

Toronto Builds – A Policy Framework to Build More Affordable Rental Homes on Public Land

Date: May 1, 2025

To: Planning and Housing Committee

From: Deputy City Manager, Development and Growth Services

Wards: All

SUMMARY

Toronto is facing an evolving housing crisis, impacting housing affordability for low-income, vulnerable residents including people experiencing homelessness, as well as key workers and middle-income earners. In recent years, City Council has taken significant action on housing, notably approving a whole-of-government response and range of strategic, program, and policy directions through [Item EX9.3 - Advancing a Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes](#). City Council also increased the HousingTO 2020-2030 Action Plan ("HousingTO Plan") target to approve 65,000 rent-controlled homes (comprised of 6,500 rent-geared-to-income (RGI), 41,000 affordable rental and 17,500 rent-controlled market homes) by 2030.

Effectively mobilizing the public land is necessary to achieve the targets in the HousingTO Plan. Through EX9.3, City Council identified almost 100 sites owned by the City or its Agencies and/or Corporations (hereafter referred to as "City lands" or "City sites") that are ready to be mobilized to build new homes, or show potential as housing development sites subject to due diligence. This report proposes a new policy framework to guide the development of a range of new rental homes within mixed-income communities on City land (the "Toronto Builds Policy Framework"). Through this Framework, a set of policy requirements and targets will be established to harmonize a range of existing City programs and ensure Council's housing priorities including to deliver rent-geared-to-income, affordable, and rent-controlled homes, are realized on City land. To support alignment across City Divisions, Agencies, and Corporations, this report requests the Board of CreateTO and Board of TCHC to consider the Toronto Builds Policy Framework when advancing housing developments on public land, including new developments and revitalization projects.

Historically, the development of City land for affordable housing has been facilitated through different programs such as Housing Now, the Modular Housing Initiative, ModernTO, the City-wide Real Estate Program, TCHC Revitalizations, the public developer model, and through tri-government investment in waterfront revitalization.

These programs have included a wide variety of eligibility criteria and requirements, leading to inconsistency and a lack of clarity in direction when City land is mobilized for housing. The Toronto Builds Policy Framework responds to this need for greater consistency by:

- Establishing a harmonized policy framework when delivering a range of housing on City land, whether the projects are advanced through City Divisions, CreateTO, or TCHC, including with private sector or non-profit organizations as developers and/or operators;
- Providing flexibility that responds to challenging market conditions which vary across Toronto and impact the financial viability of new affordable housing developments;
- Ensuring housing developments on City land continue to create mixed-income and complete communities while prioritizing delivery of a range of rental homes (including rent-g geared-to-income, affordable, rent-controlled and market rental homes); and
- Creating a foundation for future intergovernmental partnership focussed on mobilizing public land for housing, and a call to action to federal and provincial governments to join the City in responding to the housing crisis through a tri-government Canada-Ontario-Toronto Builds program.

As detailed in this report, the Toronto Builds Policy Framework establishes policies in 12 key areas to guide the development of new housing on City land. The proposed framework is built on lessons learned through difficult economic conditions since 2020 that have reduced the financial viability of new affordable housing developments. The Deputy City Manager, Development and Growth Services will report to City Council by Q3 2025 with a proposed program delivery and governance approach that provides additional information for Council on the implementation of the framework outlined in this report. This will include updates on a Master Services Agreement between the City and TCHC and CreateTO, respectively, and on the creation of the new Housing Development Office.

Subject to City Council approval, and consideration by the relevant City Agencies and Corporations, the Toronto Builds Policy Framework will be applied to all housing projects on City land listed in Attachment 1 to this report (each being referred to as a “Toronto Builds Project”). This report authorizes relevant City staff to add or remove sites from the Toronto Builds Portfolio as a result of ongoing due diligence on potential housing projects. It also directs staff to first consider inclusion of new housing development opportunities in the framework when assessing City real estate, including where there may be co-location opportunities with other uses such as recreation centres, community amenities, or shelters.

This new policy framework will apply on a go forward basis, maintaining existing direction for housing sites where a market offering has completed or development agreements have been signed. This report also requests Council authority to release three development sites under the Toronto Builds Policy Framework in 2025 through a market offering process. These projects will create approximately 1,523 new rental homes, including 503 affordable rental homes, at 970 Kipling Ave (Bloor-Kipling Block 5), 158 Borough Dr., and 931 Yonge St. Additional information and authorities to deliver

future Toronto Builds sites will be provided in the Q3 governance and delivery report to Council.

Achieving Toronto's ambitious housing supply targets requires a whole of government and whole of community approach. This report demonstrates the importance of partnerships across public sector organizations as it recommends the City enter into a non-binding Memorandum of Understanding (MOU) with Toronto District School Board, as represented by its Manager and Agent, Toronto Lands Corporation to support the redevelopment of up to eight potential housing sites that could deliver over 10,000 new rental homes, including 2,100 affordable rental homes. This MOU will advance shared priorities of the City and TDSB in leveraging public land, including existing TDSB properties, for mixed-use redevelopment, to create mutually beneficial solutions that build more rental homes and new schools along with enhancing community services and amenities.

This report also reiterates Council's previous requests that the federal and provincial governments join the City in a Canada-Ontario-Toronto Builds program that would align public land, funding, financing, partnerships, and approval processes to build more rental homes affordable to a range of residents. The Toronto Builds Policy Framework lays the foundation for this proposed partnership and demonstrates the City's leadership in readying its lands through a flexible framework that can be enhanced by participation from provincial and federal partners.

RECOMMENDATIONS

The Deputy City Manager, Development and Growth Services, recommends that:

Toronto Builds Policy Framework

1. City Council approve the Toronto Builds Policy Framework as outlined in this report, to harmonize the development of a range of rental homes and mixed-income communities on public land, and apply this framework to all projects on City-owned land listed in Attachment 1 to this report (dated May 1, 2025), (collectively, the "Toronto Builds Portfolio") and any future City-owned housing development sites added to the Toronto Builds Portfolio (each a "Toronto Builds Project") in accordance with Item 5 below.
2. City Council request the Board of CreateTO to consider adopting the Toronto Builds Policy Framework described in this report to guide the redevelopment of public land managed by its holding corporations, Build Toronto and Toronto Port Lands Corporation.
3. City Council request the Board of Toronto Community Housing Corporation to consider adopting the Toronto Builds Policy Framework described in this report to guide TCHC revitalization projects on its land where a development partner has not been selected.

4. City Council direct the Deputy City Manager, Development and Growth Services to report to City Council by Q3 2025 with a proposed delivery and governance framework to implement the policy direction in this report and deliver Toronto Builds Projects, including alignment of mandate, roles, and responsibilities across City Divisions, CreateTO, and Toronto Community Housing Corporation.

5. City Council direct the Deputy City Manager, Corporate Services and request the Board of CreateTO to direct the Chief Executive Officer, CreateTO, when assessing new development and/or redevelopment opportunities on land owned by the City to first consider inclusion of the site in the Toronto Builds Portfolio to develop and/or co-locate a range of new rental housing while also considering market conditions and other City building priorities.

6. City Council authorize the Executive Director, Housing Development Office and the Deputy City Manager, Corporate Services, to add or remove development sites to or from the Toronto Builds Portfolio, subject to the concurrence of the applicable City Agency or Corporation with the decision as described in Parts 2 and 3 above, where the land is owned by a City Agency or Corporation.

7. City Council direct the Executive Director, Housing Development Office, to report to City Council annually on properties included in the Toronto Builds Portfolio, including any changes, additions, or removals arising from program and project due diligence.

8. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the General Manager, Parks and Recreation, to permit, where applicable, entering into licences or other arrangements for up to ten (10) years, at nominal value in respect of new or existing parkland, or to waive in full the following fees for requests directly related to Toronto Builds Projects that are to be offered for development solely to the non-profit sector, and are subject to a City-initiated re-zoning:

- a. all fees related to tieback encumbrances which impact new or existing parkland and construction staging which impacts new parkland and
- b. crane swing agreements over any new or existing parkland.

9. City Council waive in full all application and permit fees required under City of Toronto Municipal Code Chapter 743, Streets and Sidewalks, Use of, and City of Toronto Municipal Code Chapter 441, Fees and Charges, for Street Work Permits and Temporary Street Occupation Permits for Toronto Builds Projects that are to be offered for development solely to the non-profit sector, and are subject to a City-initiated re-zoning.

10. City Council direct the Deputy City Manager, Development and Growth Services, in consultation with the General Manager, Parks and Recreation and Chief Planner and Executive Director, City Planning, to report back on amendments to the City of Toronto Municipal Code, Chapter 415, Development of Land, Article VI, to exempt Toronto Builds Projects from the application of parkland dedication requirements and payment of community benefits charges.

11. City Council direct the Chief Financial Officer and Treasurer, in consultation with Deputy City Managers of Development and Growth Services and Corporate Services, to ensure that capital funding for all community amenities, facilities, city-building and civil infrastructure required as part of Toronto Builds Projects are included in the relevant Divisional budgets and considered by City Council for approval as part of the annual budget process.

Partnerships & Intergovernmental Requests

12. City Council request the Executive Director, Housing Secretariat, to engage with Indigenous and community housing sector partners including Miziwe Biik Development Corporation, the Toronto Alliance to End Homelessness, the Community Transformation Centre, and Cooperative Housing Federation of Toronto, to facilitate the inclusion of Indigenous and community housing providers in the development and delivery of Toronto Builds Projects and build the capacity of the sector.

13. City Council direct the Executive Director, Housing Secretariat in consultation with the Executive Director, Corporate Real Estate Management, to consider options for the conveyance, for nominal value, of City-owned land to Indigenous non-profit organizations, to advance the City's commitment to truth, justice and reconciliation and report back to City Council with any authorities required to undertake the conveyance.

14. City Council authorize the Executive Director, Housing Secretariat to negotiate and enter into, on behalf of the City of Toronto, a non-binding Memorandum of Understanding with the Toronto District School Board, as represented by its Manager and Agent, Toronto Lands Corporation, substantially on the major terms and conditions set out in Attachment 2 to this report to advance mutually beneficial City-building solutions and on such other or amended terms and conditions acceptable to the Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor.

15. City Council exempt up to 2,100 affordable rental housing units subject to the non-binding Memorandum of Understanding referenced in Part 14 above, to be constructed on lands owned by Toronto District School Board, from the payment of development charges, parkland dedication requirements, community benefits charges, if not exempted by provincial legislation, and planning application and building permit fees.

16. City Council authorize the Executive Director, Housing Secretariat, and Executive Director, Housing Development Office, to negotiate and enter into, on behalf of the City, any agreements or documents necessary including municipal housing facility agreements, with Toronto District School Board, or a related entity, as represented by its Manager and Agent, Toronto Lands Corporation to secure the financial assistance for the affordable housing to be developed on lands owned by Toronto District School Board, on terms and conditions satisfactory to the Executive Director, Housing Secretariat, and in a form approved by the City Solicitor.

17. City Council request the Government of Canada to join the City and launch a Canada-Ontario-Toronto (COT) Builds program to align land, funding, financing, approvals, and partnerships across all three orders of government to build more

affordable and purpose-built rental housing in new development and revitalization projects, including:

- a. Provide a portfolio-based allocation of \$150 million in funding and \$5 billion in low-cost financing for 26 rental housing projects in Toronto, including City-led projects on public land and City-supported non-profit projects, starting construction within the next two years.
- b. Align Federal land initiatives, including Build Canada Homes, for sites in Toronto with the Toronto Builds program and with CMHC funding and financing programs to realize objectives of COT Builds to build more homes faster
- c. Through the COT Builds partnership, explore innovative ways to expand and accelerate supply, for example through providing loan guarantees, preferential financing rates and flexible funding for non-market led development projects

18. City Council request the Government of Ontario to join the City and launch a Canada-Ontario-Toronto (COT) Builds program to align land, funding, financing, approvals, and partnerships across all three orders of government to build more affordable and purpose-built rental housing in new development and revitalization projects, including:

- a. Align Provincial land initiatives for sites in Toronto with the Toronto Builds program and CMHC funding and financing programs to realize objectives of COT Builds to build more homes faster
- b. Provide sufficient funding to enable the City to indefinitely defer development charges on purpose-built rental homes within projects eligible under the Rental Housing Supply Program to unlock the remaining \$4.75 billion out of \$7.3 billion in federal financing commitment that has been set aside for the City of Toronto over the next three years, conditional on the City receiving provincial support.

Advancing Three Toronto Builds Projects in 2025

19. City Council direct the Deputy City Manager, Development and Growth Services, Deputy City Manager, Corporate Services, and the Chief Financial Officer and Treasurer to approve, in accordance with the Toronto Builds Policy Framework, a business case and market offering process for the Toronto Builds Projects at 970 Kipling Ave. (Bloor-Kipling Block 5), 158 Borough Dr., and 931 Yonge St., provided that the Executive Director, Housing Secretariat, Executive Director, Housing Development Office, and the CreateTO Board of Directors concur with the proposed business case and market offering process.

20. City Council request the Chief Executive Officer, CreateTO, in consultation with the Executive Director, Housing Secretariat, and Executive Director, Housing Development Office, to administer the market offering process for the sites referenced in Part 19 above, and to expedite the market offerings where possible, such as through utilizing its existing pre-qualified Broker, and to select proponents and negotiate the leases and other agreements for the project (other than the City Contribution Agreement in Part 26 below) with them in accordance with the terms of the approved business case and market offering process.

21. City Council request the Chief Executive Officer, CreateTO and Executive Director, Housing Secretariat, and Executive Director, Housing Development Office, in

consultation with the Chief Financial Officer and Treasurer, to allow, as part of the market offering process described in Part 19 above, proponents to request an indefinite deferral of development charges for the purpose-built rental housing units in the Toronto Builds Projects where proponents can demonstrate the deferral would contribute to greater affordable housing outcomes, or support achieving other policy priorities of the Toronto Builds Policy Framework, and report back to City Council with the outcome and to seek any additional authorities that may be required to provide these incentives, prior to any lease or other agreement being approved as contemplated in Parts 22 and 24 below.

22. City Council authorize the Deputy City Manager, Corporate Services, when transacting with for-profit developers and/or operators in relation to the three Toronto Builds Projects identified in Part 19 above, to approve market value transactions, including leases and related transaction agreements for a term of up to 99 years for the purpose of achieving the City's affordable housing objectives, notwithstanding that the related values may exceed the Deputy City Manager, Corporate Service's existing delegated authority of \$5 million dollars, as set out in Municipal Code Chapter 213, Appendix A, provided that the Executive Director, Housing Development Office concurs with the proposed transaction terms.

23. City Council authorize, in relation to transactions contemplated in Part 22 above, the Deputy City Manager, Corporate Services, to treat the estimated value of the affordable housing benefits that will be realized by the City as compensation received by the City when assessing whether a proposed overall transaction arrangement reflects market value.

24. City Council authorize the Deputy City Manager, Corporate Services, when transacting with non-profit developers and/or operators in relation to the three Toronto Builds Projects identified in Part 19 above, to approve transactions at nominal or less than market value, including leases and related transaction agreements for terms of up to 99 years for the purpose of achieving the City's affordable housing objectives, provided that the Executive Director, Housing Development Office concurs with the proposed transaction terms.

25. City Council authorize the Executive Director, Housing Secretariat, in consultation with the Executive Director, Housing Development Office and the Chief Financial Officer and Treasurer, to provide the financial incentives available to eligible rental units under the City's Rental Housing Supply Program, including exemptions from development charges, parkland dedication, and community benefits charges, where not exempted by Provincial legislation, and waivers of planning application and building permit fees, for up to 501 eligible rental housing units under the Rental Housing Supply Program to be developed in projects referenced in Part 19 above.

26. City Council authorize, severally, the Executive Director, Housing Secretariat and the Executive Director, Housing Development Office, to negotiate and enter into, on behalf of the City, municipal housing project facility agreements (the City's Contribution Agreement) with the proponents chosen through the market offering process for each of the three Toronto Builds Projects referenced in Part 19 above to secure the financial assistance being provided and set out the terms of the operation of the affordable rental

housing, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and Executive Director, Housing Development Office, and in a form approved by the City Solicitor.

27. City Council authorize, severally, the Executive Director, Housing Secretariat and Executive Director, Housing Development Office, or their designate, to execute, on behalf of the City, any security or financing documents required by the developers and/or operators of Toronto Builds Projects referenced in Part 19 above and for projects approved for financial incentives under the City's Rental Housing Supply Program to secure construction and conventional financing and subsequent refinancing, including any postponement, confirmation of status, discharge or consent documents where and when required during the term of the City's Contribution 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.

28. City Council authorize, severally, the Deputy City Manager, Corporate Services, the Executive Director, Housing Development Office, and the Executive Director, Corporate Real Estate Management, to execute, on behalf of the City, any documents arising in relation to the exercise of the approval authorities set out in Parts 22 and 24 above, subject to such documents being in a form satisfactory to the City Solicitor.

29. City Council authorize the Deputy City Manager, Corporate Services, in consultation with the Executive Director, Housing Development Office, to provide any consent necessary to encumber the Toronto Builds Projects referenced in Part 19 above or the affordable rental housing portion thereof, and to negotiate and enter into any associated agreements or other documents required to deliver any of the Toronto Builds Projects or the affordable rental housing portion thereof, on terms and conditions satisfactory to them and in a form approved by the City Solicitor.

30. City Council authorize the Executive Director, Housing Secretariat, to amend the Request for Proposals for the Parkdale Hub – West Block (Block A) to remove the requirement that 10% of the affordable housing units be rented at no more than 40% of average market rent.

FINANCIAL IMPACT

Toronto Builds Policy Framework

Delivering new affordable and rental homes to meet the City's HousingTO Plan's targets requires tri-government partnership and investment to align land, funding, financing, and delivery with a shared focus on getting new homes built faster. The Toronto Builds Policy Framework establishes the City's commitment to prioritize mobilizing its own land through leases, including at nominal and/or below-market rent. The proposed policy framework also aligns with the recently adopted Rental Housing Supply Program to ensure projects are eligible for City funding and financial incentives for eligible rental homes.

The financial impact of achieving proposed policy requirements on each of the Toronto Builds Projects will be evaluated on a case-by-case basis, based on the unique requirements and development potential of each project. The Deputy City Manager, Development and Growth Services, will report to City Council by Q3 2025 on the delivery and governance approach of Toronto Builds, including with more information on the process to request Council approval and keep Council informed of the financial impact of individual projects.

Council has previously approved policies to support the financial viability of Housing Now projects, and this report recommends that City Council extend these financial incentives to the Toronto Builds Policy Framework. This includes direction that amendments be made to Charter 415 of the Municipal Code to exempt all residential components of Toronto Builds projects from parkland dedication requirements and payment of community benefits charges. This also includes approval to waive a range of City development fees (e.g. tieback encumbrances, crane swing agreements, and temporary street occupation permits) for projects that are to be offered for development solely to the non-profit sector and are subject to a City-initiated rezoning process. As with other financial incentives towards affordable housing, these are not a direct funding contribution and represent foregone revenue.

City Investments to Deliver Three Toronto Builds Projects in 2025

This report requests Council authority to proceed with the market offering for three projects in 2025 under the Toronto Builds Policy Framework. The land value contribution on each of these projects will be determined in the business case, and depends on various factors such as development size, affordable housing ratio, market rents and land values at the time of offering, and the cost of any additional city building objectives.

Through Items [CC21.3](#) and [EX1.1](#), City Council has previously approved approximately \$32.2 million in financial incentives (including exemption from development charges, parkland dedication, waiver of planning and building permit fees, and exemption of property taxes) to support the delivery of 193 affordable rental homes at 970 Kipling Ave (also known as Bloor-Kipling Block 5) and 229 affordable rental homes at 158 Borough Dr. This report recommends that those incentives be provided under the terms of the Rental Housing Supply Program and the Toronto Builds Policy Framework, and that City Council approve financial incentives under the Rental Housing Supply Program for the project at 931 Yonge St. (specifically planning application and building permit fees, as other charges will be exempted provincially due to provisions of the *Development Charges Act*). Approval of property tax exemptions will be requested from Council once the successful proponent is identified.

Table 1: Estimated financial impact of incentives for 931 Yonge St.

Project Address	Approximate Number of Affordable Rental Homes	Estimated Affordability Period (years)	Estimated Planning Application Fees*	Estimated Building Permit Fees*	Estimated Total
931 Yonge St.	82	99	\$146,389	\$90,105	\$236,494

*Estimates calculated using 2024 building permit and planning application fees

These financial incentives will be included within the market offering process for the three projects. In addition, this report recommends the market offering process allow proponents to request an indefinite deferral of development charges for the purpose-built rental housing units in the Toronto Builds project. The intent of this approach is to determine interest among proponents to receive these incentives and assess the impact of this additional incentive on the delivery of affordable housing objectives. All proponents will be eligible to request this incentive and will be required through the market offering process to demonstrate how the indefinite deferral contributes to greater affordable housing outcomes or supports achieving other policy priorities of the Toronto Builds Policy Framework, such as rent control.

Following the market offering process, City staff will report to Council on the outcome of the assessment of any requests for indefinite development charge deferrals. Any request for authority from Council to provide this incentive as part of the report back will be subject to the Executive Director, Housing Secretariat, Executive Director Housing Development Office, and Chief Financial Officer and Treasurer, being satisfied that the indefinite deferral supports achieving the policies of the Toronto Builds Policy Framework, and prior to the approval of any lease or other agreement with the proponent as described in Recommendations 22 and 24 above.

Intergovernmental Funding and Financing Required to Deliver Toronto Builds

As part of this report, staff are recommending City Council reiterate previous requests to the federal and provincial governments to establish a Canada-Ontario-Toronto Builds (COT Builds) program, modelled on a similar program negotiated between the federal and provincial governments in British Columbia (called BC Builds). The recent announcement of an agreement in principle between the City and federal government to allocate \$2.55 billion in low-cost financing for seven projects in Toronto is an important step towards realizing the COT Builds program.

To effectively deliver thousands of rental homes across the portfolio of priority projects in the City, including on City-owned land, this report recommends City Council request a portfolio-based allocation of \$5 billion in low-cost financing from Canada Mortgage and Housing Corporation. In addition, to ensure the affordable rental homes in these projects are delivered, \$150 million in funding towards affordable homes is also required. This will support 26 rental housing projects, including 20 on City land and four on land owned by non-profit organizations, to begin construction on over 13,000 new rental homes within the next two years.

Establishing a predictable, stable portfolio of funding and low-cost financing for the City through federal and/or provincial housing programs will continue to be a key objective of City staff in working with other orders of government to realize the COT Builds proposal.

Memorandum of Understanding (MOU) with Toronto District School Board (TDSB)

Through this report, City staff are requesting Council authorization to enter into a Memorandum of Understanding (MOU) with TDSB as represented by its Manager and Agent, the Toronto Lands Corporation (TLC). Per the major terms and conditions of the MOU (outlined in Attachment 2), the City and the TDSB are working together to mobilize TDSB-owned lands in support of mutual community-focused priorities, including affordable housing and the delivery of new schools and community amenities.

To support TDSB-led redevelopment initiatives, the City will work with TDSB, as represented by its Manager and Agent, TLC on a site-by-site basis to support TDSB in addressing the financial impact of delivering affordable housing on their land. In addition to prioritizing the review of TDSB-led development applications, the City will support the delivery of up to 2,100 affordable rental homes through exemptions from development charges, community benefits charges and parkland dedication requirements, as well as building permit and planning application fees (as per the *Development Charges Act, 1997* or the Rental Housing Supply Program). The waivers are not a direct payment from the City but rather forgone revenues. The estimated value of all exempted fees and charges including those arising from Provincial legislation is in Table 2 below.

Table 2: Estimated Financial Impact of MOU with TDSB

Approximate Number of Affordable Rental Homes	Estimated Affordability Period (years)	Estimated Development Charges, Parkland Dedication, and Community Benefits Charges	Estimated Planning Application and Building Permit Fees*	Estimated Total
2,100	40	\$197,489,355	\$3,959,442	\$201,448,797

*Includes estimated planning application fees of \$1,651,878 and building permit fees of \$2,307,564 using 2024 rates

Subject to future Council approval, the City will exempt the affordable rental homes from property taxes for the duration of affordability (at least 40 years and up to 99 years).

Staff are recommending this approach to support the TDSB MOU as it acknowledges a shared commitment to advancing affordable housing and school building initiatives with broader community-benefit outcomes. Through the implementation of the MOU, there is an opportunity to identify additional TDSB properties with potential for mixed-use redevelopment. Staff will report back to Committee and Council on these new opportunities and additional affordable housing outcomes that can be achieved.

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

EQUITY IMPACT

The HousingTO 2020-2030 Action Plan (HousingTO Plan) envisions a city where all residents have equal opportunity to develop to their full potential. It is centred on a human rights-based approach to housing through the Toronto Housing Charter that recognizes housing as inherent to the dignity and well-being of a person and to building inclusive, healthy, sustainable, and livable communities. The City supports improved housing outcomes for its residents and recognizes that resources and investments must be made through the housing development process from all levels of government and prioritized to help those most in need.

A longstanding lack of deeply affordable and supportive housing for low-income, marginalized and vulnerable residents is now compounded with housing pressures for middle income earners. Existing City-led programs such as the Modular Housing Initiative have created supportive housing developments on City-owned land and demonstrate the value of centring affordability, accessibility and sustainability to achieve equitable city-building outcomes for low-income, marginalized residents. The design of the Toronto Builds Policy Framework is informed by principles of equity and aims to respond to the housing crisis with a program that creates new rental homes for residents across the housing spectrum.

The retention of City land for the purpose of developing affordable housing through cross-sector partnerships can advance equitable outcomes for current and future generations of Toronto residents. The City's enhanced role in the development of good quality, affordable housing can ensure that critical public infrastructure is integrated into vibrant, accessible and healthy neighbourhoods that will support the environmental and economic health of the city, region and country.

DECISION HISTORY

At its meetings on December 17 and 18, 2024, City Council adopted Item EX19.1 - Strengthening the City of Toronto's Housing Development Capacity to Deliver Housing Faster. The report outlines additional steps to advance the City's role as a Public Developer through the establishment of a Housing Development Office to accelerate the delivery of housing on City-led and City-supported sites.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX19.1>

At its meeting on October 9 and 10, 2024, City Council adopted Item PH15.6 – Increasing the City's Supply of Accessible Affordable Housing which provided a summary of recommendations from the Accessible Housing Working Group and recommended actions to increase the supply of accessible, affordable housing.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH15.6>

At its meeting on July 24, 2024, City Council adopted Item CC20.10 - Advancing the Transformation of Toronto's Housing Delivery. The report responds to Council's requests and provides an update on the City's efforts and actions to advance its

ambitious plan to transform Toronto's housing system.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.CC20.10>

At its meeting on March 20 and 21 2024, City Council adopted Item EX12.4 - Long-Term Financial Plan Update: Leveraging City-Wide Real Estate Opportunities for Affordable Housing, Complete Communities, and Financial Sustainability that outlined a set of directions to explore opportunities to build new affordable housing as part of the redevelopment of a range of City-owned lands, and directed City staff to ensure all developments on City or Toronto Parking Authority parking lots to include affordable housing.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX12.4>

At its meeting on December 13, 2023, City Council adopted Item EX10.2 - Advancing Generational Transformation of Toronto's Housing System - Aligning Housing Mandates and Strategic Efforts. The report outlines a number of recommendations to ensure a more consistent and strategic approach in how the City, CreateTO and Toronto Community Housing Corporation plan and deliver housing services.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX10.2>

At its meetings on November 8 and 9, 2023, City Council adopted Item EX9.3 - Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes. The report outlines several recommended actions, and highlights initiatives underway to transform and strengthen Toronto's housing system and expedite delivery of the HousingTO and Housing Action Plan targets.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX9.3>

At its meeting on September 6, 2023, City Council adopted Item EX7.2 - Urgently Building More Affordable Homes, and directed the Deputy City Manager, Development and Growth Services to create a plan to achieve 25,000 new rent-controlled homes, in addition to the City's previous HousingTO 2020-2030 Action Plan target of 40,000 affordable rental homes. Council also requested a report back on an effective alignment of resources, mandates, structure, and personnel to achieve the plan.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX7.2>

At its meetings on May 10, 11 and 12, 2023, City Council adopted Item PH3.6 - Housing Now Initiative – 2023 Progress Update which recommended several program-based changes to the Housing Now Initiative to provide more flexibility on a program-wide basis to “unstick” designated sites in light of changing market conditions.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PH3.6>

At its meeting on March 21, 2023, the Executive Committee adopted Item EX3.1- Housing Action Plan 2022-2026 - Priorities and Work Plan. This report details the City's work plan for the approval and implementation of a wide range of housing actions, policies and programs also includes the Urgently Building More Affordable Homes Report from the Rental Housing Opportunities Roundtable.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX3.1>

At its meeting on May 28, 2020, City Council adopted Item CC21.3 - Creating New Affordable Housing Opportunities through Phase Two of the Housing Now Initiative

which outlined the program's delivery framework and recommended additional development sites for new affordable and market rental housing.

<https://secure.toronto.ca/council/agenda-item.do?item=2020.CC21.3>

At its meeting on April 30, 2020, City Council adopted Item CC20.6 – Implementing the Toronto Modular Housing Initiative as an Urgent Response to the Covid-19 Pandemic and approved a program for the development of 250 new modular, supportive homes on City land.

<https://secure.toronto.ca/council/agenda-item.do?item=2020.CC20.6>

At its meeting on December 17 and 18, 2019, City Council adopted Item PH11.5 – HousingTO 2020-2030 Action Plan, to provide a blueprint for action across the full housing spectrum – from homelessness to rental and ownership housing to long-term care for seniors.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.PH11.5>

At its meeting on January 30 and 31, 2019, City Council adopted EX 1.1 "Implementing the "Housing Now" Initiative" which outlined recommendations for the program's organizational structure and processes and overall financial implications.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX1.1>

COMMENTS

Toronto's housing affordability crisis is impacting residents across the housing continuum, from low-income, marginalized residents in need of a deeply affordable, rent-geared-to-income home to middle income earners, key workers, and families trying to afford to live in the city. Toronto's housing crisis and lack of sufficient rental housing has been decades in the making and requires concerted tri-government action to correct. Despite a rise in the purpose-built rental vacancy rate in 2024 to 2.3%, Toronto's rental housing market remains unaffordable to many. New tenants looking for a rental home continue to face high asking rents, increasing 15% from 2023 to 2024. In 2024, asking rent for a vacant two-bedroom unit was \$2,744 a month, putting this home out of reach for the median two-person renter households earning approximately \$87,900. In Toronto, about 48% of households (557,970 households) are renters with 40% of them living in unaffordable housing.

At the same time, volatile economic conditions have made the construction of new housing, particularly rent-geared-to-income and affordable rental homes, more challenging. Publicly owned land is a critical asset that governments can mobilize to reduce development costs and support the creation of the right kind of housing supply that meets the needs of diverse residents earning a range of incomes.

Over decades, the City has facilitated the development of its land through a range of different programs that have emerged and changed over time and have a wide variety of policies associated with them. While these programs advance critical developments for residents across the housing spectrum, the criteria and requirements for these programs vary and can result in a lack of clarity for non-profit and private sector partners when supporting city-building objectives. These programs include:

- TCHC Revitalizations which since 2005 have been transforming TCHC neighbourhoods into mixed-income communities, leveraging land value to repair and replace aging social housing stock while building new affordable, rental, and ownership housing along with new City and community infrastructure including parks, community centres, and new road networks.
- The Housing Now initiative, launched in 2019, to redevelop prime, transit-oriented sites into mixed-income, mixed-use, complete communities with at least one third affordable rental housing.
- ModernTO, launched in 2019, which leverages surplus City land and buildings to meet a range of City building objectives, some of which included affordable housing.
- The Modular Housing Initiative, and later, implementation of the federal Rapid Housing Initiative, which redevelop smaller City-owned lands using innovative construction technologies to build permanent, supportive homes for people experiencing or at risk of homelessness.
- The public developer model, launched in 2023 to test the City taking a direct and more intentional approach to using its lands and delivering non-market housing
- A number of emerging redevelopment opportunities arising from the City-wide Real Estate program, including surplus Toronto Parking Authority parking lots.
- Waterfront revitalization made possible by significant infrastructure investments from all three levels of government and driven by Waterfront Toronto.
- Site-specific innovation or pilot projects to test new development models on City-owned land, such as the mass timber project at 1113-1125 Dundas St. W.

As economic conditions have worsened, programs such as Housing Now evolved to respond to market conditions. Importantly, in 2023, [City Council approved](#) flexibilities for Housing Now sites to support their viability in different parts of the City – including on land transaction terms, unit mixes (i.e. bedroom types), and shifting the target one-third affordable rental housing to be realized on a program-wide basis, enabling some flexibility on individual sites that could not achieve this target alone.

In November 2023, City Council adopted [Item EX9.3](#) and in doing so, placed a stronger emphasis on mobilizing City land to support the creation of a range of new rental homes, identifying almost 100 sites owned by the City or its Agencies and/or Corporations that are either housing ready or could be unlocked for housing subject to further due diligence. Through this report, Council also expanded its HousingTO targets to approve 65,000 rent-controlled homes by 2030 and set strategic directions to achieve greater alignment of resources, mandate, and structure (EX7.2, EX9.3) across housing delivery organizations and programs. The Toronto Builds Policy Framework in this report aims to implement Council's direction in EX9.3 by bringing a range of housing programs under a consistent policy framework with policies that ensure City-owned lands identified for housing are consistently utilized to maximize affordable housing and City-building objectives.

Toronto Builds: A New Policy Framework for the Development of Rental Housing on Public Land

This report recommends Council adopt the Toronto Builds Policy Framework that establishes policy requirements and targets intended to guide the redevelopment of land owned by the City, its Agencies, and Corporations for new rental housing. This framework formalizes Council direction approved in EX9.3 in specific program policies, and reflects lessons learned from the delivery of key programs such as Housing Now, ModernTO, and TCHC Revitalizations. This report describes the overall purpose of the framework, establishes an initial list of sites on which the framework will apply, and describes the proposed program policies. A subsequent report from the Deputy City Manager, Development and Growth Services will provide additional information about for Council about delivery and program governance to implement this Framework.

Identifying Toronto Builds Projects

The Toronto Builds Policy Framework proposed in this report is intended to apply to all land owned by the City, its Agencies, and Corporations that are identified for housing, whether they are delivered through a City Division, CreateTO, TCHC, another agency, and in partnership with Indigenous, community housing, or private sector partners. A list of City-owned lands identified for housing to which the Toronto Builds Policy Framework will apply is included in Attachment 1 to this report. Table 1 indicates lands owned directly by the City to which the Framework will apply, while Tables 2 and 3 list lands owned by a City Corporation that, subject to consideration by the applicable City Agency or Corporation as described in Recommendations 2 and 3, will be included in the Toronto Builds Portfolio.

As due diligence on potential housing sites is completed, or new redevelopment opportunities emerge through initiatives such as the City-Wide Real Estate program, staff expect the list of sites in the Toronto Builds Portfolio to change. To enable the flexibility needed to maintain this program, this report recommends City Council delegate authority to add new City-owned lands to the Toronto Builds Portfolio to the Deputy City Manager, Development and Growth Services with input from the Deputy City Manager, Corporate Services. Similarly, should due diligence reveal that a proposed Toronto Builds project is not feasible for housing development, the report delegates authority to appropriate City staff to remove it from the program and enable it to be advanced for other development uses (e.g. institutional, community use, infrastructure etc.).

There are several affordable and rental housing projects on City land in construction or pre-construction, or with a development partner selected, and the policies included in this Framework will not apply to such sites to avoid renegotiating project terms or delaying delivery. Similarly, housing projects on City land in Attachment 1 that have completed planning approvals (such as zoning by-law amendments) will not be required to revise zoning to address any discrepancy with policy requirements in this framework to avoid a requirement to reconsider significant amounts of work on planning approvals.

Toronto Builds Policies

The Toronto Builds Policy Framework includes 12 policy areas that establish requirements and targets, where appropriate. These policies, listed in Table 3 below,

balance achieving City-building and affordable housing outcomes with a focus on the financial viability of projects and the need to be responsive to economic conditions.

Policies described as Requirements are not flexible. A business case for any development project must meet all Requirements of the Toronto Builds Policies. Requirements will be clearly clarified for potential proponents through the market offering process. For example, if a project is only offered for development through a 99-year lease, this will be described in the business case and market offering, and proposals for purchase of land will not be eligible.

While the intent is all the policies of Toronto Builds are met, flexibility and a focus on delivery is a key component of this housing policy framework, particularly given difficult economic conditions. For this reason, the framework also includes Targets which are policy areas where there is greater flexibility to achieve intended policy priorities while balancing feasibility of a project and delivery of affordable housing. This flexibility can be applied either by City staff in approving a business case, or for proponents responding to a market offering, who may propose solutions that achieve City objectives while also ensuring other Requirements in the framework, such as affordable housing, are met. The business case for a project will identify elements of the project that are Requirements and Targets.

For example, for a project with a target of 10% three-bedroom units and 35% two-bedroom units, a proposal received through the market offering process may be selected if it does not meet this target and instead proposes 8% three-bedroom units and 33% two-bedroom units. All other Toronto Builds Policy Requirements would be spelled out in the business case and market offering process and would still need to be met.

Table 3: Toronto Builds Policies

Program Policies	Description
Mixed-income communities	Requirement: Toronto Builds developments will support City-building objectives of creating mixed-income, complete communities with diverse housing types affordable to a range of residents, including rent-geared-to-income, affordable, rent-controlled and market rental homes. Achieving this policy objective may require different approaches. In the case of TCHC revitalizations or large complex developments involving intergovernmental agreements, achieving this objective may involve introducing a wider range of housing options including affordable or market ownership homes. For TCHC in particular, the creation of additional affordable and market rental homes within the portfolio can support the long-term financial viability of the corporation.

Program Policies	Description
Land & Reconciliation with Indigenous People	<p>Requirement: City-owned land will be retained in public ownership and will be developed by offering 40 to 99-year leases to developers and/or operators to facilitate securing financing and developing new housing.</p> <p>Target: In larger, complex developments (such as TCHC revitalizations or those subject to intergovernmental agreements) the City will prioritize the retaining land in public ownership, with flexibility to consider other forms of land transaction with developers and/or operators where required to achieve the policy objective of creating mixed-income communities, and financially viable projects. Such flexibility will be provided only after assessment of all options to retain public ownership and subject to approval by City Council.</p> <p>Target: To support the City's commitment to truth, justice, and reconciliation Indigenous communities, the City will consider opportunities to convey City land to Indigenous non-profit housing providers. Staff will advance this policy direction and may request future Council approval, to convey certain Toronto Builds Projects at a nominal fee to Indigenous organizations.</p>
Non-market and community housing provider participation	<p>Target: All projects should prioritize the participation of a community housing provider either in development or operations of affordable rental homes, to build the capacity and market share of the non-market sector. For clarity, a community housing provider means non-profit housing organizations (including community land trusts), non-profit housing co-operatives, non-profit Indigenous housing providers, along with the Toronto Community Housing Corporation and Toronto Seniors Housing Corporation.</p>
Tenure	<p>Requirement: Projects on City-owned land will deliver projects with the residential component being 100% purpose-built rental housing in tenure.</p> <p>Target: Large complex developments (such as TCHC revitalizations or those subject to intergovernmental agreements) should prioritize the delivery of projects with 100% purpose-built rental housing tenure, with flexibility to consider new affordable or market ownership opportunities where required to achieve the policy objective of creating mixed-income communities. Such flexibility will be provided subject to approval by City Council.</p>

Program Policies	Description
Affordability	<p>Requirement: Across the Toronto Builds Portfolio, a minimum of 30% of residential units must be affordable rental housing with no individual project providing less than 20% affordable rental housing. To support TCHC's replacement housing requirements within its revitalization projects, rent-geared-to-income replacement homes will be counted towards this requirement.</p> <p>Requirement: Affordable rental homes must meet the City's Rental Housing Supply Program definition of affordable rental housing, which aligns with the City's Official Plan income-based definition.</p> <p>Requirement: 20% of affordable units in Toronto Builds Projects must be made available for tenants in receipt of housing benefits to create rent-geared-to-income housing opportunities (subject to availability of funding).</p> <p>Requirement: Affordability must be maintained for a minimum of 40 years and for the duration of any lease.</p> <p>Target: Wherever possible Toronto Builds projects should deliver an affordability period of 99 years.</p>
Rent Control	<p>Requirement: All affordable rental homes must be rent-controlled at the Provincial Rent Increase Guideline as set annually by the Province, up to the maximum allowable affordable rent.</p> <p>Target: The Toronto Builds Policy Framework's rent control requirements aim to balance stability for renters with the adequate rental revenue required to make affordable housing projects financially viable to develop and maintain over the long-term. All market rental homes should aim to achieve rent control at or near the Provincial Rent Increase Guideline, or in an amount reasonable to the Executive Director, Housing Secretariat.</p>
Unit Mix and Size	<p>Target: Projects should deliver a minimum of 10% three-bedrooms and 35% two-bedrooms, and a maximum of 45% one-bedrooms and 10% studios, across the whole development, to support the creation of family-sized units and provide flexibility to support financial viability.</p> <p>Target: Projects creating mixed affordable and market rental housing should aim to ensure the affordable units are no smaller than the market rental units, by unit type.</p> <p>Target: Projects comply with the Affordable Rental Housing Design Guidelines for affordable units, and the Growing Up Guidelines for market rental units.</p>

Program Policies	Description
Accessibility	<p>Requirement: 20% of new affordable rental homes, and 15% of market rental homes, must be accessible, meeting Ontario Building Code requirements for barrier-free.</p> <p>Target: All affordable rental homes will support aging in place and should aim to incorporate universal design features, in accordance with Council's direction (Item PH15.6) and the recommendations of the Accessible Housing Working Group, and/or in compliance with revised Affordable Housing Design Guidelines as may be released by the Executive Director, Housing Secretariat.</p>
Sustainability	<p>Requirement: The City has committed through TransformTO Net Zero Strategy to achieve net zero greenhouse gas emissions community-wide by 2040. To advance this commitment, this Policy Framework will require all Toronto Builds projects which have not secured zoning approval to meet TGS Version 4, Tier 2, or the relevant TGS in place at the time of the zoning by-law amendment application (whichever is higher), and must be built with low carbon, fossil-fuel free primary HVAC systems, and all-electric appliances in individual units. Projects in Attachment 1 which at the time of Council's decision on this Policy Framework already have zoning in place may proceed with the TGS requirements already in place at the time of zoning approval.</p> <p>Target: Projects should prioritize exceeding the requirements of TGS Version 4 Tier 2, and aim to meet the TGS Version 4 for City Agency, Corporation & Division owned Facilities</p>
Access to Units	<p>Requirement: All affordable rental units (regardless of whether they are operated by non-profit partnerships or for-profit organizations) will be accessed through the City's centralized affordable housing access system.</p>
Community Benefits	<p>Target: Incorporate, in the partner selection process for all Toronto Builds projects, measurable community benefits opportunities, such as social procurement and apprenticeship, training, and/or other hiring opportunities for people from equity-deserving communities</p>
Funding Community and City-building Infrastructure	<p>Requirement: To ensure projects will advance complete communities, contribute to amenities, community services and facilities, and public infrastructure, adequate funding will be identified within the City's Budget to fund these important amenities in Toronto Builds projects while maintaining viability of the affordable rental homes. Delivery of these amenities can also be enabled by the appropriate distribution of City land to a variety of uses, for example parkland.</p>

Building Supportive Homes on City-owned Land

Through the adoption of the HousingTO 2020-2030 Action Plan, the City has committed to approving 18,000 supportive homes by 2030. To advance this commitment, the City of Toronto has used its land to take an increased role in the creation of new supportive

homes for people experiencing or at risk of homelessness. Mobilized initially as part of the pandemic response and the availability of intergovernmental funding, the City employed several strategies to create new supportive housing opportunities such as the acquisition of non-residential land and buildings (i.e. hotels and motels) for conversion to permanent housing, rapid construction of new buildings on City land, and funding new supportive housing delivery by non-profit and Indigenous partners.

The adoption of the Toronto Builds framework positions the City to continue to pursue the development of City-owned land for supportive housing and advance additional community housing partnerships to lead the operation of these deeply affordable homes. Wherever possible, the City will continue to undertake due diligence to evaluate the viability of Toronto Builds Projects best suited for future supportive housing developments based on the City's existing experience with the Modular Housing initiative and ongoing City-led supportive housing developments. Through this Policy Framework, the City will continue to plan supportive housing developments that are appropriate in size and scale, ensuring they are well integrated and contribute to mixed-income and complete communities, and provide the right level of support for residents of supportive homes.

Notably, the City's ongoing developments demonstrate the feasibility of a City-led development model to advance supportive housing development opportunities and the conversion of atypical assets into homes. Through the Toronto Builds framework, staff are committed to continuing to identify new supportive housing and modular housing opportunities to advance the City's HousingTO commitments.

Memorandum of Understanding with Toronto District School Board

Through EX9.3, City Council emphasized the importance of partnerships across public organizations to support the development of public land to create new housing supply in conjunction with robust community services and public amenities. This report recommends the City execute a non-binding Memorandum of Understanding (MOU) with Toronto District School Board (TDSB), as represented by its Manager and Agent, Toronto Lands Corporation (TLC), to realize shared priorities of building new affordable and rental housing, schools, and community infrastructure. The major terms and conditions of the MOU are included as Attachment 2. The MOU will enable the City and TDSB, as represented by its Manager and Agent, TLC, to work together on shared priorities including increasing housing supply on public land, enhancing community buildings and services through mixed-use redevelopments, advancing shared use of public spaces, expediting the review of TDSB-led redevelopment projects, and creating sustainable developments that meet net zero targets.

The MOU will enable the City and TDSB to work together on ensuring school modernization projects generate a range of new rental housing, including at least 20% affordable rental homes. The City will also work with TDSB to explore opportunities to coordinate investments, design, and public access related to parkland and schoolyards, including shared use opportunities for both students and community members near the developments supported by the MOU. The MOU identifies an initial set of eight (8) TDSB properties across Toronto that represent approximately 10,500 potential new homes. Of the approximately 10,500 potential new homes, at least 20% (~2,100 units)

will be affordable rental homes for a proposed affordability term of at least 40 years with a target of 99 years.

To support TDSB-led redevelopment initiatives, the City will work with TDSB, as represented by its Manager and Agent, TLC on a site-by-site basis to support TDSB in addressing the financial impact of delivering affordable housing on their land. Through the MOU, the City will provide a range of provide financial incentives available under the Rental Housing Supply program to support the development of these new affordable homes, including exemptions from the payment of development charges, parkland dedication requirements, community benefits charges (where not already exempted by provincial legislation), waiver of planning application and building permit fees, and exemptions from property taxes for the duration of affordability (subject to Council approval). The City, in recognition of the delivery of affordable housing across a selection of TDSB-owned sites, is recommending these affordable rental homes also be subject to priority processing of planning applications.

Lastly, this MOU further aligns the implementation of TDSB's Multi-Year Strategic Plan with the City's HousingTO Plan and Housing Action Plan 2022-2026. This partnership recognizes the importance of schools as a foundational building block of a community and acknowledges the shared commitment to advancing affordable housing and other community-benefit projects between the two parties. Through the implementation of the MOU, there is an opportunity to identify additional TDSB properties with potential for mixed-use redevelopment. Staff will report back to Committee and Council on these new opportunities and additional affordable housing outcomes that can be achieved. Advancing this MOU as part of the Toronto Builds Policy Framework secures a critical partnership with a collaborative, forward-looking focus and identifies public land as part of the solution to Toronto's housing challenges whilst ensuring the needs of the educational system and the broader community are met.

Advancing Housing Developments in 2025 under Toronto Builds

Simultaneous with establishing a harmonized policy framework, this report also directs relevant City Divisions and Agencies to advance the first development opportunities through a market offering process under the Toronto Builds Policy Framework. Subject to adoption of the recommendations in this report, the projects at 970 Kipling Ave. (Bloor-Kipling Block 5), 158 Borough Dr., and 931 Yonge St. will be released through a market offering process and are estimated to create 1,523 new rental homes, including 503 affordable homes.

Market Offering Process

A market offering process will be led by CreateTO, in consultation with the Executive Director, Housing Secretariat, and Executive Director, Housing Development Office, in 2025 to select a private or non-profit development partner for the three projects listed above in Recommendation 19. Prior to undertaking the market offering, a business case for each project will be approved by the Deputy City Managers of Development and Growth Services and Corporate Services, and by the Chief Financial Officer and Treasurer. The business case provides a summary of the proposed development for the site and outlines the City's requirements of those responding to market offering. The

business case also summarizes the results of financial analysis regarding the feasibility of the proposed development, including total costs and the financial incentives and funding (where applicable) that City Council has approved for the project, to facilitate the delivery of affordable housing.

CreateTO, in consultation with the Executive Director, Housing Secretariat, and Executive Director, Housing Development Office, will lead the market offering process to evaluate proposals and select a proponent. The process will include an evaluation framework that incorporates the criteria of the Toronto Builds Policy Framework, as well criteria such as qualifications of the proponents including development and operating experience, resources proponents bring to the project, proposed operating model including private/non-profit partnerships, and long-term financial viability, among others. Negotiations of leases and other development-related agreements with the proponent will be led by CreateTO and in accordance with the business case approved for the project. The Deputy City Manager, Corporate Services, will execute lease agreements and other development-related agreements with the successful proponent subject to the terms being consistent with the approved business case.

Conclusion and Next Steps

This report proposes a policy framework for the use of City land to deliver on the City's HousingTO Action Plan targets and advance the development of mixed-income communities across Toronto. The adoption of the Toronto Builds Policy Framework will ensure that a consistent approach is taken across City Divisions, Agencies and Corporations when considering options and the financial feasibility of housing development sites.

The realization of the Toronto Builds framework advances the City's leadership role in increasing the supply of purpose-built rental housing and prioritizes critical community housing partnerships to increase the non-market share of rental housing in Toronto. The recommendations outlined in this report will: i) establish a clear policy framework that implements Council's priorities when delivering homes on public land and sets out the City's priorities for negotiating a tri-government COT Builds program; ii) advance critical partnerships with Indigenous organizations, housing development partners, and execution of an MOU with TDSB; and iii) enable three Toronto Build Projects to proceed with the market offering process, and provide clear policy direction to TCHC, CreateTO, and City Divisions working on many other potential housing developments on public land.

After establishing this policy foundation, the Deputy City Manager, Development and Growth Services will report to City Council by Q3 2025 with a proposed program delivery and governance approach that implements the policy direction outlined in this report. This will include updates on the housing delivery model and alignment efforts across the Service Area, creation of the new Housing Development Office, and information on a Master Services Agreements between the City and TCHC and CreateTO, respectively.

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SIGNATURE

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ATTACHMENTS

Attachment 1: 2025 List of Toronto Builds Projects

Attachment 2: Proposed Terms and Conditions for a Memorandum of Understanding (MOU) with Toronto District School Board (TDSB), as represented by its Manager and Agent, the Toronto Lands Corporation (TLC)

Attachment 1: 2025 List of Toronto Builds Projects

Table 1 below lists City-owned sites that will be included in the Toronto Builds Policy Framework to deliver a range of new rental homes on public land.

Table 1: Toronto Builds Projects on City-owned Land

Project Name/Address	Ward
1035 Sheppard Ave W.	6
1113-1125 Dundas St. W.	10
120 Sixth St.	3
1250 Eglinton Ave. W.	8
1325 Queen St. W. (Parkdale Hub)	4
140 Fifth St.	3
15 Denison Ave.	10
150 Queens Wharf Rd.	10
158 Borough Dr.	21
1627 Danforth Ave. (Danforth Garage)	19
1631 Queen St. E.	19
1900 Yonge St.	12
21 Pleasant Blvd.	12
251 Esther Shiner Blvd.	17
263 Queens Quay E. (Bayside Block R6)	10
2700 Eglinton Ave. W.	5
33 Queen St. E.	13
3326 Bloor St. W. (Bloor-Islington)	3
40 Bushby Dr.	24
4040 Lawrence Ave. E.	24
405 Sherbourne St.	13
5151 Yonge St.	18
592-598 Gerrard St. E.	13

Project Name/Address	Ward
705 Progress Ave.	24
75-81 Elizabeth St.	10
770 Don Mills Rd.	16
805 Don Mills Rd.	16
805 Wellington St. W.	10
9 Shortt St.	8
931 Yonge St.	11
970 Kipling Ave. (Bloor/Kipling Block 5)	3
Block 7 – Christie Lands	3
Bloor/Kipling Block 3	3
Bloor/Kipling Block 6 & 7	3

Table 2 below lists projects on land administered by CreateTO and owned by corporations under its management, either Build Toronto or Toronto Port Lands Corporation, which will be included in the Toronto Builds Policy Framework subject to the consideration by the Board as outlined in Recommendation 2 above.

Table 2: Projects on land administered by CreateTO

Project Name / Address	Ward
10 Rosehill Ave.	12
Ookwemin Minising	14

Table 3 below lists projects on land owned by Toronto Community Housing Corporation which will be included in the Toronto Builds Policy Framework subject to the consideration by the Board as outlined in Recommendation 3 above.

Table 3: Projects on land controlled by the Toronto Community Housing Corporation

Address	Ward
Firgrove-Grassways	7
Lawrence Heights Phase 2, 3, and 4	8
Swansea Mews	5

Attachment 2 – Proposed Terms and Conditions for a Memorandum of Understanding with the Toronto District School Board (TDSB), as represented by its Manager and Agent, Toronto Lands Corporation (TLC)

Proposed Terms and Conditions	
Parties	<p>City of Toronto</p> <p>Toronto District School Board (“TDSB”), as represented by its Manager and Agent, Toronto Lands Corporation (“TLC”)</p>
Objectives	<p>The parties shall collaborate on identifying TDSB properties with potential for mixed-use redevelopment in support of community-focused priorities including more rental housing and affordable housing, school modernization projects and other civic facilities.</p> <p>By aligning efforts, both organizations can ensure:</p> <ul style="list-style-type: none"> i. TDSB properties contribute to solving the City’s housing challenges by leveraging these lands and City properties to achieve mutually beneficial solutions that address educational and community needs; ii. school projects align with strategic priorities, including affordable housing, delivery of programs and services, environmental sustainability, and equity; and iii. public assets deliver maximum value through integrated community-oriented developments.

Proposed Terms and Conditions	
Strategic Priorities	<p>The parties agree to explore redevelopment opportunities with a focus on:</p> <ul style="list-style-type: none"> i. increasing housing supply by integrating a mix of housing types in TDSB-led redevelopment of school properties; ii. enhancing community building and services through the creation of developments that support educational, recreational and social services for residents; iii. shared-use of public spaces that coordinate investments, design and student/community public access in these developments; iv. expedited approvals and fee waivers for TDSB-led redevelopment in recognition of the allocation of affordable housing on these sites; and v. promoting sustainable, inclusive development through designs that ensure long-term sustainability and accessibility for residents.
Strategic Alignment	<p>The parties will support the implementation of TDSB's Multi-Year Strategic Plan to align with the City's HousingTO 2020-2030 Action Plan and ensure the sites identified through this partnership comply with the requirements and targets as outlined in the Toronto Builds Policy Framework.</p>
Housing Target	<p>Advance an initial set of eight (8) TDSB properties that represent approximately 10,500 potential new homes.</p>
Affordable Rental Housing Target	<p>Of the approximately 10,500 potential new homes, at least 20% (~2,100 units) will be affordable rental homes.</p>
Affordability Term	<p>40 years to 99 years.</p>

Proposed Terms and Conditions	
Depth of Affordability	Income based definition of affordable rental housing as defined under the City of Toronto's Rental Housing Supply Program.
City Incentives	<p>Through the Toronto Builds Policy Framework, properties identified through this partnership will be eligible for priority application processing as well as the waiver of application fees, building permit fees, development charges, community benefits charges and parkland dedication fees, unless exempted by provincial legislation.</p> <p>Subject to the future approval by City Council, the affordable rental homes will be eligible for property tax exemptions subject to the affordability term.</p>
Roles and Responsibilities	<p>The parties agree to establish a dedicated working group with representatives from the City and TDSB to support coordination and communication regarding the proposed and identified properties.</p> <p>The working group's initial activities include conducting a real estate assessment of the TDSB properties identified, developing feasibility studies and engaging community stakeholders to foster alignment.</p>
Reporting and Communication Protocols	The parties agree to cooperate on the preparation of well-planned and consistent communications and reporting that provide information about proposed projects and actions to relevant parties including respective Boards, City Council and the public in a timely and transparent manner.