators in making improvements to buildings and revitalizing the surrounding communities. TATR will deliver retrofits in older apartment towers in Toronto and provide opportunities for eligible property owners to complete retrofits that will increase energy efficiency and help reduce greenhouse gas (GHG) emissions while maintaining affordability and improving tenant comfort.

4) Assisting renters

- Housing Benefits - as of December 31, 2022, over 5,500 households were supported with a housing allowance. Of that 5,500, approximately 350 new households were added in 2022, including those that are chronically homeless, facing imminent eviction, youth and Indigenous households.
- New Renovictions Policy - In July 2022, city Council adopted a new Renovation Policy to support tenants, help prevent renovictions and protect Toronto's affordable and mid-range rental homes. Staff are currently exploring options for regulatory and operational implementation of the Renovictions Policy and will report back to Council in Q4 2023 – Q1 2024.

5) Improving accountability and transparency

- New Toronto [Housing Data Hub](#) - Launched in March 2023, the Toronto Housing Data Hub provides a new centralized and publicly accessible source of information and data related to the City's affordable housing projects. The Toronto Housing Data Hub will be updated quarterly and continue to grow over time to include new data points that align with the City's strategic housing targets and objectives.

6) Enhancing Cross-Sector and Intergovernmental Partnerships

- Secured over \$380 million in capital and operating funding, including from the federal and provincial governments, to deliver supportive homes through modular construction, or acquisition, conversion and renovation of existing properties.

- Hosted the City's first [Toronto Housing Summit](#) during National Housing Week on November 22 and 23, 2022. The Summit included three virtual panels that were focused on: Housing Partnerships and Innovation, Future of Rental Housing and Housing, Health and Justice. Panelists included: Indigenous, non-profit and private-sector developers, academics, health and justice sector representatives, among others.
- Advanced partnerships with Indigenous housing providers, academic institutions, housing organizations serving women and gender-diverse people, accessibility experts and advocates, and regional governments to improve housing outcomes for all Toronto residents.

B. Key Risks Impacting Implementation of HousingTO Plan

Below are some key risks impacting the successful implementation of the HousingTO Plan.

1. Insufficient federal and provincial capital funding and low-cost financing to increase purpose-built affordable and supportive rental homes

- In March 2023, through [Item - 2023.PH3.6](#), the City highlighted the urgent need for increased federal and provincial actions to increase purpose-built rental housing supply, with a focus on affordable rental homes including:
 - Dedicating surplus federal and provincial land to create new affordable rental housing.
 - Allocating capital grant funding for affordable rental projects, reflective of local building costs.
 - Making changes to Canada Mortgage and Housing Corporation (CMHC) Co-Investment and Rental Construction Financing (RCFI) programs to address the rapidly increasing cost of building and interest rates.
 - Making non-housing infrastructure components of mixed-use/residential projects, including residential building components that enhance sustainability, to be eligible for Canada Infrastructure Bank low-cost financing programs.
 - Providing access to low-cost loans through Infrastructure Ontario.
 - Expansion of the Rapid Housing Initiative (RHI) program.
 - Waiving HST/GST for purpose-built rental projects

2. Insufficient federal and provincial operating funding to deliver supportive housing and improve housing affordability for residents

- The following actions are urgently needed to scale up supportive housing opportunities and urgently address housing affordability for lower income households:
 - Increased Canada-Ontario Housing Benefit (COHB) allocations to assist renters living in unaffordable housing and help people in the shelter systems as well as newcomers' access to affordable housing in the open market.
 - Enhanced and sustainable operating funding to provide wraparound health and social supports and create new supportive housing opportunities.

- An intergovernmental approach to fund, streamline, and enhance access to critical mental and physical health supports.
- Enhanced resources for community and primary health care providers to support people experiencing homelessness and those who are transitioning into permanent supportive housing.
- New and sustainable funding to ensure availability of appropriate primary health care, harm reduction, overdose prevention and mental health case management services.

3. Ineffective provincial funding formula to develop net new Long-Term Care beds

- The City previously committed to explore opportunities to add 978 net new long-term care beds to its inventory of City-run long-term care homes. However, the City is unable to add these net new beds based on the current provincial funding model for long-term care facilities, where the City will have to commit the full cost upfront, with partial recovery over a 25-year period, commencing upon occupancy.
- It is estimated that the capital cost to redevelop the City's five existing long-term care facilities including the cost of adding the 978 beds will be approximately \$820 million and a new funding agreement is required for the City to address this increasing need for senior residents in Toronto.

4. Lack of coordinated investments in energy efficiency and to support climate action

- Implementing the City's Toronto Green Standards which promote sustainable design, high performance, high quality, and low emissions in new private and city-owned developments is critical to address the climate crisis. All orders of government have a role to play to incentivize greater uptake of the higher Tiers of the Toronto Green Standard, to achieve net zero emissions sooner than 2030.
- Making substantial progress on improving energy efficiency and reducing greenhouse gas emissions in existing buildings also requires ongoing and coordinated investments from all orders of government.

C. 2023 Priority – Improving Access to RGI and Affordable Homes

This section focuses on a number of key actions proposed in 2023 to shift the housing system and improve access to RGI and affordable housing for residents across Toronto.

1) Access to RGI Housing- Implementation Updates

In accordance with new legislated requirements under the *Housing Services Act (HSA)*, 2020 the City has implemented two new eligibility criteria for Toronto's RGI Centralized Waiting List, and as directed by Council, has implemented new procedures to ensure applicants on the Centralized Waiting List meet the legislated requirements to remain eligible for RGI assistance.

a) Income Limits

The Province introduced new legislation which required Service Managers to implement Income Limits for RGI eligibility by July 1, 2023. As reported to the Planning and Housing committee in July 2022 ([PH35.19](#)), the initial Income Limit for RGI applicants in the City of Toronto was set equivalent to the Household Income Limits (HILs) as established by the Province. The HILs are calculated using data from Canada Mortgage and Housing Corporation's (CMHC) annual market rent survey and are updated periodically by the Province.

The current HILs for the City of Toronto range from \$49,500 to \$79,500. Households applying for RGI housing are required annually to demonstrate their household income falls within the HILs for the unit size they are applying for. Households with income that exceeds the HILs are not eligible for RGI assistance and will be removed from the Centralized Waiting List.

For households in receipt of an RGI subsidy, the Income Limit will not apply, as their rent is adjusted in accordance with legislated RGI program rules.

b) Asset Limits

The Province introduced new legislation which required Service Managers to implement Asset Limits for RGI eligibility by July 1, 2023. As reported to the Planning and Housing committee in July 2022 ([PH35.19](#)), the initial Asset Limits would be set at the minimum specified in the *HSA, 2020*: \$50,000 for RGI applicants and households with one member and \$75,000 for RGI applicants and households with two or more members. The report committed to review Asset Limits annually to ensure that they are fair and equitable.

Subsequent to the adoption of this report, the first annual review of the Asset Limits was conducted. This review focused on striking a balance between providing RGI assistance to those most in need, while maintaining housing stability and equitable outcomes for existing RGI households and applicants. The review considered a number of factors such as aging in place, promoting housing stability and recognizing the impact of households who have unexpected changes in family composition, which includes the impact on seniors subsequent to the death of a partner.

As a result of this review, Asset Limits were raised to \$150,000 for all households and new exclusions were added. Asset Limits will be reviewed annually to inform further changes, as required.

Households applying for and residing in RGI housing will be required annually to demonstrate their household assets fall within the established limits. Households with income that exceeds the Asset Limit are not eligible for RGI assistance, and as a result, existing RGI tenants will lose their subsidy and RGI applicants will be removed from the Centralized Waiting List.

c) Annual Renewal

In August 2023, the City initiated the required Annual Renewal for all applicant households on the Centralized Waiting List for RGI housing. This process requires RGI applicants to demonstrate they remain eligible for RGI housing by updating and/or confirming their application, uploading their most recent Notice of Assessment and completing the asset declaration.

Exemptions from the Annual Renewal process were made for Priority applicant households, including those experiencing domestic violence and those who are homeless as well as newcomers who have been in Canada less than one year.

Supports are in place to assist applicant households with the renewal process including by phone through the City's Application and Support Centre, and in person at the Access to Housing Resource Centre or at one of the City's many Housing Help Centres.

Applicants who do not complete the Annual Review process will not be able to participate in the access system. If the Annual Renewal process is not completed by the deadline, the application will be cancelled, and the household removed from the Centralized Waiting List. Affected households will be notified through the system and be provided information on how to request a review of the decision. Households with a cancelled application may request re-instatement within 24 months which will place them back on the Centralized Waiting List with their original date of application.

- **Outreach to Applicants on the Centralized Waiting List**

Since the launch of MyAccessToHousingTO online applicant portal in July 2021, staff had implemented an extensive Adoption Strategy to support existing RGI applicants to activate their files within the new portal, which includes: five Canada Post mail campaigns; automated phone call to all registered phone numbers on file; and information sessions with Community Agency Partners and City Councillors' Constituency Assistants, as well as 48 public registration workshops held at Toronto Public Library computer labs across Toronto.

The City has also granted user access to over 800 Shelter and Violence Against Women shelter staff to enable them to support clients applying and maintaining their housing application and staff have provided on-site registration clinics at shelters and shelter hotels.

Despite this extensive targeted outreach strategy, there are approximately 30,000 households on the Centralized Waiting List who have not yet registered for an online account and are at risk of their applications being cancelled due to non-compliance with the Annual Renewal process. If staff are unable to reach applicant households, we are unable to assist them in accessing housing options.

Outreach efforts to unregistered households continues with a Registration Media Campaign which is running from August to September 2023. The campaign aims to reduce the overall number of unregistered RGI applicants by building more public awareness.

The City will continue to monitor the effectiveness of outreach strategies with the goal of increasing online registration for applicant households.

- **Re-instatement of Applications on Wait List**

City staff recognize that due to a number of factors, applicants can at times become disconnected and unresponsive to outreach and communication. To ensure the City finds a balance between meeting its legislative obligations to ensure applicants are eligible for RGI housing and the evolving life circumstances of households that may have prevented them from completing their required Annual Renewal process, three re-instatement criteria have been implemented to support households with cancelled applications under specific circumstances:

1) Applicants who did not complete the Annual Renewal process may have their application re-instated within 24 months. They will be required to register online and complete the Annual Renewal steps once reactivated.

2) Applicants whose applications were cancelled due to income exceeding Household Income Limits may have their application re-instated within 24 months if their income decreases below the Household Income Limit.

3) Applicants whose applications were cancelled due to exceeding the Asset Limit may have their application re-instated within 24 months if any future changes made by the City to the Asset Limits would result in them being deemed eligible (i.e., increase in Asset Limits, updated exemption criteria, etc.).

2) Advancing a new Centralized Access System for Affordable Rental Housing

The HousingTO Plan includes a recommendation to develop and implement a Centralized Affordable Rental Housing Access System for affordable rental housing opportunities.

Rent levels for affordable rental homes are currently based on average market rents (AMRs) for the City of Toronto, set annually by CMHC¹. Rents in affordable homes are typically set anywhere from 80-100% of AMR and these rents would be considered affordable to households earning between approximately \$54,000 and \$67,000 per year in 2023. Currently, affordable housing providers market and fill affordable rental housing vacancies on their own through random draws and waitlist processes.

In July 2022, City Council directed staff to:

- Leverage the current system used to allocate RGI housing, MyAccesstoHousingTO, for new affordable rental housing opportunities; and,

¹ In 2021, the City adopted a new income-based definition of affordable rental and ownership housing. This definition, which will significantly impact the rent levels for affordable rental housing, will come into effect for affordable housing programs once a report is brought forward to Council on a transition and implementation plan.

- Adopt a hybrid allocation methodology, such that affordable rental homes will be allocated, within the system, through both a chronological process and via a random draw, depending on the size of the development and whether the home is new or turnover.

The City has been working towards the implementation of the system, including assessing and reviewing the technological requirements, program administration and user experiences. Some of the key considerations as part of this transition are:

- Creating a one-window housing access system for eligible applicants to apply for RGI and/or affordable rental homes;
- Ensuring applicants are well-informed about their housing options, their eligibility for various housing opportunities, and their ability to pay for housing based on income and rents to improve housing stability; and,
- Efficient operation of the system for housing providers, applicants, and City staff to fill affordable homes in a timely manner.

In early 2023, the City met with affordable housing providers to review the current state and discuss system challenges and opportunities. The City will be establishing a formal advisory committee (in Q4-2023) comprised of housing providers and affordable housing development organizations, as a mechanism for partners to receive updates, and contribute to the system design. As the system design process matures, the City will also be exploring opportunities for applicants to provide input and ensure the system's user experience reflects their needs.

a) Operational Considerations for Successful Implementation

One of the key considerations in creating a one-window housing access system for RGI and affordable rental homes is ensuring applicants are well informed about the housing options they qualify for. Having this information readily available to households when they apply for housing ensures decisions which support housing stability and promotes greater overall efficiency during the offer process.

- **Setting Income Thresholds**

It is anticipated that a large proportion of applicants on the existing Centralized Waiting List for RGI housing will also apply for affordable rental homes, many of whom do not have sufficient income to cover the costs of affordable housing rents (typically 80%-100% of AMR).

To meet the key considerations around housing stability, eligibility and efficiency, staff are proposing to set income thresholds for applicants applying for affordable rental homes. Without income thresholds, the credibility of the system would be jeopardized due to vacancy loss, delays in filling homes, and confusion and/or concerns from both applicants and housing providers.

The maximum household income for applicants of affordable housing is already prescribed at four times the annual rent. Staff are recommending establishing a minimum income threshold at 100% of the annual rent, which would come into effect on

the date the system launches. The scenario below outlines an example of a household's income and rent, based on the thresholds.

| Example: Income Threshold for a 1-bedroom unit at 100% AMR (2023) | |
|--|------------------------------------|
| Annual Rent | \$18,456 (\$1,538 x 12) |
| Household Annual Income | \$20,000 |
| Maximum Annual Income Allowable | \$73,824 (annual rent x4) |
| Minimum Annual Income Allowable | \$18,456 (same as the annual rent) |

This means that when a 1-bedroom affordable rental home with a monthly rent of \$1,538 becomes available, households with income levels between \$18,456 and \$73,824 a year will be able to view this opportunity and express interest.

Establishing income thresholds is expected to result in connecting applicants to housing for which they are eligible and able to make rental payments. This is a critical point, as affordable housing providers are responsible for covering any financial shortfalls, which could result from delays in filling vacancies.

b) Aligning Program Guidelines for Affordable and RGI Housing Access

Affordable rental homes will be allocated using the same system as RGI, leading to a one-window approach. This report recommends, where applicable, aligning program rules and system configurations currently being used for RGI in the development of the affordable rental housing system to ensure a more seamless, straightforward, and user-friendly experience for applicants and housing providers.

- **Asset Limits**

Consistent with RGI Asset Limits, this report requests authority to establish asset limits for applicants of affordable rental and affordable ownership homes, should the City decide to pursue them. The amounts would be determined based on an analysis of applicant data, once the new system is operational.

Establishing Asset Limits allows applicant households to accumulate a determined amount of financial assets and improve their situation while continuing to be eligible for affordable housing. Households with substantial financial assets have greater means; removing their eligibility for affordable housing helps ensure that households in greatest need are able to secure an affordable home.

- **Single Offer Rule**

As of January 1, 2022, in compliance with the *HSA, 2020* the City moved to a Single Offer Rule for RGI. This means that applicants are eligible to receive only one offer of suitable RGI housing before being removed from the Centralized Waiting List.

In line with this approach, the City recommends establishing a Single Offer Rule for households applying for affordable rental housing. This will avoid confusion for applicants and ensure consistency among program guidelines. As affordable rental housing is allocated through a hybrid methodology (waitlist and random draw, depending on the size of development and whether it is an initial occupancy or turnover), the Single Offer Rule will be implemented with unique features for this program.

In a choice-based model, only applicants that express interest in a home (both affordable and RGI) will have the opportunity to receive an offer of housing. If that offer is refused, an RGI applicant would be removed from the Centralized Waiting List as a result of the Single Offer Rule.

In the case of affordable rental housing:

- Should a household with application dates for both programs refuse an offer for RGI housing, they would lose their RGI eligibility date because of the Single Offer Rule. This would not impact their affordable rental housing eligibility date, which would be maintained. Thus, an applicant could have two application dates, both of which will be visible in MyAccesstoHousingTO.
- If a household does not already have an existing RGI application, they would receive a new application date for their affordable rental housing application. Should they later apply for RGI, they would receive a new application date, and their application would not be backdated to their affordable application date.

- **Application Dates**

Once the affordable housing program requirements are built into the MyAccesstoHousingTO system, both RGI and affordable housing programs will be operating within the system. Households may be eligible for one or both programs and using the one-window application portal, they will be able to submit one application and be assessed for eligibility for both RGI and affordable housing opportunities.

This report recommends that households applying for affordable rental housing receive a new application date. However, if the household already has an eligible RGI application, their affordable rental housing date will be backdated to match their RGI application date.

C. 2023 Priority – Increasing the Supply of Non-Profit Co-op Homes

1. Partnership with Co-operative Housing Federation of Toronto Inc. (CHFT) and CHFT Development Society Inc. (CDSI)

Several Non-profit Housing Co-operatives (Housing Co-ops) across Toronto are facing increasing challenges as their project operating agreements expire and their aging buildings (mostly built in the 1960s and 1970s) continue require significant repairs. Enhancing and modernizing board governance structures has been identified as a key area to build capacity within these organizations and help them transition as operating agreements and mortgage payments (as well as government subsidies) end. This will help ensure long-term financial viability, well-maintained and protected co-op housing stock, and housing stability for members. It will also help position the organizations to grow and increase their housing stock through redevelopment and/or intensification of sites.

To support these objectives, this report recommends that City Council authorize staff to enter into a Memorandum of Understanding (MOU) with CHFT and CDSI. This MOU is focused on:

- Supporting CHFT to assist its member organizations to achieve operational excellence and manage governance challenges to ensure the long-term financial and operating sustainability of the non-profit co-op housing sector; and
- Work with CHFT and CDSI to identify and advance redevelopment and intensification opportunities to increase the stock of non-profit co-op homes across the city.

CHFT has been instrumental in the establishment, development, and expansion of co-op housing in the Greater Toronto Area for over 47 years. The organization has developed 60 Housing Co-ops, 6,300 affordable homes for families, single people, and seniors. The City recognizes the value that Housing Co-ops play in providing safe and affordable housing and is committed to work with CHFT and its members to promote the stability, growth and modernization of the sector.

CDSI was incorporated as a not-for-profit corporation in 2022 to provide a renewed focus towards exploring and advancing opportunities to grow Toronto's Housing Co-op communities through intensifying land owned by CHFT's Co-operative Housing Land Trusts, and land owned by CHFT members in receipt of governance support from CHFT.

Through this MOU, CHFT, CDSI and the City will commit to work together to add up to 2,500 new affordable co-op homes (out of the 5,000 community homes target) over the next decade. Additionally, subject to approval of this report, Housing Secretariat staff will enter into detailed funding agreements (including a delivery plan with key project milestones identified) with CHFT and CDSI, and the City will provide:

- Up to \$400,000 in funding to CDSI for pre-development activities - identification of potential development sites in partnership with co-op members, and conducting preliminary site evaluations and financial analysis.

- Up to \$100,000 to CHFT for additional capacity development for existing co-op boards – CHFT will develop resources (including, without limitation, training materials, guidelines, and best practices) to share with their member co-operatives to enhance their ability to manage their assets and effectively govern their organizations.

Conclusion

Over the course of 2022 and into 2023, the City, in partnership with other orders of government and partners across sectors, has made steady progress in advancing the HousingTO Plan. However, while significant public investments have been made, the scale and scope of the growing housing crisis urgently requires heightened action and new approaches to addressing this multifaceted challenge.

Increased investments and new policy tools must be urgently directed at building new homes, especially new RGI and affordable homes, preserving and protecting existing our existing housing stock, increasing residents' access to support services, and helping households that are struggling with affordability challenges. Increased collaboration within and across governments, and with the community, health, and private sectors, is also needed to optimize existing resources. Further, these efforts must be intentional to concurrently address the converging health and climate crises and to advance social, economic, and racial equity.

It is imperative that the federal and provincial governments also recognize the key role that the City of Toronto and other municipalities play in ensuring the success of the region and Canada, and urgently provide a new fiscal framework. In the absence of new and sustainable funding tools, the City of Toronto and other municipalities will continue to be challenged to manage demographic changes, inflation, aging infrastructure, the climate crisis, and to adequately address local housing challenges - ultimately putting the continued economic, social, and cultural success of Canada at high risk.

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ATTACHMENTS

Attachment 1 - HousingTO 2020-2030 Action Plan: 2022 Progress Update (attached as a separate document)

Attachment 2 – Summary of Progress towards HousingTO Targets (attached as a separate document)

Attachment 3 - Co-Op Housing Federation of Toronto and CHFT Development Society Inc. - MOU Terms and Conditions

Attachment 1 - HousingTO 2020-2030 Action Plan: 2022 Progress Update

Attachment 2 – Summary of Progress towards HousingTO Targets

Attachment 3 – Proposed Terms and Conditions for Memorandum of Understanding

The following is a summary of the recommended major terms and conditions of the Memorandum of Understanding with the City of Toronto, Co-operative Housing Federation of Toronto and CHFT Development Society Inc.

| Proposed Terms & Conditions | |
|-----------------------------|---|
| Parties | City of Toronto (City) Co-operative Housing federation of Toronto (CHFT) and CHFT Development Society Inc. (CDSI) |
| Term | From the date of signing until December 31, 2031 |
| Objectives | To identify and advance development opportunities to increase affordable non-profit housing co-operative housing across Toronto. To explore and secure funding from other orders of government required to build new affordable non-profit housing co-operative homes. To support capacity building for existing non-profit housing co-operatives in areas such as asset management and governance. |
| Target | Creation of 2,500 new affordable non-profit housing co-operative units by the end of the Term. "Affordable" means that the gross monthly housing charges for a unit are no greater than one (1) times the average City of Toronto rent, by unit type (number of bedrooms), as reported annually by the Canada Mortgage and Housing Corporation in its fall Rental Market Report: Greater Toronto Area. |
| Depth of Affordability | CHFT and City on a site by site basis will seek to deepen affordability through use of housing allowances, rent supplements and/or housing benefits. |
| Accessibility | At least 20% of all units at each site must meet or exceed the Canada Mortgage and Housing Corporation accessibility standards and all common areas must be fully barrier-free. |

| Proposed Terms & Conditions | |
|-------------------------------------|---|
| City Funding | <p>Subject to separate detailed funding agreements, the City will provide:</p> <ul style="list-style-type: none"> up to \$400,000 in funding to CDSI for pre-development activities to identify potential development sites, and conduct preliminary site evaluations and financial analysis; up to \$100,000 in funding to CHFT for capacity-development for existing Non-Profit Housing Co-operative Boards through developing resources aimed at enhancing their ability to manage their assets, and effectively govern their organizations. |
| City Incentives | <p>New affordable non-profit housing co-operative housing units will be eligible to have planning application fees, building permit fees, and parkland dedication fees waived and development charges exempted, subject to future approval by City Council.</p> <p>Residential property taxes will be waived for the new affordable non-profit housing co-operative housing units for up to 99 years, subject to future approval by City Council.</p> |
| Priority Processing of Applications | <p>Upon submission of a complete planning application for the new affordable non-profit housing co-operative housing projects, the City will work to prioritize the planning review and approval processes.</p> |