

Update: Affordable Housing Program – Economic Stimulus Funding

Date:	March 24,2010
To:	Affordable Housing Committee
From:	Sue Corke, Deputy City Manager
Wards:	4,7,10,19,20,26,28,29,40,
Reference Number:	AFS - 11175

SUMMARY

At its meeting of September 30 and October 1, 2009, Council requested that the Director, Affordable Housing Office, report back to the Budget Committee and the Affordable Housing Committee on which Council-approved economic stimulus affordable housing developments had been recommended for funding by the Ministry of Municipal Affairs and Housing, while also including current year and future year budget implications.

The budget implications reported here reflect Council approval of affordable housing developments recommended in May and September 2009.

This report provides an update on the seven developments, totalling 998 homes, which have now received a funding commitment from the province in the amount of \$120,148,000. This is the total funding commitment at the time this report was written. However the province will make further year two economic stimulus funding commitments in April, 2010.

The report also recommends that the Chair, Affordable Housing Committee, write the Minister of Municipal Affairs and Housing, urging the province to fund the remaining Council-recommended proposals that are yet to be approved. As of March 24, 2010, three Council recommended proposals were unfunded for a total of 606 rental homes.

This report also provides a brief update on 120 Affordable Housing Program loans that will assist low-income households to become home-owners.

RECOMMENDATIONS

1. That Council request the Chair of the Affordable Housing Committee write the Minister of Ministry of Municipal Affairs and Housing and acknowledge the support of the provincial government in approving Council recommended affordable housing developments; and,
2. That Council request the Chair of the Affordable Housing Committee also urge the Minister of Municipal Affairs and Housing to approve any Council recommended affordable housing developments that are as yet unfunded in year two of the economic stimulus Affordable Housing Program initiative.
3. That the 2010 Recommended Operating Budget for Shelter, Support and Housing Administration be adjusted to include the funding for the development loans/grants for the projects identified in this report; and
4. That the 2010 Recommended Operating Budget for Shelter, Support and Housing Administration be adjusted to include the funding for the loans from the Home Ownership Program identified in this report.

FINANCIAL IMPACT

While Council has already recommended the approval of the projects identified in the following table at its meetings of May 25-27, and September 30, and October 1 2009, the detailed financial impacts described to build 912 affordable housing units in the following table are discussed below.

Proponent/ Address	Development Charges Exempted (Fees & Charges for 2 developments)	NPV of Property Tax Exemption	AHP Funding Approved
Deauville Place Inc. 5 Deauville Lane	\$ 45,958	\$ 491,833	\$ 7,440,000
Patricia and Bathurst Developments Inc. 485 Patricia Avenue	\$1,393,965	\$1,984,199	\$28,440,000
Remington Group Inc. 8 Chicester Place	\$1,338,306	\$1,809,280	\$25,200,000
Verdiroc Developments Corporation 1001 Queen Street W.	\$1,116,979	\$1,508,000	\$21,480,000
Woodgreen Community Housing 270 Donlands Avenue	\$456,844* DCs \$297,220 Fees \$159,624	\$1,437,959	\$4,400,000
Toronto Community Housing McCord site West Don Lands	\$991,835* DCs \$703,199 Fees 288,636	\$2,187,209	\$16,510,000
Minto Apartments Ltd. 7-21 Richgrove Drive (funding for 139 units)	\$692,915	\$1,375, 307	\$16,678,000
TOTAL	\$6,036,802	\$10,793,787	\$120,148,000
	* Includes Fee and Permit waivers as well as DCs		

Federal and Provincial funding of \$120,148,000 million is available under the Canada-Ontario Affordable Housing Program 2009 Extension. This report recommends the City administer the projects for term ranging from 25 to 50 years. Contributions from the City include the waiver of development fees and fees of \$6,036,802.

Property tax exemptions are calculated at a net present value for the period of the Contribution Agreement between the City and the proponent of each development and total \$10,793,787.

The 120 new loans for homeowners will be allocated by the City from \$6,625,000 in funding from the Ministry of Municipal Affairs and Housing. The 2010 Recommended Operating Budget for Shelter Support and Housing Administration will be adjusted to include the funding for the loans from the Home Ownership Program.

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

DECISION HISTORY

At its meeting of September 30, and October 1, 2009, Council considered the report *New Affordable Housing Program Opportunities* which reported that City officials had completed the process as set out in Request for Proposals No.9155-09-7195 and were recommending six proposals totalling 1,253 affordable rental units.

Upon Council approval, the proposals were submitted to the Ministry of Municipal Affairs for funding under the Canada-Ontario Affordable Housing Program 2009 Extension (AHP Extension).

Council directed the Director, Affordable Housing Office, to report back to the Budget Committee and the Affordable Housing Committee on which proposals had been approved for funding, while also including current year and future year budget implications.

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-09-30-cc40-dd.htm>

ISSUE BACKGROUND

As part of the federal, provincial and municipal economic stimulus efforts, the federal and provincial governments made \$540 million available in new affordable housing funding in Ontario over two years ending March 31, 2011. It is estimated that this investment will assist in creating approximately 4,500 new affordable rental homes province-wide.

Unlike previous programs, final approval rests with the Ministry and is made in the context of province-wide competition and the availability of remaining AHP funding.

In May 2009, the City submitted three proposals for funding. They were: Woodgreen Community Housing for 44 homes at 270 Donlands (Ward 29); Toronto Community Housing for 127 homes at the former McCord site in the West Don Lands (Ward 28) and TCHC for 180 homes in the Railway Lands (Ward 20).

On June 18, 2009, the Ministry approved the Woodgreen Community Housing development and on September 10, 2009 the TCHC in the West Don Lands for a total of 171 new affordable rental homes.

On September 30, 2009, Council submitted six more proposals, of which four have been approved.

On November 5, 2009 funding was approved for:

Deauville Place Inc. which will develop 62 affordable rental homes for seniors and people with disabilities at 5 Deauville Lane in Ward 26. Support services will be

provided by Better Living Health and Community Services. Construction will start in March 2010.

On December 1, 2009, three additional developments were pre-approved for funding which will be made available after April 1, 2010:

Patricia and Bathurst Developments Inc. will develop 237 affordable rental homes for seniors and people with disabilities at 485 Patricia Avenue in Ward 10. Support services will be provided by B'nai Brith.

The Remington Group Inc. will develop 210 affordable rental homes for seniors and people with disabilities at 8 Chichester Place in Ward 40. Support services will be provided by community agencies in Scarborough.

Verdiroc Development Corporation will develop 179 affordable rental homes for seniors, low-income singles and people with disabilities at 1001 Queen Street West. Support services will be provided by Reconnect Mental Health Services. This project is part of the Centre for Addiction and Mental Health redevelopment.

On January 19, 2010, partial funding was approved by the Ministry to support the construction of 139 rental homes for seniors to be developed by Minto Apartments Limited at 7-21 Richgrove Drive.

The Ministry of Municipal Affairs and Housing has also provided AHP – Homeownership Component Extension funding that will assist a total of 120 new homeowners with their down payments. This represents a total investment of \$6.625M. Toronto Community Housing will deliver 80 loans in Regent Park representing \$3.025M and Habitat for Humanity will deliver 40 loans representing \$2M. Remaining funds of \$1.6M will be allocated shortly to approve non-profit delivery proponents. The 2010 Recommended Operating Budget for Shelter Support and Housing Administration will be adjusted to include the funding for the loans from the Home Ownership Program.

COMMENTS

The AHP Extension provides a significant opportunity to assist the City in achieving its goal of creating 1,000 new affordable rental homes annually, consistent with the Housing Opportunities Toronto ten-year affordable housing action plan.

The ministry has so far approved seven of the nine Council-recommended proposals totalling 998 affordable rental homes and provided investments in affordable housing of \$120,148,000.

Approval is pending on three additional proposals recommended by the City:

- Toronto Community Housing – 180 units for low income families at Blocks 32 and 36 of the Railway Lands in Ward 20
- Minto Apartments Limited – the balance of funding, 65 units, for seniors and people with disabilities at 7-21 Richgrove Drive in Ward 4
- Medallion Corporation – 361 units for low-income families, seniors and people with disabilities at 3415 Weston Road in Ward 7.

CONCLUSION

The City has been successful in obtaining \$120,148,000 to assist in the creation of 998 affordable rental homes.

This report recommends that Council urge the Ministry of Municipal Affairs and Housing to approve \$69.12 million for an additional 606 rental homes in the remaining three council-recommended proposals.

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SIGNATURE

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