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**In reply please quote:
Ref.: 24-PH17.7**

(Sent by Email)

January 17, 2025

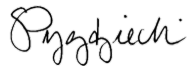
Ms. Allison Mendes
Chair, Board of Directors
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Dear Ms. Mendes:

**Subject: Planning and Housing Committee Item 17.7
Relaunch of the Home Ownership Assistance Program to Support New
Non-Profit Affordable and Attainable Home Ownership Housing (Ward All)**

City Council on December 17 and 18, 2024, adopted [Item PH17.7](#) and, in so doing, has requested the Board of Directors, CreateTO to request the Chief Executive Officer, CreateTO, and the Board of Directors of Toronto Community Housing Corporation to request the Chief Executive Officer of Toronto Community Housing Corporation to work with the Executive Director, Housing Secretariat, to incorporate affordable and attainable housing in appropriate future housing development projects on public lands to be made available on a leasehold basis.

Yours sincerely,



for City Clerk

S. Przedziecki/mm

Attachment

Sent to: Chair, Board of Directors CreateTO
Chief Executive Officer, CreateTO
Chair, Board of Directors, Toronto Community Housing Corporation
President and Chief Executive Officer, Toronto Community Housing Corporation

c. City Manager

City Council

Planning and Housing Committee - Meeting 17

PH17.7	ACTION	Adopted		Ward: All
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Relaunch of the Home Ownership Assistance Program to Support New Non-Profit Affordable and Attainable Home Ownership Housing

City Council Decision

City Council on December 17 and 18, 2024, adopted the following:

Home Ownership Assistance Program Update

1. City Council approve the General Terms and Conditions for the Proposed Home Ownership Assistance Program Update as outlined in this report and Attachment 1 to the report (November 21, 2024) from the Executive Director, Housing Secretariat.
2. City Council authorize the Executive Director, Housing Secretariat, in consultation with the Chief Financial Officer and Treasurer, to provide eligible proponents under the Home Ownership Assistance Program set out in Attachment 1 to the report (November 21, 2024) from the Executive Director, Housing Secretariat, with the following City financial incentives:
 - a. deferral from development charges, if not exempted by provincial legislation;
 - b. waivers of planning application and building permit fees;
 - c. exemption from community benefits charges, if not exempted by provincial legislation; and
 - d. exemption of Cash-in-Lieu of Parkland Dedication, subject to the related amendment to Chapter 415 of the Municipal Code referred to in Part 3 below.
3. City Council amend Article III of the City of Toronto Municipal Code, Chapter 415, Development of Land substantially in accordance with Attachment 3 to the report (November 21, 2024) from the Executive Director, Housing Secretariat, to expand the Cash-in-Lieu of Parkland Dedication exemption for affordable rental housing units that are the subject of Municipal Housing Project Facility Agreements to include to housing units approved under the Home Ownership Assistance Program.
4. City Council approve a pilot of up to 50 units for the turn-key stream that would be developed by eligible non-profit/private sector partnership proponents as set out in Attachment 1 to the report (November 21, 2024) from the Executive Director, Housing Secretariat, and direct the Executive Director, Housing Secretariat, in consultation with the Chief Financial Officer and Treasurer, to further consult with stakeholders and develop metrics, monitor and evaluate the performance of the program and report back to the Planning and Housing

Committee by the fourth quarter of 2025 with the results including any potential program improvements.

5. City Council authorize the Executive Director, Housing Secretariat, to allocate \$5,000,000 in funding, inclusive of Harmonized Sales Tax and disbursements to the Home Ownership Assistance Program fully funded from the transfer of Toronto Community Housing Corporation's affordable home ownership program funds.

6. City Council authorize the Executive Director, Housing Secretariat to negotiate and execute, on behalf of the City, the following:

- a. a municipal housing facility agreement ("Contribution Agreement") with eligible proponents for funding and financial incentives, and to set out the terms of the development and operation of affordable and attainable ownership housing, based on the Home Ownership Assistance Program General Terms and Conditions set out in Attachment 1 to this report to the report (November 21, 2024) from the Executive Director, Housing Secretariat, and including any additional terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form satisfactory to the City Solicitor;

- b. agreements or other suitable arrangements with City of Toronto agencies and/or corporations, the Government of Ontario and/or its agencies, community agencies, private entities and/or individuals, as appropriate, to deliver projects approved under the Home Ownership Assistance Program; and

- c. any security or financing documents required by the proponent to secure construction and conventional financing and subsequent refinancing, including any postponement, tripartite, confirmation of status, discharge or consent documents where and when required during the term of 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.

7. City Council request the Executive Director, Development Review, in consultation with the Executive Director, Housing Secretariat, to consider projects approved by the Home Ownership Assistance Program among those prioritized for review under the Priority Development Review Stream.

8. City Council request the Board of Directors, CreateTO to request the Chief Executive Officer, CreateTO, and the Board of Directors of Toronto Community Housing Corporation to request the Chief Executive Officer of Toronto Community Housing Corporation to work with the Executive Director, Housing Secretariat, to incorporate affordable and attainable housing in appropriate future housing development projects on public lands to be made available on a leasehold basis.

9. City Council adopt the updated Municipal Housing Facility By-law in Attachment 2 to the report (November 21, 2024) from the Executive Director, Housing Secretariat, and repeal Municipal Housing Facility By-law 713-2024.

10. City Council authorize the City Solicitor make such stylistic and technical changes to the draft Municipal Housing Facility By-law and to the amendments to the City of Toronto Municipal Code contained in Attachment 3 to the report (November 21, 2024) from the Executive Director, Housing Secretariat, as may be required.

Program Administration

11. City Council authorize the Executive Director, Housing Secretariat, accept Home Ownership Assistance Program applications on a rolling, first-come, first-served basis, and make funding and incentives allocations, up to the 400 unit/year limit.

12. City Council authorize the Executive Director, Housing Secretariat, in consultation with the Chief Procurement Officer, Purchasing and Material Management Division, to initiate a competitive procurement process for a third party entity to take on responsibility for administering second mortgage charges currently held by the City and the Toronto Community Housing Corporation in relation to legacy home ownership programs as well as delivering and administering future program loans and second mortgage charges.

Intergovernmental Considerations

13. City Council request the Government of Ontario to support the implementation of the Home Ownership Assistance Program by:

- a. providing flexibility for the City to allocate revolving loan funds from legacy housing programs currently restricted to affordable housing terms to attainable housing developments under the Home Ownership Assistance Program;
- b. increasing the maximum loan amount under the Ontario Priorities Housing Initiative Homeownership Component from 10 percent to 15 percent of the eligible units' purchase price to broaden and improve the impact of the program; and
- c. increasing the maximum household income under the Ontario Priorities Housing Initiative Homeownership Component to the 80th income percentile to align with those under the Home Ownership Assistance Program.

Summary

Toronto is facing two housing crises – one where there is a lack of deeply affordable and supportive homes for low-income, marginalized, and vulnerable residents, as well as those experiencing homelessness; and a more recent one in which rising housing costs have made it increasingly unaffordable for middle income earners, key workers and professionals to live in the city. To respond to this dual crises, City Council has pledged to meet the Provincial housing target of 285,000 housing starts in Toronto by 2031,

As Toronto residents continue to struggle with rising inflation and cost of living, it is becoming increasingly difficult even for middle income earners to access the ownership market, including women-led households and those from equity-deserving communities. As of the 2021 Census, home ownership rates for Indigenous and Black-led households were 50 percent lower than the general population, and historical inequities in homeownership levels within low-income, racialized, and other equity-deserving groups means these groups have not experienced the benefits that typically accompany home ownership.

This report recommends key changes to the Home Ownership Assistance Program (HOAP), which was first introduced in 2010, enhancing the City's approach to supporting new non-profit ownership housing development and administration, at a time when new housing solutions are needed across the housing continuum. HOAP currently provides down payment assistance loans through the deferral of development charges for eligible homeowners.

This report recommends key changes to the HOAP program that respond to Toronto's current housing context, will expand its reach and impact, and other actions to advance affordable

home ownership in line with City Council's target of approving 4,000 affordable ownership homes by 2030:

- That HOAP eligibility be expanded to include a new "attainable" program tier, with eligible household incomes and home price limits above the "affordable" thresholds prescribed by the City's Official Plan;
- That the HOAP incentives package be expanded to increase the City's contributions to non-profit ownership housing, and extended to include private/non-profit development partnerships, and;
- That the City provide funding and land contributions where available and appropriate, particularly to support the New Deal modular attainable housing initiative currently underway with the Province of Ontario.

The proposed changes are coordinated with statutory exemptions and discounts to municipal growth funding tools introduced by the Province. Recent legislative changes through Bill 23, the More Homes Built Faster Act, and Bill 134, the Affordable Homes and Good Jobs Act, provide non-profit and affordable rental and ownership housing developers with a variety of statutory exemptions from key municipal fees (development charges, parks levies and community benefits charges). The Province has indicated it would make the City whole for the impacts of legislation changes impacting municipal growth funding tools, but this has not yet been confirmed or received. Through the recommendations of this report the updated HOAP incentives package will build on these statutory exemptions to further support non-profit attainable and affordable housing developments. It is also proposed that the incentive package be extended to non-profit partnerships with private developers, which are currently not eligible for the provincial non-profit exemptions.

In 2020, the City's Auditor General reviewed the City's affordable ownership housing programs and recommended the program be revised to strengthen administration and oversight, program design, and to better monitor program outcomes. Following the Auditor's recommendations, the Housing Secretariat engaged the consultants Beam Group and BGM Strategy Group to conduct an evaluation of the program and make recommendations for a program redesign and relaunch. The reports prepared by the consultants are provided as Attachments 4 and 5 and support the recommendations and content of this report. The consultants' reports and the proposed updates to HOAP address the issues raised by the Auditor General.

In September 2023, Premier Doug Ford and Toronto Mayor Olivia Chow announced a Working Group of senior public servants from the Government of Ontario and the City of Toronto. The Working Group's "Ontario-Toronto New Deal Working Group - Term Sheet" was approved by City Council in December 2023 and included a modular attainable housing initiative targeting the development of five sites with Provincial and City support. The recommendations outlined in this report will support future New Deal modular attainable housing developments through the proposed expansion of the HOAP incentives package, as well as funding and land contributions. This report also recommends including HOAP opportunities in appropriate CreateTO and Toronto Community Housing Corporation (TCHC) redevelopments, with suitable TCHC developments providing the opportunity for TCHC tenants to become homeowners.

The City of Toronto has provided financial support to low-to-moderate income families and individuals, in the form of down payment assistance loans, and/or for the construction of new affordable home ownership housing, through various Federal/ Provincial and City programs since 2007. Since the introduction of HOAP in 2010, the federal/provincial and City programs

have provided some 1,370 down payment assistance loans to eligible households worth a combined \$54.5 million.

The recommendations in this report will support the delivery of the City's HousingTO 2020-2030 Plan and targets in partnership with the federal and provincial governments, and non-profit and private development sectors. Increasing the supply of new homes across the housing continuum will reduce pressure throughout the housing system, improve housing affordability for lower and middle-income households, and support the growth of complete communities.

Background Information (Committee)

(November 21, 2024) Report and Attachments 1 to 3 from the Executive Director, Housing Secretariat on Relaunch of the Home Ownership Assistance Program to Support New Non-Profit Affordable and Attainable Home Ownership Housing

(<https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-250927.pdf>)

Attachment 4: Designing a Home Ownership Program for the City of Toronto Final Report, October 2024

(<https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-250928.pdf>)

Attachment 5: Affordable Home Ownership Program Review Evaluation Report, March 2023

(<https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-250929.pdf>)

Communications (Committee)

(November 28, 2024) Letter from Anne Babcock, President and CEO, WoodGreen Community Services (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185087.pdf>)

(November 29, 2024) Letter from Andrea Adams, Executive Director, St. Clare's Multifaith Housing Society (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185085.pdf>)

(November 29, 2024) Letter from Craig Wellington, Chief Executive Officer, Black Opportunity Fund (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185151.pdf>)

(December 2, 2024) E-mail from Ric Amis (PH.New)

(December 3, 2024) Letter from Rob Hatton (PH.New)

(October 9, 2024) Letter from Eduardo Ortiz and Mark Zwicker, Principal and Co-Founder, Architecture Unfolded (PH.Main)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185258.pdf>)

(November 15, 2024) Letter from Wade Stayzer, Chief Operating Officer, Meridian Credit Union Limited (PH.Main)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185259.pdf>)

(October 8, 2024) Submission from Mike Labbé, President and CEO, Home Opportunities Non-profit (PH.Main)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185260.pdf>)

(December 3, 2024) Letter from Daniel Ger, Chief Executive Officer, Options for Homes & Home Ownership Alternatives (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185252.pdf>)

(December 3, 2024) Letter from John DiMichele, Chief Executive Officer, The Toronto Region Real Estate Board (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185286.pdf>)

(December 4, 2024) Letter from Damien Moule, More Neighbours Toronto (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185302.pdf>)

(December 5, 2024) Letter from Ene Underwood, Habitat for Humanity GTA (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185335.pdf>)

(December 5, 2024) Letter from Geoff Kettel and Cathie Macdonald, The Federation of North Toronto Residents' Associations (FoNTRA) (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185338.pdf>)

(December 5, 2024) E-mail from Walied Khogali Ali, Co-Chair, Board of Directors - Regent Park Neighbourhood Association (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185350.pdf>)

(December 5, 2024) Letter from Leslie Woo, Chief Executive Officer, CivicAction (PH.New)

(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-185364.pdf>)