

Authority to Enter into Municipal Housing Project Facility Agreements with Community Housing Providers

Date: May 28, 2026

To: Planning and Housing Committee

From: Executive Director, Housing Secretariat

Wards: Ward 5 – York South-Weston, Ward 8 – Eglinton-Lawrence and Ward 10 – Spadina-Fort York, Ward 13 – Toronto Centre

SUMMARY

The City recognizes the important role community housing providers play in advancing its vision for housing, as set out in the HousingTO 2020-2030 Action Plan (“HousingTO Plan”), and is actively engaged in preserving affordable housing for current and future residents. Maintaining and increasing access to affordable rents is further advanced through the Community Housing Sector Modernization and Growth Strategy (“Strategy”), as adopted by City Council in June 2024.

This report recommends approval of property tax exemptions for affordable homes within three co-operative housing sites and two properties owned by Toronto Community Housing Corporation (“TCHC”), through execution of a Municipal Housing Project Facility Agreement (“Contribution Agreement”). This will advance the goals of the Strategy related to maintaining affordability of the existing community housing stock. The City has consistently applied property tax exemptions as a financial tool to protect and expand its supply of affordable housing.

This report will advance work on the new lease agreements for Alexandra Park Housing Co-operative (“Alexandra Park Co-op”), Beech Hall Housing Co-operative (“Beech Hall Co-op”) and Stanley Knowles Housing Co-operative (“Stanley Knowles Co-op”) and authorize the execution of Contribution Agreements to secure affordability of existing rental homes. To further progress work on new lease agreements, this report recommends updating the Policy Framework for Ground Leases with Community Providers to permit lease terms of up to 99 years, replacing the current maximum of 49 years. A longer maximum term gives the City greater flexibility to assess on a case by case to safeguard significant public investment in Toronto’s affordable housing stock.

TCHC is undertaking multi-phased revitalizations of the Regent Park and Alexandra Park communities, integrating both affordable and community housing. Securing

property tax exemptions for these developments is consistent with the financial benefits applied to other TCHC properties.

Securing affordability in the existing community housing stock, through a Contribution Agreement, is a dependable approach to achieve improved housing outcomes. As a financial tool for the City, property tax exemptions provide a viable and cost-effective approach to preserve the supply of affordable rental housing in Toronto.

RECOMMENDATIONS

The Executive Director, Housing Secretariat, recommends that:

1. City Council authorize the Executive Director, Housing Secretariat, to negotiate and enter into, on behalf of the City, Municipal Housing Project Facility Agreements (the City's Contribution Agreements) with Alexandra Park Housing Co-operative, Beech Hall Housing Co-operative and Stanley Knowles Housing Co-operative to set out the terms of the operation of affordable housing, for the properties described in Table 1, in accordance with the Toronto Municipal Code Chapter 513, Housing Programs, on terms and conditions satisfactory to the Executive Director, Housing Secretariat, and in a form approved by the City Solicitor.
2. City Council exempt up to 104 affordable rental homes at 25 Eden Place, operated by Alexandra Park Housing Co-operative, from taxation for municipal and school purposes for the term of the Municipal Housing Project Facility Agreement.
3. City Council exempt up to 127 affordable rental homes at 2-14 Humber Boulevard and 15-23 Cordella Avenue, operated by Beech Hall Housing Co-operative, from taxation for municipal and school purposes for the term of the Municipal Housing Project Facility Agreement.
4. City Council exempt up to 103 affordable rental homes at 38 Orchard View Boulevard, operated by Stanley Knowles Housing Co-operative, from taxation for municipal and school purposes for the term of the Municipal Housing Project Facility Agreement.
5. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the Executive Director, Housing Secretariat to amend the Policy Framework for Ground Leases for Community Housing Providers to extend the allowable term length to up to 99 years, replacing the previously approved maximum of 49 years.
6. City Council authorize each of the Executive Director, Housing Secretariat, and Executive Director, Housing Development Office, severally to negotiate and enter into, on behalf of the City, Municipal Housing Project Facility Agreements (the City's Contribution Agreements) or amendments to existing Contribution Agreements with Toronto Community Housing Corporation for financial incentives and to set out the terms of the operation of affordable rental housing at 175 Oak Street and 130 Augusta Avenue, on terms and conditions satisfactory to the Executive Director, Housing

Secretariat, in consultation with the Executive Director, Housing Development Office and in a form satisfactory to the City Solicitor.

7. City Council exempt up to 213 affordable rental homes at 175 Oak Street, operated by Toronto Community Housing Corporation, from taxation for municipal and school purposes for a period of 99 years, effective from the date as set out in the City's Municipal Housing Project Facility Agreement.

8. City Council exempt up to 99 affordable rental homes at 130 Augusta Avenue, owned by Toronto Community Housing Corporation and operated by Atkinson Housing Co-operative, from taxation for municipal and school purposes for the term of the Municipal Housing Project Facility Agreement.

9. City Council authorize the Chief Financial Officer to cancel or refund any taxes paid after the Effective Date of the Municipal Housing Project Facility Agreements, for the properties described in Table 1 and Table 2, with Alexandra Park Housing Co-operative, Beech Hall Housing Co-operative, Stanley Knowles Housing Co-operative, and Toronto Community Housing Corporation.

FINANCIAL IMPACT

Entering into Municipal Housing Project Facility Agreements (the City's Contribution Agreements) with Alexandra Park Co-op, Beech Hall Co-op and Stanley Knowles Co-op

This report seeks City Council authority to enter into Contribution Agreements with Alexandra Park Co-op, Beech Hall Co-op and Stanley Knowles Co-op for the affordable rental homes listed in Table 1.

The estimated total net present value ("NPV") of the property tax exemptions for 334 affordable rental units, across the properties operated by Alexandra Park Co-op, Beech Hall Co-op and Stanley Knowles Co-op, over the relevant affordability periods is \$14.4 million, as shown in Table 1. These exemptions are not direct cash payments from the City but represent forgone revenue from the City portion of property taxes of approximately \$12.5 million over the term of the affordability periods. The provincial education portion of property taxes of approximately \$1.9 million will no longer be required to be remitted to the Province once the exemption takes effect. Ongoing eligibility for the property tax exemption is conditional on continued compliance with the terms and conditions of the City's Contribution Agreements over the term of the agreement.

Table 1: Estimated Value of Property Tax Exemptions for Affordable Rental Homes Operated by Alexandra Park Co-op, Beech Hall Co-op and Stanley Knowles Co-op*

Community Housing Provider	Address	# of Affordable Rental Homes Requiring Exemption	Affordability Period (years)	NPV of Municipal Tax + City Building Levy	NPV of Education Tax	NPV of Property Tax Exemption	2026 Total Property Tax Exemption
Alexandra Park Housing Co-operative	25 Eden Pl.	104	49	\$2,247,888	\$343,714	\$2,591,602	\$64,431
Beech Hall Housing Co-operative	2-14 Humber Blvd. & 15-23 Cordella Ave.	127	49	\$3,657,603	\$559,268	\$4,216,870	\$104,838
Stanley Knowles Housing Co-operative	38 Orchard View Blvd.	103	49	\$6,599,372	\$1,009,080	\$7,608,452	\$189,158
Total				\$12,504,862	\$1,912,062	\$14,416,924	\$358,427

*based on 2026 property taxes

Entering into Municipal Housing Project Facility Agreements (the City's Contribution Agreements) with TCHC

This report seeks City Council authority to enter into Contribution Agreements with TCHC for the rental homes listed in Table 2.

The estimated total NPV of the property tax exemptions for 312 affordable rental units across the two properties owned by TCHC over the relevant affordability periods is \$42.1 million, as shown in Table 2. These exemptions are not direct cash payments from the City but represent forgone revenue from the City portion of property taxes of approximately \$37.3 million over the term of the affordability periods. The provincial education portion of property taxes of approximately \$4.8 million will no longer be required to be remitted to the Province once the exemption takes effect. Ongoing eligibility for the property tax exemption is conditional on continued compliance with the terms and conditions of the City's Contribution Agreements over the term of the agreement.

Table 2: Estimated Value of Property Tax Exemptions for Affordable Rental Homes in the Properties Owned by TCHC

Community Housing Provider	Address	# of Affordable Rental Homes Requiring an Exemption	Property Tax Waiver Period (years)	NPV of Municipal Tax + City Building Levy	NPV of Education Tax	NPV of Property Tax Exemption	NPV of Property Tax Exemption in Year 1 of Occupancy (2026)
TCHC	130 Augusta Ave.	99 ¹	99	\$10,205,123	\$1,322,810	\$11,527,932	\$174,688
TCHC	175 Oak St.	213	99	\$27,102,918	\$3,513,137	\$30,616,056	\$463,940
Total:				\$37,308,041	\$4,835,947	\$42,143,988	\$638,628

¹130 Augusta Avenue contains 103 affordable rental homes. 4 of the rental homes were previously approved for a property tax exemption through Item 2022.PH30.8.

Amendments to the Policy Framework for Ground Leases with Community Housing Providers

This report recommends amendments to the Policy Framework for Ground Leases with Community Housing Providers to extend the allowable term length to up to 99 years, replacing the previously approved maximum of 49 years, where appropriate based on project-specific considerations.

If the City leased sites to community housing providers at market rates, the City would generate ground-lease revenue over the term of the agreement. By providing long-term land interests to community housing providers at below-market rates, the City forgoes potential ground rent and related market-based revenues, and some future land use flexibility, in exchange for securing long-term affordability on City-owned land and advancing the City’s affordable housing objectives.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Community Housing Providers Providing Affordable Housing on City-Owned Land

On December 16 and 17, 2025 City Council adopted Item 2025.PH26.8 – Tenancy Update: Beech Hall Housing Co-operative and Alexandra Park Housing Co-operative, Municipal Housing Project Facility Agreements with Community Housing Providers

which recommended City Council authorize to extend the lease agreements with Beech Hall Housing Co-operative and Alexandra Park Housing Co-operative, on the existing terms and conditions, by up to two years to allow adequate time to finalize the development of the new lease and operating agreements.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PH26.8>

On November 13 and 14, 2024 City Council adopted Item 2024.PH16.7 – Tenancy Update: Beech Hall Housing Co-operative and Alexandra Park Housing Co-operative which contained 2 recommendations to respond to Councils request to report back on the status of lease negotiations. This report recommended City Council authorize to extend the lease agreements, on the existing terms and conditions, with both housing co-operatives, by up to one year to allow adequate time for the negotiation of the terms of the new lease agreements and operating agreements. In addition, the report directed the Housing Secretariat to report back to the Planning and Housing Committee in 2025, following the execution of new lease agreements, with recommendations to secure tax exemptions for Beech Hall Housing Co-operative and Alexandra Park Housing Co-operative.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH16.7>

On June 26 and 27, 2024 City Council adopted Item 2024.PH13.9 – Community Housing Modernization and Growth Strategy, which recommended a new strategy to protect the city's existing Community Housing stock through preserving the assets as well as maintaining affordability; creating net-new community housing that will support the City in achieving its target of approving 65,000 rent-controlled homes by 2030; and improving access to housing opportunities for low-and-moderate-income households. The Community Housing Modernization and Growth Strategy proposed a new policy framework to guide lease arrangements and ensure a consistent approach for both the City and Community Housing Providers as it relates to new leases, extensions, and renewals.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH13.9>

On March 29, 30 and 31 2023, City Council adopted Item 2023.MM5.4 – Securing a Long-Term Future for Tenants at the Beech Hall Housing Co-operative, which directed staff to develop a policy framework to guide the renewal of ground leases with non-profit housing providers (including co-ops) on City-owned land, to support their long-term financial and operating viability. It also directed staff to work collaboratively with the Co-operative Housing Federation of Toronto, Ontario Non-Profit Housing Association, and Canada Mortgage Housing Corporation in supporting the long-term sustainability of non-profit and co-operative housing developments which are subject to expiring long-term leases on public land.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MM5.4>

Regent Park Revitalization Phase 3 Block 16 North – 175 Oak Street

On December 15, 16 and 17, 2021, City Council adopted Item 2021.PH29.20 – Bridging the Gap - Increasing Rent Geared to Income Units on Regent Park Phase 3, which authorized up to 55 additional new rent-geared-to-income and new affordable rental

units to be constructed in Phase 3 of the Regent Park Revitalization be eligible for waivers for building permit and development charge exemptions.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH29.20>

On July 23,24,25,26,27 and 30, 2018, City Council adopted Item 2018.EX36.34 – Property Tax Relief for New Affordable Rental Homes Created Through the Regent Park Revitalization, which authorized tax exemption for 181 housing units for a 25-year affordability period for a mix of RGI replacement and affordable units at Regent Park, Phase 3, Block 16 North, municipally described as 175 Oak Street.

<https://secure.toronto.ca/council/agenda-item.do?item=2018.EX36.34>

Alexandra Park Revitalization Phase 2A – 130 Augusta Avenue

On February 2 and 3, 2022, City Council adopted Item 2022.PH30.8 – New Affordable Rental and Ownership Homes in Phase Two of the Alexandra Park Revitalization which included authority to exempt from taxation for municipal and school purposes the four new affordable rental units in 130 Augusta Avenue for a period of ninety-nine years.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.PH30.8>

On October 24 and 25, 2011, City Council adopted Item 2011.EX11.6 – Toronto Community Housing Corporation - Declaration as Municipal Housing Capital Facilities and Exemption from Municipal and School Property Taxes, which authorized City staff to negotiate a municipal capital facilities agreement with TCHC for the purposes of exempting 383 TCHC-owned buildings, including those in Alexandra Park, from property taxes.

<https://secure.toronto.ca/council/agenda-item.do?item=2011.EX11.6>

EQUITY IMPACT STATEMENT

Community housing provides housing options that are essential to support low and moderate-income households, including Indigenous Peoples, Black and other racialized residents, seniors, veterans, people with disabilities, lower income workers, women and gender-diverse people to live in Toronto. Entering into new agreements with Alexandra Park Co-op, Beech Hall Co-op, Stanley Knowles Co-op and TCHC to maintain existing stable affordable housing will support opportunities for low and moderate-income households to maintain access to safe, healthy and suitable homes.

The Canada Revenue Agency has advised the City that residents paying rent or housing charges in affordable homes that receive a property tax exemption are not eligible for the Ontario Energy and Property Tax Credit (“OEPTC”) component of the Ontario Trillium Benefit (“OTB”) (administered by the Canada Revenue Agency) which seeks to help low-and-moderate-income Ontarians pay for energy costs and property taxes. As such, those living in affordable housing, including those owned by Alexandra Park Co-op, Beech Hall Co-op, Stanley Knowles Co-op and TCHC, as identified in this report, will be ineligible for the OEPTC component of the OTB.

COMMENTS

Progress on New Lease Agreements with Alexandra Park Co-op, Beech Hall Co-op and Stanley Knowles Co-op

City staff last reported to City Council in November 2024 and December 2025, where requests to extend the existing leases with Alexandra Park Co-op and Beech Hall Co-op were adopted to allow adequate time to finalize the new lease agreements. City staff have been actively progressing discussions with Stanley Knowles Co-op ahead of its ground lease expiry, which were not part of the prior report submission.

The purpose of this report is to advance work on the new lease agreements by authorizing the execution of Contribution Agreements with Alexandra Park Co-op, Beech Hall Co-op and Stanley Knowles Co-op. The Contribution Agreement is a critical step towards the negotiation process and will authorize an exemption from taxation once a lease agreement is executed. City staff have been actively engaged with Alexandra Park Co-op, Beech Hall Co-op and Stanley Knowles Co-op, with specific details on progress included below.

Update on Alexandra Park Co-op

Alexandra Park Co-op provides housing for low-income households and consists of 104 units across 4 low-rise apartment buildings and 39 townhouses. In 1974, the City and Alexandra Park Co-op entered into a 50-year lease agreement.

As part of the due diligence process with Alexandra Park Co-op, a Building Condition Assessment and Capital Reserve Study were completed in 2025 to evaluate current building conditions and identify capital repair needs. As a result of the findings, Alexandra Park Co-op engaged a consultant and architect to compare the costs of repairing existing building components versus entirely revitalizing the property. In July 2025, Alexandra Park Co-op was approved for up to \$800,000 in repayable loans, from the Community Housing Pre-Development Fund, to help conduct required due diligence (e.g. environmental site analysis, preliminary planning work, architectural and engineering drawings) to support a potential redevelopment opportunity.

City staff continue to work in partnership with Alexandra Park Co-op to complete the due diligence process. In the meantime, the lease agreement has been delivered to Alexandra Park Co-op for their review and execution. City staff will continue to engage and respond to any questions related to agreement terms and conditions.

Update on Beech Hall Co-op

Beech Hall is a collection of 16 two-storey walk-up apartment buildings providing 127 units to low-income seniors (aged 55 or over). In 1980, Beech Hall entered into a 45-year ground lease agreement with the former Borough of York.

In 2025, the City procured a Building Condition Assessment and Capital Reserve Study, on behalf of Beech Hall Co-op, to assess building conditions and forecast capital repair

obligations. The BCA recommended further assessment, through a Sitewide Storm and Sanitary Distribution Study, to examine flooding issues caused by heavy rainfall overloading municipal sewer lines. The City has procured this study to further evaluate the property conditions to help develop recommendations for the Board of Directors for future implementation.

While additional work on property conditions is taking place, the City has provided the lease agreement to Beech Hall Co-op for their review and execution. City staff will remain available to engage with Beech Hall Co-op and are committed to working towards finalizing and executing a renewed lease arrangement.

Update on Stanley Knowles Co-op

Stanley Knowles Co-op is a vertical community consisting of 103 units, built above the Northern District Public Library, providing affordable housing to a diverse community in which two-thirds are seniors. In 1984, Stanley Knowles Co-op entered into a 50-year lease agreement originally established with the Toronto Public Library (“TPL”).

Stanley Knowles Co-op has expressed a need to enter into a new long-term lease to gain access to critical financing and financial supports. To meet the long-term needs of Stanley Knowles Co-op and allow the City to consistently manage ground leases with community housing providers, Corporate Real Estate Management has been working collaboratively with TPL to transfer ownership of the property to the City. Upon transfer to the City, the property will be subject to the Policy Framework for Ground Leases with Community Housing Providers, which will allow Stanley Knowles Co-op to enter into a long-term lease agreement with the City, access financial supports, and secure financing required to invest in its building and rental homes.

City staff and TPL are finalizing operational and financial processes to complete the transfer of the property. It is anticipated that Stanley Knowles Co-op will receive a lease agreement for review in the near term.

Amendments to the Policy Framework for Ground Leases with Community Housing Providers

The Policy Framework for Ground Leases with Community Housing Providers, as adopted by City Council, guides the City when renewing, amending or entering into new lease agreements with community housing providers who currently lease City-owned land to operate affordable housing. The Policy Framework for Ground Leases with Community Housing Providers requires cross-divisional collaboration with City staff from the Housing Secretariat and Corporate Real Estate Management to complete a due diligence process prior to executing new lease and operating agreements.

As the City has begun applying the Policy Framework for Ground Leases with Community Housing Providers, City staff have identified that the term length requires amendment to preserve the City’s long-term investment in affordable housing and address potential operational considerations related to site development and financing. This report recommends amending the Policy Framework for Ground Leases with Community Housing Providers to extend the allowable term length to up to 99 years,

replacing the previously approved maximum of 49 years. Extending the allowable term length will give the City greater flexibility to evaluate the benefits of an extension, based on each situation, and apply a term length that is appropriately scaled. The City will work with community housing providers to address their site-specific considerations, while protecting significant investment in Toronto's affordable rental housing stock.

Alexandra Park Revitalization Phase 2A – 130 Augusta Avenue

In 2012, City Council approved, as Shareholder and Service Manager, TCHC's multi-phased revitalization of Alexandra Park. 130 Augusta Avenue is the first building to be delivered as part of Phase 2A and is comprised of 99 RGI replacement units and 4 net-new affordable housing units. It will be operated by Atkinson Housing Co-operative.

The 46 demolished residential units on the site were subject to a property tax exemption approved by City Council in 2011. Additionally, as part of the 2023 Contribution Agreement between the City and TCHC, a property tax exemption was negotiated for the 4 net-new affordable units on-site. Through this report, City staff are seeking to exempt the 99 replacement RGI units at 130 Augusta from property taxes for a total of 103 units, consistent with the financial benefits applied to other TCHC properties.

Regent Park Revitalization Phase 3 Block 16 North – 175 Oak Street

Block 16 North is the final rental building in Phase 3 of the Regent Park revitalization. Construction began on April 8, 2021 and occupancy began in April 2025. The building is a 15-storey, multi-family mid-rise with 19 attached townhouses, unit-mix ranging from 1 to 5 bedrooms, totaling 213 rental units. This report recommends the City to enter into a Contribution Agreement with TCHC for the provision of the Municipal Capital Facility for 189 replacement RGI units and 24 affordable rental units, and to approve tax exemptions for all 213 rental units in the building for 99 years.

Prior to the start of revitalization, Regent Park contained 2,083 rental units, all of which were RGI. By the end of Phase 3, TCHC demolished 1,571 units and replaced a total of 1,877 units comprising of 1,450 RGI units and 427 affordable rental units. The remaining replacement obligations will be fulfilled in Phases 4 and 5. Building 4A, the first building in Phase 4, will be comprised of 136 RGI replacement units and 135 affordable rental units.

Municipal Housing Project Facility Agreement – City's Contribution Agreement

Subject to approval of this staff report, the City will enter into Contribution Agreements with Alexandra Park Co-op, Beech Hall Co-op, Stanley Knowles Co-op and TCHC to provide financial assistance, through property tax exemptions, to secure affordable rental homes for current and future residents. The approval of Contribution Agreements is part of the process to advance the execution of new lease agreements with Alexandra Park Co-op, Beech Hall Co-op and Stanley Knowles Co-op.

The implementation of a property tax exemption is a financial tool that has been used consistently by the City to preserve and grow affordable housing stock. Once the properties become exempt, the municipal portion of the property taxes will no longer be

collected. The provincial education portion of the property taxes will also no longer be required to be remitted to the Province.

CONCLUSION

To support the preservation of affordable housing, this staff report requests authority for the Executive Director, Housing Secretariat to negotiate and enter into Contribution Agreements with Alexandra Park Co-op, Beech Hall Co-op, Stanley Knowles Co-op and TCHC. To further advance the City's collaboration with community housing providers, this report recommends updating the Policy Framework for Ground Leases with Community Housing Providers to permit lease terms of up to 99 years, replacing the current maximum of 49 years. The implementation of Contribution Agreements and amendments to the Policy Framework for Ground Leases with Community Housing Providers will help preserve affordable rental homes, directly supporting key strategic actions in the HousingTO 2020-2030 Action Plan.

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SIGNATURE

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