



**MORE NEIGHBOURS
TORONTO**

Dear Members of the Executive Committee,

RE: EX18.2 - Build More Homes: Expanding Incentives for Purpose Built Rental Housing

About More Neighbours Toronto

[More Neighbours Toronto](#) is a volunteer-only organization of housing advocates that believe in building more multi-family homes of all kinds for those who dream of building their lives in Toronto. We advocate for reforms to increase our city's ability to build more homes in every neighbourhood. We are a big-tent organization with members across the political spectrum who are committed to counterbalancing the anti-housing agenda that has dominated Toronto's politics, created an affordability crisis, and cost burdened a new generation of aspiring residents. We are firmly committed to the principle that housing is a human right and believe Toronto should be inclusive and welcoming to all.

Position

More Neighbours Toronto supports the spirit of this report and would encourage the executive committee to strengthen it further. We hope that the mechanisms contemplated here achieve the outcomes that the City is seeking. We also understand the commitment being made by the Mayor and Council to waive up to \$400M in future revenue from Development Charges in order to help these projects move forward.

It is a quiet acknowledgement that the city understands that taxes raise the cost of housing and render the math of many projects non-viable. We also recognize that the city cannot forgo all revenue from Development Charges unilaterally, and so we encourage the city and its leaders to take this lesson to the Provincial and Federal governments. We believe the city should work with other levels of government towards a solution for funding municipal infrastructure without burdening new housing and residents with such dramatic costs. This would be beneficial for all cities in Ontario, and put Toronto/GTA on a path to reducing the long-term costs of housing by enabling more projects and supply to be viably built.

However, we are concerned that distinct goals are being tied together inappropriately. We are also concerned that the Phase 1 "Quickstart" portion of the programme, which can be executed with only city funding and CMHC assistance, only supports 7,000 total homes and is therefore too limited in impact. Furthermore, we need action on zoning reform and accelerated timelines

on large city-building projects to achieve our housing targets and restore market affordability in Toronto.

Tying Two Goals Together Can Frustrate Both

As identified in the staff report, the City has two distinct priorities in Phase 1 of this new housing plan:

1. Facilitate the start of 7,000 homes by providing financial incentives for private sector projects that may be struggling to meet financial viability in today's challenging market conditions.
2. Produce 1,400 affordable housing units alongside 5,600 market rate units.

More Neighbours Toronto supports both of these goals individually. We are concerned, however, that by tying the second goal to the first, the City will end up not achieving either of its goals. Specifically, we are concerned that the financial incentives offered to achieve the affordable housing units are insufficient, on their own, to get shovels in the ground on affordable housing. Developers may have to use the savings from the market-rate rental units to support the affordable units. But if they're using that incentive to meet the net new requirement for affordable housing, a project that isn't viable today may remain not viable with these incentives. We sincerely hope to be wrong on this point.

7,000 Units is Less Than Three Months of Starts

The City has a 10 year target from the province of Ontario to achieve a minimum of 285,000 units of housing by the end of 2031. Current market conditions have stalled the momentum that Toronto had in 2022 and 2023 on these targets. Without significant changes in market conditions, Toronto will not meet its targets. More Neighbours Toronto is concerned by staff's comments in this report that supporting any housing beyond the 7,000 units contemplated today:

The City of Toronto's capacity to absorb the financial impact associated with supporting new purpose-built rental homes, beyond those described above, without adversely affecting planned and essential capital infrastructure projects is limited due to existing fiscal constraints which have been further exacerbated by the legislative changes introduced through Bill 23. Further revenue losses could require the City to reprioritize planned infrastructure projects, potentially limiting Toronto's capacity to support new housing with necessary services.

In the context of our provincially set housing targets, 7,000 units is less than 2.5% of the overall target. If we divide the 285,000 units over the entire ten year timeframe, 7,000 units is less than three months of starts. If this is the extent of the City's financial ability to stimulate new housing construction, we need both non-financial mechanisms and support from other levels of government to do so.

Zoning Reform Has Stalled

More Neighbours Toronto is impressed with the speed contemplated in the execution of the program before you. Timelines here are measured in weeks and months. We wish the same could be said of Toronto's planned zoning reform. This report states that:

Importantly, actions proposed in this report will ensure the City meets federal and provincial objectives to increase housing starts and is better positioned to secure federal and provincial funding that can then be invested in the delivery of non-market, affordable, and RGI housing. To date the City has received \$114 million through the Building Faster Fund (BFF) and \$117.7 million through the Housing Accelerator Fund (HAF). The actions recommended in this report will increase the City's ability to meet these targets and secure capital funding under the HAF and BFF for housing and infrastructure over the next three years.

Respectfully, we disagree with the assessment of staff here. The actions proposed here will not ensure compliance with provincial or federal objectives. As noted previously, the numbers here are not large enough to meaningfully hit our provincial targets over the next 7 years. On the Federal side, the City committed to specific zoning reform measures to achieve federal objectives. Almost none of those objectives have been met so far. Many of the reports that have timelines have seen those timelines extended dramatically. Worse, many of the reforms that Council committed to last December have seen no public action to date and have no timeline for completion.

If the City wants to secure the funding it desperately needs to repair and upgrade its aging infrastructure, it cannot rely on the patience of the federal government. That patience may end very quickly with all the political uncertainty in Ottawa these days. Zoning reform must be accelerated and achieved without any poison pills to ensure continued federal funding through the Housing Accelerator Fund.

Regards,

A handwritten signature in blue ink that reads "Aaron Ginsberg". The signature is written in a cursive, flowing style.

Aaron Ginsberg

More Neighbours Toronto