

Housing Action Plan 2022-2026- Priorities and Work Plan

Date: March 7, 2023

To: Executive Committee

From: Chief Planner & Executive Director, City Planning and Executive Director, Housing Secretariat

Wards: All

SUMMARY

At its meeting of December 14, 2022, City Council adopted [Item 2023CC2.1](#) and directed staff to develop a "2023 Housing Action Plan" for the 2022-2026 term of Council to enable both market, non-market and mixed housing production in order to achieve or exceed the provincial housing target of 285,000 new homes over the next 10 years. This report responds to Council's request for a Housing Action Plan and outlines a strong 'made-in-Toronto' multi-pronged approach to increasing housing supply, housing choice and affordability for current and future residents.

The Housing Action Plan (HAP) priorities for the 2022-2026 term of Council, outlined in this report, include targeted timelines for the approval and implementation of a wide range of actions, policies and programs to increase the supply of housing within complete, inclusive and sustainable communities with the critical infrastructure to support growth. The HAP actions focus on: removing policy and zoning barriers to building housing; leveraging public lands to increase housing supply; preserving existing rental homes; supporting the development of a range of purpose-built rental homes (including market and non-market) through new and strengthened housing policies and programs; and supporting the community sector (including non-profit and co-op housing providers) to modernize and grow their stock.

To help inform this report, and as directed by City Council through [Item 2022 EX34.1](#), a Rental Housing Opportunities Roundtable ("Roundtable") was initiated in January 2023 to support the City in identifying short-term pressures, current constraints and future opportunities to increase rental housing supply within the current challenging economic climate. The Roundtable, comprised of a range of housing policy and development experts as well as City and CreateTO staff, identified a number of challenges to building rental housing in Toronto, as well as actions necessary to help 'unlock' supply.

Attachment 2 to this report is an independent report titled "Perspective on the Rental Housing Roundtable" which will also be used to support future recommended changes

to the City's Housing Now Initiative and Open Door Program, to be considered by the Planning and Housing Committee and City Council in April and May 2023, respectively.

While this report includes a work plan with a number of initiatives and actions to be taken between 2023 and 2026, there are key deliverables being brought forward immediately to advance the HAP and improve public reporting and accountability. These include: recommendations to Council in March to establish a new Council Advisory Body to support the City in advancing its commitment to the progressive realization of the right to adequate housing, as set out in the [Toronto Housing Charter](#); the launch of publicly accessible data dashboards to track affordable rental homes approved, under construction, built, demolished, and replaced through rental replacement Official Plan policies; and the release of the first version of the 'Toronto Data Book' which will provide an overview of housing indicators that impact the health of Toronto's housing system, including availability and affordability of appropriate homes to meet the needs of its current and future residents. Additionally, in April 2023, staff will bring forward a final recommendations report to enable as-of-right zoning for multiplexes (up to 4 housing units) in all Neighbourhoods citywide. Staff will also recommend an approach to meeting the Province's requested housing pledge for 285,000 homes, including consideration of housing tenure, type and affordability based on Toronto residents' housing needs and incomes. The City is on track to be able to support the housing pledge, which will be reported at the April 2023 Planning and Housing Committee meeting. The report will outline the various actions and initiatives, including the HAP that the City is advancing to achieve the 285,000 homes target.

Addressing Toronto's complex housing challenges requires a whole-of-government and whole-of-community approach. While this report and attached work plan outline numerous actions that the City will take to address housing supply, adequacy and affordability for residents, success of the HAP will require new policy, program and financial tools from both the federal and provincial governments, as well as participation from the Indigenous, non-profit and private sectors. As noted in the attached report from the Roundtable, "There is [also] a recognition that more deeply affordable and supportive housing is necessary that will not be provided by the market sector alone, and will require ongoing public interventions and collaborations between all orders of government with Indigenous, non-profit and private sector housing providers."

Work on the HAP complements the City's ongoing efforts to advance the ten-year [HousingTO 2020-2030 Action Plan](#) ("HousingTO Plan") aimed at supporting current and future low-and moderate-income households. Working together, both the HAP and HousingTO Plan will improve housing outcomes for a wide range of people across the housing continuum, and support the economic and social viability of Toronto, the Greater Toronto and Hamilton Area ("GTHA"), the rest of Ontario and Canada.

Previous and ongoing engagement with Indigenous, non-profit and private housing stakeholders, academic institutions and housing scholars, school boards, federal and provincial staff, City (including CreateTO and Toronto Community Housing Corporation) staff, housing advocates, people with living/lived experience, and the public informed the actions identified in this report. Additional engagement will take place as the individual work plan items are advanced.

RECOMMENDATIONS

The Chief Planner & Executive Director, City Planning and the Executive Director, Housing Secretariat recommend that:

1. Executive Committee request the Executive Director, Housing Secretariat and the Chief Planner & Executive Director, City Planning to report annually on the progress of the Housing Action Plan's implementation, with the first report to be brought forward by the end of 2023.

FINANCIAL IMPACT

The consultation work referenced in this report has been provided for in the 2023 council approved budget. However the investments implied will continue to be evaluated and as the program policies advance, staff will report on any financial implications resulting from all capital and operating recommendations.

It is critical to note that the City's ability to continue to deliver on the HousingTO Plan and HAP, and to fund other housing programs plus the needed community infrastructure to support new housing, is currently at high risk due to the significant financial impacts arising from the recently enacted provincial Bill 23, *More Homes Built Faster Act, 2022* ('Bill 23'). Specifically, Bill 23 has removed the City's ability to collect development charges for housing services, resulting in an approximate \$1.2 billion in lost revenues over 10 years.

In the absence of the City being fully reimbursed by the Province for the lost revenues as a result of Bill 23, and without new financial and policy tools, the City will not be able to provide the services and investments essential to support growth even in the short term, deliver housing programs necessary to scale up supply, and plan for complete communities.

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

DECISION HISTORY

On December 17, 2019, City Council adopted Item PH11.5 - HousingTO 2020-2030 Action Plan. The HousingTO 2020-2030 Action Plan provides the strategic framework to guide the City's efforts on housing and homelessness needs over the next ten years. The HousingTO 2020-2030 Action Plan sets targets to be achieved across the housing continuum by 2030, with an overall target of 40,000 new affordable rental homes approvals including 18,000 supportive housing units.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

On July 19, 2022, City Council directed staff to support the implementation of HousingTO 2020-2030 Action Plan by initiating a Rental Housing Opportunities Roundtable to engage on short-term pressures, current constraints and future opportunities affecting secure market and affordable rental supply, including representatives from all orders of government, private and non-profit rental developers and operators, and to report back on potential actions in the first quarter of 2023. <https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.1>

On December 14, 2022, City Council adopted Item CC2.1- 2023 Housing Action Plan, which directed in Recommendation 1 that the City Manager to develop a Housing Action Plan for the 2022-2026 term of Council that will support the City in achieving or exceeding the provincial housing target of 285,000 new homes over the next 10 years. The Housing Action Plan is to include targeted timelines for the approval and implementation of a range of policy, program, zoning, and regulatory actions to increase the supply of affordable housing in support of complete communities. <https://secure.toronto.ca/council/agenda-item.do?item=2023.CC2.1>

EQUITY IMPACT STATEMENT

The City of Toronto recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, equitable, sustainable, and livable communities. Residents' quality of life, the city's economic competitiveness, social cohesion and diversity also depend on current and future residents being able to access and maintain adequate, suitable and affordable homes.

The City of Toronto's existing housing strategies and plans seek to improve housing outcomes for a range of residents and to support equity and climate resilience. Specifically:

- The HousingTO Plan envisions a City in which all residents have equal opportunity to develop to their full potential, and is centred on a human rights based approach to housing. It is also focused on increasing the supply of new affordable homes, protecting the existing housing stock and helping renters to achieve and maintain housing stability; and
- The City's Official Plan contains policies relating to the provision of a full range of housing and maintaining and replenishing the affordable and mid-range housing stock within the city.

The Housing Action Plan outlined in this report identifies priority actions to be implemented within this term of City Council to support the HousingTO Plan and Official Plan objectives, and increase the supply of housing, including purpose-built affordable and market rental housing. The initiatives being advanced will directly increase opportunities for people from equity-deserving groups, including those from low-and-moderate-income households, to access safe, healthy and adequate homes, within inclusive, complete and equitable communities.

COMMENTS

Background

Toronto's Housing Challenges

Addressing the current housing crisis is critical to supporting the social and economic growth and prosperity of Toronto, the region and rest of the province, and the country as a whole. While the City of Toronto has advanced a number of actions and made significant financial investments in housing over the past few years, recent housing indicators suggest that there is still significant work to be done to address the city's housing challenges.

As reported in the City's recent [2022 Q2 Development Pipeline](#) report, between January 1, 2017 and June 30, 2022, 203,793 residential units were approved but not yet built and 103,638 residential units were built in projects with development activity. In terms of rental housing specifically, the report showed that the number of proposed purpose-built rental units has generally been increasing over the last five-and-a-half years. Similarly, the [2023 Canada Mortgage and Housing Corporation \(CMHC\) Rental Market Report](#) ('CMHC Rental Market Report') reported a higher increase in the number of purpose-built rental units in 2022 compared to previous years.

Despite this increase in supply, the growth is not significant enough to address the long-standing backlog. Challenges remain with the availability, supply and affordability of housing in Toronto including:

- City of Toronto data from January 2023 indicates that there are 10,274 people actively experiencing homelessness in the last three months.
- According to CMHC's 2023 Rental Market Report, the overall vacancy rate of purpose-built rental units decreased from 4.9% in 2021 to 1.7% in 2022, indicating that recent increases in the supply of rental housing have been insufficient to meet demand.
- As reported by [Urbanation](#), purpose-built rental construction starts in the GTA fell 54% in 2022 to 3,442 units after reaching a multi-decade high of 7,557 starts in 2021, likely caused by the sharp increases in interest rates and construction costs. A total of 19,679 purpose-built rentals were under construction in the GTA at year-end, up slightly from a year earlier (18,955 units).
- In 2021, about 1 in 3 of Toronto's owner and renter households (373,965 households or 32%) experienced affordability issues and almost one in five Toronto households (215,225 households or 19%) were in core housing need.
- According to CMHC's 2023 Rental Market Report, in Toronto's primary rental market, increased competition led to strong rent growth, especially for homes turned over to new tenants. In 2022, the average market rent (AMR) for a vacant three-bedroom home was \$3,105, which is 50% more than the AMR for an occupied three-bedroom unit, at \$2,065. The AMR for a vacant one-bedroom home was \$1,805, which is 18% more than the AMR for an occupied one-bedroom unit, at \$1,535.
- As a result, a household would have to earn almost \$79,000 to afford the average rent for a vacant apartment (\$1,971) without spending more than 30% of their

income towards rent. To afford the average rent for rented condominium units in Toronto (\$2,559), as reported by the Toronto Regional Real Estate Board in their 2022 Q4 Rental Market Report, a household would need to earn over \$102,300. These rents are not affordable to many workers in the city, such as dental assistants, grocery store workers, and early childhood educators who generally earn between \$33,000 and \$47,000 a year.

- Based on past trends, affordability will continue to worsen across Canada, particularly in Toronto and across Ontario as incomes will not be able to keep pace with home prices and rents. Around 2003-2004, an average household would have had to devote close to 40 per cent of their disposable income to buy an average house in Ontario. In 2021, such a household would have had to devote close to 60 per cent of their incomes to housing. A recent [CMHC Housing Supply Shortage Study](#), forecast the income-per-household trends, indexed at 100 in 2019, will reach to 162 by 2030.
- This CMHC study also outlines Ontario's built housing stock is not keeping pace with its population growth, let alone reducing its affordability problem. It estimates Ontario will need 1.85 million more homes to reach 37% affordability by 2030. This report [notes](#) that there would still be many low-income households that would face affordability challenges even if these housing supply targets are reached.

Provincial Housing Targets and Legislation

As the cost of housing becomes increasingly unaffordable, delivering more supply across the entire housing spectrum, with a particular focus on affordable rental housing, is critical to supporting Toronto's economic and social infrastructure and growth. Based on the Ontario Growth Plan's growth forecasts, Toronto is required to plan for growth to accommodate a minimum of 700,000 people by 2051.

In addition, the Province of Ontario has introduced a number of sweeping changes to policies and legislation over the past few years through the Ontario Housing Supply Action Plan (Bill 108, *More Homes, More Choice Act*), Bill 109 (*More Homes for Everyone Act*) and Bill 23 (*More Homes, Built Faster Act*). Bill 23 established a target of building 1.5 million new homes by 2031, of which 285,000 homes (or 19%) are targeted for Toronto. Bill 23 has also made changes to the City's development charges, community benefits charge and parkland levies that will result in an estimated \$230 million annual (or 20%) loss in revenues. In addition to the legislative changes outlined in Bill 23, the Province is also consulting on changes to other related provincial plans, policies and regulations.

Together, these changes have negatively impacted the City's key tools for creating and preserving affordable rental housing, including the Open Door Program, Multi-Unit Residential Acquisition Program, Section 37 density bonusing, and Inclusionary Zoning.

In the absence of the City being fully reimbursed by the province for the lost revenues related to the above legislative changes, plus provided with additional financial and policy tools, it will not be able to provide the services and infrastructure essential to support growth over the long term, deliver existing housing programs necessary to scale up supply, and achieve complete communities overall.

Focus on Creating Complete and Sustainable Communities

The City of Toronto has a leading role in facilitating growth and development. Equally as important as facilitating the development of more homes is ensuring that there are sufficient affordable options, which will need significantly more investment to deliver. Without this, the city will see a declining quality of life for our current and future residents. Complete communities offer and support opportunities for people of all ages and abilities to conveniently access most of the necessities for daily living, including an appropriate mix of jobs, access to employment opportunities, local stores, and services, a full range of housing, active transportation options, community services, and local parks. Quality of life for future generations of Torontonians hinges on the City being able to secure and deliver community infrastructure, such as community centres, libraries and child care facilities, alongside hard infrastructure (including roads, telecommunication, pipes, etc.), in tandem with faster development of more homes. Actions to increase Toronto's housing supply in support of the Province's target of building 285,000 homes by 2031 must also be aligned with the City's commitment and ability to building complete, sustainable and resilient communities, including the Net Zero Strategy and the City's goal of net zero emissions by 2040.

City of Toronto Actions to Increase Supply

In recent years, and as guided by the HousingTO Plan, the City has undertaken a number of initiatives to address housing challenges across the full housing spectrum, from homelessness to supportive housing to rental and ownership housing. The actions identified in the HAP will build on past and ongoing work to advance a range of housing program, policy and planning initiatives.

HousingTO Plan

Since Council adopted the HousingTO Plan in 2019, the City has made strong progress on advancing its objectives in creating new affordable and supportive homes and preserving existing supply of housing. This includes:

- over 20,000 affordable rental homes approved for City financial incentives;
- over \$1.3 billion in land, financial incentives, and staffing resources committed to-date under the Housing Now Initiative, making it possible for the City to approve over 50% of Housing Now's ten-year 10,000 affordable homes approval target in less than three years;
- over 3,600 affordable and supportive housing opportunities secured between 2020 and 2022 for people experiencing homelessness, including over 2,300 new supportive and 1,300 affordable rental housing opportunities. The majority of these opportunities were made available by the end of 2022, and approximately 650 homes are on track to be delivered in 2023; and
- launched the Multi-Unit Residential Acquisition ('MURA') program providing capital funding and financial incentives to support the purchase, renovation and operation of approximately 140 homes which will remain permanently affordable.

A fulsome update on the progress of the HousingTO Plan implementation will be brought forward to the Planning & Housing Committee and Council in Q3 2023.

Planning Initiatives and Official Plan Policy Changes

The HAP is aligned with City Planning's 2023 Study Work Program, considered by the Planning and Housing Committee on February 28, 2023, and will inform future City Planning Study Work Program updates. It will also build on past planning initiatives that have supported the delivery of new housing, including:

- adopting a comprehensive regulatory framework for multi-tenant houses, that includes both zoning permissions city-wide as well as a new licensing regime;
- establishing as-of-right zoning permissions for secondary suites, garden suites, and laneway suites;
- eliminating most minimum parking standards
- adopting an Inclusionary Zoning policy to require affordable housing in new developments located close to transit;
- redefining 'affordable housing' in the Official Plan to incorporate an income-based approach;
- delineating minimum development densities for 98 Protected Major Transit Station Areas where Inclusionary Zoning can be implemented;
- advancing approvals for Housing Now, Modular Housing and Rapid Housing sites;
- developing planning frameworks and implementation strategies to guide future investment and development approval across the city; and
- transforming the development review service.

Planning Approvals to Enable Housing Construction

An ongoing challenge is translating development application approvals into completed homes that individuals and families can move into. As the City's Development Pipeline reports have highlighted over the past five years, Council continues to approve many more residential units than are built. City Council has approved an annual average of 29,726 units per year between 2017 and 2021, almost double the average annual number of units built through the Pipeline over the same five years (15,983). If the average annual rate of units approved and built between 2017 and 2021 continued to 2031, a total of about 297,000 units would be approved and 160,000 units would be built. The delivery of what is approved involves many factors including the size of the project, construction and financing costs, and availability and access to materials and labour, which impact decisions by housing developers on when to begin construction of new housing.

While reform to the development review service is a priority, market forces will determine the timing, construction and completion of homes.

While the City does not directly control this end of the development pipeline, it delivers programs, including the Open Door Program, which helps to support housing completions, and unlock supply.

Housing Action Plan 2022-2026

The City Council Housing Action Plan for 2022-2026 is focused on removing policy and zoning barriers to building housing, supporting the development of co-op, affordable and rental housing through new and refined housing policies and programs, leveraging public lands for new housing, continuing to preserve existing affordable rental housing, and monitoring our progress. The HAP actions to be advanced across City Divisions fall within the following five streams:

- Official Plan, Zoning and Guideline Amendments
- Advancing Housing System Policy and Program Initiatives
- Leveraging Public Land to Increase the Supply of Housing
- Preserving the Existing Rental Housing Stock
- Public Accountability and Reporting on Progress

The following sections provide a brief description of each action to be prioritized under the HAP. All actions are to be advanced within this Council term. Attachment 1 to this report provides a summary of the targeted timelines for each action. These timelines may be subject to changes should the upcoming Mayoral by-election impact Committee meeting dates or should the Province release new legislation or regulations that impact the City's ability to advance a particular initiative.

This report includes the scale of potential housing units that could be enabled by 2031, including low (less than 5,000 units), medium (5,000 to 25,000 units), and high (+25,000 units). Information on housing unit estimates will be further updated as the individual actions advance. It is important to note that many policy and zoning initiatives are enabling, meaning that the City cannot control the uptake of these initiatives. For example, while the City could permit four units as-of-right per lot in areas designated Neighbourhoods and Apartment Neighbourhoods, this does not mean every property owner across the city would build additional units on their lots.

1. Official Plan, Zoning and Guideline Amendments

Changes to the City's Official Plan, zoning by-laws and planning guidelines are needed to respond to the challenges of today, address exclusionary zoning, and enable additional housing options. The HAP work plan includes a series of Official Plan policy changes, zoning by-law amendments, and updated design guidelines to realize the vision of more inclusive and complete communities and support the objective of increasing housing supply.

While the directions set out below are specific to various policy or regulatory areas, overall, they present a vision for a more inclusive and balanced growth management strategy for the future, which grows housing opportunity for more people in more places across the city while striving to achieve complete, resilient and prosperous communities.

Expanding Housing Options in Neighbourhoods (EHON)

The Expanding Housing Options in Neighbourhoods initiative will advance permissions for 'missing middle' housing, ranging from multiplexes (up to four units) to low-rise walk-up apartments in residential neighbourhoods across the city. Low-rise Neighbourhoods,

which make up 35% of the City's land area, present a unique opportunity to accommodate more housing options. To provide a wider range of housing types and better serve the diverse needs of Toronto's residents, the City will need to move beyond relying on housing stock turnover in neighbourhoods and focus on building and creating the opportunity for more ground-related housing in Neighbourhoods.

Multiplex Study

In many parts of Toronto, the existing zoning permits large homes, but they are often limited to one or two units. The Multiplex Study is exploring opportunities to double or quadruple housing permissions in these areas by permitting residential buildings containing up to four units across Toronto's low-rise neighbourhoods.

The City undertook engagement in February and early March 2023 on a revised draft Official Plan Amendment and new draft Zoning By-law Amendment to permit multiplexes (up to 4 housing units) in all Neighbourhoods citywide, building on engagement undertaken dating back to 2021. The proposed amendments would permit more housing units to be built in Neighbourhoods than what the Province legislated for in Bill 23 and would align with the Ontario Housing Affordability Task Force's recommendation that up to four housing units be allowed "as of right" on a single residential lot across Ontario. Staff expect to bring forward the results of the Multiplex Study along with final recommended Official Plan and Zoning By-law amendments to the April 28, 2023 Planning and Housing Committee meeting.

Major Streets Study

This study is exploring opportunities to increase housing options by allowing new 4-6 storey walk up apartments to be built in residential zones along Major Streets. Major Streets, identified on Map 3 in the Official Plan, stretch across the city and total approximately 1,218 km of roadway. Current Neighbourhood policies in the Official Plan permit additional intensification along Major Streets under specific circumstances. However, permissions for low-rise apartments along Major Streets is not consistently permitted through the applicable zoning by-law. A proposals report with recommendations for proposed Official Plan and/or Zoning By-law amendments will be advanced to the Planning and Housing Committee in Q2 2023. A final recommendations report will be advanced in Q4 2023.

Avenues and Mixed Use Areas

Beyond enabling opportunities for housing in multiplexes and low-rise apartments, staff will explore policy, zoning and guideline changes to simplify approvals and facilitate the development of mid-rise buildings along Avenues and in Mixed Use Areas.

To start, staff will review and update the Rear Transition Performance Standards from the Avenues & Mid-Rise Buildings Study (Standards 5A through 5D). The Performance Standards provide guidance on creating an appropriate transition between mid-rise buildings on the Avenues or in other Mixed Use Areas and adjacent low-rise areas through setback and angular plane provisions. Updated standards are intended to provide flexibility for rear transition, simplify the guidelines, encourage more sustainable

and efficient building envelopes, prioritize impacts on public realm and scale at the street, and allow for construction with “alternative” building technologies and materials. A final report with recommended guideline updates will be advanced to the Planning and Housing Committee in June 2023. The Performance Standards document would be updated following Council approval of the changes.

Staff will also review the Official Plan to explore opportunities to streamline study requirements for building new housing along Avenues, extend and potentially introduce new Avenues, and expand the Mixed Use Areas designation across the city. These policy reviews will provide updated vision and policy direction for how Avenues will develop and consider opportunities to create areas of transition between Avenues and Neighbourhoods to enable more housing. The following reports will be advanced to Planning and Housing Committee:

- Proposed amendments to the Official Plan Chapter 2 Avenues policies (Q4 2023); and
- Recommended amendments to expand Mixed Use Areas in certain geographies (Q1 2024).

Subsequent reports with recommended zoning by-law amendments will advance to Planning and Housing Committee with the goal of establishing as-of-right zoning for mid-rise developments on Avenues designated Mixed Use Areas city-wide:

- City-wide Zoning performance standards to implement as-of-right mid-rise development on Avenues (October 2023);
- As-of-right zoning for mid-rise buildings along Avenues where an Avenue Study has resulted in an Official Plan amendment or Urban Design Guidelines but with no implementing zoning (Q4 2024).
- Commercial Residential Zoning to new Mixed-use Areas segments (Q4 2025)

Transition Zones

Transition zones provide the opportunity to enable additional housing opportunities in areas located between areas of different scale, typically between the Neighbourhood and Mixed Use Area land use designations.

The Neighbourhoods policies in the Official Plan currently permit a range of residential building types including low-rise apartment buildings. To facilitate housing options in transition zones, the angular plane and transition requirements in the Townhouse and Low-Rise Apartment Guidelines will be reviewed and updated to align with the emerging direction on the Mid-Rise Performance Standards. The Guidelines, adopted in 2018, are used in the evaluation of development applications for townhouse and low-rise apartment buildings that are four storeys or less. They currently provide direction to ensure buildings fit within the existing or planned context and provide appropriate transition, including angular plane provisions, minimum horizontal separation distances, and other building envelope controls to transition to lower-scale buildings, parks and open spaces. Recommended amendments to the Guidelines will be reported on in Q1 2024.

A zoning review will also look at opportunities to enhance as-of-right zoning permissions in areas of transition. These opportunities may take the form of permissions for low-rise

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townhouses and apartment buildings up to four storeys within Neighbourhoods adjacent to Mixed Use Areas. The review will also include proposed zoning amendments to implement certain built form standards of the Townhouse and Low-rise Apartment Design Guidelines in these areas. It is anticipated that these final proposed zoning amendments would be advanced in Q1 2025.

Increasing Permissions for Housing and Addressing Exclusionary Zoning

Official Plan Updates to Support Inclusive Growth

The vision for Toronto's future and key principles for growth in the Official Plan will be reframed to better reflect the city's current challenges and priorities. Chapter 1 of the Official Plan currently outlines that 75% of the City's land area, which includes Parks and Open Space, as well as neighbourhoods, are areas not expected to accommodate much growth, but will mature and evolve. Planning and Housing Committee considered draft directions for a revised Chapter 1 in 2022 (PH33.13) centred on inclusive growth which outline that the Official Plan should: seek to eliminate disparities experienced by Torontonians; challenge orthodoxies and systemic impacts of land use planning; achieve complete communities and all its requisite components; prioritize climate change action and sustainability towards net zero by 2040; and be the road map for Toronto to become the most inclusive city in the world. Staff are continuing engagement with representatives from equity deserving communities across the city, including First Nations, Treaty Rights holders, and urban Indigenous organizations operating in Toronto and other interest groups. The final report and recommended Official Plan amendments to Chapter 1 will be advanced to the July 2023 Planning and Housing Committee meeting.

A review of Neighbourhoods and Apartment Neighbourhoods policies in Chapter 4 of the Official Plan will also be undertaken to align these policies with the updated Chapter 1 vision and principles for growth. Amendments to these policies and mapping have occurred incrementally over the last several years. This policy review will identify opportunities for refreshing these policies and mapping on both an area-specific and city-wide basis. A final report with recommended Official Plan amendments will be advanced to the Planning and Housing Committee in Q1 2024.

Simplified and Modernized Zoning By-law for Low-rise Residential Zones

This study will seek to move the City-wide Zoning By-law towards form based zoning, focusing on the external characteristics of a building, with a focus on overall low rise scale. This will include changes to simplify and modernize the by-law, making it easier for applicants to understand and obtain approvals for a greater range of housing without the need for a minor variance. This may include clarifying and simplifying residential land use definitions, removing maximum density regulations (Floor Space Index), and modernizing performance standards. In addition this study will bring more lands into the City-wide Zoning by-law and enable the full range of missing middle housing permissions and the new parking regime city-wide. Reports will advance to the Planning and Housing Committee in Q3 2023 and Q4 2024.

As-of-Right Zoning for Major Transit Station Areas

Staff will undertake a zoning review to implement as-of-right zoning permissions for lands within walking distance of a transit station, including opportunities to promote higher densities to support the creation of more affordable housing under Inclusionary Zoning.

The timing for staff to advance as-of-right zoning will be subject to provincial approval of the Council-adopted Major Transit Station Areas (MTSAs) and Protected Major Transit Station Areas (PMTSAs). MTSAs are defined in the Growth Plan (2020) as areas within an approximate 500-800 metre radius of a transit station and representing a 10-minute walk. PMTSAs are a subset of MTSAs that enable the implementation of Inclusionary Zoning and associated requirements for affordable housing. As of the date of this report, the Minister has yet to approve any of the 29 MTSAs and 105 PMTSAs adopted by City Council and the Province suspended their 120-day decision making timeline.

Updates to the zoning by-law will ensure consistency with the identified minimum densities in the corresponding Site and Area Specific Policies and respond to directions from Planning and Housing Committee to consider opportunities to increase housing supply in MTSAs and PMTSAs ([PH32.7](#), [PH30.4](#), [PH27.5](#)). It is anticipated that as-of-right zoning for many of the PMTSAs would be developed within one year of the Minister's approval.

Facilitating Apartment Infill

There are a number of "tower in the park" sites across the city that may provide substantive opportunities to accommodate more housing through infill development while supporting principles of complete communities. This planning study will focus on streamlining the process for building new housing, particularly apartment rental housing, on underutilized parts of these existing apartment sites (e.g. surface parking lots and under-utilized open space). This work will build off of Council-endorsed zoning changes to permit townhouses as-of-right on sites located in the Residential Apartment zone. The study will include a review of barriers to infill opportunities on tower sites designated Apartment Neighbourhoods under the Official Plan, in consultation with non-profit, co-op and for-profit rental housing providers. Pilot sites owned by Toronto Community Housing Corporation (TCHC), private owners and other social housing providers will be identified to assist in the development of best practices and use of planning tools to streamline the infill development process. This study will work in tandem with the Community Housing Initiative identified in Section 2 below. An interim report identifying constraints and opportunities as well as pilot sites will be advanced to the Planning and Housing Committee in Q2 2024 and a final report recommending best practices and implementing tools will be advanced in Q4 2024.

Laneway Suite Permissions in Yorkville

Staff brought forward a report to the February 2023 meeting of the Planning and Housing Committee to amend the Zoning by-law to permit laneway suites in Yorkville. This amendment is required to meet the requirements of Bill 23 and provincial direction to permit up to three housing units on all residential lots. Council will consider the amendment on March 29.

Major Growth Areas

Major growth areas such as Downsview and the Waterfront, including Quayside, Villiers Island and the rest of the Port Lands, are estimated to accommodate a significant amount of new residents over the next 20 to 30 years. As outlined below, the development and implementation of planning studies for these major growth areas will optimize opportunities to accommodate a mix of new housing, including affordable housing, along with the supporting community infrastructure and services essential to protecting a high quality of life for residents as the city grows. As well, number of other planning studies are underway to be completed in 2023 and beyond that will contribute to the HAP objectives of unlocking housing opportunities as part of mixed-use, complete and sustainable communities, including the North York Centre Secondary Plan Review, the Our Scarborough Centre Study, Transit-Oriented Communities (TOCs), and the Ready Set Midtown Zoning Review.

Quayside

Quayside is estimated to accommodate approximately 6,100 people living in 3,500 housing units, including approximately 800 to 875 affordable rental homes and 200 affordable ownership homes. The development of Quayside is expected to occur in phases over the long term and will be subject to applicable development review processes (e.g. plan of subdivision, zoning by-law amendment and site plan applications). As directed by the Planning and Housing Committee, staff will be reporting back in April 2023 on the feasibility of applying the Community Infrastructure and Housing Accelerator (CIHA) tool on priority affordable housing projects, which may include the Quayside project. Support, participation and investments from all orders of government will be required to deliver this signature city-building project. An update on delivery plan for the affordable units in Quayside will be reported back to Executive Committee in Q4 2023.

Villiers Island

Beginning in Q2 2023, the City, CreateTO, and Waterfront Toronto will be undertaking public engagement on approaches to increase density on publicly owned lands within Villiers Island by at least 30% above the 2017 Villiers Island Precinct Plan. The Villiers Island Precinct Plan estimated that the development of Villiers Island would accommodate 8,250 to 10,700 residents, up to 2,900 jobs and 4,865 new housing units, including between 835 to 882 affordable homes. Opportunities for increased density will be informed by a review of the 2017 community services and facilities recommendations, as well as the infrastructure required to support these opportunities, in collaboration with the appropriate City divisions. As noted in the Villiers Island Affordable Housing Update report, considered by the Planning and Housing Committee on February 28, 2023, staff are targeting to report back on:

- the results of public engagement and a preferred approach for increasing densities (Q3 2023 – Planning and Housing Committee);
- a phasing strategy for Villiers Island and a Business and Implementation Plan for phase one (Q4 2023 - Executive Committee in Q4 2023); and

- recommended updates to the Precinct Plan and any necessary policy amendments (Q1 2024 - Planning and Housing Committee).

Portlands

The City, in partnership with Waterfront Toronto and CreateTO, is anticipating beginning a precinct planning process for the McCleary District in the Port Lands in early 2023. The precinct plan will generally establish local street and block patterns, locally-oriented parks and open spaces, the preferred location for community infrastructure, detailed urban design and streetscape guidelines, heritage, passive design, and sustainability recommendations, and specific strategies for public art and affordable housing.

Downsview

The Update Downsview Study is updating the in-force Downsview Area Secondary Plan for an area that encompasses 560 hectares of land and presents a generational and transformative opportunity to increase the supply of housing and support the establishment of liveable, complete, resilient and transit-oriented neighbourhoods. The Study is also expected to deliver an area-specific zoning by-law, revised and/or new Urban Design Guidelines, a Master Environmental Servicing Plan (including a Transportation Master Plan) and a Community Development Plan. The estimated population for the area is approximately 110,000 residents and 40,000 new jobs which will be realized over a 30-year build out.

The draft Secondary Plan and draft Community Development Plan priorities will be brought forward to the April Planning and Housing Committee meeting.

Aligning Objectives for Complete Communities

As the above-noted policies, zoning and guideline reviews advance, opportunities will be explored to align objectives for increasing housing supply with other components of complete communities, including heritage conservation and expanding the city's tree canopy.

For example, the construction of new housing may require the removal and/or injury of trees. However supporting the construction of more housing and protecting and expanding the City's tree canopy are not mutually exclusive objectives. The purpose of Toronto's tree by-laws is not to prevent development, rather to regulate tree removal and injury to mitigate impact and maximize compensation where tree removal and injury are unavoidable. The by-laws were created to promote tree preservation, to assist in sustaining the urban forest, and to educate individuals with respect to tree protection measures and alternatives to tree injury and destruction. A permit to injure or destroy healthy trees may be issued where development is permitted as-of-right. As a result, zoning changes to permit more as-of-right development may result in an increase in the issuance of tree permits and have implications on the city's tree canopy. Strategies to align objectives for new infill housing and expansion of the City's tree canopy will be incorporated as the other HAP initiatives are advanced.

Heritage conservation is another integral component of good planning that supports complete communities. Inclusion on the Heritage Register as a listed or designated property does not prevent growth or change on those properties. It instead allows the City to influence change, working with property owners to conserve what is important about the heritage properties, as defined by Council, and to meet the owner's objectives. Heritage Staff are undertaking a review of the City's heritage processes to determine where realignment is required to address Bill 23 amendments to the *Ontario Heritage Act* and Bill 109 amendments to the development review timeline. It is anticipated that internal process changes will be required. This review will build off of recent changes to internal business processes to implement changes to the Heritage Act, including a more streamlined approach to individual property heritage evaluations that prioritizes consistent and timely contributions to development applications. The components to review include:

- Integration into the Bill 109 process improvements;
- Alignment of the priorities of the Toronto Heritage Survey program to Bill 23, including the prioritization of the business transformation and modernization of the Heritage Register;
- General process and procedures regarding the listing and designation of properties and districts;
- Strategy to review the nearly 4,000 listed Heritage Register properties (next two years);
- The removal of heritage properties from the Heritage Register; and
- Guidance and communication on Heritage Conservation with examples and best practices of the integration of heritage and housing to the public.

2. Advancing Housing System-Level Policy and Program Initiatives

Since December 2022, staff have engaged a number of key stakeholders and have made progress on advancing a number of housing system policy and program components, as outlined below.

Rental Housing Roundtable

Progress on increasing purpose-built rental supply has been insufficient and is further stalling. Challenges in the construction sector, including labour and global supply chain disruptions, as well as rising interest rates and costs, have contributed to rental starts in the Greater Toronto Area being stalled for two consecutive quarters and falling by 72% in Q3 2022 from the same period in 2021.

On the other hand, Toronto will continue to experience a surging demand for purpose-built rental housing as the result of high ownership prices and increasing rents, combined with rapidly rising interest rates, and anticipated record high immigration including international students and skilled workforce. As a result, the City and other orders of government have a keen interest in increasing rental supply that is safe, adequate and affordable to a range of households.

In response to Council's request in [Item 2022 EX34.1](#) for staff to get advice from a range of stakeholders on how the City and other orders of government can encourage a greater supply of purpose-built rental housing, the Housing Secretariat initiated a Rental Housing Action Plan 2022-2026- Priorities and Work Plan

Housing Opportunities Roundtable in January 2023. Attachment 2 is a report from the Rental Housing Roundtable.

Key recommendations from the Roundtable report include:

1. Recognize that there are two rental affordability crises – workforce and low-income – with similar causes but different implications for action.

Increasing market-rate rental supply will help to alleviate the rental crisis for middle-income households, but intentional government action in the form of subsidies for households or units is required to serve a wide spectrum of residents from moderate-income to the homeless.

- a. Support the vital non-profit sector role in providing deep affordability.
- b. Optimize and coordinate funding for homelessness across agencies.
- c. Support the purchase of existing affordable rental buildings through MURA and other mechanisms.

2. Align efforts across levels of government and collaborate to achieve goals. Historically, Canada produced purpose-built rental housing at scale via federal tax subsidies and the Canada Rental Supply Plan. It will not be possible for the City of Toronto to achieve scale alone, without supportive programs like these at the provincial and federal level.

- a. Tweak the Co-Investment Fund and Rental Construction Financing Initiative to work better in the Toronto context.
- b. Streamline access to Canadian Infrastructure Bank funding to support community infrastructure and green affordable housing retrofits.
- c. Provide a CMHC mortgage product that is below Bank of Canada rates, which could be achieved by buying down rates for being offered through affordable housing funds created by banks and credit unions.
- d. Pass new provincial legislation that enables rental-only zoning tool, as in Vancouver.
- e. Work across agencies to help build the pipeline into the construction workforce.
- f. Waive HST/GST on new affordable rental and defer HST/GST on market rental units (re-payable after first 10 years).
- g. Provide deeper subsidies for affordable rental in provincial and federal housing programs to help Toronto's non-profit sector.

3. Revisit planning regulations and policies to identify areas for streamlining and flexibility. Despite Toronto's efforts to accelerate the development pipeline (e.g., the End-to-End Review of the Development Review Process report commissioned from KPMG in 2019), approval processes remain burdensome and slow.

- a. Evaluate implementation of the Concept to Keys initiative and refine streamlining reforms as necessary.
- b. Identify bottlenecks in environmental and heritage regulations that are sometimes used to slow development, and build consensus around more effective approaches.

- c. Continue to implement rental replacement (Section 111) but with increased flexibility for developers building significant numbers of new rental units.

4. Level geographic playing field to incentivize infill across all of Toronto's neighbourhoods. New rental development is overly concentrated in downtown and along major corridors due to issues of financial feasibility. This creates a mismatch with existing infrastructure, overburdening some areas.

- a. Assign different levels of incentives (density bonuses, fee waivers, permit streamlining) to different neighbourhoods across Toronto.
- b. Assign purpose-built rental targets (both affordable and market-rate) to different neighbourhoods, with rewards (e.g., new funds for capital investments) to council districts that achieve targets.

5. Connect any developer incentives to long-term affordability benefits. In recent decades, Toronto has often allowed developers to build at high densities without requiring anything in return for the windfall. The crisis means a shift in business-as-usual, to couple affordability with any new residential development.

- a. Consider additional density, as appropriate, and fee waivers that correlate to the years of affordability guaranteed (25, 40, or 99).

6. Identify developable public lands (City, Province, Federal) and prioritize affordable rental housing production. Land already in public hands presents an unparalleled opportunity for affordable rental construction, making affordability more viable.

7. Commit significant funding to effective initiatives. It will not be possible to alleviate the rental affordability crisis for Toronto's households of moderate means and below without significant funding, comparable to 20th century levels.

- a. Consider issuing a social housing bond for the City of Toronto.
- b. Replicate British Columbia's \$500 million Rental Protection Fund to preserve existing affordable housing via Toronto's MURA program.

Roundtable meetings are ongoing and the advice from members will also inform future recommended changes to the City's Housing Now Initiative and Open Door Programs, to be considered by the Planning and Housing Committee and City Council in April and May 2023.

Community Housing Modernization and Growth

Over 83,000 low-and moderate-income households live in our existing supply of community housing, in safe, secure and non-profit and co-op affordable rental homes within neighbourhoods across the city with access to services, transit, and local amenities.

The majority of Toronto's community housing stock was built between 1970 and 1990s before responsibility for social housing was transferred to the City. This was mainly made possible due to significant federal government investment in construction of social

and co-op housing across the country including housing targeted for low-and-moderate-income residents.

During the past two decades however, the federal government has not directly built nor allocated sufficient funding for other organizations to build new social housing. Also, Ontario, similar to many other provinces, does not have social housing supply programs.

Non-profit and co-op housing organizations are mainly focused on maintaining the existing community housing supply that are facing major capital repair needs, while supporting their tenants and communities. The cost of construction far exceeds the rental revenue that is generated by the lower income profile of social housing residents.

In Toronto's hot housing market, protecting and expanding community housing is a priority shared by all orders of government, the community housing sector, and Toronto residents. Staff have been working with key partners over the years to ensure the protection of the existing housing stock that house many of our vulnerable residents. This includes prioritizing funding from all orders of government to undertake capital repairs in Toronto Community Housing and other non-profit and co-operative housing buildings; and launching the Community Housing Partnership Renewal (CHPR) program that provides an opportunity for housing providers to enter into new agreements with the City that will maintain or improve levels of affordability.

Additionally, the City has been working with Ontario Non-profit Housing Association (ONPHA) and the Co-operative Housing Federation of Toronto (CHFT) to strengthen the capacity of non-profit and co-op housing organizations in Toronto and to ensure they have access to resources they need to serve their residents. As part of implementing the HAP, the City and its partners are committed to build upon these achievements, and to bring additional focus on increasing the supply of community housing leveraging land, financial tools, and the expertise in Toronto's housing sector.

To-date, City Staff have taken the following actions to advance this priority:

- Consulting with CHFT and other community housing providers to seek input on how the City can support the community housing intensification efforts;
- Working with CHFT and other community housing providers to assess sites that could be activated for intensification and working across Divisions to identify measures that could facilitate these efforts; and,
- Meeting with federal and provincial representatives to advocate for dedicated capital grant funding and low-cost financing options for the expansion of the community housing sector.

Staff will report to the Planning and Housing Committee in April, 2023 on a number of other actions currently underway including:

- Seeking authority to enter into a Memorandum of Understanding with CHFT to support their efforts in modernizing their government structure, helping co-op housing operators to improve long-term financial and operating sustainability, and exploring options for growth through intensification opportunities on co-op lands;

- Seeking authority to extend land-leases for community housing buildings on City-owned land,
- Identifying community housing sites and providers that could undertake intensification by 2026; and,
- Exploring opportunities to pilot as-of-right-zoning and built form models that could potentially be easily replicated.

Additionally, in partnership with TCHC and CreateTO, City staff will be retaining a consultant to review TCHC's Revitalization Program, with the primary intent of identifying opportunities to achieve additional housing and to enhance financial sustainability.

Affordable Housing Program Updates

The City of Toronto delivers a number of innovative affordable housing programs to create affordable rental and ownership homes in neighbourhoods across the city.

- The **Housing Now Initiative** leverages City-owned land to create new, mixed-use, mixed-income communities near transit. Since the launch of the Initiative, the City has allocated 21 sites plus identified another 6 'pipeline' sites to create new housing within completed communities. These sites are estimated to deliver between 14,275 and 15,000 new homes, of which approximately 5,500 will be affordable rental homes.
- The **Open Door Affordable Rental Housing Program** provides capital grant funding, and financial incentives to support the delivery of affordable rental housing on land owned by the Indigenous, non-profit and private sectors. The financial incentives include waived fees such as planning application fees, building permit fees, and parkland dedication fees, and exemption from development charges and property taxes. Since 2017, the Open Door Program has provided capital funding and financial incentives to support delivery of over 20,000 affordable rental and supportive homes.
- The **Home Ownership Assistance Program** provides financial assistance to non-profit housing organizations developing affordable ownership homes for low- and moderate-income households. The program incorporates federal/provincial funding and development charges deferral. Since 2009, the City has assisted 1,242 households through these interest-free down payment assistance loans.

Despite the City's significant investments in housing over the past few years, the current market realities, financial impacts of Bill 23, and other changes in federal and provincial programs, are making it increasingly difficult to increase new affordable housing supply. These changes have also significantly impacted the viability of the above programs. As a result, a complete review of these programs are being undertaken by staff. Upon completion of these reviews, and with input from the Roundtable, staff will report to the Planning and Housing Committee and City Council over the upcoming months with recommended program changes to the Housing Now, Open Door, and Home Ownership Assistance Program.

Training and Trades Strategy Addressing Construction Market Capacity

The availability of skilled trade workers is a critical element to building new housing supply. The current labour shortage problem experienced across Ontario and nationally, was exacerbated as the result of the COVID-19 pandemic and [has resulted](#) in project delays or cancellation, increased costs and an over-stretched skilled workforce under pressure to meet the demand. Other contributing factors include a wave of retirements in the sector, and a decline in apprentice and training opportunities across various skilled trades.

Toronto's unaffordable housing market poses another challenge for many construction workers that are priced out and, in some cases, moving further and further away in search of an affordable home – a cycle that increases the cost of living for workers who almost inevitably drive to work-sites within Toronto.

The Ontario government has recently [announced](#) new investment to help up to 2,500 workers start or advance in well-paying careers in the construction industry. The Ontario government has also estimated that it will need 100,000 more construction workers to help deliver the province's ambitious infrastructure plans, including 1.5 million homes by 2031.

At the federal level, additional efforts will be made in 2023 to help the immigration system target health care and construction – two sectors that have the highest need for labour. Immigration targets have been increased over the 2022 level of more than 430,000 immigrants to 465,000 in 2023, 485,000 in 2024 and 500,000 in 2025 nationally. However, it is imperative that immigration policies go hand-in-hand with new investments in affordable housing. Based on past trends, about 30% of newcomers settle in Toronto – so increased affordable housing supply will be needed urgently support the federal goals. Without these investments, Toronto, the region and country will be challenged to attract and retain the diverse workforce needed to sustain our economic growth and vitality.

At the local level, the City of Toronto has also made progress in implementing the "Community Benefits Framework" with a focus on employment and training opportunities when the City buys, builds, provides financial incentives, or other unique opportunities where community benefits can be explored. For example, the City will be requiring community benefit plans at each of the housing development projects under the Housing Now Initiative aiming to achieve a 10% equity target in construction projects over \$50 million.

Leveraging existing work underway through the Community Benefits Framework, staff will work with key industry stakeholders and community partners, including skilled trade unions, construction contractors, developers, training programs, and community partners, and other orders of government to develop and advance training and skilled trades strategies to address the construction labour shortage with a focus on equity, diversity and inclusion.

3. Leveraging Public Land to Increase the Supply of Housing

Housing Now Sites

As noted above, the Housing Now Initiative provides City-owned land and incentives to stimulate the development of affordable housing within mixed-income, livable communities near transit. The affordable units created through Housing Now will, on average, be rented at 80% of Toronto's average market rent. Council has approved 21 sites for inclusion in the Housing Now Initiative over three phases. In 2021, Council also approved a pipeline of six Housing Now sites. The pipeline prioritizes these City lands for use as locations for new housing, once feasibility assessments are complete.

Planning Approvals

City Council has approved zoning by-laws for Housing Now developments across the city. To date, Council has approved zoning by-laws for the following sites:

Site	Ward	Estimated Total Number of Units	Estimated Number of Affordable Rental Units
140 Merton Street	Toronto St. Paul's	184	90
777 Victoria Park Avenue	Scarborough Southwest	589	254
50 Wilson Heights Boulevard	York Centre	1,484	520
705 Warden Avenue	Scarborough Southwest	600	250
5207 Dundas Street West and 970 Kipling Avenue (Bloor-Kipling Block One)	Etobicoke-Lakeshore	710	217
5207 Dundas Street West and 970 Kipling Avenue (Bloor-Kipling Blocks Five)	Etobicoke-Lakeshore	586	196
405 Sherbourne Street	Toronto Centre	267	133
150 Queens Wharf Road	Spadina-Fort York	284	141
158 Borough Drive	Scarborough Centre	687	229
770 Don Mills Road	Don Valley East	1,254	418
805 Don Mills Road	Don Valley East	840	286

On December 14, 2022, as part of the HAP, City Council directed staff to revisit approved Housing Now sites with the intention of increasing housing supply and supporting affordable housing delivery. Accordingly, a rezoning application for the Bloor-Kipling Block 1 site (5207 Dundas Street West) will be advanced to the April 2023 meeting of the Planning and Housing Committee. Additionally, staff are working with Missanabie Cree First Nations, the Indigenous non-profit partner selected to develop and operate 140 Merton Street, to explore opportunities to add density and improved long-term financial viability of the project.

Furthermore, along with CreateTO, the Housing Secretariat and City Planning are assessing potential opportunities to increase density on other sites with approved zoning, using approved concepts as the starting point for increasing the number of

homes on site, while maintaining high quality public realm to support more residents at each location.

The approach to optimizing density for new housing opportunities is also being applied to other Housing Now sites that will have their first rezoning advancing to Planning and Housing Committee in the next 12 months, including 1631 Queen Street East (Q3 2023), the Parkdale Hub (Q3 2023), 1250 Eglinton Avenue West (Q4 2023), 40 Bushby Drive (Q1 2024), 251 Esther Shiner Boulevard (Q1 2024) and Bloor-Islington (Q4 2023).

As noted above, a full update on Housing Now Initiative, including progress on all sites, actions necessary by the City to move the current sites forward, and proposed program changes in light of the current macro environment, will also be provided in a report to the Planning and Housing Committee in April 2023.

Collaboration with Post-Secondary Institutions

With the cost of housing continuing to rise, unhealthy low rental vacancy rates, and the escalating cost of living, post-secondary students in Toronto are struggling to make ends meet. Moreover, international students are often faring worse than their Canadian counterparts as their tuition fees are significantly higher, and many are unable to work part-time or have experienced job losses as a result of the pandemic. Directly related to housing precarity, an increasing number of international students are also using shelters and food banks.

In addition to students, many faculty members and staff are also facing housing affordability and availability challenges. While the challenges are known, there is limited data to substantiate the scale of the housing need and affordability issues facing students, faculty and staff. In an attempt to address this, the presidents of Toronto Metropolitan University (TMU) (formerly Ryerson University), OCAD University, the University of Toronto, and York University launched [StudentDwellTO](#) in 2017 to examine the housing needs of their 180,000 students, and to gather data that will be used to navigate a path forward. A 2022 [study examined](#) the experiences of 139 students through focus groups that took place in 2018 and 2019, and found that inadequate housing experiences affect students to the degree that it significantly impacted their quality of living.

Within Toronto's limited spectrum of affordable housing options, multi-tenant homes (or rooming houses) have emerged as the prevalent form of affordable student housing. Students and academic institutions have continuously raised concerns about the lack of protection for students living in illegal and/or unsafe rooming houses, and those stuck in unfair rental agreements. The City has already taken major steps to address these concerns. At its meeting of December 14, 2022, and as part of the HAP, Toronto City Council adopted a new regulatory framework for multi-tenant houses resulting in an amendment to the City's Zoning Bylaw to permit multi-tenant houses across Toronto. A new Multi-Tenant Houses Licensing Bylaw will introduce consistent standards, regulatory oversight, and enforcement to help protect the safety of tenants, including students. As of March 31, 2024, all operators of multi-tenant houses will be required to obtain a licence.

In recognition of the importance of developing housing solutions for students, faculty and staff, the Housing Secretariat established a "HousingTO Plan and Academic Institutions Working Group" in 2022 with a mandate to:

- Increase the supply of affordable housing opportunities for low-and-moderate income students and staff;
- Assist the City through providing advice based on research, data, evidence and holding annual summits to share innovative housing practices; and,
- Support City efforts and advocacy to other orders of government to increase the supply of affordable and supportive housing.

Work has already begun with each of the universities and colleges in Toronto to better understand the needs and demands of students, faculty and staff; challenges and barriers in advancing residence and housing projects; and current and future housing plans. Key common themes identified by academic institutions include:

- Access to affordable housing is a critical factor impacting universities and colleges' ability to attract and retain international talent (both students and faculty);
- Students are not recognized as priority populations in housing policies and programs while they contribute substantially to the economic, social and cultural life of the city;
- Definition of affordability based on average market rates does not reflect what students can pay;
- Lack of knowledge about tenancy rights and responsibilities particularly among international students;
- Unsafe housing conditions in unregulated multi-tenant houses that are some of most affordable housing options they have access to; and,
- Government funding programs for affordable housing do not consider student residences as an eligible type of housing and there are no additional funding sources available to acquire and/or build new student residences.

Leveraging the HousingTO Plan and Academic Institutions Working Group, and based on the feedback received to-date, staff will work with academic institutions to address data gaps and gather information on the housing needs and demands of students, faculty and staff. The data will be used to inform City housing programs and policies and advocacy efforts to other orders of government to ensure safe and adequate housing solutions for students, faculty and staff. The Housing Secretariat will also continue to work with academic institutions to advance current and future housing projects.

Additionally, as the City moves forward to implement the recently adopted regulatory framework to permit multi-tenant houses across Toronto, staff will continue to work with academic institutions to help protect the safety of students living in these houses.

Working with School Boards

Toronto District School Board (TDSB) and Toronto Catholic District School Board (TCDSB) have access to parcels of land across the city that are close to transit, amenities, retail and where people want to live. Many of these sites include underutilized parking lots that can be re-developed or intensified for housing.

The TDSB's real estate portfolio includes approximately 5,000 acres of land, nearly 600 schools, 36 non-instructional or administrative sites and 11 parcels of vacant land. However, almost half of the TDSB's schools are more than 60 years old with some are more than a century old making it challenging for TDSB to keep up with much-needed repairs at many of its existing schools.

Over the years, school boards have focused on leveraging the value of their land to pay for school repairs, construction of new schools and to support modernization efforts for the benefit of students, staff and communities. For instance, at the David and Mary Thomson Collegiate Institute in Scarborough, which was completed in 2019, TDSB severed off portions of the land, some of which was sold to build housing. The City bought another piece of the land to build a daycare and recreation centre. The sales resulted in a \$33-million return to the Board.

In another pilot project, the province, the TDSB and the City of Toronto partnered to develop a new school in midtown Toronto following the TDSB leasing a parcel of the property at a nominal rate to the City to build a public community playground and aquatic recreation centre, where students will have access to the pool during specific school hours.

The City aims to work with school boards on real estate redevelopment strategies that will not only create more community centres and modernized schools, but also provide land that can be activated for market and affordable rental housing development opportunities. The Housing Secretariat has recently established a working group with CreateTO, City Planning, TDSB and its real estate body Toronto Land Corporation (TLC), and TCDSB to identify sites where they can explore co-location opportunities, including identifying school sites that are slated for closure, and appropriate for re-development or have opportunities for intensification.

Staff will report to the Planning and Housing Committee and Council later in 2023 with a co-developed strategy aimed at encouraging the creation of housing on school board land, along with financing plans to support expedited delivery of affordable homes on these sites, and on measures to address the regulatory and planning barriers identified at both the system-level and on a case-by-case basis.

4. Preserving the Existing Rental Housing Stock

Rental Housing Programs

Recognizing that most current and future residents will have their housing needs met through the city's existing rental supply over the next decade, it is crucial that these homes be preserved and maintained. In Toronto's constrained housing market, more and more tenants are facing eviction, including 'renovictions' whereby a landlord illegitimately evicts a tenant by alleging that they need vacant possession of a residential unit to undertake renovations or repairs. Evictions, including renovictions, result in the displacement of tenants, housing instability, increased rates of homelessness and the permanent loss of affordable and mid-range rental homes.

In response to the need to preserve tenancies and the affordable rental housing stock, the City has taken a number of actions over the past couple of years. These efforts will be expanded as part of HAP.

- At its meeting of November 9, 2021, City Council adopted the [Multi-Unit Residential Acquisition \("MURA"\) Program](#) the primary objectives of removing properties from the speculative housing market and securing them as permanently affordable rental homes, and improving housing stability for low-and-moderate-income renters. MURA provides grant funding and financial incentives to qualified non-profit and Indigenous housing groups to support their purchase, renovation and operation of market rental properties to create permanently affordable rental homes for low-and-moderate income households. The program also supports the City's acquisition of at-risk affordable rental housing that non-profit and Indigenous organizations will operate over the long term.
- The City's first ever [Renoviction Policy](#), adopted by Council at its meeting on July 19, 2022, sets out a framework to help preserve affordable and mid-range rental homes across the city addressing the growing trend of illegitimate renovations. A new regulatory by-law to assist in protecting affordable and mid-range rental homes, a detailed implementation plan to phase in the by-law, including required resources, and a coordinated approach to compliance and enforcement are currently under development and will be brought to the Planning and Housing Committee and Council for consideration in October 2023.
- To support implementation of the proposed Renovictions Policy and future companion by-law, staff are in the process of establishing a [Housing At-Risk Table](#) to review and analyse eviction data, and report regularly on identified trends; review complaints received from residents; and connect people to supports as needed.

Staff will continue to advance these programs and efforts while continuing to advocate to other orders of government to pull other levers within their jurisdictional control that would enable much-needed systemic and structural changes. These include amendments to the *Residential Tenancies Act, 2006* to better protect renters, increases to social assistance rates so that recipients are better able to meet their basic needs, and actions to curb housing speculation.

Strategy to Maintain Rental Replacement

The provincial Bill 23 made changes to Section 111 of the *City of Toronto Act* to allow the Minister to make regulations imposing limitations on the City's ability to prohibit and regulate the demolition and conversion of residential rental properties. Toronto's rental demolition by-law has been in force since 2007 and Official Plan rental replacement policy has been in effect since 2006. Together, these policies and practices have been successful in preventing a net loss of thousands of affordable and mid-range rental units through demolitions and conversions, while continuing to support the renewal of existing rental housing stock.

As of the date of this report, no Minister's regulation (either in draft or final form) has been released. City Planning staff have requested consultation with Ministry staff to discuss any forthcoming Minister's regulation. City Council has also requested that any Minister's regulation enables the City to continue to apply Official Plan rental

replacement policies. In the meantime, requirements of the Official Plan policies and the City's Rental Demolition and Conversion Control By-law respecting the demolition and replacement of existing rental housing continue to apply.

On November 23, 2022, City Council requested the City Solicitor and the Chief Planner to report to the Planning and Housing Committee with a legal strategy to challenge the Province of Ontario's potential removal of Section 111 of the *City of Toronto Act*, and explore alternate means to protect rental units from demolition and conversion. A report with confidential attachments was considered by the Planning and Housing Committee on February 28, 2023 and will be before Council at its meeting on March 29, 2023.

In addition to the above, staff will continue to advance improvements to rental replacement practices in order to address the Auditor General's recommendations in [Item AU3.14](#) – "Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing," adopted by Council at its meeting of July 16, 2019. These improvements will enhance processes to better align with the City's priorities for making affordable rental replacement housing accessible to all households based on financial need.

As directed by Council at its meeting of July 19, 2022 through [Item 2022.PH35.20](#), staff will also report back to the Planning and Housing Committee in Q4 2023 with any necessary changes to the Residential Rental Property Demolition and Conversion Control By-law, in order to include reference to the Centralized Affordable Rental Housing Access System for affordable replacement rental units without a returning tenant and potential remedies for non-compliance.

Multi-Tenant Housing and Dwelling Rooms

Dwelling rooms are rooms used as living accommodation that are available for rent and not self-contained, meaning they may include food preparation facilities (e.g. a hot plate or kitchenette) or sanitary facilities (e.g. a full or half bathroom), but not both. Individuals who live in rooming houses are often marginalized and/or vulnerable and may include households with low incomes, seniors on fixed incomes, newcomers to the city and students.

City Council adopted Official Plan Amendment (OPA) 453 – Policies to Address the Loss of Dwelling Rooms at its meeting on June 18, 2019. The policies came into full force and effect as of October 25, 2021 for all lands in the City where dwelling rooms are permitted, except for one site-specific appeal. Official Plan Policy 3.2.1.11 applies where new development would result in the loss of six or more dwelling rooms and there is an associated planning approval other than site plan approval. The policy does not apply where all of the dwelling rooms have rents that exceed dwelling room tier 2 mid-range rents at the time of application (e.g. rents above \$1,580 in 2023), or where a building permit issues for a project that does not require a planning approval. Where the policy applies, dwelling rooms lost to redevelopment must be replaced as rental housing and a tenant relocation and assistance plan must be provided to lessen hardship for displaced tenants.

On December 14, 2022, City Council enacted Zoning By-law Amendments that would permit up to 6 dwelling rooms in all zones in the former City of Etobicoke, former City of North York and former City of Scarborough. These zoning amendments would come into force on March 31, 2024 to align with the phased implementation timeline for the Multi-tenant House regulatory framework. Until these zoning amendments come into effect, the Official Plan dwelling room policy will not apply in many low-density residential areas of the city. Beginning March 31, 2024, the Official Plan dwelling room policy will apply to development applications (i.e. official plan amendment, zoning by-law amendment and minor variance applications) proposing to demolish six or more dwelling rooms, regardless of whether or not the property has obtained a multi-tenant housing licence.

5. Public Accountability and Reporting on Progress

[Through Item 2023.CC2.1](#), City Council directed staff to "develop a publicly available database to track affordable rental units approved, under construction, built, and demolished under Chapter 667 of the Toronto Municipal Code and replaced through rental replacement and dwelling room Official Plan policies."

The first iteration of the City's Housing Dashboard that will launch in March 2023 in response to this Council direction and will include the following data:

- Net-new affordable rental projects and homes approved for financial incentives under a Program of the Housing Secretariat and/or secured through the planning process, including those supporting the Province's housing pledge for 285,000 new homes, under construction, and completed, defined as ready for occupancy (2017 – to date);
- Rental units approved for demolition under Chapter 667 of the Toronto Municipal Code and replaced through rental replacement Official Plan policies (2017 - 2022);
- Inventory of subsidized (units with rents at Rent-Geared-to-Income (RGI) levels) and affordable units under City's administration (as of December 31, 2022); and
- Centralized Waitlist (CWL) data on applications for social housing.

Datasets will also be made available to the public through the City's Open Data Portal. The majority of the datasets will be updated quarterly moving forward.

The Dashboard is an inter-divisional collaborative effort being developed in partnership with the Housing Secretariat, City Planning Customer Innovation and Experience (CXi) team and Technology Services Division (TSD), and is informed through consultations with subject matter experts (SMEs), key City staff, and the general public to ensure the data meets the diverse needs of Torontonians and housing experts. Engagement for the Housing Dashboard included:

- In person pop-ups events at Downsview Public Library, Centennial Recreational Centre, Lawrence Heights Community Centre, Regent Park Community Centre and Parkdale Public Library where residents may be at a higher risk of housing instability.
- Virtual usability testing workshops with SMEs and people with living/lived experience, including residents who may be seeking housing-related information or data and their experiences accessing information, and

- Usability walkthrough workshops with City staff.

The Housing Dashboard is intended to grow iteratively to include more data over time related to the city's housing system and key indicators tracking progress on the actions of the HousingTO Plan. It will serve as the single point of affordable housing data for the City of Toronto.

In addition to the Housing Dashboard, the first version of the 'Toronto Data Book' will be launched in March 2023, to provide an overview of indicators that impact the health of Toronto's housing system, including availability and affordability of appropriate homes to meet the needs of its current and future residents.

HAP Progress Tracking and Annual Updates

Staff will continue to monitor progress on the actions identified as part of the HAP and recommend reporting back at least annually, with the first report back targeted for Q4-2023. The first annual report will provide an opportunity to highlight progress achieved on the planned 2023 initiatives and identify additional or refined initiatives and timelines for the 2024-2026 period.

Conclusion and Next Steps

As noted above, while this report outlines a number of key initiatives to be taken between 2023 and 2026 to implement the HAP, there are some key deliverables being implemented immediately. These include: a report to Council in March to establish a new Council Advisory Body to support the City in advancing its commitment to the progressive realization of the right to adequate housing; the launch of publicly accessible data dashboards to track affordable rental developments and supply; and the release of the first version of the 'Toronto Data Book' which will look at the health of the housing system by analyzing system-level housing indicators.

In addition, in April 2023, staff will bring forward a number of reports to the Planning and Housing Committee and Council for consideration including: a final report to enable as-of-right zoning for multiplexes; recommended program updates to the Open Door Program and Housing Now Initiative in response to market conditions; a report on the use of the Community Infrastructure and Housing Accelerator introduced thru Bill 109 and a preliminary report related to a new Community Housing Modernization and Growth Strategy. As outlined in the attached work plan, a number of additional reports and actions will also be advanced throughout 2023.

While the City of Toronto is committed to continuing to take action (within its jurisdiction) and has already made significant financial investments toward increasing housing supply, participation from the federal and provincial governments is critical to deliver the 'right' supply needed to meet the needs of current and future residents. In the absence of new financial and policy tools from other orders of governments, plus reimbursement of \$120 million per year in lost revenues from the province related to the implementation of Bill 23, the City of Toronto will be unable to provide the services essential to support growth over the long term, continue to operate existing housing programs necessary to

scale up supply, and deliver complete communities including housing and the necessary supporting infrastructure. Future reports to Committee and Council on each of the HAP components will highlight specific requests to the federal and provincial governments to support City efforts.

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ATTACHMENTS

Attachment 1: Housing Action Plan 2023-2026 Work Plan

Attachment 2: Perspective on the Rental Housing Roundtable