

MOTION WITHOUT NOTICE

Supporting the Delivery of Affordable and Rent-Controlled Homes at 1117 Danforth Avenue through a Property Tax Exemption

Moved by: Councillor
Councillor

Fletcher
Myers

Seconded by:

SUMMARY:

This motion requests Council to approve an exemption from property taxes for municipal and school purposes for the development at 1117 Danforth Avenue through the construction period and through the 99-year affordability period to support the development of new affordable and rent controlled units. Construction is currently underway on site.

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.

This project was approved for incentives and capital funding through the Rental Housing Supply Program. The development consists of 67 affordable units (including 11 rent supplement units) and 41 rent-controlled units to be developed on the property municipally known in 2025 as 1117 Danforth Avenue, Toronto. The City entered into a municipal housing facility agreement (Contribution Agreement) on February 7, 2025 with 1117 Danforth Development NP. The City incentives in this agreement include the exemption of the 67 affordable units (including 11 rent supplement units) and 41 rent-controlled units to be developed at 1117 Danforth Avenue from taxation for municipal and school purposes for a term of 99 years from first occupancy, subject to Council authority.

The original property tax exemption was provided through an Assessment Act exemption to Neighbours Community Housing (previously called Houselink and Mainstay Community Housing). The property has now been transferred to 1117 Danforth Development NP, a special purpose vehicle of Neighbors Community Housing, and the exemption was lost.

Reason for Urgency:

Construction is underway on site, and the contemplated exemption is necessary to support the project's continued financial viability through this period and the 99-year affordability period.

RECOMMENDATIONS:

1. City Council authorize an exemption from taxation for municipal and school purposes for the affordable rental, rent supplement and rent-controlled homes to be developed by 1117 Danforth Development NP at 1117 Danforth Avenue, starting from the later of the date the tax exemption by-law is enacted and the date the agreement referenced in Part 3 is executed and continuing until the end of the 99 year affordability period, as set out in the municipal housing facility agreement.
2. City Council authorize the Deputy Treasurer 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 Development Office to provide an additional \$48,370.01 in capital funding to 1117 Danforth Development NP to reimburse taxes previously paid during the period of construction for the development at 1117 Danforth Avenue.
4. City Council authorize the Executive Director, Housing Development Office to execute, on behalf of the City, an agreement to amend the existing municipal housing facility agreement between the City and 1117 Danforth Development NP to provide for an exemption from taxation for municipal and school purposes for the affordable rental, rent supplement and rent-controlled homes to be developed by 1117 Danforth Development NP at 1117 Danforth Avenue during the period of construction, in addition to during the affordability period.

Date 11/13/2025