

Affordable Housing Committee

Meeting No. 7 Meeting Date Monday, June 16, 2008 Start Time 1:30 PM Location Committee Room 2, City Hall	Contact Patsy Morris, Committee Administrator Phone 416-392-9151 E-mail pmorris@toronto.ca
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The Decision Document is for preliminary reference purposes only. Please refer to the Committee's Report to City Council or to the Minutes for the official record.

How to Read the Decision Document:

- *recommendations of the Committee to City Council appear after the item heading and any amendments by committee to recommendations appearing in a staff report are italicized;*
- *action taken by the Committee on its own authority does not require Council's approval and is listed in the decision document under the heading "Decision Advice and Other Information" at the end of the item;*
- *Declarations of Interest, if any, appear at the end of an item.*

AH7.1	ACTION	Amended	Ward: 30
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Conversion of 717 Broadview Avenue to Affordable Housing by Toronto Community Housing Corporation

(May 28, 2008) Report from Sue Corke, Deputy City Manager and Bruce Bowes, Chief Corporate Officer

Committee Recommendations

The Affordable Housing Committee on June 16, 2008, recommended to the Executive Committee and City Council that:

1. Council approve TCHC as the proponent for the conversion of 717 Broadview Avenue to approximately 62 affordable homes for seniors;
2. The City of Toronto enter into an Agreement of Purchase and Sale with TCHC for the sale of 717 Broadview Avenue for the nominal consideration of One Dollar (\$1.00), substantially on the terms and conditions outlined in Appendix A to this report;

3. Each of the Executive Director of Facilities and Real Estate and the Director of Real Estate Services be authorized severally to execute such other consents, licences to enter, approvals, authorizations, directions and other documents as may be required for TCHC to complete its due diligence and pre-development processes;
4. The City Solicitor be authorized to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions on such terms, as she considers reasonable;
5. Authority be granted to provide capital funding:
 - a. to a maximum of \$3,215,000 from the Capital Revolving Fund for Affordable Housing as a grant, by way of forgivable loan;
 - b. \$2,690,800 from the Provincial portion of the AHP Program through the conversion of AHP Housing Allowance/Rent Supplement funding to Rental and Supportive funding previously approved by Council; and
 - c. \$1,649,200 from the Federal portion of the AHP Program through the conversion of AHP Housing Allowance/Rent Supplement funding to Rental and Supportive funding previously approved by Council;

all to assist in the construction of the above-mentioned project, on terms and conditions satisfactory to the Deputy City Manager and which terms and conditions may be varied from time to time, as the project progresses and circumstances change;
6. Authority be granted to exempt the project from taxation for municipal and school purposes from the date of the transfer of the Property to TCHC;
7. Authority be granted for exempting the project from charges, under the Development Charges Act, from payment of development fees and charges;
8. Authority be granted to designate the Project as social housing allowing all or part of the project relief from normal parking standards;
9. Authority be granted to enter into a municipal capital facility agreement and such other agreements, licences, security and documents in a form approved by the City Solicitor; with TCHC, to provide for the development and operation of approximately 62 units of affordable housing, on such terms and conditions as the Director, Affordable Housing Office considers appropriate and to approve any changes to the Project, during its development that the Director deems to be in the best interest of the City and/or the project;
10. The Director, Affordable Housing Office be authorized and directed, on behalf of the City, to execute the municipal capital facility agreement and such other agreements and documents deemed necessary to complete the sale of the Property and the financing of

the Project, on terms and conditions satisfactory to the Director Affordable Housing Office and in a form approved by the City Solicitor; and

11. The Affordable Housing Office be authorized to pay all direct and indirect costs of maintaining the building, estimated at approximately \$311,700, including, but not necessarily limited to, hydro, gas, water and security, from the date Council approves the transfer of the Property to TCHC to the date that TCHC takes title to the Property, from the Capital Revolving Fund for Affordable Housing.
12. *Council request TCHC to work with other non-profit housing agencies such as Scarborough Residential Alternative to look at providing housing opportunities within the seniors housing complex at 717 Broadview Avenue.*

Financial Impact

The public benefit resulting from the conveyance and conversion of the Property will be the creation of 62 new affordable rental homes for seniors.

The total capital cost for the conversion of the building to 62 units, minus the land value, is \$13.7 million. This equates to approximately \$221,000 per unit.

The capital funding as outlined in the chart below is recommended from the Canada-Ontario Affordable Housing Program, City sources and TCHC equity and financing.

The municipal property taxes waived over 25 years are estimated to have a net present value of \$613,900. The waived planning fees and development charges are valued at approximately \$320,037.

Federal-Provincial funding is from the reallocation of funds previously approved by Council from the Canada-Ontario Affordable Housing Program in the amount of \$4,340,000. This is comprised of Provincial funding of \$2,690,800 (62% of the total) and Federal funding of \$1,649,200 (38% of the total) The Provincial funding is provided by way of a 20-year affordability payment.

City sources include \$3,215,000 from the uncommitted balance of \$7.296 million in the Capital Revolving Fund (XR1058) for Affordable Housing. The TCHC contribution is approximately \$5,818,000 in equity and financing consisting of approximately \$1,889,000 in equity and approximately \$3,929,000 in financing.

Direct and indirect costs of maintaining the building from the date of Council approval to the date TCHC takes title of the Property is estimated at \$311,700 on an annualized basis (\$25,975 per month for approximately 12 months), with the property maintenance budget currently included in the Operating budget for Shelter, Support and Housing Administration.

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Capital Funding for Conversion and Property Purchase	
Canada-Ontario AHP Funding Provincial portion*	\$ 2,690,800
Canada-Ontario AHP Funding Federal portion	\$ 1,649,200
City funds from the Capital Revolving Fund for Affordable Housing	\$ 3,215,000
Approximate TCHC Equity and financing	\$ 5,818,000
Waived Development Charges and Fees (approximate)	\$ 320,037
Capital Funding	\$13,693,037
Property Contribution (2002)	\$ 6,500,000
Total Capital Funding and Contributions	\$20,193,037

* Note: Provincial funding equal to 62% of the total AHP funding is provided by way of a 20 year affordability payment.

The current appraised value of the property is \$8,300,000.

Other City Contributions	
25 year NPV of Property Tax Exemption	\$ 613,900

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

Summary

This report seeks authority to transfer the City-owned property at 717 Broadview Avenue (the “Property”) to the Toronto Community Housing Corporation (TCHC) to support the creation of affordable housing. Once conveyed, TCHC will be able to proceed to convert the Property, a former long-term care facility, to approximately 62 self-contained affordable rental apartments for low-income seniors and compatible amenity space.

In short, the new uses ensure that a valuable City asset gets a “new lease on life” by providing affordable housing and new community uses in close proximity to public transit and public services.

To successfully convert the Property to affordable housing, the report recommends funding from the City of Toronto’s Capital Revolving Fund and other City incentives, funding from the Canada – Ontario Affordable Housing Program (AHP) and TCHC equity and financing.

The proposed conversion will help the City achieve its environmental objectives by meeting or exceeding the Toronto Green Development Standards with energy efficiency targets above the Model National Energy Code, reducing greenhouse gas emissions and reducing waste destined for landfill sites through the adaptive reuse of the existing building.

Proceeding with this proposal will contribute to Council’s goal of supporting the creation of 1,000 new affordable homes annually and is consistent with its Housing First policy. This initiative is one of the last Toronto developments to be funded under the AHP, as program funding has now been fully committed. Council is currently seeking a renewal of the AHP and other federal and provincial housing and homeless programs.

The report also provides information on the community consultation that Council directed the Affordable Housing Office to undertake and outlines the advice and input obtained from local residents, community organizations and businesses, regarding re-development of the Property as affordable housing.

Background Information

Conversion of 717 Broadview Avenue to Affordable Housing by Toronto Community Housing Corporation

<http://www.toronto.ca/legdocs/mmis/2008/ah/bgrd/backgroundfile-13641.pdf>

Communications

(June 11, 2008) e-mail from Nigel Napier-Andrews, Immediate Past President, Board of Directors, Performing Arts Lodges, Toronto, PAL Toronto (AH.New.AH7.1.1)

(June 13, 2008) e-mail from Cheryl Kennard, Playa del Carmen Condominium Rentals and Sales, entitled "Objection for plans of 717 Broadview Ave." (AH.New.AH7.1.2)

(June 11, 2008) e-mail from Susan Eng, Vice President, Advocacy, entitled "Housing Opportunities Toronto" (AH.New.AH7.1.3)

(June 13, 2008) e-mail from Liz Watkinson, entitled "Sale of 717 Broadview to Toronto Community Housing Corporation for \$1.00" (AH.New.AH7.1.4)

(June 16, 2008) e-mail from Edith Brunotte (AH.New.AH7.1.5)

(June 13, 2008) e-mail from Anne O'Connor, entitled "717 Broadview, Senior's Affordable Housing (AH.New.AH7.1.6)

(June 13, 2008) e-mail from Lillian Adamakis, Sales Representative Re/Max Hallmark Realty Ltd., Brokerage, entitled "717 Broadview Ave. (Chester Village) (AH.New.AH7.1.7)

(June 13, 2008) e-mail from Margaret Franklin, entitled "717 Broadview Avenue" (AH.New.AH7.1.8)

(June 13, 2008) e-mail from David Cunningham, entitled "717 Broadview Ave. (AH.New.AH7.1.9)

(June 13, 2008) e-mail from Jennifer Jones, Director, Joy of Dance Centre & Teachers College, entitled "717 Broadview PROOF" (AH.New.AH7.1.10)

(June 13, 2008) e-mail from Glyn Laverick, Chair, The Danforth, entitled "717 Broadview" (AH.New.AH7.1.11)

(June 16, 2008) letter from Collette Skelly (AH.Main.AH7.1.12)

(June 16, 2008) submission from Maureen Gilroy, entitled "Conversion of 717 Broadview Ave. to Affordable Housing by Toronto Community Housing Corporation" (AH.Main.AH7.1.13)

AH7.2	ACTION	Amended		Ward: 7
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Securing the City's Interest in Affordable Homes at 2350 Finch Avenue West

(June 2, 2008) Report from Sue Corke, Deputy City Manager

Committee Recommendations

The Affordable Housing Committee on June 16, 2008, recommended to the Executive Committee and City Council that:

1. authority be granted to fund up to \$852,454 from the Capital Revolving Fund and \$852,454 from the Development Charges Reserve Fund as a grant by way of a forgivable loan to be used to fund construction, finishing and operating expenses (including initial vacancy losses estimated to be \$90,000) for the completion of the Ghana Amansie Project, to be expended as the Director of the Affordable Housing Office (AHO), at his sole discretion, directs from time to time;
2. authority be granted for the City to consent to and enter into an assignment of the land lease and funding agreements entered into by the City with Ghana Amansie Non-Profit Homes, to effect a transfer of the Project to TCHC, subject to approval by the Board of Directors of TCHC;
3. authority be granted for the City to pursue any legal remedies it may have under its various agreements with Ghana Amansie, including the lease and loan and grant agreement, if necessary, to acquire possession and control of the Project and to allow the City to transfer the Project to TCHC;
4. authority be granted to enter into an agreement with TCHC that sets out the terms and conditions of the transfer of the Project, on such terms and conditions, satisfactory to the Director and in a form approved by the City Solicitor;
5. authority be granted to terminate the lease for 2350 Finch Avenue West and to transfer legal title to the property to TCHC, at a later date, in keeping with the Affordable Housing Office's intention to transfer title to TCHC of the affordable housing projects developed by it on City-owned land;
6. authority be granted to amend any or all of the City Lease, Affordable Housing Agreement and the Loan and Grant Agreement and ancillary documents, to provide for the current CRF loan, in the amount of \$1,584,000 to be converted to a grant, by way of forgivable loan, and that all amended agreements also to be in keeping with the form of these agreements usually entered into between TCHC and the City for affordable housing projects and as may be required to effect to the transfer of these agreements to TCHC;

7. authority be granted to enter into any agreements that the Ministry of Municipal Affairs and Housing, First National Financial Corporation or any other parties, as may be necessary to give effect to the transfer of the Project to TCHC ;
8. authority be granted for the City to continue the sole source contract with R. Seligman Associates Inc., effective May 1, 2008, for project management services, and for any other consultants deemed necessary by the Director, for a fee not to exceed \$50,000 and on such terms and conditions satisfactory to the Director and in a form approved by the City Solicitor; and
9. the Director of the Affordable Housing Office be authorized and directed, on behalf of the City, to execute all assignments, agreements and other documents required to complete the construction and transfer of the Project at 2350 Finch Avenue West to TCHC.

Decision Advice and Other Information

The Affordable Housing Committee referred the following motions to Sue Corke, Deputy City Manager, for report thereon to the Executive Committee for its meeting scheduled to be held on June 26, 2008 or City Council for its meeting scheduled to be held on July 15, 2008, with regard to any legal implications with respect thereto:

Moved by Councillor Mammoliti:

“That the Affordable Housing Committee recommend to City Council that should the City be forced to move in a legal direction, the property management at 2350 Finch Avenue West be requested to make every effort to market the remaining units to groups in need of affordable housing, including the Ghanaian community, single mother led families and seniors.”

Moved by Councillor Moscoe:

“That the Affordable Housing Committee request that the Toronto Community Housing Company work with an Advisory Panel established by the “Ghana Amansie Non-Profit Homes” to provide the rental and management advice to TCHC for the project at 2350 Finch Avenue West with the overriding objective that the project is sensitive to the housing and cultural needs of Toronto residents from Ghana.”

Financial Impact

This report recommends an increase in capital funding of \$1,704,908 through a grant of up to \$852,454 from the Capital Revolving Fund (CRF) and \$852,454 from the Development Charges Reserve Fund (DCRF) to cover additional capital requirements for the completion of the Ghana Amansie Project, and to cover operating losses (as identified in Appendix A). Upon approval of these recommendations, the approved CRF grant will be deducted from the uncommitted balance of \$7.296 million in the CRF, and the approved DCRF grant will be deducted from the uncommitted balance of \$3.069 million in the DCRF.

To facilitate the development of the Ghana Amansie Project, in August 2000, Council approved a \$576,000 grant from the CRF; in July 2005, Council approved \$1,584,000 as a loan to be paid back over 25 years with interest from the CRF. In June 2007, Council approved an additional grant of \$1,873,750 from the CRF. This report recommends that the loan for \$1,584,000 be converted to a forgivable loan to assist in providing for the long-term financial viability of the Project.

Other City benefits to the project, as outlined below, have included the contribution of surplus land valued at \$960,000, an exemption from planning fees and development charges valued at \$242,350, as well as the waiver of municipal property taxes over the term of the lease (50 years). The net present value of this waiver is estimated to be \$633,586.

Capital Funding and Contributions	2005	2007	2008 with increase
Canada-Ontario AHP Funding Provincial	\$ 192,000		\$ 192,000
Canada-Ontario AHP Funding Federal	\$ 1,200,000		\$ 1,200,000
City -CRF Loan	\$ 1,584,000		
City CRF Grant	\$ 576,000		
Contribution of City Land Value	\$ 960,000		\$ 960,000
Waved Development Charges and Fees	\$ 242,350		\$ 242,350
Mortgage Financing	\$ 6,700,000		\$ 6,927,143
CMHC PDF Funds	\$ 70,000		\$ 70,000
2007 CRF Grant Increase		\$ 1,873,750	
Total CRF Grants/Loans 2000 - 2007			\$ 4,033,750
Recommended Grant from the CRF			\$ 852,454
Recommended Grant from the DCRF			\$ 852,454
Total	\$ 11,524,350	\$13,398,100	\$ 15,330,151

Operating Funding	2007	2008 with Increase
NPV of Property Tax Exemption 50 years	\$633,586	\$633,586
Total	\$633,586	\$633,586

The Deputy City Manager and Chief Financial Officer has reviewed this report and agreed with the financial impact information.

Summary

In May 2007 the Affordable Housing Office reported that the affordable housing project (the “Project”) being developed by Ghana Amansie Canadian Non-Profit Homes (“Ghana Amansie”) on city owned land at 2350 Finch Avenue West was in substantial difficulty while still under construction. Council subsequently approved an increase in capital funding to complete the Project and provide staff the authority to intervene and manage the completion of the development.

After a very difficult year the Project, consisting of 48 apartments and four commercial spaces has now been substantially completed. A number of families and individuals moved into their new homes in late April 2008.

In spite of this progress there are a number of financial and governance issues that need immediate attention and remedial action. The extraordinary measures recommended in this Report are a first for the City, which has successfully completed some 50 affordable housing projects.

Additional funding is now required to cover necessary construction costs outside of the original contract, change orders to comply with Building Code requirements, increased construction financing costs, delay claims, and residential and commercial rent-up losses. This report recommends that these funds be provided from the City of Toronto Capital Revolving Fund (CRF) and Development Charges Reserve Fund (DCRF).

To address governance of the Project, City staff request authority to allow Ghana Amansie to assign its lease and funding agreements to Toronto Community Housing Corporation (“TCHC”). Alternatively, the report seeks authority for the City to pursue any legal remedies it may have under those agreements, to acquire possession and control of the Project in order to transfer it to TCHC. Either course of action, will secure the Project under the control of the city’s housing agency, an experienced development/management group.

Approval of these actions will ensure that badly needed affordable housing is provided and the building is appropriately completed and viably managed by an experienced non-profit corporation.

Background Information

Securing the City’s Interest in Affordable Homes at 2350 Finch Avenue West
<http://www.toronto.ca/legdocs/mmis/2008/ah/bgrd/backgroundfile-13640.pdf>

Communications

(June 16, 2008) letter from Larry Agyeman, Vice President, Ghana Amansie Non-Profit Homes (AH.Main.AH7.2.1)

AH7.3	ACTION	Referred		
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"Use it or Lose" By-law

(May 13, 2008) Letter from Councillor Adam Vaughan

Decision Advice and Other Information

The Affordable Housing Committee referred the letter (May 13, 2008) from Councillor Adam Vaughan, entitled “Use it or Lose” by-law, to Sue Corke, Deputy City Manager for report thereon to the Affordable Housing Committee.

Summary

Communication requesting a staff report to the next meeting of the Affordable Housing Committee respecting a proposed “Use it or Lose” by-law for rental housing stock.

Communications

(May 13, 2008) letter from Councillor Adam Vaughan, entitled "Use it or Lose" By-law (AH.Main)

(<http://www.toronto.ca/legdocs/mmis/2008/ah/comm/communicationfile-7481.pdf>)

(June 12, 2008) e-mail from Albert B. Hoogenboom (AH.New.AH7.3.1)

(June 16, 2008) submission from David Wachsmuth (AH.Main.AH7.3.2)

(June 16, 2008) submission from Bart Poesiat, Community Legal Worker, Parkdale Community Legal Services, entitled "Use it or Lose" By-law (AH.Main.AH7.3.3)

AH7.4	Presentation	Referred		Ward: All
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Housing Opportunities Toronto - Affordable Housing Framework 2008 – 2018

Decision Advice and Other Information

The Affordable Housing Committee referred the following motions and all submissions filed by speakers with respect to the Housing Opportunities Toronto Affordable Housing Framework, to Deputy City Manager, Sue Corke, for consideration and report thereon to the Affordable Housing Committee:

Moved by Councillor Moscoe:

“That:

1. staff undertake a TELA, or equivalent, analysis of 650 Lawrence Avenue West (an options for Homes Project) to determine the extent to which this “affordable ownership” project has remained affordable;
2. staff make recommendations on mechanisms that can be used to the extent possible to ensure that affordable ownership housing remains affordable.
3. the General Manager, Shelter, Support and Housing Administration, be requested to review the securitization requirements for CMHC projects with a view to recommending revision to regulations that will free up the potential of current equity in existing projects.
4. City Planning staff be requested to revisit the five hectare minimum criteria that requires developers to provide affordable housing with a view to reducing that threshold.
5. City Planning Staff be requested to review the feasibility of amending the Zoning to permit rooming houses in all residential zones in Toronto and requested the Staff to report on the advantages and disadvantages of extending the licensing requirements for rooming houses."

Moved by Councillor Palacio:

“That:

1. staff be directed to report back to the Affordable Housing Committee as soon as possible, on options for significantly increasing the HOT targets for affordable ownership.
2. Staff report back to the Affordable Housing Committee on a Retention Policy for privately-owned units created and sold as affordable housing, including provisions to ensure that they are not flipped for a huge profit; and that this report look at the Options for Homes or Habitat for Humanity model of retention as possible models.”

Moved by Councillor Vaughan:

“That:

1. staff be requested to bring forward to the Affordable Housing Committee, an amendment to the Official Plan requiring any housing project requiring a re-zoning on an Official Plan Amendment involving a project larger than 199 units to include as a condition of approval, provision for 10 percent of the units to be affordable;
2. staff be requested to produce an affordability chart for youth that recognizes the socio-economic challenges facing young people in the labour force as wage earners;
3. staff be requested to bring forward a report and a budget to facilitate the establishment of a Partnership Protocol to co-ordinate Housing Options that will emerge as inclusionary zoning becomes a reality;
4. with respect to commercial activity, staff be requested to report on how to assist residents living in assisted housing to create “live, work, sell” units out of premises set aside for residential purposes, and further to produce guidelines on how these units should be managed.”

Summary

Booklet outlining the Housing Opportunities Toronto Action Framework which was released in 2007, for public review and engagement.

Background Information

Housing Opportunities Toronto - Affordable Housing Framework 2008 - 2018
(<http://www.toronto.ca/legdocs/mmis/2008/ah/bgrd/backgroundfile-13639.pdf>)

Meeting Sessions

Session Date	Session Type	Start Time	End Time	Public or Closed Session
2008-06-16	Afternoon	1:40 PM	7:30 PM	Public