

Expanding Incentives for Purpose Built Rental Housing

Date: October 22, 2024

To: Executive Committee

From: Deputy City Manager, Development & Growth Services, Chief Financial Officer & Treasurer, and Executive Director, Housing Secretariat

Wards: All

SUMMARY

Toronto is facing severe housing and homelessness crises and the City is continuing to respond through bold actions. This includes City Council's pledge to meet the Provincial target of starting construction of 285,000 homes by 2031, and expanding the HousingTO 2020-2030 Action Plan targets to approve 65,000 homes by 2030, including rent-controlled, affordable and rent-geared-to-income (RGI) homes. However, the City faces worsening economic conditions for the development of new homes, including high interest rates and financing costs, inflation, and increasing construction costs, which have caused a significant slowdown in new housing development.

In order to address these challenges and meet the City's targets, as well as targets under the federal Housing Accelerator Fund and the provincial Building Faster Fund; [City Council approved](#) the new Rental Housing Supply Program in June 2024, and directed staff to further consult with the housing sector and identify opportunities to support new purpose-built rental housing. This report responds to this direction and provides recommendations to meet the City's targets and take further action to address the housing crisis in Toronto. A supplementary report will be provided in time for the Executive Committee meeting on November 5, 2024.

RECOMMENDATIONS

The Deputy City Manager, Development and Growth Services, Chief Financial Officer and Treasurer, and the Executive Director, Housing Secretariat, recommend that:

1. Executive Committee receive this report for information.

FINANCIAL IMPACT

Further information on financial impacts will be outlined in the forthcoming supplementary report.

EQUITY IMPACT

Further information on the Equity impacts will be outlined in the forthcoming supplementary report.

DECISION HISTORY

At its meeting on June 26 and 27, 2024, City Council adopted Item PH13.8 – “Launching the Rental Housing Supply Program”. The report outlined the Rental Housing Supply Program, which was approved and will assist the City in achieving its approved rent-controlled, affordable and rent-geared-to-income (RGI) rental housing targets. The report also outlined 18 affordable rental and RGI housing projects, which were approved for the allocation of capital funding. The report also outlined the Pilot Community Housing Pre-development Fund, which will support the intensification and re-development of Community Housing sites. Finally, the report noted that staff will work towards launching a sustainable and revolving Affordable Housing Fund.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH13.8>

At its meeting on November 8 and 9, 2023, City Council adopted Item EX9.3 – “Generational Transformation of Toronto’s Housing System to Urgently Build More Affordable Homes”. The report outlines several recommended actions, and highlights initiatives underway, which will make a generational change to transform and strengthen Toronto’s housing system and expedite delivery of the HousingTO and Housing Action Plan targets. <https://secure.toronto.ca/council/agenda-item.do?item=2023.EX9.3>

At its meeting on November 8, 2023, City Council adopted Item PH7.7 – “City Comments on Provincial Bill 134 Proposed Definition of Affordable Residential Unit” which supported in principle, the Government of Ontario’s direction in Bill 134 to adopt an income-based approach for the definition of affordable housing.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PH7.7>

At its meeting of September 6, 2023, City Council adopted Item EX7.2 – “Urgently Building More Affordable Homes”, and directed the Deputy City Manager, Development and Growth Services, among other things, to create a plan to achieve 25,000 new rent-controlled homes, in addition to the City’s previous HousingTO 2020-2030 Action Plan (HousingTO Plan) target of 40,000 affordable rental homes. Council also requested a report back on an effective alignment of resources, mandates, structure, and personnel to achieve the plan.

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

At its meeting of March 21, 2023, the Executive Committee adopted Item EX3.1 – “2023 Housing Action Plan” which provided a workplan to support delivery of the Housing Action Plan, and to meet or exceed the provincial delivery target of 285,000 new homes over the next 10 years.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX3.1>

At its meeting of November 23, 2022, City Council adopted CC1.2 – “Update on Bill 23, More Homes Built Faster Act, 2023” which requested that the Province of Ontario not remove housing services from development charges or alternatively, create a municipal compensation fund to compensate municipalities for the impacts of Bill 23 on municipal growth funding revenues.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.CC1.2>

At its meeting of September 30, 2020, City Council adopted with amendments Item PH16.5 - "Improving Outcomes for Toronto Residents through Implementation of HousingTO 2020-2030" which provided a detailed Implementation Plan for the actions in the HousingTO Action Plan. The Open Door program is a key program supporting delivery of the HousingTO 2020-2030 Action Plan.

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

At its meeting of December 17 and 18, 2019, City Council, adopted with amendments Item PH11.5 - "HousingTO 2020-2030 Action Plan" as the framework to address Toronto's housing and homelessness challenges by 2030. This Plan includes a number of actions and targets to address critical needs across the housing spectrum including emergency shelters and transitional housing, social and supportive housing, market and affordable rental housing and homeownership. The City Council Decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

COMMENTS

This report responds to Council direction regarding the Rental Housing Supply Program, to further consult with the housing sector and identify opportunities to support new purpose-built rental housing in Toronto. This will support the City's efforts to achieve its housing targets. A supplementary report will be provided in time for the Executive Committee meeting on November 5, 2024.

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