

City Council

Notice of Motion

MM26.8	ACTION			Ward: 24
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Approval of Property Tax Exemptions for new Affordable Rental Homes at 253 Markham Road - Building A - by Councillor Paul Ainslie, seconded by Councillor Gord Perks

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Planning and Housing Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Paul Ainslie, seconded by Councillor Gord Perks, recommends that:

1. City Council authorize an exemption from taxation for municipal and school purposes for the affordable rental and rent-controlled homes to be developed by the Cedars Development Corporation and/or the Cedars Non-Profit Housing Co-operative, or any related entities, in the project at 253 Markham Road - Building A, as set out in Table 1.
2. City Council authorize the Controller to cancel or refund any taxes paid after the effective date of the exemption from taxation for municipal and school purposes as set out in the applicable municipal housing facility agreement.
3. City Council authorize the Executive Director, Housing Secretariat to execute, on behalf of the City, any security or financing documents required by the Cedars Development Corporation and/or the Cedars Non-Profit Housing Co-operative, or any related entities above to secure construction and conventional financing and subsequent refinancing, including any postponement, tripartite, confirmation of status, discharge or consent documents where and when required during the term of the applicable municipal housing facility 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.
4. City Council authorize the Executive Director, Housing Secretariat to execute, on behalf of the City, any documents necessary to terminate the Home Ownership Assistance Program agreement, 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.

Summary

The Rental Housing Supply Program was approved by City Council at its meeting of June 26 and 27, 2024, to support the delivery of a range of new rental homes, including rent-geared to income, affordable, rent-controlled, and purpose-built rental homes, and build the capacity of the community housing sector.

A Call for Applications for financial incentives under this program opened in November 2024, and an application for the affordable rental and rent-controlled housing development at 253 Markham Road - Building A has been received. This project represents the first phase of a larger redevelopment project. The development is led by The Cedars Non-Profit Housing Co-operative Corporation who will lease the property from Cedars Development Corporation. City staff have completed their review of the application for Building A and it has been approved for financial incentives to create 49 affordable rental homes, and 196 rent-controlled homes.

Building A has received conditional approval of funding and financing under Canada Mortgage and Housing Corporation's Co-Operative Housing Development Program, and the proponent has until February 20th, 2025, to satisfy Canada Mortgage and Housing Corporation's requirements. To meet these conditions and secure the federal funding and financing, Canada Mortgage and Housing Corporation's requires confirmation that all exemptions and waivers for the project be approved. While the project is eligible for property tax exemptions following its approval under Rental Housing Supply Program, this exemption is subject to approval by City Council.

This motion requests Council to approve an exemption from property taxes for municipal and school purposes for the affordable rental and rent-controlled homes at this project, to ensure the proponent can secure funding and financing from Canada Mortgage and Housing Corporation and bring the project to construction start in the second quarter of 2025. The project is described in Table 1 below.

Table 1: Property Tax Exemptions for New Affordable Rental and Rent-Controlled homes at 253 Markham Road - Building A to be developed by Cedars Development Corporation and/or the Cedars Non-Profit Housing Co-operative, or any related entities.

Proponent	Affordable Rental homes	Rent-controlled homes	Affordability period (years)	City Tax	Education Tax	City Building Levy	NPV of Property Tax Exemption
Cedars Development Corporation and/or the Cedars Non-Profit Housing Co-operative	49	196	50	\$7,946,724	\$2,192,354	\$110,337	\$10,249,415

The larger multi-phase development at 253 Markham Road is subject to a prior development agreement with Build Toronto, originally planned as an ownership project with 50 percent affordable ownership homes. City Council, in July 2018, previously approved financial incentives for this project under a Home Ownership Assistance Program agreement. However, for Building A, the proponents have since shifted their focus to the development of rental housing through a co-operative. In addition, provincial legislative changes have now provided the development charge relief previously available through Home Ownership Assistance Program, and thus, the existing Home Ownership Assistance Program agreement will be terminated. The Home Ownership Assistance Program incentives approved by Council in 2018 have not resulted in any financial impact to the City as the development did not proceed.

This motion is urgent as the federal funding and financing represents a singular opportunity to proceed in short order with Building A as the first phase of development on the site. City staff in the Housing Secretariat, and CreateTO, will continue working with the proponent on the remainder of the development phases to deliver additional affordable rental housing.

Background Information (City Council)

Member Motion MM26.8

<https://www.toronto.ca/legdocs/mmis/2025/mm/bgrd/backgroundfile-252695.pdf>

