

Progress Update - Housing Accelerator Fund

Date: February 4, 2025

To: City Council

From: Deputy City Manager, Development and Growth Services

Wards: All

SUMMARY

At the January 23, 2025 meeting of the City's Planning and Housing Committee, through Item PH18.4, the Deputy City Manager, Development and Growth Services was directed to report directly to the February 5, 2025 meeting of City Council with an update on the status of the initiatives and milestones under the City's Housing Accelerator Fund (HAF) agreement. This report responds to the Planning and Housing Committee's direction.

In December 2023, the City entered into an agreement with the Canada Mortgage and Housing Corporation (CMHC) under the federal government's Housing Accelerator Fund (HAF) that commits \$471.1 million in funding to support the City's efforts to eliminate barriers to building new housing, make a generational transformation of Toronto's housing system and increase housing affordability for residents.

Under the HAF agreement, the City committed to delivering eight initiatives with 35 accompanying milestones aimed at accelerating development of new housing and preserving existing housing, and achieving a total of 60,980 net new permitted homes over three years.

In Year 1 of the implementation, the City has achieved 37.5 per cent of this target and has completed 21 of the 35 milestones outlined in the agreement. The City is also on track to meet or exceed its target of 60,980 net new permitted homes over three years (between January 1, 2024 and December 31, 2026). This report provides an update on the City's progress on advancing HAF targets and milestones set out in the HAF agreement.

Beyond delivering on HAF milestones to-date, the City has taken a number of measures that are removing barriers for many projects to reach construction start and that will enable more homes to be added to the City's housing pipeline, including:

- Activating over 50 City-owned sites to deliver new rent-controlled and affordable rental homes including five initial sites that are being advanced through the City’s Public Developer delivery model, the first two of which broke ground in late 2024. The City has also embarked on creating a Housing Development Office in 2025 to bring a singular focus to City-led and supported projects that deliver new rent-controlled and affordable homes;
- Allocating \$351 million in capital funding for 18 housing projects, which will “unstick” almost 6,000 new rental homes, including 2,600 affordable rental and 3,380 rent-controlled homes;
- Establishing a new purpose-built rental housing incentives stream under the Rental Housing Supply Program that made available an indefinite deferral of development charges and 15 per cent property tax reduction for purpose-built rental housing projects that include at least 20 per cent affordable homes;
- Completing local planning frameworks to unlock development potential and create opportunities for housing intensification, such as the Jane Finch Initiative Secondary Plan, the Renew Sheppard East Secondary Plan, Ookwimin Minising Precinct Plan, and the Update Downsview Study, and;
- Recommending 283 kilometres of new Avenues be added across the city which, if approved by Council, will enable more mid-rise buildings in Mixed Use Areas and Apartment Neighbourhoods.

Addressing Toronto’s housing crisis demands urgent action and new investments from all orders of government. HAF funding is critical for the City to implement housing solutions and get more housing built faster, including through the Multi-Unit Residential Acquisition Program, City-led and City-supported affordable housing developments, and investment in process and systems improvements that significantly accelerate development application approvals.

RECOMMENDATIONS

The Deputy City Manager, Development and Growth Services recommends that:

1. City Council request the Government of Canada to expedite delivery of future funding installments under the Housing Accelerator Fund to support the City in advancing the remaining milestones.

FINANCIAL IMPACT

There are no financial impacts arising from the recommendations in this report. The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as contained in the Financial Impact Section.

EQUITY IMPACT STATEMENT

The City's HousingTO 2020-2030 Action 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 wellbeing of a person and to building healthy, inclusive and sustainable communities.

By continuing to implement the HAF initiatives, the City will accelerate the delivery of a range of new homes for residents across Toronto. Creating a range of new homes will increase opportunities for low-and-moderate-income households, including Indigenous, Black and other equity-deserving groups to access safe, secure and adequate homes. 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.

DECISION HISTORY

At its meeting on January 23, 2025, Planning and Housing Committee adopted Item PH18.4 – “Expanding Housing Options in Neighbourhoods - Ward 23 Multiplex Study - Official Plan Zoning By-law Amendments Decision Reports - Approval” which facilitated next steps in advancing city-wide permissions for residential buildings with up to six units and four storeys, one of the milestones that the City committed to under the HAF agreement with CMHC. In adopting this item with amendments, the Planning and Housing Committee requested that the Deputy City Manager, Development and Growth Services report directly to the February 5, 2025 meeting of City Council with an update on the status of the initiatives and milestones under the HAF agreement.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PH18.4>

At its meeting on December 5, 2024, Planning and Housing Committee adopted Item PH17.11 “Housing Accelerator Fund: Expanding Permissions in Neighbourhoods for Six Units and Four Storeys - Preliminary Report”, which provides an update on the policy context and ongoing work to permit six-unit buildings city-wide and includes a workplan to explore the expansion of permissions for six-unit buildings city-wide.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH17.11>

At its meeting of December 13-15, 2023, City Council adopted Item MM13.27 – “Federal Housing Accelerator Fund - Supporting Generational Transformation of Toronto's Housing System” and authorized the Deputy City Manager, Development and Growth

Services to enter into a contribution agreement with Canada Mortgage and Housing Corporation and for the City to receive \$471 million from CMHC under the federal Housing Accelerator Fund, subject to CMHC's final approval of the City's application to the program.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MM13.27>

At its meeting of March 29-31, 2023, City Council adopted Item MM5.28 titled "Moving Fast on the City's Housing Accelerator Fund" and authorized the Executive Director, Housing Secretariat and the Chief Planner and Executive Director, City Planning to prepare a submission to the Canada Mortgage and Housing Corporation's Housing Accelerator Fund.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MM5.28>

COMMENTS

Toronto is facing ongoing housing and homelessness crises, as more than 12,200 people experiencing homelessness are currently being supported in the shelter system and outside the shelter system in bridging hotels, and an average of 223 people are turned away each night because demand is currently greater than the system can accommodate. In addition, there are over 100,000 households on the waiting list for subsidized housing, as of Q4 2024. To respond to this dual crisis, City Council has pledged to meet the Provincial 10-year housing supply target of 285,000 new homes in Toronto by 2031 and has expanded its HousingTO 2020-2030 Action Plan (HousingTO Plan) target to approve 65,000 rent-controlled homes, including rent-geared-to-income (RGI) and affordable rental homes, by 2030.

In March 2023, the Government of Canada, through CMHC, announced the new Housing Accelerator Fund (HAF) as part of the National Housing Strategy to accelerate the construction of housing supply across Canada. The fund is intended to help local governments speed up development approvals, update permitting systems, introduce zoning reforms to encourage more density, incentivize development near public transit, and encourage more affordable housing, to support the federal objective of fast-tracking the creation of 100,000 new homes across the country.

In accordance with City Council direction through Item 2023.MM5.28, City staff submitted a HAF application to CMHC that would create approximately 11,780 net new permitted homes over the next three years (2023-2026), for a total three-year target of 60,980 net new permitted homes. Net new permitted homes are calculated using building permit data by determining the total number of homes that were issued building permits, less any homes that are removed from the housing stock by way of demolitions or conversions from residential to non-residential uses.

The City's HAF action plan includes eight initiatives focused on increasing the supply of new homes; protecting existing homes and renters; revitalizing neighbourhoods across Toronto; and enhancing the City's capacity to accelerate the review, approval, and

delivery of new homes through organizational re-alignment and new technology tools. Within these eight initiatives are 35 accompanying milestones that will advance the work forward.

CMHC and the City entered into a contribution agreement for \$471.1 million in funding on December 20, 2023. To date, the City has received the first of four installments of \$117.78 million from the federal government. The City anticipates receiving the second installment by March 31, 2025, and the third installment by March 31, 2026, subject to CMHC's satisfaction with the City's progress on achievement of targets and the implementation of all commitments made in the agreement. The final installment is contingent on the City achieving the total of 60,980 net new permitted homes between January 1, 2024 and December 31, 2026, as well as achieving sub-targets for the number of net new permitted homes based on housing type (multi-unit housing in close proximity to rapid transit, missing middle multi-unit housing, other types of multi-unit housing and affordable homes).

Municipalities are required under the HAF agreements to provide CMHC with regular reporting throughout the HAF program cycle. Reporting requirements include progress on the initiatives and milestones outlined in the action plan; the way in which funding was spent; planned capital spending on City-owned assets, and detailed building permit data for residential buildings. In January 2025, the City submitted its first annual report to CMHC as required under the agreement.

The HAF funding is instrumental for the City to implement housing initiatives such as Multi-Unit Residential Acquisition Program (MURA), to enable more housing to be built faster by investing in City-led and City-supported rental housing projects, and to transform processes that significantly accelerate development application and permitting approvals.

The City's Progress Under the HAF Commitments

The City is on track to meet or exceed its HAF housing supply growth target of 60,980 net new permitted homes between January 1, 2024 and December 31, 2026. In 2024, 22,849 net new homes were permitted, representing 37.5 per cent of the three-year target achieved within the first year.

The City is also on track to meet or exceed three of its four sub-targets for housing supply growth related to multi-unit housing in proximity to rapid transit, missing middle multi-unit housing, and other multi-unit housing.

The City has achieved 15 per cent of its affordable housing sub-target, demonstrating the additional barriers affordable rental housing projects face to start construction. The City's Rental Housing Supply Program (RHSP), adopted by Council in June 2024, allocated capital funding to 18 affordable rental and RGI housing projects. This funding unlocked over 2,600 affordable rental homes and a further 3,380 market and rent-controlled rental homes for a total of almost 6,000 new rental homes. Supported by HAF

funding, the RHSP will significantly increase investments available for affordable rental housing projects that face viability struggles in the current macroeconomic environment to start construction by the end of 2026.

In addition to the housing targets, the City has made significant progress in implementing HAF milestones, completing several key commitments, including:

- Re-structuring of development and growth services to increase the City's capacity and expedite the approval of new development applications;
- Developing and launching the new Rental Housing Supply Program;
- Creating a new three-year Community Housing Pre-development fund (CHPF). The first Call for Applications is currently underway and will conclude on February 28, 2025;
- Issuing a new call for applications for the City's MURA Program. In 2024, an unprecedented contribution of \$102 million was committed to MURA to advance 19 projects that will protect more than 700 rental homes, with the City's contribution partially funded by HAF;
- Re-zoning approval for the Quayside project enabling over 2,811 homes, including 458 affordable rental homes;
- Facilitating midrise development by modifying design guidelines and expanding how deep and tall a mid-rise building can be, as well as allowing as-of-right zoning (including height and density) for midrise buildings (six to 11 storeys) on mixed use Avenues city-wide. In addition, staff are advancing a report to City Council on February 5, 2025 that would result in the addition of 283 kilometres of new Avenues to the Official Plan Urban Structure Map, helping to unlock opportunities for new mid-rise buildings across the city, and;
- Council adopted permissions for multiplexes (up to four units) City-wide in 2022 and staff are advancing a report to City Council on February 5, 2025 to permit up to six units in ward 23 (North Scarborough).

A summary of the City's progress on each of the initiatives is included in this report. A table providing the status of each of the 35 milestones within the eight initiatives is included as Attachment 1 to this report. To date, a total of 21 of the 35 milestones committed to in the HAF agreement have been completed. An additional seven milestones are in progress and on track to meet target completion dates set out in the agreement, while seven milestones have revised completion dates and are on track to be completed in 2025. The City remains committed to completing all initiatives and milestones by the target completion dates listed in Attachment 1.

Initiative 1: Transforming the City of Toronto Administrative Structure and Increasing Capacity to Expedite the Approval of New Development Applications

Through this initiative the City committed to accelerating approvals through streamlined decision-making and investments in staffing and technology, with a targeted completion date by the end of Q3 2025. This includes consolidating all City functions and roles in housing policy and planning, development review, permitting and administration under a single service area, introducing new digital tools and technology upgrades to enable faster reviews and approvals, and delegating minor zoning bylaw approvals to City staff.

The City has established a new structure for the Development and Growth Services service area and created a new Development Review Division that consolidated all staff within the City that conduct reviews and assessments of development applications under one division.

Toronto Building has expanded its online building permit application portal to enable applicants to apply online for a building permit for up to four dwelling units in a new detached house, semi-detached house, or row house. The Development Review Division is continuing to implement its File Circulation Tool for pre-application consultations and development applications in 2025. In May 2024, through Item 2024.PH12.2, Council delegated authority for two additional types of minor zoning by-laws to the Chief Planner and Executive Director, City Planning, as identified in Section 5.1.9.2 of the Official Plan.

Collectively, these actions have resulted in expedited review, approval and permitting processes, especially for affordable housing. In 2024, the City reduced time to decision for key application types, Official Plan Amendment (OPA), Zoning By-law Amendment (ZBA) and Site Plan, by 80 per cent or more, accelerating the development of new housing. The average time to decision for OPA and ZBA applications is now approximately four months and approximately three months for Site Plan applications.

In addition to the commitments made under the HAF agreement, the City has identified further opportunities to transform its administrative structure to support City-led and City-supported housing development projects that will assist the City in achieving housing targets set under the HAF, the City's HousingTO Plan, and the provincial housing target for the City. The City will establish a new Housing Development Office in 2025 to lead housing development, reporting to the Deputy City Manager, Development and Growth Services. The Office will oversee the consolidated list of all housing development projects, the consolidated housing capital plan and budget, including investments in City-led projects, including through Toronto Community Housing Corporation (TCHC) and CreateTO, and City-supported projects, and will ensure that both staff and City Council continue to have full visibility on all projects and investments across the entire affordable housing portfolio.

Initiative 2: Revitalizing Toronto Community Housing Buildings and Creating Net New Rent-Geared-to-Income and Affordable Rental Homes Within Inclusive, Equitable and Complete Communities

Through this initiative, the City committed to enabling more supply at TCHC revitalization sites and getting new homes on these sites to the permitting stage as quickly as possible. This includes accelerating the development process to increase height and density permissions and moving forward with selecting a development partner for Lawrence Heights Phase 2.

In 2023, City Council approved a Zoning By-law Amendment application for Phases 4 and 5 of the Regent Park revitalization to permit the development of 12 buildings with heights ranging from 6 to 39 storeys. Phases 4 and 5 plan to deliver 633 RGI replacement homes (completing the full replacement of the original 2,083 Regent Park RGI homes) along with 2,168 new market homes. 637 net new affordable rental homes are also planned, provided funding is secured to support the construction and subsidization of rents for these homes. TCHC submitted its site plan application for the first building in Phase 4 (Building 4A) in December 2024, with the aim of starting construction in the spring of 2025. TCHC submitted an application to CMHC's Affordable Housing Fund (AHF) in November 2024 for Building 4A and continues to work alongside city staff and CMHC's underwriting team to obtain approval. An approved application will provide the funding and financing necessary to begin construction of Building 4A.

The release of a Request for Proposals process for a developer partner for the construction of new market homes, affordable rental and RGI replacement homes within Lawrence Heights Phase 2 is anticipated in 2025, following the completion of a market sounding study. A proponent is anticipated to be selected by the end of 2025, subject to the outcomes of the market sounding and RFP process. To further expedite the delivery of new homes in Lawrence Heights, in December 2024, through EX19.1, City Council requested that the Development Review Division work with TCHC to conduct a City-initiated rezoning process through the City's Priority Development Review Stream to expedite the delivery of urgently needed new housing and associated community infrastructure.

Initiative 3: Protecting Rental Homes, Supporting Renters and Reducing Housing Speculation

The focus on preserving the existing supply and affordability of rental homes is critical to realizing progress on Toronto's housing goals. Through this initiative, the City has committed to addressing the rapid loss of private rental homes through non-profit and co-op acquisition, and support to keep renters in their homes. Renovictions, where tenants are evicted under the false pretense of necessary renovations so landlords can increase rents significantly or refuse tenants return to their homes, have become increasingly common in the city's tight rental housing market. Renovictions disproportionately impact low-income and marginalized communities, exacerbating homelessness and leading to the loss of affordable rental housing options.

On November 14, 2024 Toronto City Council adopted a Rental Renovation Licence By-law to curb bad faith evictions and protect tenants from the practice of renovictions. The Bylaw will come into effect on July 31, 2025. The City will also be launching a Housing At-Risk-Table when the by-law comes into effect to support renters at-risk of eviction or those recently evicted; review complaints received; and connect people to supports. In addition, the City released an [Eviction Prevention Handbook](#) in Q2 2024 to support renters.

The City's MURA Program provides funding and incentives to Community Housing Providers to purchase and preserve existing rental homes. The primary objectives of the program are to remove properties from the speculative housing market and create permanently affordable rental homes; improve housing stability for current and future tenants; improve the physical conditions of buildings; increase capacity in the non-profit and Indigenous housing sectors; and ensure the long-term financial sustainability of the homes. Through Calls for Applications issued in 2022 and 2023, the City awarded \$64.1 million in MURA funding to 15 Community Housing Providers, supporting the purchase of 368 homes.

The 2024 MURA Call for Applications (a commitment under the HAF) was issued in Q3 2024 and resulted in successful proposals from 17 Community Housing Providers, representing 19 properties and over 700 rental homes to be preserved through the award of \$102 million in grant funding, which was partially funded by the City's first HAF installment. The 2024 MURA process demonstrated the increasing demand by the community housing sector for adequate financial support to ensure existing supply of homes in Toronto can be preserved and maintained as affordable rental homes for current and future residents.

In addition, City Council also approved a new Community Housing Pre-development Fund (CHPF) through Item 2024.PH13.8. The CHPF Call for Applications launched in November 2024 to assist Community Housing Providers with the planning and pre-development costs associated with building new rent-controlled, affordable rental and RGI housing projects. Through the CHPF, projects are eligible to receive a maximum of \$50,000 per RGI and affordable rental home in the form of interest free repayable loans due on first construction financing draw. To advance the City's commitments to truth, justice, and reconciliation, 20 per cent of CHPF loan funding is dedicated to applications submitted by Indigenous Housing Providers. The CHPF Call for Applications is open until February 28, 2025.

Initiative 4: Enhancing the Housing Now Initiative and Expediting Delivery of New Permanently Affordable Rental Homes Within Transit-Oriented and Complete Communities

Through the Housing Now Initiative first adopted by Council in 2019, the City committed to accelerating affordable housing as part of mixed-income, mixed-use and complete communities on City-owned sites near transit. Following changes in macro-economic conditions that challenged the financial viability of several Housing Now projects, the

City made program enhancements in 2023. This includes zoning changes to increase height and density and providing for a greater diversity of unit types, sizes and tenure, and increasing grant funding to improve project viability and inclusion of net new RGI homes. Through this initiative, the City committed to unlocking development at three priority sites (Bloor-Kipling Block 1, 50 Wilson Heights Boulevard and 140 Merton Street) and accelerating approvals at future Housing Now sites. To-date, the first two Housing Now sites have begun construction, with 140 Merton Street expected to finalize financing with CMHC and submit its building permit application and initiate construction activities in Q1 2025, with groundbreaking anticipated in Q2 2025.

In 2024, the City also made progress on advancing additional Housing Now sites, including through Council adoption of the zoning by-law amendments for two sites: 3326 Bloor Street West and 1226 Islington Avenue, which will provide approximately 1,415 new homes, of which, approximately 471 new affordable rental homes will be targeted, and 2444 Eglinton Avenue East, which will deliver a total of 918 new homes, including 612 RGI, affordable and market rent-controlled co-operative homes. The Housing Now site at 777 Victoria Park Street also secured a minor variance at the Committee of Adjustment that will add an additional 195 rental homes to the site and enable it to advance a site plan application and CMHC financing. Construction work has begun on the TTC passenger pick-up-drop-off location on the site.

Initiative 5: Transforming Toronto's Waterfront as a Catalyst for Social, Economic and Cultural Growth

Another key initiative the City committed to through HAF is advancing major development on Toronto's waterfront, through the Quayside project. Quayside is a 4.9-hectare parcel of land on Toronto's waterfront, located at Queens Quay East and Parliament Street. It is a key district along the waterfront that builds on the development in the adjacent Bayside and Dockside lands, and the emerging Keating Channel West Precinct. The majority of the Quayside land is owned by Waterfront Toronto.

Quayside is being developed in partnership with Quayside Impact Limited Partnership (QILP), which is led by Dream Unlimited and Great Gulf Group. Under the HAF, the City committed to accelerating the delivery of purpose-built rental, and permanently affordable rental homes through expedited planning approvals and a review of opportunities to increase density at various sites along Toronto's waterfront.

In July 2024, Council adopted the Zoning By-Law Amendment application for the first phase of development at Quayside. This rezoning sets the stage for delivering the purpose-built rental and affordable homes in the first phase of the development and increased the permitted density to allow for taller buildings with reduced building footprints. The rezoning also secured important community benefits that contribute to creating a complete community.

Based on the Quayside accelerated plan that has been developed by the City, Waterfront Toronto, and QILP, the teams have initiated the funding application process

with CMHC and the City will be reporting to Council in Q2 2025 with an update and next steps required to deliver the purpose-built rental and affordable rental homes.

Initiative 6: Implementing a New Rental Housing Supply Incentives Program to Increase Purpose-Built Rental Housing Supply

An adequate supply of purpose-built rental homes is central to a well-functioning housing system that can meet the housing needs of current and future residents. Through this initiative the City will enable new purpose-built rental construction through new incentives and faster development reviews and approvals.

In June 2024, through PH13.8, the City's former Open Door Affordable Housing Program was transitioned into a new Rental Housing Supply Program to incentivize both non-profit and private housing developers to create new rental homes, including rent-controlled, affordable and RGI homes. The Rental Housing Supply Program consists of three streams, including a capital grant funding stream; an incentives stream for rent-controlled, affordable rental and RGI homes; and a purpose-built rental housing stream for rental projects with at least 20 per cent affordable rental homes. The capital grant funding stream provides up to \$260,000 in grant funding per affordable rental home and will launch its first call for applications in Q1 2025. The incentives stream for rent-controlled, affordable rental and RGI homes launched in November 2024 and is currently accepting applications on a rolling basis.

While not part of the HAF commitments, the City also took an unprecedented step to develop the new Purpose-built Rental Housing Incentives stream, providing financial incentives to purpose-built rental housing projects that include 20 per cent affordable rental homes (EX18.2). Through Phase 1, the City made available an indefinite deferral of development charges and 15 per cent property tax reduction for purpose-built rental homes. 7,156 net new rental homes, including 1,047 net new affordable rental homes will advance to construction by the end of 2026 as a result of the Purpose-built Rental Housing Stream. The City will continue to provide the 15 per cent property tax reduction to all new rental developments on a go forward basis that will support rental housing projects beyond HAF timelines.

Initiative 7: Expanding Missing Middle Housing Options and Increasing Project Certainty

Through this HAF initiative, and the City's Expanding Housing Options in Neighbourhoods (EHON) initiative, the City is facilitating missing middle housing options such as garden and laneway suites, multiplexes and low-rise walk-up apartments, as well as updating planning permissions to encourage greater density in Toronto's neighbourhoods. This includes exploring ways to make missing middle housing more feasible and cost-effective to achieve and is advancing efforts to expand permissions; create more flexibility; simplify design guidelines; simplify the development review process; and explore ways to create off-the-shelf built-form models/concepts. This work is stimulating the development of this type of housing in all neighbourhoods across the city and expanding the range of housing options available to residents to better meet

growing demand. These changes will ultimately result in more housing supply, as well as a greater diversity of housing types that are appropriate for all family sizes and income levels, support aging in place and help to lessen the impact of urban sprawl on climate.

The City has completed a number of the HAF milestones related to this initiative, including increasing height limits for townhouses to four storeys, and low-rise apartments up to 6 storeys and up to 60 units through the Major Streets Study (PH12.3), and permitting as-of-right heights and densities for mid-rise buildings on lands identified as Avenues and designated Mixed Use Areas in the Official Plan. These mid-rise zoning permissions have the potential to unlock an increase of almost 61,000 dwelling units above the approximately 21,500 dwelling units achievable under existing zoning standards. In addition, on January 23, 2025, Planning and Housing Committee approved a report and associated Official Plan Amendment to add 283 kilometres of new Avenues, enabling more mid-rise buildings in Mixed Use Areas and Apartment Neighbourhoods. The report will be considered at City Council on February 5, 2025.

Through this HAF initiative, the City committed to permit more low-rise, multi-unit housing development through as-of-right zoning by-laws in Neighbourhoods, including permissions for residential buildings with up to six dwelling units. In-force as-of-right zoning in Toronto currently permits five units on every residential lot (a four-plex plus a garden or laneway suite) across the city. The first zoning by-law to permit six-plexes as-of-right was adopted by the City's Planning and Housing Committee on January 23, 2025, and is advancing to City Council on February 5, 2025.

If adopted, the zoning permissions for six-plex development will apply to the Scarborough North ward (Ward 23), and approximately 61 per cent of the lots can accommodate a six-plex using the existing multiplex standards found in the city-wide zoning by-law. This local study is a significant pilot to bring forward permissions to expand city-wide multiplex dwelling unit permissions from four to six units within a single residential structure.

The Scarborough North six-plex study lays the foundation for an efficient zoning review city-wide. Staff will bring an expedited report back with final recommendations for city-wide six-plex permissions, as appropriate, in June 2025. To further facilitate six-plex development, staff will also review and update the zoning performance standards (e.g. potential additional height permissions) for six-plexes and expedite this work to bring forward to the December 3, 2025 meeting of Planning and Housing Committee, and to the December 16-18, 2025 meeting of City Council.

Initiative 8: Optimizing Land Use and Simplifying the Planning Approvals Process to Increase Purpose-Built Rental Supply in Apartment Neighbourhood Zones

Optimizing land use, including densifying sites where land resources are finite, is a key tool to add net new homes. Across Toronto, there are several apartment towers surrounded by open space that could provide opportunities to accommodate more housing through infill development while supporting the principles of complete communities. Through this initiative, the City is leveraging underused portions of existing apartment sites, such as surface parking lots and low-use open spaces, to expand the supply of housing. This entails establishing best practices and developing new tools to simplify and streamline the approval process for infill housing on existing apartment sites.

In July 2024, through PH14.10 the City provided an overview of the current policy and regulatory context for infill development in the city's apartment neighbourhoods and proposed a workplan to advance this initiative. Staff are expediting work to introduce new infill development opportunities for apartment sites and will bring a report back with proposed recommendations in Q2 2025 with and a final report to Planning and Housing Committee in Q4 2025.

Conclusion

HAF supports the implementation of the City's 2022-2026 Housing Action Plan and the HousingTO Plan, which targets approval of 65,000 new rent-controlled homes across the city by 2030 including 6,500 RGI homes and 18,000 supportive homes with a focus on helping people exit homelessness.

HAF investments are providing Toronto with a predictable funding stream until the end of 2026, which is pivotal to unlocking projects and accelerating the delivery of new homes, particularly affordable rental homes near transit. The City will continue to work towards achieving its commitments through the federal HAF program, including achieving 60,980 net new permitted homes by the end of 2026 and accompanying sub-targets, as well as all eight initiatives and 35 accompanying milestones.

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SIGNATURE

Jag Sharma
Deputy City Manager, Development and Growth Services

ATTACHMENTS

Attachment 1: Status of All Initiatives and Milestones in the City's Housing Accelerator Fund Agreement

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Initiative	Milestone	Status (as of January 2025) and Target Completion Date if not Yet Completed
1: Transforming the City of Toronto Administrative Structure and Increasing Capacity to Expedite the Approval of New Development Applications	1.1. Structure and leadership in place for new Service Area	Completed
	1.2 Transfer of Toronto Building, City Planning and Housing Secretariat to new service area	Completed
	1.3 Structure and leadership in place for a new Development Review Division	Completed
	1.4 Delegation of additional zoning by-law approvals, including housekeeping/ technical amendments	Completed
	1.5 Development and implementation of additional customer-facing (building permit) digital tools to automate routine internal business processes	Completed
	1.6 Full implementation of new and enhanced technology systems across Divisions to support expedited review and approval of development and building permit applications	In progress – target completion in September 2025
2: Revitalize Toronto Community Housing Buildings and Create Net New RGI and Affordable Rental Homes Within Complete Communities	2.1. Draft Plan of Subdivision for Firgrove approved	Completed
	2.2 Council approval of Regent Park Phase 4 rezoning	Completed
	2.3 Developer partner selected for Lawrence Heights Phase 2	Updated target completion date in December 2025 (subject to outcomes of market sounding study)

Initiative	Milestone	Status (as of January 2025) and Target Completion Date if not Yet Completed
3: Protecting Rental Homes and Increasing Affordability for More Renters (MURA)	3.1 Report to the Jan. 30, 2024 Executive Committee meeting, on the potential sources of funding and the mechanism to deliver the pre-development fund	Completed
	3.2 Issue new MURA call for applications	Completed
	3.3 Establish a Housing At-Risk Table to support renters at-risk of eviction or those recently evicted; review complaints received; and connect people to supports	Updated target completion date in July 2025 (in line with timing for item 3.4)
	3.4 Establish a new Renovictions By-law (within the City's jurisdiction) and creating new Eviction Prevention tools	Updated target completion date in July 2025 (when the by-law takes effect)
	3.5 Implement Council-approved recommendations with respect to a pre-development fund to support Indigenous, non-profit, and co-op housing projects, in collaboration with CMHC	Completed
4: Enhancing the Housing Now Initiative and Expediting Delivery of New Permanently Affordable Rental Homes	4.1 Council Approval of Program enhancements to the Housing Now initiative	Completed
	4.2 Upzoning on First Three Housing Now Sites	Completed
	4.3 Accelerating Construction on First Three Housing Now Sites	In progress – target completion date in Q2 2025
	4.4 Report to the Planning and Housing Committee on the British Columbia legislative approach on transit-oriented housing permissions (Bill 47) and its applicability to Toronto's major transit station areas	Completed

Initiative	Milestone	Status (as of January 2025) and Target Completion Date if not Yet Completed
4: Enhancing the Housing Now Initiative and Expediting Delivery of New Permanently Affordable Rental Homes	4.5 Complete zoning amendments for as-of-right development within PMTSAs and MTSAAs (dates subject to Provincial Approval timelines)	In progress – target completion date in September 2026 (Subject to provincial approval of PMTSAs)
	4.6 Accelerating Permitting on other Housing Now Sites	In progress – target completion date in September 2026
5: Transforming Toronto’s Waterfront as a catalyst for social, economic and cultural growth	5.1 Quayside Update Report to Council on the Funding for Affordable Housing	Updated target completion date in Q2 2025
	5.2 Rezoning of site	Completed
	5.3 Permits secured for Quayside Blocks 1 & 2	In Progress – Target Completion Date in September 2026 (Subject to completion of 5.1)
6. Implementing a New Rental Housing Supply Program	6.1 Develop new Rental Housing Supply Incentives Program for Council Consideration	Completed
	6.2 Implementation of new Rental Housing Supply Incentives Program through first Call for Applications	Completed
7. Expanding Missing Middle Housing Options and Allowing Increased Density	7.1 Complete study on Expanding Housing Options in Neighbourhoods Major Streets Study- Official Plan and Zoning by-law Amendments to increase height limits for townhouses to 4 storeys, and low-rise apartments up to 6 storeys and up to 30 units and propose by-laws to Council to implement results of study	Completed

Initiative	Milestone	Status (as of January 2025) and Target Completion Date if not Yet Completed
7. Expanding Missing Middle Housing Options and Allowing Increased Density	7.2 Complete study on Housing Action Plan Study to propose as-of-right zoning, for mid-rise buildings (6-11 storeys) along Avenues identified in the Official Plan and propose by-laws to council to implement results of study, as applicable	Completed
	7.3 Report back to Council with opportunities, and any by-laws required for implementation, to permit more low-rise, multi-unit housing development through as-of-right zoning by-laws across Toronto, including permissions for four-storey multi-unit residential development, including multiplexes, and its potential to contribute to Toronto's housing supply; and permissions for residential buildings with up to 6 dwelling units	Updated target completion date in Q2 2025
	7.4 City-developed How To guides for homeowners and options for Ontario Building Code compliance for multi-tenant houses and garden suites	Completed
	7.5 Undertake a review of the "no net new shadow" policies within Secondary Plans and Site and Area Specific Policies as appropriate in order to unlock new housing opportunities and expedite, where possible, further amendments to the Mid-Rise Design Guidelines, including the angular plane requirements, and propose by-laws to Council to implement results of review, as applicable	Completed
	7.6 Deliver a "Post-secondary Affordable Housing Strategy" in collaboration with post-secondary institutions in Toronto, including any bylaws required, to ensure parking will not be a limitation to multi-unit residential housing geared for students	Updated target completion date in April 2025

Initiative	Milestone	Status (as of January 2025) and Target Completion Date if not Yet Completed
7. Expanding Missing Middle Housing Options and Allowing Increased Density	7.7 Simplifying Design Guidelines and Built-form Models/Concepts	In progress – target completion date in March 2025
	7.8 Make publicly available the approved designs for the Missing Middle Pilot at 72 Amroth Avenue once the project has achieved all necessary planning approvals in an effort to encourage missing middle housing development	In progress – target completion date in December 2025
8. Optimizing Land Use and Simplifying the Planning Approvals Process to Increase Purpose-Built Rental Supply in Apartment Neighbourhood Zones	8.1 Interim report on facilitating apartment infill	Completed
	8.2 Final report on facilitating apartment infill	Updated target completion date in December 2025