



**STAFF REPORT
ACTION REQUIRED**

**Contributing to the Economic Recovery –
Construction of Three Hundred and Sixty-Two New
Affordable Rental Homes**

Date:	May 6, 2009
To:	Affordable Housing Committee
From:	Sue Corke, Deputy City Manager
Wards:	14, 20, 28, 29
Reference Number:	AFS-9850

SUMMARY

This report supports the development of new affordable housing through new federal/provincial economic recovery investment opportunities. Specifically it seeks approval of four non-profit affordable housing developments for funding under the new federal/provincial Affordable Housing Program (“AHP”). The four developments, totalling 362 units, are intended to start construction within the next 12 months and assist in the economic recovery.

The recommended developments have been the subject of previous reports to Council and are already endorsed as affordable housing priorities. The four developments include additional affordable rental housing at Toronto Community Housing Corporation’s (TCHC) developments at the McCord site in the West Don Lands and the Railway Lands as well as the Parkdale United Church Foundation (PUCF) development at 1355 King Street West and the Woodgreen Community Housing development at 270 Donlands. The report recommends property tax exemptions as well as development charges and fee and permit waivers for the two TCHC developments. Property tax exemptions, development charges and fee and permit waivers have previously been approved by Council for the PUCF and Woodgreen developments.

Approval of these developments will provide some 905 person years of employment and upon completion provide housing for up to 900 Toronto residents. The McCord development will provide accommodation for seniors. Overall these investments will contribute to the prosperity of Toronto and Council’s goal of creating 1,000 new affordable homes annually.

RECOMMENDATIONS

The Deputy City Manager responsible for the Affordable Housing Office recommends that:

1. City Council approve the following two new affordable housing projects (the “Projects”) to be funded through the Affordable Housing Program and managed by TCHC
 - a) Toronto Community Housing Corporation’s West Don Lands project on Blocks 23 (the McCord site);
 - b) Toronto Community Housing Corporation’s Railway Lands project on Block 32 and 36;
2. City Council approve additional funding for the following two previously approved affordable housing projects to be funded through the Affordable Housing Program
 - a) Parkdale United Church Foundation Incorporated at 1355 King Street West; and
 - b) Woodgreen Community Housing Inc. at 270 Donlands Avenue
3. City Council grant authority to exempt from taxation for municipal and school purposes and waive fees and charges for any affordable units in the TCHC housing projects;
4. City Council authorize the Director, Affordable Housing Office to negotiate municipal housing facility agreements with TCHC;
5. Authority be granted to designate the TCHC housing projects listed in Recommendation No.1 as social housing allowing all or part of the projects relief from normal parking standards; and
6. The Director, Affordable Housing Office be authorized and directed to enter into and execute, on behalf of the City, any municipal housing facility agreements, any security or financing documents or agreements, and any other documents or agreements required to facilitate the completion of the funding from the Province and required by the housing provider to obtain and maintain its other sources of funding and to approve any changes to the projects that the Director deems to be in the best interest of the City or the Project and on terms and conditions satisfactory to the Director, Affordable Housing Office and in a form approved by the City Solicitor.

Financial Impact

This report seeks approval from the Ministry of Municipal Affairs and Housing to fund two new and two projects previously approved by Council through the Affordable Housing Program (AHP). If approved, the federal/provincial AHP funding for the four projects will amount to \$40,560,000.

It is also recommended that, when approved, the two TCHC projects be granted exemption from property taxes for municipal and school purposes for 25 years or the term of the agreement and the waivers of development charges and planning fees as outlined below to a total of \$5,884,396.

Project Address	NPV of Property Tax Exemption	Waived Fees and Charges	AHP Requested Funding
New Projects			
West Don Lands Block 23, 127 units	\$1,080,194	\$1,060,577	\$16,510,000
Railway Lands Block 32 East, 370 units	\$2,240,445	\$1,503,180	\$18,000,000
Previously approved projects			
1355 King Street W 11 units	Previously approved	Previously approved	\$ 1,650,000
270 Donlands Avenue, 44 units	Previously approved	Previously approved	\$ 4,400,000
TOTAL NEW REQUEST	\$3,320,639	\$2,563,757	\$40,560,000

DECISION HISTORY

Toronto City Council has previously considered the four housing developments recommended in this report. Key reports and decisions related to the affordable housing aspects of these projects and its funding are outlined below:

West Don Lands (McCord)

City Council on July 16, 17, 18 and 19, 2007, approved a grant, by way of forgivable loan, to the Toronto Community Housing Corporation to develop its North River Square/McCord affordable housing project on Blocks 21 and 23 of the West Don Lands, in the amount of \$70,000.00 per unit or \$9.1 million for a maximum of 130 units from Federal Housing Trust Fund-Provincial Delivering Opportunities for Ontario Renters Initiative (DOOR) funds. The grant is for Phase 1 of the development.

The report is entitled: *Waterfront Affordable Housing – Funding Approval for TCHC NorthRiver Square/McCord Project, West Don Lands* page 46 at:
<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

Railway Lands Block 32 and 36:

City Council on July 16, 17, 18 and 19, 2007 Council granted funding in an amount of \$21,090,000.00 as a grant being made up of approximately \$17.09 million from the Federal Housing Trust Fund-Provincial Delivering Opportunities for Ontario Renters Initiative (DOOR) funds and \$4 million previously committed from the City’s Capital Revolving Fund for Affordable Housing (CRF). The report is entitled: *Affordable Housing Office – Railway Lands Development* (page 49) at:
<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

Parkdale United Church Foundation 1355 King St West:

This third phase of the Parkdale United Church Foundation’s Green Phoenix project was previously approved for funding under the Homelessness Partnership Initiative but was unable to proceed due to unexpected construction cost escalations. See the related report to Toronto City Council December 11, 12 and 13, 2007. The project would be able to proceed if the new federal/provincial funding is available.

The report is entitled: *Affordable Housing - Funding Recommendations Request for Proposals 9155-07-7200 for the Development of Transitional Housing and Supportive Housing* (page 55) at:
<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-12-11-cc15-dd.pdf>

Woodgreen Community Housing Inc. 270 Donlands:

This second phase of Woodgreen’s “Homeward Bound” program was previously approved for funding under the AHP – Wave 1 at \$70,000 per unit. Due to the recent economic downturn, one of Woodgreen’s major private donors was unable to fulfill their financial pledge to the project. The project will be able to proceed if the new federal/provincial funding is available.

The report is entitled: *Affordable Housing – Funding Recommendations Request for Proposals 9155-06-7380 and TCHC* (page 9)
at:<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-05-23-cc08-dd.pdf>

ISSUE BACKGROUND

On February 19, 2009 the Director, Affordable Housing Office received a letter from Ministry of Municipal Affairs and Housing (MMAH) requesting all Ontario Service Managers to submit a list of “shovel ready” affordable housing projects by March 23, 2009, for funding consideration.

MMAH has defined “shovel ready” as new construction or renovation projects with an acquired site and zoning in place and that are able to start construction within two years (with preference to projects with a 2009 start date). As well, projects must already have Council approval or be ones that staff would be able to recommend to Council, for approval.

MMAH will be approving funding based on the submissions by Service Managers from across the province and it is expected that MMAH approval will be made later this spring.

COMMENTS

In order to respond quickly to the MMAH request, the City reviewed developments that had been previously considered in part or in whole and approved by Council and where there was the potential for additional housing units, if additional funding was available.

Based on this review and the MMAH definition of “shovel ready” the following four projects are being recommended:

TCHC McCord (West Don Lands Block 23) – Phase 2 - 127 Units

The recommended development is a 127 apartment building which TCHC had planned to develop and sell as private condominiums. The building has now been redesigned as rental housing for seniors. It is located on the south-east corner of King Street and St. Lawrence Street.

The proposed development will be comprised of a nine-story apartment building with 7 bachelors, 89 one-bedroom, and 32 two-bedroom apartments at 80 per cent of average market rent. The building will exceed Toronto Green Standards as it is to be certified at the Leadership in Energy and Environmental Design (LEED) Gold standard. It is to be ready to start construction in December 2009 with an expected occupancy in 2011. The AHP funding request is for \$130,000 per unit for a total of \$16,510,000 and the request for property tax exemption and waived fees and charges is \$2,140,771.

Railway Lands (Block 32) -180 Units

The building that was originally being planned for Block 32 on the Railway Lands was to be an affordable ownership condominium. Like the McCord development, the challenges of the condominium market would have prevented this development from going forward as planned. The new proposal provides the opportunity for the podium part of the building to now proceed as affordable rental housing suitable for families.

This request for funding is for the 180 apartments in the podium, comprised of 50 one-bedrooms, 78 two-bedrooms, 32 three-bedrooms and 20 four-bedrooms at 80 per cent of average market rent. The remainder of the building, the point tower, will be developed as

162 affordable ownership apartments as well as 28 affordable rental units. The building will meet or exceed the LEED Silver standard. Construction is to start in late 2009 with occupancy in 2011. The AHP funding request is \$100,000 per unit for a total of \$18,000,000 and the request for property tax exemption and waived fees and charges for the 180 units is \$3,743,625.

Parkdale United Church Foundation 1355 King Street West - 11 Units

The Green Phoenix is a project by the Parkdale United Church Foundation (PUCF) at the corner of King Street West and Dunn Avenue. The PUCF is proposing 11 new units, ten of which will be in the form of a three and four storey wrap-around addition to the north and west facing the existing social housing apartment tower and one additional unit which will be created through the renovation of some extra space in the existing building.

The development will provide two 2-bedroom units, four 1-bedroom units and five bachelor units. The new units will have at affordable rents representing approximately 70 per cent of the average market rent in Toronto.

The addition and renovation constitute the third phase of the Green Phoenix's building plan. The first two phases included the creation of ten new transitional housing units by converting an adjacent office building in 2007, and a retrofit of the apartment tower that will be completed in August 2009. All three phases are part of the plan to reduce the site's utility use by an estimated 70 per cent, reduce the site's carbon emissions by more than 200 tonnes per year even with the 11 new units, and make use of renewable energy such as geothermal and solar heating and cooling.

The Green Phoenix project is ready to proceed to tender and start construction as it has an approved building permit. The AHP funding request is \$150,000 per unit for a total of \$1,650,000. The project was previously approved for property tax exemption and waived fees and charges.

Woodgreen Community Housing Inc. 270 Donalnds Avenue – 44 units

The second phase of the Woodgreen Community Housing's Homeward Bound project of 44 units at 270 Donlands was previously approved by Council in July 2006 for funding under the Wave 1 AHP at \$70,000 per unit. The development will house single mothers and children as well as provide employment training and job placement. The development has a tendered construction price and a building permit but is not able to proceed due to the loss of a major donation caused by the recent economic downturn. It has been recommended to MMAH for funding under the new program. The AHP funding request is \$100,000 per unit for a total of \$4,400,000. The project was previously approved for property tax exemption and waived fees and charges.

Upon this development receiving increased AHP funding, the Director of the Affordable Housing Office, as authorized by Council at its meeting of January 27-28, 2009, will re-allocate 22 units to the TCHC development at 88-92 Carlton and 22 units to the TCHC development at 501 Adelaide Street East. This reallocation of the Wave 1 AHP funding at \$70,000 per unit will mean more units in these buildings will have affordable rather than market level rents.

CONCLUSION

This report recommends the approval of four non-profit affordable housing developments for funding under the new federal/provincial Affordable Housing Program (“AHP”). The four developments, totalling 362 units, are expected to start construction within the next 12 months and assist in the economic recovery, as well as, provide new affordable rental housing opportunities for the people of Toronto.

CONTACT

Sean Gadon
Director, Affordable Housing Office
Phone: 416 392 1143
Fax: 416 392 4219
E-mail: sgadon@toronto.ca

SIGNATURE

Sue Corke, Deputy City Manager