



MOTION WITHOUT NOTICE

Financial Assistance for Covenant House's Redevelopment Project at 20 Gerrard Street East and 21 McGill Street

Moved by: Councillor Moise

Seconded by: Councillor Bravo

SUMMARY:

Covenant House Toronto is Canada's largest agency serving youth who require effective pathways to transitional and permanent affordable housing. For more than 40 years, it has provided a range of supports to youth including emergency shelter, transitional housing, health care, education, and employment supports, supporting more than 110,000 young people. To meet the needs of youth in the twenty first century there is a critical need for more youth focused transitional and permanent affordable housing with comprehensive support services to enable young people to transition from crisis to stability and helping youth reach their full potential.

To meet today and tomorrow's challenges faced by youth in Toronto, Covenant House Toronto is launching an ambitious program to redevelop its main site at 20 Gerrard Street East and 21 McGill Street and pivot to a housing-focused new modern building providing improved services. The existing buildings have reached the end of their useful lifespan and require redevelopment to continue providing essential services.

The project would deliver up to 121,000 square feet of a new home for youth with an estimated 118 supportive and transitional homes, integrated with on-site health, education, housing and employment services aimed at improving long-term housing outcomes for youth.

Covenant House has initiated pre-application consultations with City staff and has begun engagement with neighbouring residents, institutions, businesses, and landowners in advance of filing the formal applications. To support the overall capital cost of the redevelopment, Covenant House will also be making an application to Build Canada Homes for capital funding and financing and will shortly launch an ambitious public fund-raising campaign.

The motion recommends that the City reduce financial barriers to the redevelopment by waiving applicable planning application and building permit fees, exempt the redevelopment from parkland dedication requirements, and applicable development charges (if not exempted by Provincial legislation). The City is responsible for the collection of the education development charges on behalf of the Toronto Catholic District School Board (TCDSB), as required by the Education Act, 1990. This motion also recommends requesting that the TCDSB waive the education development charges for this redevelopment.

Lastly, the motion requests that the Executive Director, Housing Development Office, and General Manager, Toronto Shelter and Support Services work with Covenant House in support of this important youth serving city-building project, and report to City Council in the first quarter of 2027 on the status of the project.

This matter is urgent as Covenant House is poised to submit a Site Plan Control application and an application for minor variance to the Committee of Adjustment.

RECOMMENDATIONS:

1. City Council waive site plan fees set out in Schedule 13, Appendix C in Municipal Code Chapter 441 in connection with the development of the new Covenant House proposal at 20 Gerrard Street East and 21 McGill Street that would otherwise be payable.
2. City Council waive building permit fees that would otherwise be payable by Covenant House for the Proposal at 20 Gerrard Street East and 21 McGill Street.
3. City Council exempt the redevelopment of 20 Gerrard Street East and 21 McGill Street by Covenant House Toronto from parkland dedication requirements and applicable development charges, unless already exempted by Provincial legislation.
4. City Council request that the Toronto Catholic District School Board waive the Education Development Charge applicable to the redevelopment by Covenant House Toronto at 20 Gerrard Street East and 21 McGill Street.
5. City Council direct the Executive Director, Housing Secretariat, to work with Covenant House, if approved for financial incentives under the Rental Housing Supply Program, to secure the value of those financial incentives for eligible transitional housing units in a municipal housing facility agreement ("Contribution Agreement").
6. City Council request the Executive Director, Housing Secretariat and the Executive Director Housing Development to report to City Council by the first quarter of 2027 on the status of the project and make any such further recommendations to support Covenant House Toronto in the redevelopment of 20 Gerrard Street East and 21 McGill Street.

FINANCIAL IMPACT:

The financial incentives proposed to be provided include relief from planning application and building permit fees. Exemption from development charges and parkland dedication requirements are also recommended unless they have already been exempted by applicable provincial legislation. The fee waivers and exemptions are not a direct payment from the City but rather foregone revenues in the form of waivers or exemptions to charges and fees.

Financial impact for the whole site is estimated based on the current proposal of 118 supportive and transitional homes to be provided and a total building Gross Floor Area of 11,267 square metres. See Table 1 below for further details.

Table 1 – Summary of City Financial Incentives for Covenant House (including financial

incentives for eligible housing units under RHSP)*

Estimated Value of Development Charges Exemption**	Estimated Value of Parkland Dedication Fees Exemption	Estimated Planning Fees Waiver**	Estimated Building Fees Waiver**	Estimated Total Value of Incentives
\$2,803,562	\$1,770,000	\$104,109	\$300,788	\$4,978,459

*The value of financial incentives has been calculated for the entire redevelopment, which is estimated to have a gross floor area of 11,267 square metres. This includes the portion of the site intended for transitional and supportive housing, which may be eligible and subsequently approved for financial incentives under the City's Rental Housing Supply Program.

**Calculated using current rates for development charges, site plan application fees, and building permit fees. Development Charges and parkland dedication estimates reflect the full value that would apply in the absence of any exemption under provincial legislation. Eligibility for a provincial exemption cannot be confirmed at this stage. If the site is subsequently determined to be exempt from Development Charges and Parkland dedication fees under provincial legislation, the financial impact would be reduced accordingly.

Education Development Charges of approximately \$582,832 applicable to the redevelopment would not be collected by the City of Toronto on behalf of the Toronto Catholic District School Board (TCDSB) and, would not be remitted to TCDSB should TCDSB waive the education development charges applicable to this site.

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

April 15, 2026