

## **Making it Easier to Build More Housing: Extending Development Charge Incentives to Condominium Multiplexes and Engaging on the Review of the Ontario Building Code**

**Date:** May 12, 2026  
**To:** City Council  
**From:** Mayor Olivia Chow

### **RECOMMENDATIONS**

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The Mayor recommends that:

1. City Council approve the new General Terms of the Secondary Dwelling Unit Development Charge Deferral Program set out in Attachment 1 to this report.
2. City Council authorize the Executive Director, Housing Secretariat and the City Solicitor to take all necessary steps to implement City Council's decision.
3. City Council request the Chief Building Official and Executive Director, Toronto Building engage with the Ministry of Municipal Affairs and Housing (MMAH) to provide recommendations for consideration by the advisory panel overseeing the Ontario Building Code review on opportunities to streamline the Ontario Building Code.

### **SUMMARY AND COMMENTS**

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In recent years, the City of Toronto has dramatically expanded where and how we allow more housing to be built. We now permit multiplexes, garden and laneway suites, and six-storey apartment buildings on Major Streets in neighbourhoods, with more to come.

We have also expanded financial incentives to help make it more affordable to build, including waivers of development charges and park levies for up to six units plus a garden or laneway suite on a single parcel of land.

As uptake of Missing Middle housing grows, I recently met with a group of multiplex

planners, architects, and builders, along with key City staff, to discuss further operational measures the City could take to make it easier and cheaper to build more housing options in our neighbourhoods.

In addition to recommendations in my letter ([PH30.12 - Making It Easier to Build Multiplexes](#)) adopted by Planning and Housing Committee on May 7, 2026, these recommendations relate to items that emerged from these discussions.

### **Extending Development Charge Incentives to Condominium Multiplexes**

In July 2025, Council adopted Item [MM32.5 - Creating More Affordable Housing Options in Our Neighbourhoods](#), which increased the maximum number of units on a single lot that may be exempt from development charges to six units in the primary building, plus one additional garden or laneway suite provided it is subject to a Development Charges Deferral Agreement.

Through the Laneway and Garden Suite Development Charges Deferral Program, applicants may enter into a Development Charges Deferral Agreement with the City. This agreement defers the development charge owing on the garden or laneway suite for up to 20 years, after which it is fully forgiven.

The purpose of this motion is to clarify that new applications to the Laneway and Garden Suite Development Charges Deferral Program are treated consistently, regardless of whether the unit is rental or ownership tenure, provided the lot is not severed.

While virtually all garden or laneway suites in the city to date are in rental tenure, there are a limited number of ownership examples as part of a condominiumized multiplex. Much like with high-rise condominiums, multiplex condominiums can create a path for home ownership, and in many cases can represent ideal “starter homes”, allowing owners to build equity over time.

### **Ontario Building Code Line-by-Line Review**

In March 2026, the Ontario government launched a comprehensive line-by-line review of the Ontario Building Code. The purpose of this review is to modernize construction standards, while maintaining safety.

The City of Toronto has an interest in conveying recommendations to the panel to support streamlining approvals and providing clarity for designers, builders and other stakeholders engaged in housing construction in Toronto. For example:

- In the recent meeting convened by my office with multiplex stakeholders, we discussed how greater clarity in the Ontario Building Code on matters such as non-combustible exterior wall construction would improve predictability, uphold life-safety objectives, and support more efficient approvals and delivery of much needed housing.
- The City has also developed generic compliance options to streamline the approvals process for fire access requirements for Laneway and Garden suites.

However, the Province has not yet provided a broader range of fire access options for designers and builders to comply with the Ontario Building Code requirements that apply to these housing types.

The line-by-line review also provides an opportunity for the Province to adopt regulations to establish a proactive building condition evaluation program, to compel owners to maintain and regularly inspect their buildings, and consideration of a mechanism that would allow standardized or repeatable Alternative Solutions, where appropriate, to be applied across multiple sites with similar conditions, reducing duplication while maintaining rigorous technical review.

**SIGNATURE**

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Olivia Chow  
Mayor

**ATTACHMENTS**

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Attachment 1: New General Terms of the Secondary Dwelling Unit Development Charge Deferral Program

## **Attachment 1: New General Terms of the Secondary Dwelling Unit Development Charge Deferral Program**

The Executive Director, Housing Secretariat, in consultation with the Chief Financial Officer and City Solicitor, be authorized to administer a Development Charges Deferral Program for Secondary Dwelling Units located in the rear yard of a lot, including but not limited to laneway suites, coach houses, and/or garden suites, and execute appropriate agreements on the following basis:

- a) The Owner must not have applied for a consent application under Section 53 of the Planning Act, as amended, or a Plan of Subdivision Application under Section 51 of the Planning Act, as amended. For clarity this restriction does not preclude applications made under Section 9 the Condominium Act, as that Act may be amended.
- b) The Owner must apply for the deferral and pay the applicable administrative fee to the City.
- c) The Owner must agree to enter into an agreement with the City under Section 27 of the Development Charges Act, as amended, (i.e. Development Charges Deferral Agreement), registered on title, and any other agreement as required by the City Solicitor.
- d) The development charges deferred must be secured to the satisfaction of the Chief Financial Officer in consultation with the City Solicitor.
- e) The Development Charges Deferral Agreement shall include, but is not limited to, the following terms:
  - i. The deferral shall be for 20 years, after which no development charges shall be payable.
  - ii. Should the current or future owner of the property seek to create a new lot through a consent or plan of subdivision application (but excluding an application under the Condominium Act) for this unit within 20 years of the issuance of a building permit, development charges shall be payable upon the creation of the new lot based on the non-rental rate applicable for the applicable unit type as of the date of approval of the consent or plan of subdivision.
  - iii. Should development charges not be collected and a new lot is created, the City shall add the unpaid development charges to the tax roll of the property with the garden or laneway suite.

- iv. The Executive Director, Housing Secretariat, in consultation with the Chief Financial Officer and City Solicitor, be authorized to make such administrative amendments to the deferral policy, as necessary.