



**MORE NEIGHBOURS
TORONTO**

Dear Members of the Planning and Housing Committee,

RE: PH13.8 - Launching the Rental Housing Supply Program and PH13.9 Community Housing Sector Modernization and Growth Strategy

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 launch of the rental housing supply program (PH13.8) and community housing sector growth strategy (PH13.9). We are particularly pleased to see recognition of the need for sustainable funding, zoning barriers, and the need to expedite approvals to bring down costs and get more affordable housing built. However, we note that several of the strategies mentioned have been goals of previous items at Planning and Housing Committee, where implementation has not always achieved the desired outcomes. We therefore encourage the City to keep the goals of this program in mind throughout all of their work on zoning reform and process changes.

A Sustainable Funding Model

The Open Door program has seen many successes and the expansion proposed here will help to “unstick” affordable housing projects affected by high interest rates and current construction costs. We support the requests to the Federal and Provincial governments for grant funding and low-cost financing.

However, the City's message about the changes in Bill 23 remains disappointing. The housing portion of development charges was a download of affordable housing and shelter costs onto new residents. Development charges are a flat rate by type of building and number of bedrooms, without regard to residents' incomes. The City has increased these costs 350% in the last ten years, with a 20% increase just last month. Council needs to recognize that these charges are regressive and raise the floor price for new housing. This is affecting the housing market and driving young people, newcomers and others out of the city because they cannot afford to take on this disproportionate share of the costs of affordable housing and shelter. A City that objects to downloading from the province should stand with new residents in finding alternatives for funding, rather than continuing to lobby for the ability to do its own downloading.

More Neighbours Toronto supports the cross-subsidy model for operating funds. This model sometimes causes confusion due to the presence of market rate units within projects that are labelled affordable, but it creates a source of sustainable operating funds. Rent stabilization of the provincial guideline + 2% will provide a level of housing security for those in market rate units while ensuring that buildings have funds to cover maintenance and repairs. Using property tax relief as an incentive will also help.

We applaud the City's move to use an income-based measure of affordability. We would likewise encourage the City to use income estimates for the market-rate prices in its media releases and other materials. In our experience, many residents are confused by the discrepancy between CMHC average market rents for purpose built rentals and the rents that one sees when searching for an apartment in newer condo buildings. A headline of "150% AMR" is likely to lead to cynicism and discourage people from supporting what is actually a balanced program given the tools available to the City.

Zoning Considerations

We are pleased to see this report recognize that zoning, particularly the site-specific zoning that is common in growth areas, is a barrier for housing projects of all types. As seen with the Housing Now program, rezoning specific sites is time-consuming and adds costs. In cases where site-specific rezoning is needed, the level of affordability and financial viability of the project must be considered when planning the height and density.

As stated in the report, as-of-right zoning is an important way to reduce uncertainty, speed up affordable housing approvals and reduce costs. However, the focus on Apartment Neighbourhoods in the report is too limited. While there are opportunities for infill around existing tower-in-the-park buildings and the City has been doing an excellent job at identifying surface parking lots that are suitable for redevelopment, Apartment Neighbourhoods are often already dense and the land there tends to be more expensive. This creates challenges for affordable housing and for provision of new amenities like parkland and community centres.

The City's philosophy of putting new apartments in just a few places throughout the city where older apartments already exist is creating the very pressures on older, more affordable apartment buildings that the City is attempting to save through MURA. This competition for the scarce land that allows apartments, particularly during a housing shortage, drives up prices for these older apartment buildings and means that MURA funds do not go as far as they should. In addition, more rental demolition applications for buildings of increasing size seem to be in front of Community Councils. While councillors often state that they have few options as long as rental replacement rules are followed, they are missing the most important thing that they could do: allow apartments on more land. **During the Municipal Comprehensive Review, the City must look for new opportunities for apartments in Neighbourhoods and enable growth throughout the City.**

Recent as-of-right zoning changes in Neighbourhoods do not seem to have prioritized the considerations of Community Housing Providers. For example, in the recent EHON work for as-of-right zoning for 6-storey apartments and townhomes along Major Streets, Council chose to mandate indoor and outdoor amenity space in every apartment building, regardless of the existing amenities in an area. When these extras are required in the zoning, the

choice to prioritize housing is taken away from residents and Community Housing Providers. This [adds costs, veto points and delays projects in ways that run counter to the idea of housing as a human right and to the stated goal of increasing affordable housing](#). Many of the apartment buildings that the City is looking to save with MURA funds because they are vital to the existing affordable housing stock would not be allowed under the Major Streets “as-of-right” zoning. This does not make sense. If affordable housing is the priority, then we should allow Community Housing Providers to build homes for people and let that be the community benefit that they provide.

Expedite Approvals

We support the move to provide a streamlined path for approvals for Community Housing Providers and projects in the Rental Supply Program. However, we would note that the City has made several previous attempts to speed up approvals, yet Toronto’s development timelines are amongst the longest in Ontario, which itself has long timelines compared to other provinces and countries. Previous attempts include the Concept 2 Keys priority stream and the commitment made to the Federal Housing Minister as part of the Housing Accelerator Fund to speed up development approvals (MM13.27). These should be examined for lessons if creating a new expedited stream.

In addition, the City should allow access to this priority stream for private developers who are working with Community Housing Providers who will operate units within private builds. Recent examples include a deal made between Tricon Residential and WoodGreen for 6 affordable units at 386 Symington Avenue, or the deal to convey 16 affordable rentals to a non-profit housing provider within 350 Bloor St. East. The report suggests that projects like these would be eligible for MURA funding, which will ensure that opportunities like this are not missed. However, it is less clear whether such a deal would make a private developer eligible for the expedited processing stream.

Conclusion

These programs build on the success of the Open Door program and are a key part of the Generational Transformation of Toronto's Housing System, which aims to provide 65,000 new rent-controlled homes with 6500 rent-geared-to-income. The housing crisis needs ambitious programs to address housing affordability. The City also needs to learn from the past and to be willing to consider fundamental changes to its processes in order to make this program a success. We encourage the Committee to pass this item today and to keep these initiatives in mind as future items come before you.

Regards,
Colleen Bailey,
More Neighbours Toronto