

## **Multi-Unit Residential Acquisition (MURA) Program Update**

**Date:** January 9, 2025

**To:** Planning and Housing Committee

**From:** Executive Director, Housing Secretariat

**Wards:** All

### **SUMMARY**

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The focus on preserving the existing supply of rental homes is critical to realizing progress on Toronto's housing goals. In the Toronto region (Census Metropolitan Area) 18 lower-rent market homes were estimated lost for each new affordable rental home built during the decade preceding 2021. Some of these rental homes are lost due to market pressures that drive rents well above affordable levels, some are converted to short-term rental opportunities, while other older properties are being demolished for intensification and redevelopment purposes, particularly in core, and near transit expansion areas.

The City's Multi-Unit Residential Acquisition (MURA) Program was launched in 2021 to support the purchase, renovation/conversion and refinancing of rental homes to create permanently affordable rental homes. MURA provides financial support to non-profit housing organizations (including community land trusts), non-profit housing co-operatives ("Co-ops"), and Indigenous housing providers (collectively referred to as "Community Housing Providers") to purchase and preserve existing rental housing properties. This includes grant funding, property tax relief and planning and building permit fee waivers. To support the City's commitment to truth, justice and reconciliation and create more "For Indigenous, By Indigenous" housing outcomes, 20% of MURA funding is provided to Indigenous-led housing organizations.

MURA is implemented through an annual request for proposal process (RFP) to select and pre-qualify experienced and qualified Community Housing Providers. Through MURA's 2022 and 2023 RFPs, the City awarded \$64.1 million in funding to 15 Community Housing Providers to preserve the affordability of some 368 rental homes.

The 2024 MURA RFP resulted in successful proposals from 17 Community Housing Providers, representing 19 properties and over 700 rental homes through the award of \$102 million in grant funding. The funding is comprised of \$101 million in MURA funding

approved as part of the 2024-2033 capital plan along with \$20 million from the Provincial Building Faster Fund, slated for approval through the 2025 Capital budget process. The funding is comprised of funds from the provincial Building Faster Fund, the federal Housing Accelerator Fund, the City's Vacant Homes Tax funding, and CreateTO dividend funding. This funding will allow all successful proposals under the 2024 RFP to proceed while leaving \$18 million remaining to support a forthcoming 2025 MURA RFP.

Future federal and provincial funding programs will be pursued and prioritized to support the 2025 and subsequent MURA RFPs, and will be reported to Council through Budget variance reports, Council's Budget process, or through a stand-alone staff report.

MURA will continue to support the delivery of the City's HousingTO 2020-2030 Action Plan and targets in partnership with the community housing sector. Securing long-term affordable rental homes will reduce pressure throughout the housing system, improve housing affordability for lower and middle-income households, and support complete communities. New and enhanced investments from all orders of government are needed to ensure more rental homes are preserved and continue to serve future generation of residents in all neighbourhoods across Toronto.

## **RECOMMENDATIONS**

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The Executive Director, Housing Secretariat, recommends that:

1. City Council request the Government of Canada to immediately launch the Canada Rental Protection Fund and set aside a dedicated stream for the City of Toronto to flow funds through future MURA RFPs.

## **FINANCIAL IMPACT**

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There are no financial implications arising from this report.

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

## **EQUITY IMPACT STATEMENT**

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The HousingTO 2020-2030 Action Plan (HousingTO Plan) envisions a city in which all residents have equal opportunity to develop to their full potential. It is centred in a human rights-based approach to housing, which recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, inclusive and sustainable communities.

More than ever, low-and moderate-income households and Indigenous, Black and equity-deserving groups are struggling to find and maintain adequate and affordable

homes. Working with non-profit and Indigenous housing providers to acquire at-risk rental properties provides an opportunity to protect this existing supply of homes as affordable rental housing for the long term. Creating new, permanent affordable homes through the acquisition of at-risk rental homes will also increase the opportunity for structurally and systemically disadvantaged groups, including Indigenous Peoples, Black people and other racialized groups, seniors, women, and members of the 2SLGBTQ+ community, to access safe, healthy and adequate housing.

Safe, adequate, affordable housing is an important determinant of health and supports improved health, housing and socio-economic outcomes for people. Good quality, affordable housing is also the cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

## **DECISION HISTORY**

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At its meeting on June 26 and 27, 2024, City Council adopted PH13.9 - Community Housing Sector Modernization and Growth Strategy. The adopted recommendations included changes to the City's Multi-Unit Residential Acquisition (MURA) Program to enable Community Housing Providers to use MURA funding to acquire a wider range of housing types, including larger buildings (those with greater than 60 units), smaller buildings (those with less than 6 units) such as multi-tenant homes. City Council's decision is available here: <https://secure.toronto.ca/council/agenda-item.do?item=2024.PH13.9>

On February 14, 2024, City Council adopted Item MPB15.1 - 2024 Operating and Capital Budgets, which included an increase to the 2024 Operating Budget for the Housing Secretariat of \$41.0 million gross and \$10.0 million net toward the Multi-Unit Residential Acquisition (MURA) Program. City Council's decision is available here: <https://secure.toronto.ca/council/agenda-item.do?item=2024.MPB15.1>

On October 11, 2023, City Council adopted item EX8.7 Vacant Home Tax: Status Update. A Motion to Amend Item moved by Mayor Olivia Chow was carried and included (1) directing any additional revenue generated from the 2023 Vacant Home Tax above the budgeted amount be directed to the MURA program and request the Mayor to factor such additional revenues into the 2024 Budget process so as to increase the budgeted allocation to MURA, (2) directing a minimum of 10 million dollars of additional revenue, to be generated from the increase in the Vacant Home Tax to 3 percent, to the Multi-Unit Residential Acquisition program in the City's annual budget, in addition to the ongoing annual funding, and (3) directing the City Manager and the Executive Director, Housing Secretariat to continue to work with other orders of Government and the philanthropic non-profit sector for additional funding and expansion of the MURA program in addition to the Vacant Home Tax. City Council's decision is available here: <https://secure.toronto.ca/council/agenda-item.do?item=2023.EX8.7>

On November 9, 2021, City Council adopted Item 2021.PH28.3 – New Multi-Unit Residential Acquisition Program to Protect Existing Affordable Rental Homes, which authorized grant funding and incentives for qualified non-profit and Indigenous housing groups to support the purchase, renovation and operation of rental housing properties to create permanently affordable rental homes for Torontonians with low-and-moderate incomes. City Council's decision is available here:  
<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH28.3>

**COMMENTS**

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Housing affordability remains one of the most pressing issues in Toronto and other large urban centres across Canada. While the City has set ambitious targets for new purpose-built rental homes, it is equally important that the existing supply of rental homes be preserved and maintained.

Toronto City Council approved the Multi-Unit Residential Acquisition (MURA) Program in 2021 to provide funding and incentives to Community Housing Providers to purchase and preserve existing rental homes. The primary objectives of the program are to remove properties from the speculative housing market and create permanently affordable rental homes; improve housing stability for current and future tenants; improve the physical conditions of buildings; increase capacity in the non-profit and Indigenous housing sectors; and ensure the long-term financial sustainability of the homes.

Through RFPs in 2022 and 2023, the City awarded \$64.1 million in MURA funding to 15 Community Housing Providers, supporting the purchase of some 368 homes. The 2024 RFP, issued from July to September 2024, resulted in successful proposals from 17 Community Housing Providers, representing 19 properties and over 700 homes, as summarized in the chart below. Two of the successful proposals, representing 21 homes, are from Indigenous housing organizations. The names of MURA funding recipients remains confidential until the proponents have completed the purchase of a property, so as to not adversely impact the price of the building or other terms of the sale.

Table 1. Summary of Successful 2024 MURA Proposals

<b>Number of Successful 2024 MURA Applicants</b>	<b>Number of Homes Proposed to be Acquired</b>	<b>Total Funding Allocation</b>	<b>Average Funding Per Home</b>
17	708	\$102,059,957	\$144,152

The funding allocation consists of \$101 million MURA funding approved as part of the 2024-2033 capital plan, along with \$20 million from the provincial Building Faster Fund, slated for approval through the 2025 Capital budget process. This funding will support

all successful proposals under the 2024 RFP along with \$18 million remaining to support the 2025 MURA RFP.

The City will be exploring additional funds from federal/ provincial programs (such as the federal Housing Accelerator Fund and the provincial Building Faster Fund) to roll-out the 2025 MURA RFP. Any new funding secured for MURA will be reported and approved through future Budget variance reports, Council's Budget process, or through stand-alone staff reports.

In addition, in 2024 the federal government committed to a \$1.5 billion Canada Rental Protection Fund for non-profit organizations to access grants and loan financing to acquire affordable rental housing. In the event that this funding becomes available, the Housing Secretariat will work with the community housing sector to access the funds and potentially combine this new program with MURA funding, based on federal program's eligibility criteria.

## **Conclusion**

MURA is a non-market, public and community-based rental acquisitions program developed to preserve the existing supply of affordable rental homes in the city, support housing stability for renters, and curb market speculation. The 2024 MURA process demonstrated the increasing demand by the community housing sector for adequate financial support to ensure existing supply of homes in Toronto can be preserved and maintained as affordable rental homes for current and future residents.

While the City has taken a leadership role in implementing a successful housing acquisition program, new investments from other orders of government are needed to adequately respond to the increasing pace of the loss of existing rental housing stock.

## **CONTACT**

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## **SIGNATURE**

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