



## **Building Better Homes and Communities**

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*Affordability and Choice Today*

# **ACT Solutions**

## **Donation of condo units for affordable rental housing Kehilla Residential Programme, Toronto**

### **Issue**

Over the last few years many condominium buildings have sprung up in downtown Toronto. These buildings are generally designed for medium- to high-income households. Developers of these projects often are required to make significant contributions toward eligible community benefits. The City of Toronto's Official Plan does not currently permit the contributions to be used to acquire condominiums as affordable rental housing.

To enhance social and economic diversity within the neighbourhood, at the encouragement of the local councillor, a Toronto developer committed to contribute four condominium units in a new downtown project, the Charlie, to the Kehilla Residential Programme, a non-profit housing agency. To achieve this commitment, the developer applied to the

City of Toronto's Committee of Adjustment for permission to donate the units in lieu of a financial contribution for community benefits. In return, the developer requested extra density for his project. The Committee approved the extra density application, as well as the contribution of the four units towards a community benefit.

Kehilla Residential Programme wanted to remove the legislative barriers that prevent this transaction from occurring on an as-of-right basis, and encourage developers to contribute units as affordable rental housing. Kehilla used the ACT grant to identify the regulatory and policy obstacles that currently prevent this type of transaction, to outline the changes needed, and to gauge the level of support in the housing community to pursue the necessary regulatory reform.



The Charlie Building

Source: Great Gulf Homes

### **Activities**

Kehilla identified several regulatory and policy obstacles, including Official Plan policies and municipal guidelines that would need to be revised to permit rental condos to be used as an optional contribution in support of community benefits under the Planning Act.

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Kehilla then organized a symposium to inform stakeholders about the issues, to discuss potential solutions, and to assess support within the housing community for regulatory reform.

## Results

The symposium attracted over 130 people representing the development industry, non-profit housing corporations, law firms and planning consultants, as well as elected and government officials.

Important outcomes included the City of Toronto's acknowledgment that consideration of policy change is warranted. This led City Council to initiate the review process amending the Official Plan to include condominiums with affordable housing units as community benefits.

Symposium participants indicated that they were anxious to use the affordable rental condo unit option and were prepared to help expedite the reform process. They recommended establishing a steering committee to help determine the eligibility of non-profits to receive donated units, to develop guidelines for matching eligible non-profits with willing developers, for tenant selection, and to ensure long-term affordability. In the meantime, the developer will transfer four condominium units to a new non-profit corporation created

by Kehilla when the building is ready. The new non-profit will retain ownership of the units and sign agreements with the city to ensure affordable rents in perpetuity.

Creating affordable housing units in new condominium developments will, in turn, foster greater economic diversity in neighbourhoods, as well as within the buildings themselves.

Providing non-profit housing corporations with the opportunity to own and manage condominium units within existing buildings increases their respective affordable housing stock for the minimal cost of maintenance and administration. For the individual household it provides affordable housing in a new building without the social housing stigma.

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