

Authority to Enter Agreement with the Ministry of Long-Term Care for the Funding and Development of 4610 Finch Avenue East Long-Term Care Home

Date: June 5, 2026

To: Economic and Community Development Committee

From: General Manager, Seniors Services and Long-Term Care

Wards: Ward 23, Scarborough North

SUMMARY

This report recommends that City Council authorize the City Manager to enter into an agreement with the Ministry of Long-Term Care for the funding and development of a long-term care home at 4610 Finch Avenue East.

This agreement is required to access provincial funding under the [2025 Long-Term Care Home Capital Funding Program](#) for the construction of a long-term care home at 4610 Finch Avenue East. As a multi-year agreement with significant financial and legal obligations for the City, Council authorization is required. The Ministry has requested timely execution of the agreement to ensure that key project milestones are met.

The new long-term care home at 4610 Finch Avenue East will have 378 beds and is expected to be completed in 2030. 4610 Finch Avenue East will replace existing City-run long-term care beds in City homes that do not currently meet provincial design standards.

RECOMMENDATIONS

The General Manager, Seniors Services and Long-Term Care recommends that:

1. City Council authorize the City Manager to negotiate and enter a Long-Term Care Home Development Agreement with the Government of Ontario, and any other agreement with the Government of Ontario that is required for the funding and development of a long-term care home at 4610 Finch Avenue East, in accordance with Seniors Services and Long-Term Care's Capital Budget and Plan, on terms and conditions satisfactory to the General Manager, Seniors Services and Long-Term Care and Executive Director, Corporate Real Estate Management, and in a form satisfactory to the Chief Financial Officer and Treasurer and City Solicitor.

FINANCIAL IMPACT

The development of the long-term care home at 4610 Finch Avenue East will be supported through [Ontario's Long-Term Care Capital Funding Program](#), with up to \$226.8 million in provincial funding.

This funding includes:

- \$84.3 million in upfront funding, to be received before the first resident occupancy, including:
 - \$0.5 million upon execution of the development agreement;
 - \$42.2 million at the start of construction; and
 - \$41.6 million at substantial completion of construction.
- The remaining \$142.5 million will be provided as recoverable debt and be paid by the Government of Ontario over 25 years, starting from first resident occupancy. This portion will be amortized at a rate of \$77.70 per bed.

This provincial funding has been included in the 2026-2035 Capital Budget and Plan for Seniors Services and Long-Term Care and is consistent with the terms of the provincial program. There are no financial impact to the City beyond those previously approved.

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

DECISION HISTORY

City Council previously approved the Seniors Services and Long-Term Care 2026-2035 Capital Budget and Plan through the City's 2026 budget process as part of the 2026 Operating and Capital Budget (Mayor's Key Matter) at the February 10, 2026 City Council meeting (Item 2026.MPB38.1). The decision document can be found here: [2026-02-10 Decisions - City Council](#)

On July 7, 2021, City Council adopted the recommendations of the report prepared by CreateTO and in consultation with Senior Services and Long-Term Care division to endorse the proposal to build a long-term care facility at the City-owned site at 4610 Finch Avenue East. The decision document can be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2021.RA23.1>

COMMENTS

The City of Toronto operates ten long-term care homes. The new long-term care home at 4610 Finch Avenue East will have 378 beds and is expected to be completed in

2030. 4610 Finch Avenue East will replace existing City-run long-term care beds in homes that do not currently meet provincial design standards.

Following Council approval in February 2026, construction of the project is expected to begin in early 2027. The total budget is \$436 million, or approximately \$1.1 million per bed. Under this agreement, the Ministry of Long-Term Care will fund up to 85 per cent of eligible costs, to a maximum of \$0.75 million per bed, with 35 per cent paid up front and the remaining spread over 25 years.

The project implements Council direction to modernize the City's long-term care system while embedding broader City priorities around housing, equity and financial sustainability.

The agreement is a binding, multi-year intergovernmental contract between the Government of Ontario and the City of Toronto, as operator, establishing the terms and conditions under which the City would develop the project and receive provincial funding under the [2025 Long-Term Care Home Capital Funding Policy](#). The agreement requires the City, among other things, to:

- carry out the project in accordance with the agreement, applicable law, applicable policy, and approved project documents;
- maintain records and submit reports and forms required by the Ministry;
- satisfy conditions tied to the payment of construction progress funding and capital per-diem funding;
- obtain occupancy approval and execute a Service Accountability Agreement following project completion and prior to commencement of capital per-diem payments;
- continue to operate and maintain the beds in accordance with the agreement and applicable requirements for extended periods following occupancy, including obligations that survive for 30 years from occupancy in some cases.

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SIGNATURE

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