

Building Faster: Streamlining Housing Delivery and Strengthening the City's Development Capacity

Date: July 2, 2025

To: Executive Committee

From: Deputy City Manager, Development and Growth Services

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

Confidential Attachment 1 to this report contains information that deals with a position, plan, procedure, criteria or instruction to be applied to negotiations to be carried on by or on behalf of the City.

SUMMARY

Toronto is facing an unprecedented housing affordability crisis that spans the entire housing continuum—from emergency shelters to market rental and ownership housing. The need for new rent-controlled, affordable, and rent-geared-to-income (RGI) homes is urgent and growing. In response, the City of Toronto has taken bold and transformative steps to reshape its housing system and accelerate the delivery of much-needed homes.

To meet the complex and evolving housing needs of its residents, the City is adopting a more proactive and hands-on approach to housing development. Structural and policy innovations—such as the establishment of the Housing Development Office and the implementation of the Toronto Builds Policy Framework—are pivotal to this strategy. These initiatives are designed to streamline processes, align resources, and facilitate the timely development of housing on land owned by the City and its agencies and corporations.

This report responds to City Council direction from EX19.1 and PH21.4 and provides an update on the new housing delivery model to implement the Toronto Builds Policy Framework. Specifically, it outlines the Housing Delivery Governance Framework, that was established earlier this year, to improve decision-making, accountability and coordination across teams, provides details on the development models, stage gating and approval framework for Toronto Builds sites, and describes the status and key

terms of the Master Service Agreements between the City and CreateTO and the Toronto Community Housing Corporation (TCHC), respectively. In addition, this report offers an update on the establishment of the Housing Development Office, which serves as a central coordinating body to drive housing delivery across the corporation and with CreateTO and TCHC, to ensure accountability, efficiency, and innovation in the City's housing efforts.

RECOMMENDATIONS

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

Implementation of the Toronto Build Policy Framework

1. City Council direct the Executive Director, Housing Development Office to establish a three-year Workplan and prioritization of the Toronto Builds Portfolio on a rolling forecast, in consultation with the Executive Director, Development Review, the Chief Executive Officer, CreateTO and the Chief Executive Officer, Toronto Community Housing Corporation, to be updated annually and approved through the Governance Framework.
2. City Council direct the Executive Director, Housing Development Office to request through the annual budget process sufficient funding for all pre-development, due diligence, development review, development procurement, and market offering activities, and all other services to be provided pursuant to the Master Service Agreements with CreateTO and Toronto Community Housing Corporation for Toronto Builds sites based on the Workplan referred to in Recommendation 1 above.
3. City Council authorize the Executive Director, Housing Development Office to approve Development Services Requests and Development Services Summaries and approve and execute Project Addenda for Toronto Builds Projects under the Master Service Agreements with CreateTO and Toronto Community Housing Corporation, respectively subject to the availability of sufficient Council approved funding for the services included in the Project Addendum.
4. City Council, as part of Council's previous request in Part 3 of Item EX19.1, adopted by City Council in December 2024, request the Board of Directors of CreateTO to direct the Chief Executive Officer, CreateTO to advance work on housing opportunities at the direction of the City, including having CreateTO provide development and construction management services and act as a development partner for projects on City lands as part of the terms of the Master Services Agreement to be executed by CreateTO.
5. City Council direct the Executive Director, Development Review, the Chief Building Official and Executive Director, Toronto Building and the Chief Planner and Executive Director, City Planning to prioritize and expedite all relevant planning application and building permit approvals required to deliver Toronto Builds projects, based on the approved Workplan in Recommendation 1 above.

6. City Council deem Toronto Builds projects as having City-wide interest and direct that the City-initiated planning applications for these projects be considered by the Planning and Housing Committee.

7. City Council authorize the Deputy City Manager, Development and Growth Services, in consultation with the Deputy City Manager, Corporate Services, and the Chief Financial Officer and Treasurer to approve the business case and competitive delivery partner selection process for each of the Toronto Builds Projects, as recommended through the Governance Framework, provided that the business case complies with the Toronto Builds Policy Framework and does not include any new financial impacts to the City that were not previously approved by City Council.

8. City Council authorize the Executive Director, Housing Development Office to, in accordance with the approved business case, per Recommendation 7 above:

- a. undertake, or assign to CreateTO or TCHC through their respective Master Services Agreement to undertake, a competitive process to select a delivery partner; and

- b. approve, in consultation with the Deputy City Manager, Development and Growth Services a delivery partner for each Toronto Builds Project, provided that the terms are aligned with the approved business case.

9. City Council authorize the Executive Director, Housing Secretariat to issue Requests for Proposals and select, in consultation with the Deputy City Manager, Development and Growth Services, non-profit and for-profit housing operators for Toronto Builds sites, when required, provided that the terms are aligned with the approved business case per Recommendation 7 above.

10. City Council authorize, severally, each of the Executive Director, Housing Secretariat and the Executive Director, Housing Development Office, to negotiate and enter into, on behalf of the City, municipal housing project facility agreements (the City's Contribution Agreement) with the development partners and/or operators selected in accordance with Recommendations 8 and 9, to secure the financial assistance being provided and set out the terms of the development and/or operation of the affordable rental housing, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and the Executive Director, Housing Development Office, and in a form approved by the City Solicitor.

11. City Council authorize, severally, the Executive Director, Housing Secretariat and the Executive Director, Housing Development Office, or their designate, to execute, on behalf of the City, any security or financing documents required by the development partners and/or operators selected in accordance with Recommendations 8 and 9 to secure construction and conventional financing and subsequent refinancing, including any postponement, confirmation of status, discharge or consent documents where and when required during the term of the City's Contribution Agreement, as required by normal business practices, and provided that such documents do not give rise to financial obligations on the part of the City that have not been previously approved by City Council.

12. City Council authorize Executive Director, Housing Secretariat to amend the Contribution Agreements for any of the six Housing Now sites identified in the report (July 2, 2025) from the Deputy City Manager, Development and Growth Services, if required, to remove the requirement that 10 percent of the affordable rental housing units be rented at no more than 40 percent of average market rent and require where not otherwise provided for, that 20 percent of the affordable housing units be made available to households in receipt of housing benefits to create new rent-geared-to-income homes, provided the requirement that the overall average rents for the affordable units at each site not exceed 80 percent of average market rents remains unchanged.

13. City Council direct the Executive Director, Housing Development Office, in consultation with relevant City Divisions, Agencies, and Corporations, to report annually to the Planning and Housing Committee on the status of Toronto Builds Projects, including development progress and timelines, and update on the three-year Workplan.

14. City Council direct the Executive Director, Housing Development Office, in consultation with relevant City Divisions, Agencies, and Corporations, to include in the Toronto Housing Data Hub publicly available information on the delivery of the Toronto Builds Portfolio.

Real Estate Authorities to Implement Toronto Builds Projects on City-owned Land

15. City Council authorize the Deputy City Manager, Corporate Services, when transacting with for-profit developers and/or operators in relation to Toronto Builds projects, to approve market value transactions, including leases and related transaction agreements for a term of up to 99 years for the purpose of achieving the City's affordable housing objectives, notwithstanding that the related values may exceed the Deputy City Manager, Corporate Service's existing delegated authority of \$5 million dollars, as set out in Municipal Code Chapter 213, Appendix A, provided that the lease and transaction agreements are materially consistent with the applicable business case approved in accordance with Recommendation 7, and the Executive Director, Housing Development Office and the Executive Director, Housing Secretariat concur with the proposed transaction terms.

16. City Council authorize, in relation to transactions contemplated in Recommendation 15 above, the Deputy City Manager, Corporate Services, to consider the estimated value of the affordable housing benefits that will be realized by the City as sufficient market value compensation received by the City, provided the transaction meets the affordability requirements set out in the Toronto Builds Policy Framework.

17. City Council authorize the Deputy City Manager, Corporate Services, when transacting with non-profit developers and/or operators in relation to the Toronto Builds projects, to approve transactions at nominal or less than market value, including leases and related transaction agreements for terms of up to 99 years for the purpose of achieving the City's affordable housing objectives, provided that the Executive Director, Housing Development Office and the Executive Director, Housing Secretariat concur with the proposed transaction terms.

18. City Council authorize, severally, the Deputy City Manager, Corporate Services, and the Executive Director, Corporate Real Estate Management, to execute, on behalf of the City, any documents arising in relation to the exercise of the approval authorities set out in Recommendations 15 and 17 above, subject to such documents being in a form satisfactory to the City Solicitor.

19. City Council authorize the Deputy City Manager, Corporate Services, in consultation with the Executive Director, Housing Development Office, to provide any consent necessary to encumber the Toronto Builds Projects or the affordable rental housing portion thereof, and to negotiate and enter into any associated agreements or other documents required to deliver any of the Toronto Builds Projects or the affordable rental housing portion thereof, on terms and conditions satisfactory to them and in a form approved by the City Solicitor.

20. City Council authorize the Executive Director, Corporate Real Estate Management, to negotiate and enter into agreements, including nominal agreements with corporate entities controlled by either CreateTO or Toronto Community Housing Corporation, where it is deemed necessary to facilitate or perform development activities for Toronto Build Projects in accordance with the terms of the Master Services Agreements.

21. City Council amend Article VI of the City of Toronto Municipal Code, Chapter 415, Development of Land substantially in accordance with Attachment 2 to the report (July 2, 2025) from the Deputy City Manager, Development and Growth Services, to exempt Toronto Builds Projects from the application of parkland dedication requirements and payment of community benefits charges.

22. City Council direct the Deputy City Manager, Development and Growth Services to work, in consultation with the Deputy City Manager, Community Development and Social Services, and request the Board of Directors of CreateTO, and the Board of Directors Toronto Community Housing Corporation to direct the Chief Executive Officers of CreateTO and Toronto Community Housing Corporation to work in consultation with the Deputy City Manager Development and Growth Services and the Deputy City Manager, Community Development and Social Services to explore ways to harmonize community benefits best practices.

23. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety until all the projects under the Master Service Agreements with CreateTO and TCHC have been completed..

FINANCIAL IMPACT

Led by the newly established Housing Development Office, the City is directly responsible for Toronto Builds Projects end-to-end from development planning through construction management and directly selecting for-profit or non-profit developers and operators to operate the new buildings upon completion.

The City is responsible for providing direct investments toward public development for Toronto Builds Projects, in partnership with CreateTO and TCHC, under the Toronto Build Policy Framework. This includes the responsibilities for funding any additional staffing resources required by CreateTO and TCHC to ensure internal capacity to manage complex, multi-year developments, and carry out enabling work as well as related services, including pre-development activities, due diligence, development reviews, development procurement, and market offerings.

This report brings forward the amendments to the current Chapter 415 Development of Land By-law, to exempt all units within Toronto Builds Projects from parkland dedication requirements as well as Community Benefits Charges, per City Council direction in Part 10 of Item PH21.4 Toronto Builds - A Policy Framework to Build More Affordable Rental Homes on Public Land.

It is noteworthy that the City has implemented a Purpose-Built Rental Housing Incentives Stream as part of the Rental Housing Supply Program, offering incentives to qualifying developments that include at least 20% of units of affordable rental housing. These financial incentives include a 15% property tax reduction for 35 years starting in the 2025 taxation year and an indefinite deferral of development charges.

Full financial information, including estimated foregone revenues and further incentives, for individual City-led projects under Toronto Builds Projects will be included in future reports for City Council consideration and approval, once specific projects are identified. All necessary capital funding required for the construction of City-led Toronto Builds Projects will be secured through the City's approved 10-Year Capital Budget and Plan, subject to the annual budget process.

The establishment of the Housing Development Office is not expected to result in any additional incremental operating costs to the City or financial impacts beyond existing budget and funding transfers. Each division within the Development and Growth Service area has contributed resources, enabling the new office to launch with 18 full-time equivalent (FTE) positions entirely funded by existing divisional resources. Any necessary in-year budget adjustments will be brought forward for Council's approval once all details are finalized.

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

EQUITY IMPACT

The HousingTO 2020-2030 Action Plan (HousingTO Plan) envisions a city where all residents have equal opportunity to develop to their full potential. It is centred on a human rights-based approach to housing through the Toronto Housing Charter that recognizes housing as inherent to the dignity and well-being of a person and to building inclusive, healthy, sustainable, and livable communities. The City supports improved housing outcomes for its residents and recognizes that resources and investments must be made through the housing development process from all levels of government and prioritized to help those most in need.

A longstanding lack of deeply affordable and supportive housing for low-income, marginalized and vulnerable residents is now compounded with housing pressures for middle income earners. Existing City-led programs such as the Modular Housing Initiative have created supportive housing developments on City-owned land and demonstrate the value of centring affordability, accessibility and sustainability to achieve equitable city-building outcomes for low-income, marginalized residents.

The retention of City land for the purpose of developing affordable housing through cross-sector partnerships can advance equitable outcomes for current and future generations of Toronto residents. The City's enhanced role in the development of good quality, affordable housing can ensure that critical public infrastructure is integrated into vibrant, accessible and healthy neighbourhoods that will support the environmental and economic health of the city, region and country.

DECISION HISTORY

At its meeting on May 21 and 22, 2025, City Council adopted item PH21.4 - Toronto Builds - A Policy Framework to Build More Affordable Rental Homes on Public Land. The Toronto Builds Policy Framework establishes policies in 12 key areas to guide the development of new housing on City land.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PH21.4>

At its meeting on December 17 and 18, 2024, City Council adopted Item EX19.1 - Strengthening the City of Toronto's Housing Development Capacity to Deliver Housing Faster. The report outlines additional steps to advance the City's role as a Public Developer, by bringing a singular focus to City-led and supported housing development, and strengthening coordination between the City, CreateTO and Toronto Community Housing Corporation to achieve the City's housing goals.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX19.1>

At its meeting on July 24, 2024, City Council adopted Item CC20.10 -Advancing the Transformation of Toronto's Housing Delivery. The report responds to Council's requests and provides an update on the City's efforts and actions to advance its ambitious plan to transform Toronto's housing system.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.CC20.10>

At its meeting on December 13, 2023, City Council adopted Item EX10.2 -Advancing Generational Transformation of Toronto's Housing System -Aligning Housing Mandates and Strategic Efforts. The report outlines a number of recommendations to ensure a more consistent and strategic approach in how the City, CreateTO and Toronto Community Housing Corporation plan and deliver housing services.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX10.2>

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 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 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 to create a plan to achieve 25,000 new rent-controlled homes, in addition to the City's previous HousingTO 2020-2030 Action 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 on July 16, 17 and 18 2019, City Council adopted PH7.4 - A New Approvals Framework for Toronto Community Housing Corporation Revitalization Projects. This report recommends an approval process for all future Toronto Community Housing Corporation revitalizations and redevelopment opportunities, including any demolition and reconstruction of multiple buildings and infill opportunities. It also establishes a project governance framework for greater collaboration and coordination with City Divisions and CreateTO.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.PH7.4>

COMMENTS

Toronto continues to face an unprecedented housing affordability crisis across the housing continuum, with a lack of deeply affordable and supportive homes for those with low-incomes, and rapidly increasing rents affecting middle-income earners who aspire to live and work in the city.

Since the Fall 2023, and the adoption by City Council of Item EX9.3, the City of Toronto has taken significant steps to transform and strengthen Toronto's housing system and its internal organization and processes to expedite the delivery of housing in the City. As part of this transformation, the City has been taking a more active and direct role in the delivery of new rent-controlled, affordable, and Rent-Geared-to-Income ("RGI") homes under the HousingTO Plan.

To achieve the City's ambitious housing targets, City staff have clarified accountabilities and strengthened the City's housing development delivery framework with ongoing changes to the Housing Delivery Governance Framework, improved processes and better-defined roles and responsibilities across the various entities involved in housing development.

The City, and the Development and Growth service area, continue to advance strategic, policy and organizational changes and improvements to facilitate the expedited delivery of housing on City-led and City-supported sites. Several changes have been implemented to facilitate increased collaboration between various teams responsible for the delivery of new housing, leveraging expertise across teams, supporting better workflow and project management, and strengthening city-wide accountability on housing delivery with strong senior-level oversight.

Toronto Builds Policy Framework

At its May 21 and 22, 2025 meeting, City Council adopted [PH21.4 - Toronto Builds - A Policy Framework to Build More Affordable Rental Homes on Public Land](#). The Toronto Builds Policy Framework applies to land identified for housing owned by the City, its agencies and corporations (Toronto Builds Projects). The Toronto Builds Policy Framework establishes policies in 12 key areas, including: mixed-income communities, tenure, affordability, rent control, unit mix and size, amongst others. These policies set requirements and targets, where appropriate, to guide development of housing on Toronto Builds sites.

As indicated in PH21.4, a key program policy of the Toronto Builds Policy Framework is to contribute to complete communities where City-owned land is mobilized for housing. A complete community facilitates a diversity of housing types as well as amenities, community services and facilities such as childcare centres, libraries, community centres, and parks, among others. Advancing complete, mixed-income communities can be enabled by the appropriate distribution of City-owned land to a variety of uses through master planning – for example parkland – that, along with a spectrum of housing, make up a complete community. The need for community amenities and infrastructure will be a key consideration during the planning stage prior to a market offering on City-owned sites under Toronto Builds. Prudent land use planning will be accompanied by financial planning to ensure adequate funding is identified within the City's budget to advance these critical community infrastructure needs as part of Toronto Builds developments.

This report details how the implementation of the Housing Development Office, the adoption of a new project delivery model to accelerate housing, and the execution of master services agreements with CreateTO and TCHC, will support the effective implementation of the Toronto Builds Policy Framework.

Achieving Community Benefits in Toronto Builds Projects

The Toronto Builds Policy Framework is aligned with the City of Toronto's commitment to advancing equity and inclusion, and creating community benefits across a broad spectrum of housing development types. The Housing Development Office presents an opportunity to harmonize community benefits best practices across Toronto Builds projects. Community benefits best practices include community engagement, setting measurable targets for local and social hiring and procurement, identifying mechanisms for compliance and enforcement, and having accountable monitoring and oversight structures.

Continuing the precedent set on Housing Now projects by CreateTO and Social Development, the Housing Development Office will implement Community Benefits Plans in large-scale Toronto Builds projects, which will include minimum 10% equity targets for local and diverse hiring and procurement, monitoring and reporting, and to define criteria for equity targets in smaller-scale Toronto Builds projects. The proposed community benefits requirements of any individual Toronto Builds site will be detailed in the business case, following consultation with the Executive Director, Social

Development, and will be subject to approval in accordance with the stage gating process outlined in this report.

To extend the reach of community benefits, the Housing Development Office will define criteria for applying equity targets to smaller-scale Toronto Builds projects. The criteria will be informed by input through the City's Community Benefits Advisory Group, which is comprised of representatives from community organizations, employment service providers, skilled trade unions, developers, contractors, and City of Toronto divisions. Criteria to consider will include: Project budget, duration, procurement and workforce development potential, alignment with place-based community priorities, and the nature of the delivery partner (e.g., non-profit, Indigenous-led, or private sector organization).

Toronto Community Housing's approach to secure commitments with developers is highly focused on providing pathways to employment, training and scholarships for Toronto Community Housing tenants living in revitalization communities. Direction to implement Community Benefits Plans will not apply to Toronto Community Housing's Community Economic Development Program, although where there is opportunity to achieve harmonization of community benefits best practices, that will be explored.

Improving rent-geared-to-income housing opportunities in Housing Now projects

Under the Housing Now program, City Council directed that 10% of the affordable rental units be rented at no more than 40% of AMR. This was adopted to ensure new deeply affordable homes were created. Since that time, the City has placed a greater focus on creating rent-geared-to-income (RGI) homes, where rents are calculated based on 30% of household income rather than in relation to market rents. [Council set a new target in the HousingTO 2020-2030 Action Plan in 2023 that 6,500 rent-geared-to-income homes be approved by 2030.](#)

This report recommends City Council authorize City staff to apply the recently adopted Toronto Builds policy on creating rent-geared-to-income homes to six existing projects in development under the Housing Now program. This policy change will enable the Housing Secretariat to work with proponents to make 20% of the affordable rental homes being developed in their project available to households in receipt of housing benefits, which can be operated as rent-geared-to-income homes subject to available operating funding from the City. Subject to adoption of the recommendations in this report, City staff will engage the proponents for the projects at 777 Victoria Park Ave., 705 Warden Ave., 50 Wilson Heights Blvd., 2444 Eglinton Ave. E., 140 Merton St., and Bloor-Kipling Block 1 (5207 Dundas St. W.) to achieve this policy change where possible. Given Contribution Agreements for these developments have been executed, realizing this policy change will require discussions with and concurrence of proponents.

This new approach will improve the affordable housing outcomes on these housing projects by making these units available to households on the centralized waitlist for subsidized housing, ensuring the new homes are affordable to the lowest income renters in the city (including those receiving social assistance), and rents continue to be geared to income over time rather than rising with average market rents. The new approach will ensure income testing throughout the tenure for the units offered at the lowest rents, to ensure those units are provided to tenants who qualify. As the

requirement that the overall average rents for the affordable units not exceed 80% average market rents will remain unchanged, there will be no change to the potential rental revenues for these projects. Staff will work with the selected proponents for Housing Now sites to introduce this requirement where feasible, while also ensuring project agreements and delivery are not delayed.

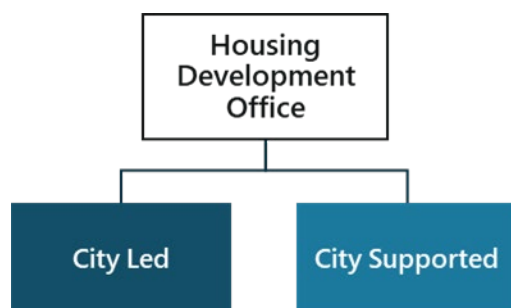
Housing Development Office

Through [EX19.1 - Strengthening the City of Toronto's Housing Development Capacity to Deliver Housing Faster](#), City Council directed staff to establish a Housing Development Office within the Development and Growth Service Area. The Housing Development Office functions as a project management office to accelerate the delivery of housing.

Since the beginning of the year, staff have undertaken a series of coordinated actions to establish the Office. To support its success and foster cross-divisional collaboration, each division within the Development and Growth Service Area contributed two FTE positions. This collective investment has laid a strong foundation, enabling the Office to launch with 18 FTEs all drawn from existing resources. In parallel, an external consultant has been retained to review the City's current housing delivery model to provide recommendations for the future state of the Housing Development Office. As part of this work, the consultants have engaged staff across multiple City divisions including: the Housing Secretariat, Corporate Real Estate Management, Legal Services and People and Equity, as well as staff at TCHC and CreateTO to inform their analysis and recommendations.

A number of staff, who are currently part of the Housing Development, Renewal and Improvement section of the Housing Secretariat, will transition to the Housing Development Office. Positions that will transition to the new office include: the existing Director, the Administrative Assistant, two Managers, one Housing Consultant, two Project Managers and eight Housing Development Officer positions. Additionally, an Executive Director, an Administrative Assistant and a second Director position are included in the initial setup of the Housing Development Office. Subject to Council priorities, funding, and workload demands, the need for additional resources will be assessed in the future and brought forward for Council consideration as part of the annual budget process.

Figure 1: Housing Development Office Sections



The Housing Development Office will oversee the consolidated list of all City-led and City-supported housing development projects and their corresponding budgets. This will

ensure that the City and City Council maintain full visibility on all projects and investments across the entire rent-controlled, affordable, and RGI housing portfolio.

The primary responsibilities of the Housing Development Office include:

- End-to-end oversight for the delivery of all City-led housing sites (sites owned by the City, as well as its agencies and corporations) and City-supported housing sites (sites approved for financial support under the City's Rental Housing Supply Program, including those led by Indigenous, non-profit and private sector housing organizations);
- Accountability for the City's housing delivery framework, including monitoring activities at each stage gate and 'unsticking' projects by working with other City divisions to resolve issues and hurdles that prevent projects from advancing through development and permitting approvals quickly;
- In recognition of existing workload and capacity challenges, monitoring the pipeline of City-led and City-supported housing projects, sequencing projects and leveraging new or emerging housing opportunities to optimize staff resources, and strategically recommending the allocation of available financial resources;
- Ensuring consistent application of the Toronto Builds Policy Framework, as well as utilization of common methodologies for financial modelling, and site due diligence and consistent stage gating and project milestones;
- Ensuring a more seamless transition between the City, CreateTO and TCHC and their housing delivery partners, for example, where a City partner may lead the early phases of a project and then transfer responsibility to the City or another partner when the site is ready to be taken to market;
- Implementing new tools to enable improved transparency and reporting of progress across all City Divisions, Agencies and Corporations involved in the delivery of housing.

New Housing Project Delivery Model

In addition to establishing the Housing Development Office, EX19.1 also directed staff to develop a new housing project delivery model to streamline processes, leverage skills and expertise across City divisions, TCHC and CreateTO to deliver housing on City-owned land in a more efficient manner. Through this new project delivery model, the Housing Development Office will be able to assign specific services in the development process to CreateTO or TCHC based on the provisions of a Master Services Agreement, which will be explored in greater detail later in this report. The Housing Development Office will also continue to leverage the expertise in the Corporate Real Estate Management Division for real estate matters and construction oversight, when applicable.

All City of Toronto housing development projects fall into one of two categories: City-Supported or City-Led. There are three delivery models for City-led projects which are identified in table 1 below.

Table 1: Delivery Models for City-led Projects

Model	Description
City as Builder / Delivery Lead	<ul style="list-style-type: none"> • The City leads, and is directly responsible for, the project end-to-end, from development planning through construction and directly selecting an organization to operate the new building. • At various stages in the development process, the City may directly procure the services of external partners such as for due diligence, design, construction etc., however is responsible for managing and overseeing their work. • This model is dependent on capital funding being available to advance the project. It has been leveraged to deliver the Modular and Rapid Housing Initiatives that resulted in new supportive housing across the city.
City as Developer with a Delivery Partner	<ul style="list-style-type: none"> • This model will see the City (including through TCHC or CreateTO MSAs) lead most development planning and approval activities (e.g., city-initiated zoning) as well as design, pre-construction and construction activities. • The City will seek a delivery partner (non-profit or private) that will obtain financing and operate the building for the duration of the lease (40 to 99 years). • This approach is currently being piloted on three sites, 1113-1125 Dundas Street West (led by CreateTO) and 405 Sherbourne Street and 150 Queens Wharf Road (led by TCHC).
City with a Development Partner	<ul style="list-style-type: none"> • This model is adapted from the existing Housing Now Program. The City (including through CreateTO or TCHC MSAs) leads up front development planning and planning approval activities and seeks a development partner (either non-profit or private) to complete the approvals, secure financing, and construct the building on the site and operate it for the duration for the lease. • Planning approvals are either City-initiated and secured before the market offering to select a development partner or left to the development partner to lead once selected, as was done for the site at 2444 Eglinton Avenue East. • The development partner will own and operate the building for the duration of the lease (40 to 99 years) and ownership of the building will revert to the City at the end of the lease term.

Under the guidance of the Housing Development Office, Toronto Builds projects on City-owned land will generally follow one of the aforementioned City project delivery models. The Executive Director, Housing Development Office, working with the Deputy

City Manager, Development and Growth Services, and in consultation with the Governance Framework, will determine the most suitable model for each site based on key considerations including the size and complexity of the site, availability of capital funding, partnership opportunities, and sectoral capacity. The project delivery model adopted for a Toronto Builds project on City-owned land will be guided by the policy framework established by the Toronto Builds Policy Framework (PH21.4) and the City's Master Services Agreements (MSAs) with CreateTO and TCHC.

Housing Projects on TCHC-owned lands

In addition to those projects on City-owned land, TCHC leads Revitalization Projects on its land. This model offers a further opportunity for the City to collaborate with TCHC to prioritize the City's overall housing delivery models and to ensure that the advancement of housing projects on TCHC lands are integrated into the City's housing delivery programs with the same accelerated approvals and budget allocations as all other housing delivery models. Each TCHC revitalization will be reviewed for alignment to the Toronto Builds Policy Framework balanced with a focus being placed on the replacement of aging housing stock, building complete and balanced communities with a range of housing options and creating funded development plans for net new residential units.

Revitalization projects on TCHC lands can generally follow the same delivery models described in Table 1 with TCHC being accountable for the development project as the owner of the lands. Following the approval of an Initial Development Proposal, TCHC typically secures a development partner and then works with the selected partner to secure planning approvals and deliver the revitalized community. Revitalization projects include the replacement of existing rent-geared-to-income homes, and the addition of new affordable and market homes. Significant engagement of existing tenant communities is an integral part of TCHC's revitalization model. As shareholder and service manager, the City has a role in providing the required consents and approvals, and the Board of Directors of TCHC is responsible for lands owned by the corporation.

Housing Delivery Governance Framework

As part of the new project delivery model for housing development, and as an immediate step to improve decision-making, accountability and coordination across teams, a new housing development governance framework was launched in March 2025. The Housing Delivery Governance Framework ("Governance Framework") is structured to ensure an integrated approach to accelerating delivery of public developer sites and key prioritized City-led and City-supported housing sites.

The main benefits of the new Governance Framework are:

- Facilitating a unified approach focused on decision-making at different levels of the organization based on appropriate expertise and/or authority;
- Monitoring activities at each stage gate and "unsticking" projects by resolving issues and hurdles that prevent projects from advancing through development and permitting approvals process quickly;
- Providing a coordinated forum and escalation path for timely resolution of issues and decision making; and

- Documenting and tracking decisions and issues consistently and centrally.

The Governance Framework is comprised of the following elements:

1) Approval and Project Resolution Table - Weekly forum for City, CreateTO and TCHC project leads and subject matter experts from all City Divisions involved in housing development to meet to manage projects, coordinate efforts to advance projects, and resolve issues.

2) Management Committee - Monthly meetings to bring together Director-level staff from across all three organizations (City, CreateTO and TCHC) to manage priorities and dependencies across the housing development portfolio and resolve conflicting directions and priorities unresolved by the Resolution tables.

3) Steering Committee - The Steering Committee is comprised of City Division Heads, City Deputy City Solicitors, the Chief Development Officers and Chief Legal Counsels from CreateTO and TCHC. It oversees priorities and dependencies across the entire portfolio of housing development projects, resolves barriers and major issues requiring senior level input. The Steering Committee approves the portfolio strategy and decisions related to housing development policies.

4) Executive Table - This senior level table, chaired by the Deputy City Manager, Development and Growth Services, brings together the Deputy City Manager, Corporate Services, the Deputy City Manager, Infrastructure Services, the Chief Financial Officer and Treasurer, the CEO CreateTO, the CEO TCHC and the Executive Director, Housing Development Office. Its main role is to ensure alignment with City and Corporate priorities, provide executive oversight to the Toronto Builds portfolio, and sign off on resolution for major portfolio decisions and issues. The Executive Table also reviews business cases for Toronto Builds Projects before their approvals by senior City officials, according to the approval framework.

The Housing Development Office serves a coordination and secretariat function to ensure the Governance Framework is well-functioning. Staff from the Office will attend all tables, ensuring continuity and information flow between the various layers of the framework. The Office will be the centralized accountable team tracking decisions, risk and issues across all levels using appropriate portfolio management tools, managing agenda and action logs, and ensuring information flow within the Governance Framework outside of meeting cadence.

Master Service Agreements

The City is taking a direct and active role in expediting the delivery of housing on Toronto Builds sites on City-owned land. In order to support the new housing project delivery model and ensure that housing is delivered in a timely and efficient manner, it is essential that the City leverages the development expertise of CreateTO and TCHC. To do this, the City will lead projects directly or engage TCHC and/or CreateTO on a project-by-project basis based on each organization's unique expertise, capacity, and best practices. The partnership between the City, CreateTO and TCHC will be codified in respective Master Services Agreements (MSA).

The main objectives that frame the MSAs are:

- Establishing a legal framework with clear roles and responsibilities for the delivery of housing projects, or specific elements or steps that have been assigned to one of the organizations to deliver;
- Establishing clear guidelines and processes to retain services from either CreateTO or TCHC under the agreements;
- Providing a simple and repeatable process for the City through the Housing Development Office to leverage and optimize resources and skillsets across all three organizations to deliver housing faster; and
- Facilitating the sharing of development information including financial and/or confidential information related to projects on City lands

Following Council direction, in EX19.1, for staff to negotiate and execute Master Services Agreements between the City of Toronto and TCHC and CreateTO, respectively, the three organizations have been diligently working to finalize the scope of services, key business terms and processes for the Master Services Agreements. The key terms of the MSAs are included in Confidential Attachment 1 to this report. Key terms were approved by the Board of TCHC on May 14, 2025, and the Board of CreateTO on June 20, 2025 respectively.

The MSAs identify the services and activities that the two organizations can deliver on the City's behalf over the entire development cycle, from initial due diligence and business case to selection of development and/or operating partners, design and pro forma, stewardship of planning and permitting approvals, and construction management and oversight.

Provided that there is available funding for the services in the Housing Development Office approved annual budget, the Executive Director, Housing Development Office is responsible for the assignment of projects, through a defined process, as described below.

1. When the City elects to assign a project or a stage of a project to one of either CreateTO or TCHC, the Executive Director, Housing Development Office initiates the assignment process by providing CreateTO or TCHC with a "Development Services Request" setting out the Services to be provided, the milestones and the required deliverables.
2. Upon receipt of the Development Services Request, CreateTO or TCHC will prepare a "Development Services Summary" setting out the delivery timeline, the delivery team, the Project budget and any other information the Executive Director, Housing Development Office requests.
3. Upon approval by the Executive Director, Housing Development Office of the Development Services Summary, the City and CreateTO or TCHC will execute a Project Addendum, which will set out the policy objectives and required Services for the assigned project.

The Project Addenda will also identify reporting and approval requirements to ensure adequate control mechanisms are in place and that the Development Services Summaries align with the stage gating and approval framework, so that projects seek both senior official and Council approvals at specified and consistent stage gates.

Stage Gating and Approvals

Toronto Builds projects on City-owned land will advance through the stage gate process detailed below, from pre-development activities through to construction and occupancy. The Executive Director, Housing Development Office has end-to-end oversight and will ensure that projects advance through the stages efficiently and with the appropriate controls and approvals in place. TCHC revitalization projects will continue to advance through the Approval Framework approved by City Council in July 2019 in Item [PH7.4 - A New Approvals Framework for Toronto Community Housing Corporation Revitalization Projects](#).

Toronto Builds sites, including those on TCHC-owned land, will be prioritized for due diligence and pre-development activities through a rolling three-year workplan to be established by the Executive Director, Housing Development Office in consultation with the Executive Director, Development Review, the Chief Executive Officer, CreateTO and the Chief Executive Officer, TCHC, and approved through the Governance Framework. The Workplan will be updated every year. Required budget for pre-development, due diligence, development review, development procurement and market offering activities, and all other services to be provided pursuant to the Master Service Agreements with CreateTO and TCHC for the sites included in the Workplan for the subsequent year will be submitted by relevant divisions, agencies, boards and corporations as part of the City's annual budget process.

Each stage of the development process will be led by the Housing Development Office or assigned to either CreateTO or TCHC through the MSAs. Once assigned, the project lead will be responsible for the specified stages, while the Housing Development Office continues to oversee and support progress to occupancy. Prior to proceeding to any of the below approvals, the project lead will brief and seek consensus from the Executive Director, Housing Development Office, and any other City Officials required, working through the Governance Framework. The project lead will prepare required material and briefing document(s) to facilitate decision-making.

The main stages with key activities and accountabilities are described in Table 2 below. The stages in Table 2 are shown in a typical sequential order but can take place concurrently or in a different order to respond to unique circumstances or market opportunities. For example, the Planning Approval stage may occur at the same time as the Development Planning Stage prior to the Delivery Partner Selection stage or be done following the selection of a development partner and led by the partner themselves. Key activities in Table 2 are meant to be illustrative and may not necessarily all apply to all development projects. For TCHC revitalization the development process will be informed by a similar list of tasks/stages but will follow the approvals framework as outlined in PH7.4 in 2019.

Table 2: Development Stages, Key Activities and Approvals for Projects on City-owned land

Stage	Key Activities and Outputs	City Approvals
Site Selection <i>(to add or remove development sites to or from the Toronto Builds Portfolio)</i>	<ul style="list-style-type: none"> Portfolio review for site selection Initial site condition assessment Technical Review Committee Planning policy review and internal massing, including desktop due diligence Co-location opportunities Service and program impacts <p>Output: Recommendations for potential sites to be added to the Toronto Builds Portfolio.</p>	ED, HDO and DCM, CS, subject to concurrence of CreateTO or TCHC, as applicable
Assignment of Projects	<ul style="list-style-type: none"> Development Services Request with services milestones and deliverables Development Services Summary, including delivery timeline, the delivery team, and the due diligence budget <p>Output: Executed addendum to MSA, where Toronto Builds Project assigned to CTO or TCHC</p>	ED, HDO

Stage	Key Activities and Outputs	City Approvals
Development Planning	<ul style="list-style-type: none"> • High-level massing and/or development concept principles • Site condition and investigative due diligence, including: <ul style="list-style-type: none"> • Architectural • Survey, environmental and geotechnical • Civil engineering • Traffic & Transportation • Title • General Market sounding • Outreach / Engagement housing AHP Sector • Affordable housing and City Building outcomes • Community benefits requirements • Building program specifications • Initial financial analysis • Pro Forma development • Initial project budget • Initial project schedule <p>Output: Business case</p>	<p>Business Case: DCM, DGS in consultation with DCM, CS and CFO, provided ED, HDO and CreateTO or TCHC Board, as applicable, concur <i>(If business case complies with Toronto Builds Policy Framework)</i></p> <p>PHC and City Council <i>(if Business Case deviates from the Framework and/or requires new City financial contribution in advance of market offering)</i></p> <p>Rental Housing Supply Program incentives: ED, HS in consultation with the CFO (per PH13.8)</p>
Planning Approvals	<ul style="list-style-type: none"> • OPA, ZBA, Plan of Subdivision, and/or Minor Variance applications, as required • Procurement of planning approvals consultant(s) • Document preparation and submission • Design Review Panel, when applicable • Review of application(s) • Councillor and Community engagement <p>Output: Planning approvals</p>	<p>PHC and Council <i>(if not otherwise delegated to the ED, DR, e.g., removal of a holding bylaw, draft plan of subdivision, draft plan of condominium)</i></p> <p>Committee of Adjustment</p>

Stage	Key Activities and Outputs	City Approvals
Delivery Partner Selection	<ul style="list-style-type: none"> • Prepare procurement documents • Prepare template agreements • Partner selection • Evaluation of bids • Negotiate terms • Execute deal-specific agreements <p>Output: Deal terms & executed agreements</p>	<p>ED HDO in consultation with DCM DGS, for the proponent selection</p> <p>DCM, CS and ED, CREM <i>(for real estate matters)</i></p> <p>ED, HS and/or ED, HDO <i>(for municipal housing project facility agreements)</i></p> <p>PHC and City Council <i>(if Deal Terms deviate from the Framework and/or requires new City financial contribution)</i></p>
Pre-construction	<ul style="list-style-type: none"> • Outline design specifications (Building program) • Site Plan Control application • Incremental design sign-off • Project budget refinement • Project Tracking / Reporting • Building Permit application • Community Benefit Plan <p>Output: Building program, design and budget (Class C)</p>	<p>ED, HDO</p> <p>ED, DR <i>(for site plan control approval)</i></p> <p>CBO <i>(for building permits)</i></p> <p>PHC and City Council <i>(for capital financial contributions)</i></p>
Project Funding & Financing	<ul style="list-style-type: none"> • Application submission • Secure conditional approval • Steward underwriting review and approval • Facilitate guarantees and securities • Agreements review with CMHC • Satisfy conditions of first draw 	<p>ED, HDO</p> <p>CFO, when applicable</p> <p>PHC and City Council <i>(if City is making a financial commitment or seek funding directly)</i></p>

Stage	Key Activities and Outputs	City Approvals
Construction	<ul style="list-style-type: none"> • Procurement Payment Certifier • Oversight /Owner's Rep • Budget & Schedule tracking / control / reporting • Change Orders / Sign Offs • Budget Adjustments • Community Benefit Plan Oversight 	ED, HDO PHC and City Council <i>(if City is making additional financial contribution)</i>
Post-Construction	<ul style="list-style-type: none"> • Community Benefit Plan Oversight • Handover, warranties, operation & maintenance Training • Lease Management • Oversight of housing outcomes 	ED, HDO ED, CREM ED, HS

Development Planning

Project Business Case

The development planning activities will provide the necessary information to draft a Business Case that will support decisions on how to proceed with the development of the Toronto Builds site, who the project lead should be and what type of delivery partner the City should seek. The Business Case will also outline key expectations for the site regarding housing and city building outcomes, such as community benefits. The Business Case process will include consultation with key interested parties, such as the local Councillor and affected agencies and divisions.

The Business Case will include the following components:

- Housing and City Building outcomes (e.g., percentage of affordable homes expected)
- Concept design / Initial massing
- Key business terms (land transaction model)
- Initial budget / Pro Forma
- Project schedule
- Delivery model

The Business Case for each Toronto Builds Project will be approved by the Deputy City Manager, Development and Growth Services, in consultation with the Deputy City Manager, Corporate Services, and the Chief Financial Officer and Treasurer, and in accordance with the Toronto Builds Policy Framework. If the proposed Business Case deviates from the Toronto Builds Policy Framework or requires a financial commitment

from the City, not previously approved by City Council, to advance the project, the Business Case will need to be brought to City Council for approval by the Executive Director, Housing Development Office. Approval of the Business Case is a pre-requisite to move to the Delivery Partner Selection stage.

City Incentives for affordable rental homes

Under the City's Rental Housing Supply Program, financial incentives available to eligible rental units, including exemptions from development charges, parkland dedication, and community benefits charges, where not exempted by Provincial legislation, and waivers of planning application and building permit fees, will be provided to affordable rental housing units to be developed in Toronto Builds Projects. The incentives package will be approved by the Executive Director, Housing Secretariat, in consultation with the Chief Financial Officer and Treasurer, as authorized by City Council in June 2024 in Item [PH13.8 - Launching the Rental Housing Supply Program](#).

Local Councillor Engagement

Prior to putting Toronto Builds sites out on the market, the Executive Director, Housing Development Office, and project lead, will engage with the local City Councillor to discuss site-specific details and proposed plans. Councillor and community engagement will also be facilitated on a regular basis, including at various stages of the planning approval process, including as part of any City-initiated planning process.

Delivery Partner Selection on City-owned land

The City may elect to bring an external partner (Indigenous, non-profit or private) to deliver and/or operate the new housing being developed on City owned lands, based on the Delivery Model chosen (see Table 1 for details on the City's Delivery Models). The selection of this external partner will be based on the terms of the approved Business Case. The selection may be undertaken by the Housing Development Office or assigned to CreateTO or TCHC.

Following the selection process and evaluation of submissions, the recommended partner and proposed deal terms will be approved by the Executive Director, Housing Development Office in consultation with the Deputy City Manager, Development and Growth Services, through the Housing Delivery Governance Executive Table. Real estate agreements will be executed by the Deputy City Manager, Corporate Services according to delegated authorities, including in the recommendations in this report.

Projects specific agreements, including the municipal housing project facility agreements (the City's Contribution Agreement) will continue to be executed by the Executive Director, Housing Secretariat to secure the financial incentives provided to eligible rental units under the City's Rental Housing Supply Program, including exemptions from development charges, parkland dedication, and community benefits charges, where not exempted by Provincial legislation, and waivers of planning application and building permit fees, and any financial contributions approved by City Council for the project, and set out the terms of the operation of the affordable rental housing.

Council Approvals for Projects on City-owned land and Oversight

For City-led Toronto Builds projects on City-owned land, the report seeks Council direction for designated City Officials to be authorized to approve projects at key milestones and gates, while confirming which decisions and approvals will remain the prerogative of City Council.

- **Financial Contributions** -- City Council will continue to approve, through the annual budget process, the funding for all pre-development, due diligence, development review, and development procurement activities for Toronto Builds sites based on the Workplan. In addition, staff will seek City Council approval for all capital financial contributions required to advance Toronto Builds Projects. For City-led projects where the City is taking on the delivery directly, Council approval will be required to take on additional financial risk including taking on construction financing or providing loan guarantees.
- **Planning Approvals** -- City Council will continue to approve planning approvals required to advance Toronto Builds Projects, such as: Official Plan Amendments, and Zoning Bylaw Amendments, where required.
- **Exceptions to the Toronto Builds Policy Framework** -- Staff will seek City Council approval if it is determined that an exception to the Toronto Builds Policy Framework is required to advance a Project to market offering, or to execute the project agreements based on key terms negotiated with the preferred proponent.

The Executive Director, Housing Development Office will report to City Council annually with an update on the Toronto Builds Portfolio, including what stage individual projects are at, high level project timelines, and expected housing outcomes. This will provide Council with a line of sight on how projects are progressing. The published Housing Data Hub will also be updated to include information on the Toronto Builds Portfolio.

Conclusion

There is tremendous need for housing of all types within the City of Toronto. The acceleration of housing delivery is a primary focus for the Development and Growth service area, and the City as a whole. The creation of the Housing Development Office allows for a singular point of accountability and oversight of the housing portfolio. Thereby ensuring that Toronto Builds Projects move forward in a timely and efficient manner. Additionally, with the implementation of the Master Services Agreements, which permit the City to assign elements of the development process to TCHC and CreateTO on a project-by-project basis, housing delivery will be further expedited through leveraging the skills, expertise and knowledge of our partner organizations. Lastly, the Housing Delivery Governance Framework provides an opportunity for problem-solving and decision-making to occur at all levels ensuring that projects continue to progress expediently. The actions identified in this report will produce efficiencies for Toronto Builds Projects leading to the realization of additional housing for the residents of Toronto.

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SIGNATURE

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Deputy City Manager, Development and Growth Services

ATTACHMENTS

Confidential Attachment 1 - Master Services Agreement Key Terms
Attachment 2 - Amendments to Article VI, Chapter 415, Toronto Municipal Code