

From Concept to Construction: Creating More Homes Across the Housing Continuum

Date: June 30, 2025

To: Planning and Housing Committee

From: Deputy City Manager, Development and Growth Services and the Executive Director, Housing Secretariat

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

Confidential Attachment 1 to this report contains information explicitly supplied in confidence to the City of Toronto by the Canada Mortgage and Housing Corporation (CMHC) and the Minister of Municipal Affairs and Housing, which may only be made public in accordance with funding agreements with CMHC and His Majesty the King in right of Ontario as represented by the Minister of Municipal Affairs and Housing, and confidential information pertaining to a position, plan, procedure, criteria, or instruction to be applied to negotiations.

SUMMARY

Toronto residents across a range of incomes are facing an unaffordable housing market decades in the making, with over 10,000 residents experiencing homelessness, over 100,000 households waiting for a rent-geared-to-income (RGI) home, and low- and middle-income households struggling to afford their homes amidst the rising cost of living in the city.

In a dynamic housing market, where housing starts are at a historic low, it is more important than ever to ensure housing projects that include affordable housing outcomes are supported to move from pre-development to construction and occupancy. There are currently over 230 active affordable housing projects in the City's housing pipeline that have been approved for financial incentives (including relief from development fees, charges and property taxes) indicating the City's strong commitment to reduce costs, remove barriers, and expedite approvals for affordable housing. However, due to difficult

market conditions and limited funding from other orders of government, only 43 of these projects are currently under construction.

Since 2023, the City has taken a number of unprecedented actions across the housing continuum to support a generational transformation of Toronto's housing system: expansion of the HousingTO 2020-2030 Action Plan (HousingTO Plan) targets beyond affordable rental homes, to include RGI and rent-controlled homes; launch of the new Community Housing Pre-Development Fund, the Rental Housing Supply Program, and the new Toronto Builds Policy Framework; adoption of the Community Housing Growth and Modernization Strategy; and a limited expansion of financial incentives to community housing-led rent-controlled, market rental and ownership homes where they include affordable housing outcomes. Guided by the [Housing Action Plan 2022-2026](#) (Housing Action Plan), City Council has also approved significant changes to the City's Official Plan, zoning by-law, and development guidelines, to facilitate the growth of more housing types in diverse neighbourhoods.

This report provides an update on the implementation of these policy, program and financial measures to support a range of new homes for Toronto, including:

- 1) An update on the implementation of the Rental Housing Supply Program (RHSP) through the following streams:
 - Capital Funding Stream: A recommendation that City Council approve approximately \$85.7 million in grant funding for 14 eligible projects identified through the 2025 Capital Funding Call for Applications.
 - Affordable Rental and Rent-Controlled Housing Incentives (ARRCHI) Stream: An update on the results of the new rolling ARRCHI Call for Applications and a request for Council authority to exempt eligible units from taxation for municipal and school purposes.
 - Community Housing Pre-Development Fund (CHPF): A report back on the outcomes of the 2024 CHPF Call for Applications which will provide \$16.9 million in loan funding to 13 community housing providers to advance due-diligence on a range of RGI, supportive, affordable and rent-controlled homes.
 - Purpose-Built Rental (PBR) Housing Incentives Stream: A status update on the projects received, but not approved, through Phase 1: "Quick Start" Call for Applications that can be supported through an indefinite deferral of development charges (DCs) should provincial funding be received.
- 2) An update on the deferral of payment of DCs for eligible condominium projects with 5-10% of units as affordable housing:
 - A report back on Council direction (EX21.13) with a list of proponents approved to receive an interest free deferral of DCs provided that building permits are issued for the project within two years of receiving City approval of the deferral.

- 3) Recommendations to advance market offering process for 72 Amroth Ave., a pilot project through the Expanding Housing Options in Neighbourhoods Initiative (EHON); and
- 4) A recommendation to increase the Housing Secretariat Budget by \$67.2 million to reflect funding to be received under the provincial Building Faster Fund (BFF), awarded to the City for meeting its 2024 housing start targets; and a confidential update on the planned allocation of the federal Housing Accelerator Fund (HAF) and the 2023 BFF funds as of June 2025.

This report outlines City actions in support of 39 housing projects representing approximately 10,815 new homes including 3,945 rent-controlled, affordable and RGI homes. It should be noted that approximately 3,015 (out of 3,945) rent-controlled and affordable homes have previously been approved by the City for financial support or secured through various planning policies.

The report also highlights the readiness of an additional 46 projects representing approximately 15,830 purpose-built rental homes and 4,115 affordable rental homes that can start construction within the next two years, should immediate provincial funding be secured.

The City worked with Toronto Alliance to End Homelessness and University of Toronto's Infrastructure Institute to support a diversity of community housing providers to participate in the recent Call for Applications including housing co-operatives and non-profit housing providers serving priority groups such as Black residents, youth, seniors and women. While the projects included in this report demonstrate a variety of housing developments that will serve diverse residents across the city, there remains an urgent priority to address the housing needs of Indigenous communities in Toronto. The City has set aside 20% of its RHSP Capital Funding and CHPF funds (up to approximately \$13 million in 2025) to support Indigenous-led housing projects and worked with Miziwe Biik Development Corporation (MBDC) and Aboriginal Labour Force Development Circle (ALFDC) to provide information to Indigenous housing providers applying for these funding opportunities. However, no applications were received as part of these two streams from Indigenous-led organizations. To support the delivery of "For Indigenous, By Indigenous" housing opportunities, more work is needed with the sector to co-develop a distinct process for Indigenous organizations to access these funds on an ongoing basis.

Despite increased action and investments, Toronto's housing and homelessness crises have worsened. While the number of City-led and City-supported housing projects has grown, there is an increased need to focus resources on bringing these projects from initial financial approval to construction start and occupancy. This report provides recommendations and updates to Council on concrete action the City has and will continue to take to bring projects from concept to construction. Concerted action and investment from all orders of government and the private, health, and social services sectors is needed to respond to these crises.

Recent federal and provincial measures to support housing supply and specifically purpose-built rental construction, funding and low-cost financing programs provided by Canada Mortgage and Housing Corporation (CMHC), and funding programs for municipalities such as HAF and BFF are examples of government actions aligning to advance collective housing objectives. However, new and enhanced policy, program and financial tools are urgently needed to meet Toronto, Ontario and Canada's respective housing supply targets. Specifically, CMHC programs such as the Affordable Housing Fund, and its Rapid Housing Initiative sub-stream, are currently oversubscribed and will make it more difficult for the City, and community housing providers, particularly Indigenous and non-profit organizations, to advance their affordable, RGI, and supportive housing projects.

This report outlines the opportunity for the federal and provincial governments to support the implementation of the Rental Housing Supply Program to achieve the approval of 65,000 rent-controlled homes by 2030. The report also includes a request to the Province to protect tenants from the use of price-fixing software in Toronto's rental housing market which has raised concerns regarding its role in coordinated rental rate hikes.

To support a generational transformation of Toronto's housing system, the City is leveraging all available financial tools to advance the ambitious housing goals of the City, the province and the federal government. Federal and provincial investment in new purpose-built, affordable rental and supportive homes, mental health and social supports, higher social assistance rates and measures to protect tenants are proven to be most effective in complementing the City's efforts to respond to the diverse needs of Toronto's current and future residents.

RECOMMENDATIONS

The Deputy City Manager, Development and Growth Services, and the Executive Director, Housing Secretariat, recommend that:

1. City Council direct that Confidential Attachment 1 remain confidential at this time as it contains information explicitly supplied in confidence to the City of Toronto by the Canada Mortgage and Housing Corporation (CMHC) and the Minister of Municipal Affairs and Housing, which may only be made public in accordance with funding agreements with CMHC and His Majesty the King in right of Ontario as represented by the Minister of Municipal Affairs and Housing, and confidential information pertaining to a position, plan, procedure, criteria, or instruction to be applied to negotiations.
2. City Council authorize the public release of information in Confidential Attachment 1 at the discretion of the Deputy City Manager, Development and Growth Services and no later than:

- a. The completion of the developments contemplated in Confidential Attachment 1; and,
- b. once the City is permitted to release the information in Confidential Attachment 1 pursuant to the funding agreements with Canada Mortgage Housing Corporation and the Minister of Municipal Affairs and Housing and following the public disclosure of the same information by Canada Mortgage and Housing Corporation and the Minister of Municipal Affairs and Housing.

Capital Funding and Incentives to Build More Affordable Rental Homes

3. City Council authorize the Executive Director, Housing Secretariat, to provide capital grant funding from the 2025-2034 Capital Budget and Plan for the Housing Secretariat in the amounts and for the developments described in Table 1 in the Financial Impact section of the report (June 30, 2025) from the Deputy City Manager, Development and Growth Services and the Executive Director, Housing Secretariat, and in an amount not to exceed \$85,718,027 to facilitate the creation of up to 963 affordable rental homes through the Rental Housing Supply Program.
4. City Council authorize the Executive Director, Housing Secretariat, or their designate, to execute, on behalf of the City, any security or financing documents required by the proponents of projects approved 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 municipal housing facility agreement (the "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.
5. City Council authorize an exemption from taxation for municipal and school purposes for the affordable rental and rent-controlled homes to be developed in the projects approved under the Rental Housing Supply Program as listed and for the periods of time described in Table 2 in the Financial Impact section of the report (June 30, 2025) from the Deputy City Manager, Development and Growth Services and the Executive Director, Housing Secretariat.
6. City Council authorize the Controller to cancel or refund any taxes paid after the effective date of the exemption from taxation for municipal and school purposes as set out in the applicable municipal housing facility agreement.
7. City Council authorize the Executive Director, Housing Secretariat, to provide a parkland dedication incentive for developments approved under the City's Rental Housing Supply Program by reducing the parkland dedication requirement by a percentage equivalent to the percentage of the affordable rental housing units of the overall development, if not already exempted by provincial legislation.
8. City Council authorize the Executive Director, Housing Secretariat, to provide waivers of planning application fees under the Rental Housing Supply Program for eligible affordable rental housing units delivered by Toronto Community Housing Corporation

(TCHC) through TCHC-led revitalizations, in advance of entering into a Contribution Agreement.

Advancing a Market Offering for 72 Amroth Avenue

9. City Council authorize the Deputy City Manager, Development and Growth Services, Deputy City Manager, Corporate Services, and Chief Financial Officer and Treasurer to approve a business case and market offering process for the project at 72 Amroth Avenue on a long-term land lease basis to deliver new rental housing, including affordable rental housing, provided that the Executive Director, Housing Secretariat, Executive Director, Housing Development Office, and CreateTO Board of Directors concur with the proposed business case and market offering process.

10. City Council request the Board of CreateTO to request Chief Executive Officer, CreateTO, in consultation with the Executive Director, Housing Secretariat, and Executive Director, Housing Development Office, administer the market offering process for 72 Amroth Avenue., select the recommended proponent and negotiate the leases and other agreements (other than the Contribution Agreement) for the project with them in accordance with the terms of the approved business case and market offering process, and report back to the Board of CreateTO and City Council with the recommended proponent.

Partnerships and Intergovernmental Requests

11. City Council direct the Executive Director, Housing Secretariat, and Executive Director, Housing Development Office, to work with the Miziwe Biik Development Corporation and Aboriginal Labour Force Development Circle to co-develop a process for identifying eligible Indigenous-led housing projects to receive the Indigenous set-aside of the Community Housing Pre-development Fund and the Rental Housing Supply Program's Capital Funding streams on an ongoing basis.

12. City Council increase the 2025-2034 Capital Budget and Plan for the Housing Secretariat by \$67,199,200 gross and \$0 net fully funded through the Building Faster Fund.

13. City Council reiterate its request that the Government of Ontario provide the City with a Build More Homes Rebate of at least \$596 million (equivalent to the value of development charges payable) for 15,830 Purpose-Built Rental homes in projects that applied but were not approved under Phase 1 of the Purpose-Built Rental Housing Incentives stream.

14. City Council reiterate its request that the Government of Canada and the Canada Mortgage and Housing Corporation immediately increase grant and loan funding for the Affordable Housing Fund and allocate loan funding to the Apartment Construction Loan Program to support the City's priority housing projects in need of federal funding and low-cost financing in 2025.

15. City Council reiterate its request that the Government of Ontario support the community housing sector in Toronto in achieving the HousingTO 2020-2030 Action Plan rent-controlled housing targets which are necessary to support the delivery of the Provincial More Homes Built Faster Plan by:

- a. allocating between \$500 million and \$800 million per year in grant funding to Toronto over the next five years to develop new housing, including new community housing;
- b. providing access to \$6.5 to \$8 billion in low-cost financing/re-payable loans to Toronto over the next five years.

16. City Council reiterate its request the Province of Ontario to expand on its commitment to partner with the City of Toronto on supportive housing by providing a three-year allocation of \$60 million in operating funding for support services beginning in 2025, to ensure residents of over 2,000 supportive homes have access to health and social supports and enable approximately 400 new supportive homes currently under construction to open in 2025 and 2026.

17. City Council request the Government of Ontario amend the Residential Tenancies Act, 2006 to prohibit the use of algorithmic software that utilizes non-public competitor data to set rents, excluding software for affordable housing programs.

FINANCIAL IMPACT

The City supports the creation of new homes across the housing continuum through a range of financial benefits including forgivable and repayable loan funding, as well as relief from a range of development fees, charges and property taxes.

This section outlines financial impacts associated with the provision of capital funding, pre-development loans, and property tax exemptions to eligible housing developments through the Rental Housing Supply Program.

The financial impact associated with the deferral of DCs for eligible condominium units was included in EX21.13 – Supporting Ownership Housing Developments, adopted by City Council on March 26 and 27, 2025.

The financial impact associated with the waivers of planning and application and building permit fees, DCs, Community Benefit Charges (CBCs), and parkland dedication fees for eligible affordable rental and community housing-led rent-controlled homes approved under ARRCHI stream was included in PH13.8 – Launching the Rental Housing Supply Program adopted by City Council on June 26 and 27, 2024 and included in the Housing Secretariat's 2025 Budget.

There is no immediate financial impact resulting from the recommendations to advance a market offering for 72 Amroth Avenue. Following the market offering, staff will report back to City Council with the recommended development proponent, including proposed affordable housing outcomes and information on financial impact that may be associated with the proposal.

Capital Funding

In March 2025, the City issued a Call for Applications for \$50 million in capital funding available, with 20% of these funds set-aside for Indigenous-led housing projects. Based on the results of a competitive evaluation process, and given the number of successful projects, staff are recommending approving up to \$85.7 million in grant funding included in the approved 2025-2034 Capital Budget and Plan for the Housing Secretariat in the amounts and for the 14 projects outlined in Table 1 below.

These funds will be provided by way of a forgivable loan, subject to meeting the terms of the Contribution Agreement and in installments tied to development milestones over multiple years. The City reserves the right to withhold or cancel funds where proponents are not able to demonstrate their ability to advance these projects in accordance with their development schedule submitted to the City.

Supporting the 14 projects identified below requires allocating the full \$50 million available in 2025 and leveraging \$35.7 million currently planned for the 2026 RHSP Capital Funding Call for Applications to support additional prioritized projects identified this year. This approach will enable projects that have demonstrated their readiness to secure construction financing and get shovels in the ground in 2025 and 2026 to maintain their momentum and avoid delays. This approach however will impact the funding available in 2026 to allocate through a Capital Funding Call for Application.

Table 1: Summary of Projects Recommended for Capital Funding

No.	Address	Proponent	Ward	Est. Number of Affordable Rental Homes Proposed	Maximum Capital Funding Recommended
1	300-304 The East Mall – Valhalla Village Phase 1*	KingSett Affordable Housing LP	2 – Etobicoke Centre	45	\$2,700,000
2	430 Royal York Rd.*	WoodGreen Community Housing Incorporated	3 – Etobicoke Lakeshore	19	\$4,940,000
3	1337-1339 King St. W.	Parkdale United Church Foundation	4 – Parkdale – High Park	82**	\$3,993,027

No.	Address	Proponent	Ward	Est. Number of Affordable Rental Homes Proposed	Maximum Capital Funding Recommended
4	22 Maynard Ave.	The Neighbourhood Land Trust	4 – Parkdale High Park	9	\$1,890,000
5	976 College St.*	Operation Springboard	9 – Davenport	19	\$3,450,000
6	72 Perth Ave.*	Castlepoint Numa	9 – Davenport	52	\$3,120,000
7	2 Tecumseth St.	Woodbourne & TAS	10 – Spadina Fort York	111	\$8,000,000
8	26 Grenville St. & 27 Grosvenor St.*	Choice Properties REIT	13 – Toronto Centre	239***	\$10,000,000
9	3377 Bayview Ave. – Phase 1	Tyndale Green Development LP.	17 – Don Valley North	102***	\$16,320,000
10	191 Gledhill Ave.*	Aria Build Corp.	19 – Beaches East York	4	\$250,000
11	507 Kingston Rd.*	Nodin of Kanata Affordable Housing	19 – Beaches East York	30	\$7,800,000
12	3385 Lawrence Ave. E.	Kindred Works (on behalf of Greencedar Communities LP)	21 – Scarborough Centre	47	\$7,050,000
13	80 Dale Ave.*	Community Affordable Housing Solutions (CAHS)	24 – Scarborough Guildwood	87	\$14,250,000
14	260 Brenyon Way (25 Sewells Rd Building B)	Brenyon Way Charitable Foundation	25 – Scarborough - Rouge Park	117	\$1,955,000
TOTAL				963****	\$85,718,027

*These projects are also recommended for property tax exemptions as outlined in Table 2 below.

**Excludes 10 rental replacement units.

***Number of affordable rental homes has changed since approval under the Purpose-built Rental Housing Incentives Stream in December 2024 (CC24.16).

****Includes 125 net new affordable rental homes to the City's affordable housing pipeline.

Subject to adoption of this report, staff will work with Miziwe Biik Development Corporation (MBDC), Aboriginal Labour Force Development Circle (ALFDC) and Indigenous housing providers to co-develop a process whereby eligible Indigenous-led housing projects can access up to \$10 million in grant funding (the set-aside under the 2025 Capital Funding Call for Applications) on an ongoing basis.

Financial Incentives for New Affordable Rental and Community Housing-Led Rent-Controlled Homes

Through the adoption of item PH13.8, City Council approved a new rolling application process to provide eligible affordable rental and community housing-led rent-controlled homes access to financial incentives including a waiver of planning application and building permit fees, and an exemption of DCs, CBCs, and parkland dedication fees (where not already exempted under provincial legislation). Approval of these incentives is delegated to the Executive Director, Housing Secretariat within the City's affordable rental and rent-controlled homes target established annually through the Budget process (2025 target is 6,940 rent-controlled, affordable rental and RGI homes).

Eligible rent-controlled and affordable rental homes can also receive an exemption from taxation for municipal and school purposes for the duration of the affordability and rent-control period, subject to City Council approval.

These incentives are not a direct payment from the City but rather foregone revenues. These financial incentives are provided subject to proponents entering into a Contribution Agreement with the City and meeting associated requirements throughout construction and operating years.

Financial Incentives Approved through ARRCHI

The rolling ARRCHI Call for Applications launched in November 2024, and as of June 17, 2025, the City has approved financial incentives for 1,237 affordable and community housing-led rent-controlled homes in 11 housing projects. These projects are at various stages of the development review process and expected to start construction within the next 18 months (by end of 2026). The estimated value of planning application and building permit fees waived for these projects is approximately \$3.2 million reflecting an average City contribution of \$2,570 per affordable and community housing-led rent-controlled home (using 2025 rates). Exemptions of DCs, CBCs, and parkland dedication fees are available through provincial legislation where projects meet the definition of affordable rental housing or non-profit housing development as outlined in the *Development Charges Act*.

Recommended Property Tax Exemptions

This report recommends an exemption of municipal property taxes for a total of 15 projects, including nine projects approved through the ARRCHI stream described above,

and six projects concurrently recommended for approval for capital funding through this report.

Municipal property tax exemptions are recommended for the terms of the agreement (from 40 years to 99 years), with an estimated Net Present Value (NPV) of \$115.34 million.

Ongoing municipal property tax exemption is conditional on the successful proponents' compliance with the terms and conditions of the City's Contribution Agreement over the term of the agreement.

Table 2: Summary of Recommended Property Tax Exemptions to Support New Affordable Rental and Rent-Controlled Homes

#	Address	Proponent	Ward	# of Affordable /Rent-Controlled Homes	Affordability Period (years)	NPV of City Tax	NPV of Education Tax	NPV of City Building Levy	NPV of Property Tax Exemption*
1	300-304 The East Mall – Valhalla Village Phase 1	KingSett Affordable Housing LP	2 - Etobicoke Centre	45 (new affordable, 172 affordable homes previously approved)	40	\$2,182,474.42	\$375,187.51	\$32,282.23	\$2,589,944.16
2	300-304 The East Mall – Valhalla Village Phase 2	KingSett Affordable Housing LP	2 - Etobicoke Centre	129 (affordable)	40	\$6,005,705.89	\$1,032,483.97	\$88,839.82	\$7,127,029.68
3	430 Royal York Rd.	WoodGreen Community Housing Incorporated	3 – Etobicoke Lakeshore	19 (affordable)	99	\$1,567,744.93	\$ 205,262.27	\$12,587.61	\$1,785,594.81
4	1736-1746 Weston Rd.	A1 Hickory Tree Towers Limited Partnership	5 - York South—Weston	84 (affordable)	40	\$3,434,841.03	\$589,561.17	\$50,830.19	\$4,075,232.38
5	976 College St.	Operation Springboard	9 - Davenport	19 (affordable)	99	\$1,238,116.29	\$162,104.54	\$10,012.03	\$1,410,232.86

#	Address	Proponent	Ward	# of Affordable /Rent-Controlled Homes	Affordability Period (years)	NPV of City Tax	NPV of Education Tax	NPV of City Building Levy	NPV of Property Tax Exemption*
6	72 Perth Ave.	Castlepoint Numa	9 - Davenport	9 (new affordable, 43 affordable homes previously approved)	40	\$456,798.21	\$78,502.92	\$6,754.26	\$542,055.39
7	254-266 King Street East, 427-435 Adelaide Street East and 157 Princess Street	260 King Fitzrovia Inc.	13 - Toronto Centre	174 (affordable)	40	\$8,670,917.89	\$1,490,139.68	\$128,310.78	\$10,289,368.34
8	325 Gerrard St. E.	Toronto Community Housing Corporation (TCHC)	13 - Toronto Centre	136 (affordable)	99	\$15,473,305.97	\$2,078,180.18	\$127,117.93	\$17,678,604.08
9	26 Grenville St. & 27 Grosvenor St.	Choice Properties REIT	13 - Toronto Centre	239** (affordable)	99**	\$11,695,080.31	\$534,789.45	\$53,414.90	\$12,283,284.66

#	Address	Proponent	Ward	# of Affordable /Rent-Controlled Homes	Affordability Period (years)	NPV of City Tax	NPV of Education Tax	NPV of City Building Levy	NPV of Property Tax Exemption*
10	126-132 Laird Dr. and 134 Laird Dr	Leaside Residence I Inc. & Leaside Residence I LP	15 - Don Valley West	44 (affordable)	99	\$3,870,546.34	\$506,764.28	\$30,997.71	\$4,5408,308.34
11	191 Gledhill Ave	Aria Build Corporation	19 - Beaches-East York	4 (affordable)	40	\$244,296.40	\$41,931.39	\$3,603.54	\$289.831.33
12	79 Dunkirk Rd. E.	Aria Build Corporation	19 - Beaches-East York	4 (affordable)	40	\$244,296.40	\$41,931.39	\$3,603.54	\$289,831.33
13	507 Kingston Rd.	Nodin of Kanata Affordable Housing	19 – Beaches-East York	90 (30 affordable & 60 rent-controlled homes)	50	\$7,629,781.69	\$961,603.67	\$94,784.67	\$8,686,170.04
14	80 Dale Ave.	Community Affordable Housing Solutions (CAHS)	24 - Scarborough-Guildwood	285 (87 affordable & 198 rent-controlled homes)	99	\$35,923,939.31	\$3,560,978.68	\$499,902.75	\$39,984,820.74
15	62 Orchard Park Dr.	East Scarborough Boys and Girls Club	25 - Scarborough—Rouge Park	47 (affordable)	99	\$3,423,853.21	\$450,520.30	\$27,775.97	\$3,902,149.47
TOTAL				1,328***		\$102,061,698.28	\$12,109,941.40	\$1,170,817.92	\$115,342,45.60

*Based on 2025 property taxes rates, estimated annual rate increases, and a Net Present Value discount rate of 3%.

**Project previously approved for a property tax exemption for 212 affordable homes for a 40-year period. Net present value reflects the incremental financial impact of extending the exemption period by 59 years to 99 years and approving an additional 27 affordable homes for a 99 year exemption.

***Includes 1,070 affordable rental and 258 rent-controlled homes.

Community Housing Pre-development Fund (CHPF)

In November 2024, the City launched the first CHPF Call for Applications to provide \$15 million in interest-free repayable loan funding to community housing providers to advance pre-development due diligence activities on sites anticipated to deliver affordable and RGI housing. Approval of projects and loan funding amounts was delegated by Council to the Executive Director, Housing Secretariat (through Item PH13.8).

Following a competitive review and evaluation process, the City has approved loan funding in an amount of \$16,903,948 to support 13 eligible and prioritized applications from community housing providers. The additional \$1,903,948 is included within the approved 2025-2034 Capital Budget and Plan for the Housing Secretariat.

Table 3: CHPF Approved Projects and Maximum Loan Funding Approved

No.	Address	Proponent	Ward	Maximum Loan Funding Approved
1	18 Buckingham Ave.	Ruth and Terry Grier Co-operative and Co-operative Housing Federation of Toronto	3 - Etobicoke Lakeshore	\$1,306,714
2	1229 Queen St. W.	Parkdale Community Health Centre	4 - Parkdale High Park	\$847,691
3	1499 Queen St. W.	Parkdale Activity Recreation Centre	4 - Parkdale-High Park	\$2,518,049
4	118 Havelock St.	Madison Community Services	9 - Davenport	\$247,000
5	248 Ossington Ave.	West Neighbourhood House	9 - Davenport	\$981,000
6	1173 Bloor St. W.	Safehaven	9 - Davenport	\$1,387,500
7	Carr St. (various addresses)	Alexandra Park Co-operative	10 - Spadina Fort York	\$800,000
8	165 Grange Ave.	Downtown Toronto Multi-Generational Housing Community Centre	10 - Spadina Fort York	\$1,000,000
9	306, 308, 310 Gerrard St. E.	Yonge Street Mission	13 - Toronto Centre	\$1,900,000
10	500 Dundas St. E.	Fred Victor	13 - Toronto Centre	\$1,350,000
11	1712 Ellesmere Rd.	Community Living Toronto	24 - Scarborough Guildwood	\$2,650,000

No.	Address	Proponent	Ward	Maximum Loan Funding Approved
12	3817 Lawrence Ave. E.	St. Stephen's Presbyterian Church	24 - Scarborough Guildwood	\$860,000
13	62 Orchard Park Dr.	East Scarborough Boys and Girls Club	25 - Scarborough Rouge Park	\$1,055,994
Total				\$16,903,948

Repayment schedule of the pre-development loan funding will vary on a project-by-project basis; however, repayment will be required to begin no later than the earlier of the date at which the Proponent has made their first construction funding or financing draw or three years (36 months) from approval of CHPF by the City. This structure will ensure an ongoing, revolving fund for pre-development is available for community housing providers.

20% of loan funding available through this CHPF Call for Application (\$3 million) was set aside for Indigenous-led applications, however no applications from Indigenous housing providers were received. Subject to adoption of this report, staff will work with MBDC, ALFDC and Indigenous housing providers to co-develop a process whereby eligible Indigenous-led housing projects can access up to \$3 million in loan funding on an ongoing basis.

The oversubscription of the CHPF Call for Applications in 2025 demonstrates the sector's willingness and readiness to activate their lands to build more homes, however the City is unable to meet the sector's demand without the support from other orders of government.

Building Faster Fund (BFF)

On June 6, 2025, the Government of Ontario announced that the City will be receiving \$67,199,200 this year through the second round of BFF which provides funding to municipalities that achieve at least 80 percent of their provincially designated housing targets. Toronto achieved approximately 88 per cent of its 2024 housing target, representing 20,999 housing starts. Staff are recommending through this report that City Council increase the Housing Secretariat's 2025-2034 Capital Budget and Plan by \$67,199,200 gross and \$0 net fully funded through the Building Faster Fund.

Actual allocations of BFF to projects and initiatives is subject to the submission and approval of an Investment Plan by the Province, which will be prepared by the Executive Director, Housing Secretariat, in consultation with the Deputy City Manager, Development and Growth Services and in accordance with authority approved by City Council in 2024 ([PH15.5](#)).

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

EQUITY IMPACT

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 also centred on a human rights-based approach to housing through the Toronto Housing Charter that recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, inclusive and sustainable communities.

The Rental Housing Supply Program is aimed at supporting the City's commitments through the Toronto Housing Charter and HousingTO Plan to create a range of rental homes responsive to resident needs across the housing continuum. Vulnerable and marginalized individuals including Indigenous Peoples, Black and other racialized people, seniors, women, people with disabilities and members of the 2SLGBTQ+ community face systemic inequities within the housing system and access to safe, adequate and affordable housing can have a demonstrable impact on social, economic and health-based outcomes for these populations.

Notably, the Community Housing Pre-Development Fund provides financial support to qualified community housing providers undertaking their due-diligence activities for affordable and RGI housing developments. The 13 approved projects noted in this report will support priority populations including newcomers, racialized youth, asylum seekers, people with intellectual disabilities and people exiting homelessness or experiencing chronic homelessness to achieve long-term housing stability. It is through these partnerships and these financial and capacity-building supports that the City and housing organizations can continue to deliver net new RGI, affordable and rent-controlled homes for equity deserving populations.

The Rental Housing Supply Program advances several City commitments pertaining to sustainability and accessibility through its program requirements. The minimum City requirements related to energy efficiency (i.e. TGS V4 Tier 2, or the minimum TGS in place at time of the planning application), accessibility (i.e. exceed OBC requirements with more than 15% of units as accessible) and unit mix (i.e. 10% of units as 3-bedroom, 15% of units as 2-bedroom, 10% of units as studio) demonstrates the City's priorities in creating mixed-income communities that create both market and affordable homes at a range of sizes, mixes and types to address the diverse needs of Toronto's current and future residents.

Further, with respect to the City's commitments to advancing truth, justice and reconciliation with Indigenous communities, staff are exploring opportunities in partnership with MBDC and ALFDC to determine how the program's administration can be improved to support Indigenous-led housing projects. The outcome of this partnership through the Rental Housing Supply Program is intended to approve a minimum of 5,200 "For Indigenous, By Indigenous" affordable rental and supportive homes.

Through the continued implementation of the HousingTO Plan, the City is committed to working with its intergovernmental partners, bolstering the community housing sector's

capacity to build more sustainable, accessible and affordable homes in mixed-income and complete developments that are the cornerstone of vibrant, healthy neighbourhoods across Toronto.

DECISION HISTORY

At its meeting on April 23 and 24, 2025, City Council adopted EX22.10 – “Build More Homes: Identifying Opportunities for More Purpose-Built Rental Housing” which directed City staff to review the remaining applications from Phase 1 of the Purpose-Built Rental Housing Incentives program and report on additional shovel-ready housing projects that could be eligible to receive property tax and development charge relief, if provincial funding is received.

<http://secure.toronto.ca/council/agenda-item.do?item=2025.EX22.10>

At its meeting on March 26 and 27, 2025, City Council adopted EX21.13 – “Supporting Ownership Housing Developments”. The report approved up to 3,000 condominium units to benefit from the deferral of development charges and waiving interest on deferred development charge amounts and directed City staff to undertake a review process to determine the eligibility of development applications in the City’s pipeline intended to be developed as condominiums with at least 5 – 10 percent of residential units as affordable units.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX21.13>

At its meeting on February 5, 2025, City Council adopted item PH18.4 - "Expanding Housing Options in Neighbourhoods - Ward 23 Multiplex Study - Official Plan and Zoning By-law Amendments - Decision Report - Approval" which included a supplementary report for the Deputy City Manager, Development and Growth Services providing a progress update on the City’s implementation of initiatives and milestones under the Housing Accelerator Fund, including 72 Amroth Ave.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PH18.4>

At its meeting on December 17 and 18, 2024, City Council adopted Item CC24.16 - "Advancing Phase One of the Purpose-Built Rental Housing Incentives Stream". The report recommended approving the deferral of development charges payable for 528 purpose-built rental units and authorized an exemption from taxation for municipal and school purposes.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.CC24.16>

At its meeting on November 13 and 14, 2024, City Council adopted Item MM23.18 - "Protecting Tenants from Price Fixing on Rental Apartments". The motion requested the City Manager report to the Planning and Housing Committee on potential municipal levers to restrict the use of software by landlords and private rental management to engage in price-fixing of rents.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MM23.18>

At its meeting on November 13 and 14, 2024, City Council adopted Item EX18.2 - "Build More Homes: Expanding Incentives for Purpose-Built Rental Housing". The report

recommended establishing an incentive stream under the Rental Housing Supply Program to support 20,000 rental homes, including 16,000 purpose-built rental homes and a minimum of 4,000 affordable rental homes, through the deferral of development charges and property tax reductions. An estimated \$325.0 million in incentives were identified for up to 5,600 purpose-built rental homes through this report.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX18.2>

At its meeting on October 9 and 10, 2024, City Council adopted Item PH15.5 – “2023-2024 Annual Progress Update Report – HousingTO 2020-2030 Action Plan and Housing Action Plan (2022-2026)”. The report authorized the City to approve the receipt of Building Fast Fund program funds in 2024 and undertake associated program administration on an ongoing basis including preparing and submitting Investment Plans with the Ministry of Municipal Affairs and Housing.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH15.5>

At its meeting on July 16, 2024, Executive Committee received for information Item EX16.8 - "Considerations for Implementing a New Multi-Residential Property Tax Subclass" from the Chief Financial Officer and Treasurer. The report provided information related to the newly proposed optional New Multi-Residential Property Subclass and the requirements for the City to adopt a subclass.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX16.8>

At its meeting on June 26, 2024, City Council adopted Item PH13.8 – “Launching the Rental Housing Supply Program”. The report approved a new Rental Housing Supply program to provide financial incentives to eligible rental housing units and a pilot Community Housing Pre-development Fund with a request to report back annually on the results of the program and related pilot.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH13.8>

At its meeting 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 outlined several recommended actions inclusive of programmatic and structural changes poised 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 June 15 and 16, 2022, City Council adopted PH34.8 - "Open Door Program 2021 Call for Applications Results: Supporting 919 Affordable Rental and Supportive Homes." The report authorized City staff to allocate \$10,049,900 in capital funding to facilitate the creation of up to 919 affordable rental homes and authorized an exemption for those homes from taxation for municipal and school purposes.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.PH34.8>

At its meeting on October 1 and 4, 2021, City Council adopted PH26.6 – “Supporting the Creation of 5,200 Affordable Rental Homes ‘For Indigenous, By Indigenous’ in Partnership with Miziwe Biik Development Corporation. The report authorized a Memorandum of Understanding (MOU) between the City and the Miziwe Biik Development Corporation (“MBDC”) to advance efforts to achieve 5,200 new affordable

rental homes for Indigenous residents and address chronic homelessness and improve housing stability for Indigenous residents who are over-represented among Toronto's homeless population.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH26.6>

At its meeting on December 17 and 18, 2019, City Council adopted Item PH11.5 - "HousingTO 2020-2030 Action Plan" as the framework to address Toronto's housing and homelessness challenges by 2030. This Plan includes a number of actions and targets to address critical needs across the housing spectrum including emergency shelters and transitioning housing, social and supportive housing, market and affordable rental housing and homeownership.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

COMMENTS

Housing Market Context

Toronto is facing evolving housing and homelessness crises, impacting housing affordability for low-income, vulnerable residents including people experiencing homelessness, and increasingly key workers and middle-income earners.

While all orders of government are increasing efforts to boost housing supply, more residential developments are at risk due to higher construction and financing costs, coupled with high interest rates, declining market rents and pre-construction sales.

Projects delivering affordable, supportive and RGI homes are particularly vulnerable given their reliance on government programs that are oversubscribed, risk averse and require housing organizations to apply through multiple programs on different timelines with a wide range of eligibility and prioritization criteria.

These challenges and the projected slowdown in development activity could have compounding impacts on the City's ability to respond to the housing needs of current and future residents. In Toronto, housing starts in May of 2025 have [declined](#) by 22% since May 2024. While there has been a recent surge in new rental homes supply, the market alone is unlikely to sustain the current wave of rental starts and completions, and support from all orders of government is needed to sustain and grow the supply of rental and affordable rental homes..

Despite these challenges, all orders of government have established ambitious housing targets: the HousingTO Plan's revised targets include approving 65,000 rent-controlled homes and 4,000 affordable ownership homes by 2030. The Province of Ontario has assigned the City of Toronto a target of 285,000 housing starts by 2031 and the City has made a commitment under the federal HAF program to achieve 60,980 new permitted homes by end of 2026.

To meet these targets and commitments, the City has taken significant steps in developing policies and programs that are responsive to the dynamic housing market

with a focus on removing zoning and financial barriers for projects that advance the collective goals of all orders of government.

1) Update on the Implementation of the Rental Housing Supply Program (RHSP)

In June 2024, City Council adopted the RHSP with the aim of supporting a range of new rental homes including RGI, supportive, affordable rental, rent-controlled and purpose-built rental homes. The program builds off of the City's legacy Open Door program and is implemented through the following streams:

- Capital Funding stream;
- Affordable Rental and Rent-Controlled Housing Incentives (ARRCHI) stream;
- A Community Housing Pre-Development Fund (CHPF) running as a three-year pilot; and
- Purpose-Built Rental (PBR) Housing Incentives stream.

Capital Funding Stream

The City opened the Capital Funding Call for Applications on March 6, 2025 with \$50 million in grant funding available to support private and community housing providers advance eligible housing projects to construction start. 20% of the City's funding (\$10 million) was set-aside to support "For Indigenous, By Indigenous" proposals. Projects could apply for up to \$260,000 per eligible affordable rental home through this Call for Application and were requested to include other secured or potential sources of funding and financing available.

The City received 38 applications representing approximately 7,872 rental homes, including approximately 2,682 affordable rental homes, and a total funding request of \$365.6 million. No applications were received from Indigenous-led housing providers.

Following staff review for eligibility, evaluation and prioritization in accordance with RHSP program parameters, this report recommends Council approval of capital funding for 14 projects, outlined in Table 4, representing approximately 3,258 rental homes consisting of 963 affordable, RGI and supportive homes in 11 wards across the city.

The recommended projects represent 35% of units as affordable rental homes for 40-99 years affordability period. They include projects that are advanced in the development review process including two that are currently under construction, and the rest expected to start construction in 2025-2026. Eight projects are led by community housing providers (including one community land trust), and six projects are led by the private sector. Two of the projects will deliver 28 supportive homes and the rest have committed, as part of the RHSP requirements, to make at least 20% of their affordable homes available to residents in receipt of housing benefits (subject to available City operating funding).

The recommended projects include 11 that were previously approved by the City for financial incentives or funding. While these projects have been able to advance through the development review process with City supports to-date, they face financial viability

challenges and are not able to get to construction start without additional support from the City and securing construction funding and financing from the federal government. This trend is aligned with input from the development sector and staff analysis that have shown achieving financial viability for purpose-built rental housing projects that include at least 20% of units as affordable rental for at least 40 years in the current market can only be realized when all orders of government stack funding, low-cost financing, and exemptions of development fees and charges for both affordable and purpose-built rental homes within the development.

The oversubscription of the City's Capital Funding stream demonstrates the housing sector's readiness to advance partnerships and developments that could deliver a diverse range of housing options for our growing city. Unsuccessful proponents will have an opportunity to debrief with staff about their applications and be able to apply through future Call for Applications, subject to availability of funding.

Table 4: Summary of Projects Recommended for Capital Funding

#	Address	Proponent	Ward	Dev. Review Status*	Affordability Period	Est. Total Units	Est. Affordable Rental Units
1	300-304 The East Mall – Valhalla Village Phase 1	KingSett Affordable Housing LP	2 – Etobicoke Centre	Under construction	40	494	45 (additional 172 affordable rental homes previously approved)
2	430 Royal York Rd.	WoodGreen Community Housing Incorporated	3 – Etobicoke Lakeshore	Minor Variance application has been submitted. Site Plan Application under review	99	60	19
3	1337-1339 King St. W.	Parkdale United Church Foundation Inc.	4 – Parkdale – High Park	Zoning By-law and/or Official Plan Amendment application have been approved	99	82	82

#	Address	Proponent	Ward	Dev. Review Status*	Affordability Period	Est. Total Units	Est. Affordable Rental Units
4	22 Maynard Ave.	The Neighbourhood Land Trust	4 – Parkdale High Park	Minor Variance application has been approved	97	9	9
5	72 Perth Ave.	Castlepoint Numa	9 - Davenport	Zoning By-law and/or Official Plan Amendment application(s) and Site Plan Application under review	40	258	52
6	976 College St.	Operation Springboard	9 - Davenport	Minor Variance application has been submitted	99	19	19
7	2 Tecumseth St.	Woodbourne & TAS	10 – Spadina Fort York	Site Plan Application under review	40	553	111
8	26 Grenville St. & 27 Grosvenor St.	Choice Properties REIT	13 – Toronto Centre	Minor Variance application has been submitted. Site Plan Application under review	99	795	239
9	3377 Bayview Ave. - Phase 1	Tyndale Green Development LP	17 – Don Valley North	Zoning By-law and/or Official Plan Amendment application(s) and Site Plan Application under review	99	337	102
10	191 Gledhill Ave.	Aria Build Corp.	19 – Beaches East York	Under construction	40	4	4

#	Address	Proponent	Ward	Dev. Review Status*	Affordability Period	Est. Total Units	Est. Affordable Rental Units
11	507 Kingston Rd.	Nodin of Kanata Affordable Housing	19 – Beaches East York	Building permit obtained	50	90	30
12	3385 Lawrence Ave. E.	Kindred Works (on behalf of Greencedar Communities LP)	21 – Scarborough Centre	Notice of Approval Conditions (NOAC) issued. Building Permit application under review	40	155	47
13	80 Dale Ave.	Community Affordable Housing Solutions (CAHS)	24 – Scarborough Guildwood	Site Plan Application under review	99	285	87
14	260 Brenyon Way (25 Sewells Rd Building B)	Brenyon Way Charitable Foundation	25 – Scarborough -Rouge Park	Site Plan Application under review, Building Permit application under review	50	117	117
		Total				3,258	963**

* Development Review status as of Capital Funding Call for Applications closing date – May 2, 2025

**Includes 264 units that will be operated as rent-geared-to-income homes, subject to available operating funding.

Affordable Rental and Rent-Controlled Housing Incentives Stream

Through this stream, incentives are available for affordable rental homes and community housing-led rent-controlled homes that meet the program eligibility criteria. This program stream now runs on a “rolling” basis meaning applications can be submitted at any time to request relief from development related fees and charges, rather than waiting for an annual competitive Call for Applications.

The ARRCHI stream launched in November 2024 and remains available to organizations interested in receiving City financial incentives to develop new affordable and rent-controlled homes. As of June 17, 2025, the City has received 23 applications

including 11 applications approved, seven applications currently in the review process, and five that have been deemed ineligible or were withdrawn by the applicant. Staff work collaboratively with unsuccessful proponents to re-apply through the rolling Call for Applications as needed.

Through this report, staff are recommending minor amendments to authorities to approve incentives under the RHSP (Recommendations 7 and 8). The first is to ensure that there is a true parkland reduction benefit resulting from the provision of affordable housing units. Currently, the RHSP only provides authority to provide relief from parkland dedication fees (i.e. where cash-in-lieu is collected), but not where the dedication of land is required. Amending the RHSP program authorities to allow for relief in both scenarios – the provision of cash in lieu or parkland dedication – will achieve the intended objective of providing a benefit to those housing organizations choosing to provide affordable rental homes within a development.

Second, this report recommends City Council authorize the Executive Director, Housing Secretariat, to approve waivers of planning application fees for eligible affordable rental homes in revitalization projects led by Toronto Community Housing Corporation (TCHC) in advance of executing a Contribution Agreement. As TCHC is a corporation of the City, there exists sufficient control over TCHC as a developer to provide this incentive in advance of executing a Contribution Agreement.

This change will enable the City to support TCHC in advancing complete planning applications without incurring fees for anticipated affordable rental homes. TCHC will still be required to enter into a Contribution Agreement at a later stage in the development process (i.e. prior to building permit application) at which time the value of the planning fee waiver provided will be secured, in accordance with standard City requirements.

Community Housing Pre-Development Fund

The City opened the CHPF Call for Applications on November 8, 2024 with \$15 million in loan funding available to support eligible community housing providers advance due-diligence activities on their sites. 20% of the City's funding (\$3 million) was set-aside to support "For Indigenous, By Indigenous" proposals. Projects could apply for up to \$50,000 per eligible affordable rental home through this Call for Applications and were requested to include a business case for the required funding as part of their application.

The City received 29 applications with a total funding request of \$47.3 million to support projects estimated to deliver over 3,100 homes including approximately 2,500 affordable and RGI homes (should they be able to proceed following their pre-development due-diligence work). No applications were received from Indigenous-led housing providers.

Following staff review for eligibility, evaluation and prioritization in accordance with CHPF program parameters, 13 projects are approved in seven wards across the city, as outlined in Table 5, that have the potential to deliver 1,509 new rental homes including 642 affordable and 394 RGI homes. Four of these projects intend to operate as

supportive housing, meeting a critical gap in the City's housing system for people experiencing homelessness and others needing additional support to live independently.

These repayable loans will support Toronto's community housing sector to undertake pre-development due diligence work required to bring projects on their own land from the earliest concept stage to completing necessary planning approvals.

Unsuccessful proponents will have an opportunity to debrief with staff about their applications and are able to apply through future CHPF Call for Applications, subject to availability of funding.

Table 5: Community Housing Pre-Development Fund (CHPF) Approved Projects and Estimated Residential Units

No.	Address	Proponent	Ward	Estimated Total Units*	Estimated Affordable Rental Units*
1	18 Buckingham Ave.	Ruth and Terry Grier Co-operative and Co-operative Housing Federation of Toronto	3 – Etobicoke Lakeshore	184	58
2	1229 Queen St. W.	Parkdale Community Health Centre	4 – Parkdale High Park	55	55
3	1499 Queen St. W.	Parkdale Activity Recreation Centre	4 - Parkdale-High Park	87	87
4	118 Havelock St.	Madison Community Services	9 - Davenport	15	15
5	248 Ossington Ave.	West Neighbourhood House	9 - Davenport	189	189
6	1173 Bloor St. W.	Safehaven	9 - Davenport	55	35
7	Carr St. (various addresses)	Alexandra Park Co-operative	10 - Spadina Fort York	104	104
8	165 Grange Ave.	Downtown Toronto Multi-Generational Housing Community Centre	10 - Spadina Fort York	144	44
9	306, 308, 310 Gerrard St. E.	Yonge Street Mission	13 - Toronto Centre	174	87
10	500 Dundas St. E.	Fred Victor	13 - Toronto Centre	65	65

No.	Address	Proponent	Ward	Estimated Total Units*	Estimated Affordable Rental Units*
11	1712 Ellesmere Rd.	Community Living Toronto	24 - Scarborough Guildwood	282	142
12	3817 Lawrence Ave. E.	St. Stephen's Presbyterian Church	24 - Scarborough Guildwood	108	108
13	62 Orchard Park Dr.	East Scarborough Boys and Girls Club	25 - Scarborough Rouge Park	47	47
Total				1,509	1,036**

*It should be noted that given these projects are at early concept stages of planning, the number of units, including affordable and RGI units, are preliminary estimates subject to change as part of the development review process and future financial feasibility reviews.

**Includes approximately 394 units that are planned be operated as rent-geared-to-income homes, subject to available operating funding.

Opportunity to Support over 19,900 new Rental Homes through the Purpose-Built Rental Housing Incentives Stream

Through the adoption of EX18.2 in November 2024, City Council approved a new Purpose-Built Rental Homes (PBR) Incentives stream under the RHSP to support the creation of new purpose-built rental housing projects which contain at least 20% affordable rental homes. This stream offers an indefinite deferral of development charges for purpose-built rental units, in addition to the existing incentives available for affordable homes.

The City released the first Call for Applications through the PBR Incentives Stream on November 18th, 2024 and over the span of two weeks, received 75 applications in 21 wards representing approximately 32,600 rental homes, and over 7,400 affordable rental homes. Through its own resources (as detailed in CC24.16), the City was able to approve 17 applications representing 2,024 affordable rental and 6,153 purpose-built rental homes. Since that time, City staff have worked to develop new agreements and processes to deliver this program, and support projects through the development review process.

Two projects supported under the program have started construction, seven projects anticipate starting construction before the end of 2025, and six projects are approaching building permit application and anticipate construction start in 2026. In addition, since initial approval in December 2024, two projects have opted to not proceed within the PBR program following further due diligence. Staff are reviewing other approved Phase One projects which have been approved for additional density through the development review process since December 2024, to provide additional indefinite deferrals of development charges to support continued project viability.

Phase One of the program was significantly oversubscribed, with 58 projects that could not be supported mainly due to the limited financial capacity of the City. To address this demand, City Council (through EX22.10) directed staff to resume the review of projects that could not be supported in Phase One and report on their status.

Following additional outreach to proponents and staff due diligence, the status of 46 applications is included in Attachment 1 representing a total of approximately 15,830 purpose-built rental homes and 4,115 affordable rental homes. The balance of the projects either did not respond to the City request in time for the publication of the report, are no longer interested in the program, or have already started construction.

Subject to receiving additional Provincial funding, the City could restart the program to support these projects, and potentially other interested and eligible projects, until funding is exhausted. This report recommends City Council reiterate its request that the Province join the City in unlocking thousands of additional rental homes Toronto residents need by providing the City with funding at least equivalent to the value of development charges for purpose-built rental homes in eligible projects.

2) Update on the Deferral of Development Charges for Condominium Units

Through EX21.13, City Council directed staff to identify and approve up to 3,000 eligible condominium units to benefit from an interest-free deferral of the payment of DCs, for up to a four-year period following City approval for DC deferrals and subject to entering into required agreements with the City.

Staff identified 11 condominium development projects that had submitted a complete Site Plan Application by March 1, 2025; and included at least 5-10% of total residential units as affordable units. Eligible proponents were requested to provide a development schedule that includes a realistic plan to obtain building permits within two years of City approval of the deferral of DCs. Four proponents participated in this process representing 2,913 condo units and 267 affordable rental homes (See Table 6).

The recent introduction of the provincial Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* (Bill 17) has introduced a number of legislative changes which, when in effect, will provide an interest-free payment deferral for all residential DCs until the time of occupancy.

The actual financial benefit of the measures outlined in EX21.13 in comparison to Bill 17 benefits will depend on development activity, the respective length of time the freeze would have applied, and rates in effect at those points in time. As the result, the City continues to work collaboratively with each successful proponent on next steps (including entering to required legal agreements) should they be interested in accessing City benefits.

It should be noted that while the City supports the province's efforts to improve housing supply and affordability by addressing construction financing challenges in the early stages of development, permanently deferring DCs to occupancy for all residential development increases financial risk and greatly impacts the City's financial

capacity to deliver key growth-related capital infrastructure required to support new development.

Table 6: Condominium Projects Approved for Deferral of Development Charges

No	Address	Proponent	Ward	Est. Total # of Homes	Est. # of Condo Homes	Est. # of Affordable Rental Homes (%)
1	1978-2002 Lakeshore Blvd. W.	Winlake Developments Limited	4 - Parkdale-High Park	702	641	61 (8.7%)
2	200 Queen's Quay West	200 Queens Quay Inc.	10 - Spadina-Fort York	984	906	78 (7.9%)
3	351 Lakeshore Blvd. E.	Dream GG Inc.	10 - Spadina-Fort York	691	646	45 (6.5%)
4	2 Lansing Square	2509225 Ontario Inc	17 - Don Valley North	803	720	83 (10.3%)
Total				3,180	2,913	267 (8.4%)

3) Advancing Market Offering for a Pilot EHON Initiative on City Land – 72 Amroth Avenue

The City is taking significant action to expand permissions for a range of new housing through amendments to the Official Plan and zoning by-laws and review of development guidelines. To explore opportunities to build new rental homes, including affordable rental homes, through missing middle housing forms, the City has also identified a pilot project at 72 Amroth Ave. in Beaches-East York. This pilot project will be an opportunity to assess the extent to which affordable rental housing can be provided in an EHON context on City land, including the impact of development size and complexity, required financial incentives, available funding or financing programs, and other elements that may support viable projects that include affordable housing.

This report recommends authorizing appropriate City staff to approve a business case and market offering process, to be led by CreateTO, to identify a development partner for the property at 72 Amroth Ave. on a long-term land lease basis to develop new rental housing, including affordable housing. Preliminary analysis by CreateTO indicates that achieving a minimum target of 20% affordable rental housing puts the financial viability of the project at greater risk. A flexible approach may be needed to achieve affordable housing on the site and staff estimate that a minimum 10% affordable housing component is more reasonable to test market feasibility.

Following the market offering, staff will report to City Council with the recommended development proponent, including proposed affordable housing outcomes and information on financial impact that may be associated with approving the proposal, including City financial incentives and/or funding that may be required. This

demonstration project will also be assessed by Housing Secretariat to identify any amendments that may be required to the RHSP to facilitate the delivery of affordable rental housing as part of EHON and other small redevelopments.

Advancing this demonstration project is a milestone under the City's Housing Accelerator Fund (HAF) agreement with CMHC. As reported to Council in January, 2025, the City has committed under the HAF agreement to make the approved designs for this missing middle pilot publicly available by the end of 2025. Continued progress on milestones in the HAF agreement is important to ensuring the City receives future HAF payments.

4) Building Faster Fund (BFF) and Housing Accelerator Fund (HAF)

The provincial BFF and the federal HAF initiatives are critical funding sources to accelerate the delivery of housing across Toronto. The HAF provides funding to local governments aimed at increasing housing supply and supports the development of complete and climate-resilient communities. The City will receive \$471.1 million in funding under its HAF agreement with CMHC, subject to the achievement of new permitted unit targets and CMHC's satisfaction with the City's progress on implementing milestones set out in the funding agreement.

BFF provides provincial funding based on whether a municipality achieves at least 80 percent of its provincial housing targets. As a result of exceeding housing targets for 2023 by 51%, the City received \$114 million in funding in 2024 through BFF. On June 6, 2025, the City was awarded \$67.2 million through the second round in recognition of the City's efforts in breaking ground on 20,999 new homes (88% of its target) in 2024. This report requests City Council increase the Housing Secretariat's 2025-2034 Capital Budget and Plan by \$67.2 million.

Further, City Council (through item [PH15.5](#)) authorized the Executive Director, Housing Secretariat, in consultation with Deputy City Manager, Development and Growth Services, to prepare and submit BFF Investment Plans in accordance with the program requirements and the City's housing priorities including but not limited: securing and preserving new affordable rental housing through investments in the City's Multi-unit Residential Acquisition (MURA) Program; new rental housing development through investments in RHSP; and funding housing enabling infrastructure that is required to build affordable housing in proximity to services that create inclusive and accessible communities in our city.

A BFF Investment Plan will be developed and submitted in accordance with this authority once the City receives formal instructions and draft agreements from the Province. These investments will support the City in meeting its housing pledge to the Province to achieve 285,000 housing starts by 2031.

HAF and BFF funding assists a number of City-supported and City-led initiatives that expedite the delivery of the HousingTO Plan and Housing Action Plan 2022-2026. The City takes a programmatic approach in allocating provincial and federal funding

sources, identifying a list of eligible projects that align with the objectives and criteria of the respective funding programs.

Allocations are managed through the Housing Secretariat 2025-2034 Capital Budget and Plan, in consultation with the Deputy City Manager, Development & Growth Services and Executive Director, Financial Planning, and remain flexible to ensure that funding is directed to the projects most capable of advancing in a timely manner. Projects will be prioritized for HAF and BFF funding based on the following considerations:

1. **Readiness and Project Maturity:** Projects that are well advanced in planning, design, or approvals and are ready to proceed will be prioritized to ensure timely implementation.
2. **Ability to Incur Eligible Expenditures:** Given the time-limited nature of both funds, preference will be given to projects that can demonstrate the ability to incur eligible expenditures within the required timeframes.
3. **Time Constraints of Funding Agreement:** Both BFF and HAF are subject to defined program timelines. Allocations must consider the urgency to meet expenditure milestones and avoid lapsing funds.

The City reports to the Ministry of Municipal Affairs and Housing on BFF spending and to the CMHC on HAF spending on an annual basis. The City will provide similar annual reports to City Council to ensure transparency regarding the type of projects being supported through federal and provincial funds.

Sectoral and Intergovernmental Partnerships

Supporting Non-profit Housing Developers and Organizations

Through the City's Memorandum of Understanding (MOU) between the City and Toronto Alliance to End Homelessness (TAEH), and in partnership with University of Toronto's Infrastructure Institute (based on their experience with the [Accelerator Program](#)), the City provided additional support to the non-profit housing sector in their applications to RHSP- Capital Funding and CHPF streams. TAEH and the Infrastructure Institute provided a variety of workshops, webinars and office hours where interested applicants could receive technical guidance and review of their applications in advance of submission. In response to the CHPF Call for Applications, the School of Cities' Infrastructure Institute and TAEH supported over 20 interested community housing providers, through drop-in "office hours" and providing one-on-one advice to these organizations on their redevelopment project. The organizations requesting these supports represented a diversity of housing providers including housing co-operatives and non-profit housing providers serving priority groups such as Black residents, youth, seniors and women.

This is a critical support for many community housing organizations that might lack organizational or development capacity and are seeking support to participate in the City's competitive processes to access funding opportunities. City staff will continue to

work with TAEH and the Infrastructure Institute on enhanced supports to increase the development capacity of community housing providers and their participation in City-led development projects and programs.

Supporting Indigenous-Led Housing Developers and Organizations

While the projects included in this report demonstrate a diversity of housing developments across Toronto, and in spite of dedicated information sessions with the Indigenous housing sector, the City did not receive any Capital Funding or CHPF applications from Indigenous-led housing providers. As such, nearly \$10 million in Capital Funding and \$3 million in Pre-Development Funding remain available for future uptake. This gap signals the need for additional engagement with MBDC and ALFDC, as part of the City's MOUs with these two organizations, to determine the appropriateness of current processes for the Indigenous housing sector to fully participate in these opportunities. These efforts could result in the co-development of a process for identifying eligible Indigenous-led housing projects to receive the Indigenous set-aside of the CHPF and Capital Funding streams on an ongoing basis.

Improving the uptake of available capital funding opportunities is critical in achieving the target co-developed with the Indigenous housing providers to approve 5,200 new "For Indigenous, By Indigenous" affordable rental and supportive homes by 2030. Co-developing solutions directly with the sector will advance the City's commitment to truth, justice and reconciliation and recognizes the Indigenous communities right to self-determination.

Intergovernmental Requests to Create New Rent-controlled Homes

The City continues to leverage all available opportunities provided by the federal and provincial governments to create new rent-controlled, affordable rental and supportive housing opportunities for Toronto residents. Most notably, HAF and BFF funding have supported the City's efforts to eliminate barriers to building new housing since their launch. In March of 2025, the City of Toronto and the federal government announced \$2.55 billion in low-cost financing under the Apartment Construction Loan Financing (ACLP) program to unlock 4,831 rental homes in seven purpose-built and affordable rental housing projects.

However, approximately \$500-\$800 million in funding and \$900 million-\$1 billion in low-cost financing is required from each of the federal and provincial governments respectively per year by 2030 to support advancing the City's 65,000 rent-controlled homes approvals.

CMHC's Affordable Housing Fund (AHF): New Construction streams provide low-interest loans and forgivable loans to build new affordable housing. CMHC requires AHF applicants to have support from another level of government (such as municipalities, provinces and/or territories, Indigenous government) to ensure a coordination of investments. As a result, many projects supported through this report are eligible to secure funding and/or low-cost financing through this program. However, the AHF program is currently significantly oversubscribed in 2025 which poses a risk to

City-led and City-supported affordable housing projects that have applied or are in the process of applying for AHF to begin construction in 2025 and 2026.

Additionally, the City continues to face a significant shortage of supportive homes for people experiencing homelessness. The federal Rapid Housing Initiative (RHI) has been one of the key capital funding programs that has enabled the City to fund over 1,500 permanent, supportive, RGI homes for Torontonians who are experiencing or at risk of homelessness. However, the recent replacement of RHI with a new AHF Rapid Housing Sub-stream will make it more difficult for the City and its Indigenous and non-profit partners to access federal capital grant funding for new supportive homes.

Enhanced operating funding is needed from the Province of Ontario to continue providing rental subsidies and support services to advance the City's supportive housing targets. This includes funding for rent supplements needed to create RGI homes, as well as funding to deliver a range of wraparound housing, social and health-related supports onsite, which are necessary to help vulnerable and marginalized residents successfully exit (or prevent their entry into) homelessness. This report recommends City Council reiterate its request to the Province to support the City's supportive housing goals by providing a three-year allocation of \$60 million in operating funding for support services beginning in 2025, to ensure residents of over 2,000 supportive homes have access to health and social supports and enable approximately 400 new supportive homes currently under construction to open in 2025 and 2026.

Request to the Province to Protect Renters in Toronto's Private Rental Market

Revenue management software (RMS) was introduced to the rental housing sector in the early 2000s, offered by third-party firms to landlords and property managers. Software like RealPage's AI Revenue Management and Yardi's RENTmaximizer leverage large datasets, including public information such as vacancy rates and supply-demand trends, as well as non-public data from other RMS clients, such as competitor pricing, lease transactions, and unit availability. Proprietary RMS models analyze this data to recommend rent prices for rental unit leases. The extent to which rent-setting software is used in Toronto is unclear due to a lack of public and private data. However, several firms named in an Ontario class action lawsuit operate rental buildings in Toronto.

Given that rent regulation and landlord-tenant matters primarily fall under provincial jurisdiction in Ontario, the City of Toronto has limited authority to regulate or prohibit algorithmic rent-setting software. While the City can impose affordability limits through contribution agreements for specific development projects, general rent setting is governed by the *Residential Tenancies Act, 2006* (RTA). Consistent with prior City Council decisions, staff recommend that City Council reiterate its requests to the Government of Ontario to amend the RTA to prohibit the use of algorithmic software that utilizes non-public competitor data to set rents, excluding software for affordable housing programs.

Conclusion

The City continues to take strategic action to address Toronto's housing and homelessness crises and advance housing developments across the housing continuum. By leveraging its available policy, program and financial levers, the City is partnering with Toronto's housing development sector to advance approximately 10,815 rental and ownership homes for Torontonians.

However, the City cannot act alone to address the complex challenges presented by an everchanging housing market. This report requests Toronto's intergovernmental partners provide the outstanding funding and financing required to support the City's development efforts to realize housing starts through outstanding viable projects.

The implementation of housing initiatives outlined in this report represents the innovative and agile approach that the City and its housing development partners are taking to create a range of housing options including affordable and RGI homes to support Toronto residents for generations to come.

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ATTACHMENTS

Confidential Attachment 1 - Allocation of Funding Received Through the Housing Accelerator Fund (HAF) and the Building Faster Fund (BFF)

Attachment 1 – Status Update – Purpose-Built Rental Housing Incentives Stream