

# The City of Toronto's Multi-Unit Residential Acquisition (MURA) Program

*Briefing Note to Inform Budget Consultations, January 2025*

Acquisition of existing rental housing is proven to be faster, more economical, and more efficient when it comes to avoiding the costs - both social and financial - associated with homelessness. Acquisition also helps stabilize communities, prevent displacement of vulnerable tenants, and grow the supply of non-market housing that will support low-income households for generations to come.

The City of Toronto's Multi-Unit Residential Acquisition (MURA) Program emerged thanks in large part to research and advocacy by community land trusts (CLTs). In particular, the Neighbourhood Land Trust (NLT) in Parkdale conducted research that quantified the dramatic loss of rooming houses and other affordable rental. Based on their findings, NLT and the Kensington Market Community Land Trust advocated for funding that would enable community organizations to acquire and preserve naturally-occurring affordable housing that might otherwise be lost.

Since the program began in 2021-2022, MURA funding has helped CLTs and other non-profits preserve affordable rental properties. **But the problem has not gone away: neighbourhoods across Toronto continue to see affordable rental properties being demolished, converted, or renovated in ways that lead to the loss of affordable units and the displacement of low-income households.** In response to this and other affordability challenges, more CLTs have been established in neighbourhoods including South Etobicoke, Little Jamaica, Davenport-Perth, and Chinatown.

**It is vital that the MURA Program not only continues, but also grows and improves.** The Canadian Network of Community Land Trusts and its Toronto-based members make the following recommendations for the City of Toronto's 2025 budget:

- Increase MURA funding. While over 300 units preserved over the past three years is a victory, we know the rate at which we are losing affordable housing is much greater. Greater investment and expediting the acquisition process will be necessary to tackle the sheer size of the crisis.
- Approve capital repair funding in advance. The cost of capital improvements, beyond health and safety repairs, should be better shared by the non-profit and the City. Allocating funds for capital repairs protects the original investment and helps ensure long-term affordability.

- Increase the per-unit/room and total per-project funding limit. The current per-unit funding amount is insufficient given the rising costs of real estate. At current levels, it may not be possible for applicants to acquire and sustain deeply affordable properties. In addition, the maximum per-property funding limit of \$12 million means that while properties over 60 units are eligible, it is difficult to make these acquisitions financially feasible.
- Provide grants rather than forgivable loans. Currently the loans show up as debt, making it difficult to leverage the asset, which is counter to the original intent of the program. While loan forgiveness currently incentivizes organizations to keep the housing affordable, this can be achieved through other means, such as yearly reporting requirements and assessments, and other legal mechanisms registered on title.

Further, we recommend the following program adjustments:

- Time the RFP and decisions appropriately. The timing of the RFP is key, as is the application deadline and timeline for decisions. It would be best to avoid a summer or early fall RFP deadline as many realtors and vendors are on holiday, making it difficult for applicants to identify potential properties. A longer runway between the release of the RFP and the deadline would allow organizations to better prepare based on available properties. The decisions should also be released in an expedited manner as any delay poses material challenges and may put the viability of potential acquisitions at risk.
- Support multi-organization portfolio acquisitions. To enable the acquisition of a larger number of units, the City should pilot projects where they broker a group of nonprofits to acquire multiple buildings (e.g. REITs selling portfolios).
- Extend the spending timeline for pre-approved organizations. MURA demands organizations spend their funds within 12 months. Extending the timeline to multiple years would allow organizations to plan acquisitions more efficiently and make better use of the available funding (e.g. bundling of acquisitions).
- Maximize impact by clarifying funding priorities. MURA has been a nimble and adaptable program for the acquisition of the most at-risk housing. As the program grows, it is important to ensure that the limited funds available are being used for the greatest impact. In particular, we recommend that future RFPs not direct limited funding towards the purchase of condominium units as this fulfills an objective outside the stated purpose of the MURA program.