



May 21, 2026

Deputy Mayor Amber Morley
City Councillor, Ward 3 – Etobicoke–Lakeshore
City of Toronto
100 Queen Street West
Toronto, Ontario M5H 2N2

**RE: Formal Offer – In-Kind Affordable Housing Contribution
1243 Islington Avenue**

Deputy Mayor Morley,

Further to our ongoing discussions regarding the proposed redevelopment at 1243 Islington Avenue, we are writing to formally outline our offer to provide affordable housing as an in-kind Community Benefits Charge (CBC) contribution.

This letter is intended to clearly define the nature and scope of the proposed affordable housing contribution, so that it may be considered by Council and, if supported, used as the basis for direction to City staff and City Legal to negotiate and prepare the appropriate in-kind agreement.

Overview of Offer

Montez Corporation is offering to provide affordable rental housing equal to 3% of the total residential unit count for the project, delivered as an in-kind CBC contribution to fully satisfy all CBC obligations for this development.

Based on the current project metrics, this equates to 21 affordable rental units, subject to proportional adjustment should the total number of residential units change as the project advances through detailed approvals, capped at 3%.

Key Terms of the Affordable Housing Offer

- **Tenure:** Purpose-built rental housing
- **Unit Count:** 3% of total residential units (currently 21 units)
- **Unit Mix:** Proportional to the overall unit mix of the building, including a range of studio, one-bedroom, two-bedroom, and three-bedroom units
- **Integration:** Affordable units to be fully integrated throughout the building
- **Affordability Definition:** the total monthly shelter cost (gross monthly rent, inclusive of utilities for heat, hydro, hot water and water) is at or below the lesser of one times the average City of Toronto rent, by dwelling unit type, as reported annually by the Canada

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Mortgage and Housing Corporation, or 30 per cent of the before-tax monthly income of renter households in the City of Toronto as follows:

- studio units: one-person households at or below the 50th percentile income;
 - one-bedroom units: one-person households at or below the 60th percentile income;
 - two-bedroom units: two-person households at or below the 60th percentile income;
 - three-bedroom units: three-person households at or below the 60th percentile income.
- **Affordability Period:** 25 years from first occupancy

Implementation Framework

Based on our discussions between our Counsel and City Legal, it is our understanding that there is a clear path to secure the proposed affordable housing contribution through an in-kind Section 37 agreement.

It is our understanding that Community Council would consider the application and advance a recommendation to City Council. City Council would then consider a motion authorizing the City Solicitor to enter into an in-kind affordable housing agreement to secure these commitments. Following such authorization, the agreement would be finalized and executed, with the zoning by-law enacted thereafter.

While the execution of the in-kind agreement will be executed in advance of building permit issuance, it will be important that the agreement includes appropriate flexibility to reflect refinement to the project that may occur through detailed design, site plan approval, and building permit processes. Any final agreement would, of course, lock in the minimum commitments outlined above.

Given the current approval schedule, it is important that this matter proceed through Community Council and City Council with enactment occurring in advance of the summer recess. Advancing the zoning approval and associated in-kind agreement within this timeframe is critical to maintaining project viability, as any delay beyond the upcoming Council cycle would have material implications for the project schedule and delivery. We would appreciate confirmation that the above-noted process can be advanced within this timeline.

Value of Contribution

In considering this offer, we ask that City Council expressly recognize the in-kind affordable housing contribution as having a value equal to 100% of 4% of the land value (net of any exclusions or

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exemptions permitted under the Community Benefits Charge By-law), thereby fully satisfying our CBC obligations.

The feasibility of delivering the proposed affordable housing contribution has been evaluated on the basis that applicable municipal fees and charges associated with the affordable units would be waived, consistent with current City and Provincial policy directions for affordable housing delivery.

We believe this offer provides a clear, credible, and deliverable affordable housing commitment that Council and City staff can confidently rely upon when considering next steps for the project. We would be pleased to continue working collaboratively with you, City staff, and City Legal to advance this matter.

Sincerely,

Christian Kieller
Senior Vice President, Development
Montez Corporation