



**MORE NEIGHBOURS
TORONTO**

Dear Members of City Council,

**Re: MM32.5 - Creating More Affordable Housing Options in Our Neighbourhoods
Commencing Public Consultations for Communities Impacted by New Shelter Locations**

About More Neighbours Toronto

[More Neighbours Toronto](#) is a volunteer-led organization of housing advocates that believe in building more multi-family homes of all kinds for those who dream of building their lives in Toronto. We advocate for reforms to increase our city's ability to build more homes in every neighbourhood. We are a big-tent organization with members across the political spectrum who are committed to counterbalancing the anti-housing agenda that has dominated Toronto's politics, created an affordability crisis, and cost burdened a new generation of aspiring residents. We are firmly committed to the principle that housing is a human right and believe Toronto should be inclusive and welcoming to all.

Position

More Neighbours Toronto supports this motion to apply the existing development charge (DC) and parkland dedication exemptions for multiplexes to the first four units of 5- and 6-plexes, as well as to consider permeable pavers for soft landscaping.

As outlined in the recent multiplex monitoring report (PH22.3), Toronto has seen increasing permits for multiplexes, even as starts for other types of housing have fallen. While the expanded multiplex permissions in low-rise Neighbourhoods (PH3.16) played a role, the exemption of units 2-4 from development charges and parkland dedication (2022.EX.34.1 and 2022.EX34.3) has made these projects more economically viable even as interest rates have been higher.

However, these exemptions apply only when there are up to four units (plus optional garden suite) on a lot for DCs or in buildings with no more than four units for parkland dedication. This creates a "cliff" for 5- and 6-unit multiplexes. For example, under the June 2024 development charge rates for 2-bedroom multiples (\$113,938/unit for condo and \$68,199/unit for rental), a conversion of a detached home that gives a DC credit would owe \$0 in development charges when converted to a fourplex but \$455,752 when converted to a 5-plex condo, less any remaining DC credit from the detached home. For a 5-plex rental, the DC charge would be \$272,796 less any DC credit. Parkland dedication would add additional costs.

This steep increase in costs disincentivizes 5- and 6-unit multiplexes. There is a 5-unit minimum for CMHC programs like MLI Select, which is designed to provide loan insurance in exchange for projects meeting affordability, energy efficiency and/or accessibility criteria. The City may

therefore be unintentionally disincentivizing units that would help Toronto meet its affordable housing, climate and accessibility goals through the current design of its DC and parkland charges.

Development charges and parkland dedication are growth funding tools intended to ensure that sufficient infrastructure exists to support new residents. However, census data and the work of the Expanding Housing Options in Neighbourhoods studies demonstrate that many low-rise Neighbourhoods have lost population in recent decades. The multiplex monitoring study further demonstrates that growth occurred in every ward, spread across Neighbourhoods across Toronto, albeit with a concentration in Davenport. The increased density from multiplexes is therefore very incremental and gentle, generally less than a dozen new homes in an area each year. This data supports that the “first four” exemption can be expanded to 6-plexes until the April 30, 2027 date in this motion with little risk of overwhelming Neighbourhood infrastructure.

The City could then revisit the results of the exemption at this time or as part of its ongoing development charge review. More Neighbours will continue to advocate with the provincial and federal governments to work with Toronto for alternative funding methods to reduce the up-front costs for new housing. Motions like this demonstrate that Toronto is interested in finding the missing middle and making it viable to build. We thank Councillor Myers for recognizing this barrier to 5- and 6-plexes and encourage Council to pass this motion.

Regards,
Colleen Bailey,
More Neighbours Toronto