

Advancing Phase One of the Purpose-built Rental Housing Incentives Stream

Date: December 10, 2024

To: City Council

From: Executive Director, Housing Secretariat

Wards: All

SUMMARY

On November 13-14, 2024, City Council adopted "EX18.2 - Build More Homes: Expanding Incentives for Purpose Built Rental Housing" report endorsing a new stream under the Rental Housing Supply Program to support purpose-built rental housing developments across the city. City Council directed staff to launch a "Quick Start" Call for Applications to support 7,000 new rental homes including at least 1,400 affordable rental homes, and report directly to City Council on December 17-19, 2024 with an update on the results of the Call for Applications.

The Call for Applications for Purpose-built Rental Housing Incentives stream opened on November 18 and closed on November 29, 2024. Staff are currently reviewing the applications and will prepare a report to be considered by City Council, providing an update on the Call for Applications and a summary of any applications approved.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

Staff provided preliminary estimates of the financial implications associated with delivering 7,000 new rental units, including at least 1,400 affordable units, as part of Phase 1 of the program in Item EX18.2. Updated financial implications will be outlined in the forthcoming supplementary report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of November 13-14, 2024, City Council considered and adopted without amendments a report titled "EX18.2 - Build More Homes: Expanding Incentives for Purpose Built Rental Housing" from the Deputy City Manager, Development & Growth Services, and Chief Financial Officer and Treasurer. City Council endorsed a plan to unlock 20,000 new rental homes comprised of 16,000 new purpose-built rental homes, and 4,000 affordable rental homes, primarily on private land, through a New Purpose-Built Rental Homes Incentives stream (as part of the recently approved Rental Housing Supply Program).

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX18.2>

COMMENTS

City Council aims to unlock 20,000 new rental homes comprised of 16,000 new purpose-built rental homes, and 4,000 affordable rental homes, under a new Purpose-Built Rental Homes Incentives stream (as part of the recently approved Rental Housing Supply Program). A minimum of 20% of these homes will be provided as affordable rental homes, meeting the City's new income-based definition of affordable rental housing, and be secured for a target of 99 years and a minimum of 40 years.

Council directed staff to immediately release a rapid Call for Applications to identify 7,000 new rental homes comprised of 5,600 purpose-built rental homes, and at least 1,400 affordable rental homes (Phase 1 Quick Start). Projects approved under Phase 1 Quick Start will receive the following City benefits:

- Affordable rental homes - waivers of planning applications fees, building permit fees, parkland dedication fees, and exemption of development charges, Community Benefit Charges and property taxes (for the duration of affordability).
- Purpose-built rental homes - indefinite deferral of development charges (for as long as rental tenure is maintained), and inclusion in the New Multi-Residential Property Tax Subclass, with an intent to provide a 15% property tax reduction for 35 years.

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CONTACT

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SIGNATURE

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