



City of Toronto's Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes report

Backgrounder

October 24, 2023

This report outlines 22 recommendations plus several key initiatives and actions focused on shifting and strengthening Toronto's housing system to better address the housing needs of a range of households, while creating more equitable, inclusive and sustainable communities. This report brings forward recommendations to support a generational change and a systemic shift aiming to build homes faster and encouraging all orders of government to take greater responsibility in increasing housing supply.

The actions outlined in the report are necessary to increase housing affordability after decades of insufficient government investments. These actions will not only support achieving provincial and federal housing targets, but also expedite the delivery of housing commitments in the HousingTO 2020-2030 and Housing 2022-2026 Action Plans.

Definitions of housing types can be found at the bottom of the backgrounder.

Quick Facts

- In Toronto, almost 79 per cent of all rental housing is privately owned compared with 15 per cent owned by Toronto Community Housing Corporation (TCHC) and six per cent owned by non-profit and co-operative housing providers.
- Approximately 48 per cent of Toronto households (557,970 households) are renters. 40 per cent of renters are living in unaffordable housing compared to 26 per cent of homeowners

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(based on 2021 Census data).

- One in three of Toronto's homeowner and renter households (373,965 households or 32 per cent) experienced affordability issues and almost one in five Toronto households (215,225 households) were in core housing need that identifies households that were in need of some form of housing assistance (based on 2021 Census data).
- The city's current rental vacancy rate is around 1.7 per cent. The vacancy rate in a well-functioning housing system should be 3 per cent or higher.
- For every new affordable unit built in Toronto, it is estimated that 15 existing private affordable units are lost.

City housing plans

The City's HousingTO 2020-2030 Action Plan (HousingTO Plan) is a robust plan with 13 key strategic priorities focused on improving housing outcomes for Toronto residents.

The City's Housing Action Plan 2022-2026 (Housing Action Plan) is focused on removing regulatory barriers and enabling both market, non-market and mixed income housing production in order to achieve or exceed the provincial housing target of 285,000 new homes over the next 10 years.

On September 9, 2023, Toronto City Council amended the HousingTO Plan and increased its previous 40,000 affordable rental homes approval target. The new target is now 65,000 rent-controlled homes comprising 6,500 RGI, 41,000 affordable rental and 17,500 rent-controlled market homes.

This report recommends that City Council combine the actions, tracking and reporting of both plans on a go-forward basis.

The HousingTO Action Plan 2020-2030 [Dashboard](http://www.toronto.ca/city-government/data-research-maps/toronto-housing-data-hub/housingto-action-plan-2020-2030-dashboard/) (<http://www.toronto.ca/city-government/data-research-maps/toronto-housing-data-hub/housingto-action-plan-2020-2030-dashboard/>) helps provide information on the City's progress towards meeting the HousingTO targets.

Increasing and accelerating housing supply

the-dixon-park-basketball-courts/)

Sep 26, 2024

Mayor Olivia Chow launches Toronto Community Crisis Service city-wide (<https://www.toronto.ca/news/olivia-chow-launches-toronto-community-crisis-service-city-wide/>)

Sep 25, 2024

Mayor Olivia Chow to launch the Toronto Community Crisis Service city-wide (<https://www.toronto.ca/news/olivia-chow-to-launch-the-toronto-community-crisis-service-city-wide/>)

Sep 25, 2024

Mayor Olivia Chow joins community to celebrate National Tree Day as part of the City of Toronto's \$15 million investment in 120,000 new trees and shrubs for 2024 (<https://www.toronto.ca/news/olivia-chow-joins-community-to-celebrate-national-tree-day-as-part-of-the-city-of-torontos-15-million-investment-in-120000-new-trees->

In terms of new housing supply, the report lists 52 City-owned housing ready sites that will deliver between 16,000 to 17,500 new rent-controlled homes – including affordable, rent-g geared-to-income and market rental homes – once constructed.

and-shrubs-for-2024/)

The report also recommends that the City explore another 40 sites that could be added to this pipeline. In addition, there are 31 City-supported non-for-profit owned sites that can deliver almost 2,000 affordable rental homes with the support of all orders of government.

Immediate access to federal and provincial land, low-cost financing and funding is necessary to support the City's efforts.

City as a public builder

The report recommends that the City advance a City-led development model at five housing ready sites whereby the City leads all aspects of the delivery of these sites under a public builder model. This includes staff taking steps to identify and compare various housing delivery options to achieve the ultimate objective of increasing public and non-profit ownership of homes.

The housing ready sites in consideration for City-led development are:

- 405 Sherbourne St.
- 150 Queens Wharf Rd.
- 1113-1117 Dundas St. W.
- 11 Brock Ave.
- 25 Bellevue Ave.

Beginning in the 1980s and into the 1990s, the construction of purpose-built rental housing and not-for-profit co-ops rapidly declined. The report advises that all levels of government collectively need to act fast to meet the demand for affordable housing. This report proposes a generational opportunity to get back into the business of building housing for all governments.

Accelerating the review and approval of development applications

The report is focused on streamlining and optimizing the City's people, processes and technology to expedite approvals and housing delivery including:

- Organizational and resource re-alignment through a newly established Development and Growth Service Area
- Process improvements including a new Toronto Building Citywide Priorities team to streamline the building permit process
- Utilizing new and enhanced technology solutions to improve efficiencies and expedite the planning and building application review and approval processes

Development and Growth Service (DGS)

DGS is a new service area at the City that has been established with a new Deputy City Manager. Once fully implemented, DGS will comprise the following divisions: City Planning, Toronto Building, Housing Secretariat and a new Development Review Division that will consolidate all development review staff from various divisions such as Concept to Keys (C2K), City Planning, Engineering and Construction Services and units of Transportation Services and Parks, Forestry and Recreation that plan, deliver or contribute to capital planning and construction.

The new approach centralizes and coordinates all roles and functions that are involved in the housing development review process into a single service area, enabling a more efficient streamlining of decision-making authority and accountability.

Citywide Priorities team

The Citywide Priorities team will be a transformative shift in Toronto Building's service delivery model, acting as a single point of contact for project owners and ensuring a streamlined, clear and efficient building permit approval process.

This is expected to reduce potential complications that can arise from competing priorities which are often associated with projects involving multiple City divisions and orders of government.

Supporting Indigenous, not-for-profit and co-operative housing sectors

Indigenous, not-for-profit and co-operative organizations are a key component of this City's community housing stock, as they provide both affordable and subsidized homes for low- and moderate-income households who have few other housing options available to them.

This report recommends that City Council request staff engage with the federal and provincial governments, Indigenous organizations, not-for-profit and co-op housing organizations, financiers, academic institutions, philanthropic organizations and private sector organizations – including large employers – to explore the establishment of a sustainable “Toronto Housing Affordability Fund” to support non-profit and public-led housing developments, as well as loan guarantees to support non-profit and public-led housing developments.

Existing City housing programs

The City has some key programs to support the delivery of these housing targets and support not-for-profit developments including:

- Modular Housing Initiative – an innovative and cost-effective way to build new homes quickly and provide a dignified response to the homelessness challenge in Toronto.
- Open Door program – designed to accelerate the creation of affordable housing by providing financial incentives and contributions from the City including capital funding, exemptions from fees and property tax and fast-tracking of planning approvals.
- Housing Now Initiative – developed to activate City-owned lands to stimulate the development of affordable rental housing within transit-oriented, mixed-income, mixed-use, complete communities.
- Multi-Unit Residential Acquisition Program – offers funding to not-for-profit housing providers to preserve existing affordable rental housing stock for Toronto residents.

Intergovernmental partnership

The report advises that all orders of government need to act across the full housing continuum in response to the worsening housing and homelessness crises. Several recommendations are directed at the

Government of Canada and Government of Ontario.

The recommendations in the report include:

- Increasing investments into housing including low-cost financing and grants
- Amending financial lending criteria
- Providing immediate access to federal and provincial land
- Supporting the non-for-profit sector to build more homes
- Increasing labour market capacity in the skilled trades
- Strengthening protections for renters to help them access and maintain stable housing long term
- Launching the federal Urban Indigenous Housing Strategy to support the creation of new housing for Indigenous people by Indigenous organizations
- Adopting the City's income-based definition of "affordable housing" and harmonizing all federal and provincial housing programs

Housing types and definitions

Affordable rental housing – The City's new definition of affordable rental housing sets affordable rents as the lower of:

1. 100 per cent Average Market Rent (AMR) by bedroom type for the City, as reported annually by the Canada Mortgage and Housing Corporation (CMHC).
2. No more than 30 per cent of the before-tax monthly income of renter households in the 50th – 60th percentile income, based on bedroom type.

Average Market Rent – The average monthly rent paid by tenants for the use of a rental home. It is calculated annually by the CMHC through the Rental Market Survey which collects data on private rental homes in buildings with three or more rental units that were purpose-built to be rental housing.

Rent-Geared-to-Income (RGI) housing or subsidized housing – Made available by the City to make rent affordable for households. In most cases, RGI rent is 30 per cent of a household's monthly household income.

Non-profit housing co-operative (co-op) – A corporation that is owned and operated by the people who live in it. People who live in co-ops are called members, not tenants. Each co-op is governed by a board of directors made up of members who are elected by the members of the co-op.

Rent-controlled housing – Whether the homes are affordable, RGI or market rental, the annual rent increases will be capped.

“Housing ready” sites – City-owned sites designated for housing that are currently within the City of Toronto, Build Toronto and Toronto Community Housing Corporation’s portfolios and have received some form of City approval.

Toronto is home to more than three million people whose diversity and experiences make this great city Canada’s leading economic engine and one of the world’s most diverse and livable cities. As the fourth largest city in North America, Toronto is a global leader in technology, finance, film, music, culture and innovation and climate action, and consistently places at the top of international rankings due to investments championed by its government, residents and businesses. For more information visit the [City’s website](http://toronto.ca) (<http://toronto.ca>) or follow us on [Twitter](http://twitter.com/CityofToronto) (<http://twitter.com/CityofToronto>), [Instagram](http://instagram.com/cityofto) (<http://instagram.com/cityofto>) or [Facebook](http://facebook.com/cityofto) (<http://facebook.com/cityofto>).

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