

Designation of the Properties Used by Toronto Shelter and Support Services as Municipal Capital Facilities

Date: October 07, 2025

To: General Government Committee

From: Executive Director, Finance Shared Services, Executive Director, Corporate Real Estate Management and General Manager, Toronto Shelter and Support Services

Wards: Ward 1 - Etobicoke North, Ward 7 - Humber River-Black Creek, Ward 10 - Spadina-Fort York, Ward 17 - Don Valley North, Ward 21 - Scarborough Centre, Ward 24 - Scarborough-Guildwood

SUMMARY

This report seeks Council's authority for the adoption of the necessary By-laws to designate eight properties leased to the City of Toronto for use as shelters as Municipal Capital Facilities, and to provide exemptions for municipal taxes and education taxes. The Municipal Capital Facility Agreements authorized by the by-laws will provide exemptions for the entire property for each of the eight properties, with the exemptions ending concurrently with the expiry of the respective lease or licence. The eight properties and their respective ward locations are provided in Table 1 below.

Table 1: Property and Ward Location Used as Hotel Shelters

Property Address	Ward
2180 Islington Avenue	1
185 Yorkland Boulevard	17
1677 Wilson Avenue	7
50 Estate Drive	24
55 Hallcrown Place	17
77 Ryerson Road	10
445 Rexdale Boulevard	1
22 Metropolitan Road	21

The net City savings, associated with reductions in the education portion of property tax resulting from the designations as a Municipal Capital Facility for the locations identified in Table 1 will generate overall rental cost reductions for the leased sites.

RECOMMENDATIONS

The Executive Director, Finance Shared Services, Executive Director, Corporate Real Estate Management and General Manager, Toronto Shelter and Support Services recommends that:

1. City Council pass a By-law pursuant to Section 252 of the City of Toronto Act, 2006, providing authority to:

a. enter into Municipal Capital Facility Agreements with the landlords of each of the eight properties with whom Corporate Real Estate Management has a lease or license on behalf of Toronto Shelter and Support Services (each a "Leased Premises"), with respect to the entire property for each of the eight properties and ancillary parking, if any, for the purposes of providing municipal capital facilities related to the provision of facilities used for social and health services, located at:

2180 Islington Avenue (Ward 1)
185 Yorkland Boulevard (Ward 17)
1677 Wilson Avenue (Ward 7)
50 Estate Drive (Ward 24)
55 Hallcrown Place (Ward 17)
77 Ryerson Road (Ward 10)
445 Rexdale Boulevard (Ward 1); and
22 Metropolitan Road (Ward 21)

b. exempt each Leased Premises from taxation for municipal and school purposes, with the tax exemption being effective from the latest of:

- i) the commencement date of the lease or licence;
- ii) the date the Municipal Capital Facility Agreement is entered into; and
- iii) the date the Tax Exemption By-law is enacted.

2. City Council direct the City Clerk to give written notice of the By-law to the Minister of Finance, the Municipal Property Assessment Corporation, the Toronto District School Board, the Toronto Catholic District School Board, le Conseil scolaire Viamonde, and le Conseil scolaire catholique MonAvenir.

FINANCIAL IMPACT

The annual property taxes on the eight properties (currently taxable) leased or licensed by the City of Toronto and used as shelters are estimated at approximately \$1,964,033 comprised of a municipal portion of \$1,204,479 and a provincial education portion of \$759,554, based on 2025 Current Value Assessment (CVA) and 2025 tax rates. As shown in Table 2 below, providing property tax exemptions for the eight properties would result in a net annual reduction in property tax revenue to the City of approximately \$1,204,479, representing the municipal portion of taxes that is currently

payable that will no longer be collected once the Leased Premises are designated as Municipal Capital Facilities. The provincial education portion of property taxes of \$759,554 will no longer be required to be remitted to the Province once the exemptions for the Leased Premises takes effect.

Table 2: Financial Implications of Property Tax Exemption – Hotel Shelters

Location	Municipal Taxes	Education Taxes	Total Property Taxes
2180 Islington Avenue 1919-02-6-620-00201	\$110,410	\$69,626	\$180,036
185 Yorkland Boulevard 1908-11-1-210-01600	\$222,104	\$140,061	\$362,165
1677 Wilson Avenue 1908-01-1-020-00300	\$202,372	\$127,618	\$329,990
50 Estate Drive 1901-05-2-850-01100	\$193,915	\$122,285	\$316,200
55 Hallcrown Place 1908-11-1-210-02150	\$170,541	\$107,545	\$278,086
77 Ryerson Avenue 1904-06-5-360-04731	\$95,367	\$60,139	\$155,506
445 Rexdale Boulevard 1919-04-4-032-03000	\$99,512	\$62,752	\$162,264
22 Metropolitan Road 1901-03-3-470-00800	\$110,258	\$69,528	\$179,786
Total Amounts Payable if Taxable (Annual)	\$1,204,479	\$759,554	\$1,964,033
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$1,204,479
Reduction in Education Taxes Remitted			\$759,554

As the City currently funds Toronto Shelter and Support Services (TSSS), including the cost of rent (which includes property taxes) on any leased space through an annual budget allocation, there is no net impact on the municipal portion of taxes from the Municipal Capital Facility exemptions, as the decrease in municipal tax revenue is offset by a corresponding reduction in the annual budgetary requirement for TSSS. The savings resulting from the designations as a Municipal Capital Facility for the locations identified in Table 2 above has been accounted for and included in the 2026 Operating Budget for TSSS.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact Section.

DECISION HISTORY

At its meeting on February 6 and 7, 2024, City Council adopted the report titled "[EC9.4 - Homelessness Services Capital Infrastructure Strategy: Real Estate Strategy and Lease Extensions](#)" which authorized the Executive Director, Corporate Real Estate Management, in consultation with the General Manager, Toronto Shelter and Support Services to negotiate and approve leases, licenses and extension agreements in relation to the existing properties which were outlined in a Confidential Attachment to the report.

At its meeting on November 8 and 9, 2023, City Council approved the report titled "[EC7.7 - 2024 Shelter Infrastructure Plan and the Homelessness Services Capital Infrastructure Strategy \(HSCIS\)](#)" outlining a long-term approach to capital planning through the new Homelessness Services Capital Infrastructure Strategy and to provide an update on the 2024 Shelter Infrastructure Plan.

COMMENTS

The Homelessness Services Capital Infrastructure Strategy was approved by City Council in November 2023 and recommended a long-term, proactive approach for Toronto Shelter and Support Services to improve the stability and recovery of the shelter system and address the unprecedented demand for shelter beds. The focus is to develop purpose-built shelters and to gradually transition out of COVID-19 shelter hotels. To support the transition out of the COVID-19 shelter sites, Toronto Shelter and Support Services and Corporate Real Estate Management are redeveloping existing City-owned land and acquiring new sites to create 20 new permanent, purpose-built shelters. The renewal of existing leases or licences for medium term lengths will ensure stability in the shelter system until the new permanent shelter sites are operational and supportive housing outcomes to transition people out of the shelter system are also created.

Section 252 of the City of Toronto Act, 2006 allows City Council to exempt from taxation, for municipal and school purposes, land or a portion of land on which a Municipal Capital Facility is or will be located once the City enters into an agreement with the landlord or tenant for the provision of the Municipal Capital Facility.

The spaces occupied by Toronto Shelter and Support Services at 2180 Islington Avenue, 185 Yorkland Boulevard, 1677 Wilson Avenue, 50 Estate Drive, 55 Hallcrown Place, 77 Ryerson Road, 445 Rexdale Boulevard, and 22 Metropolitan Road are normally subject to taxation at commercial rates. Designating the properties leased and licensed by the City of Toronto as Municipal Capital Facilities and providing an exemption from taxes will reduce the monthly rental amount paid by Toronto Shelter and Support Services. The exemption from taxes ends concurrently with the expiry of the lease or licence of each property.

The property tax exemptions on the spaces leased and licensed by the City of Toronto and used by Toronto Shelter and Support Services will only apply if City Council agrees

to provide the tax exemptions, by way of Municipal Capital Facility Agreements under Section 252 of the City of Toronto Act, 2006. Ontario Regulation 598/06 prescribes facilities used for the provision of social and health services as eligible municipal capital facilities for the purpose of Section 252.

Upon the passing of the By-law authorizing the agreement and the tax exemption, the City Clerk must give written notice of the By-law to the Minister of Finance, the Municipal Property Assessment Corporation and the Secretary of any affected school board(s).

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