

June 3, 2010

To: Executive Committee

From: Affordable Housing Committee

Subject: Providing City Incentives to Support 1,100 Homes in Five Approved Affordable Non-Profit Rental Developments

Recommendations:

The Affordable Housing Committee recommends to the Executive Committee, for its meeting on June 14, 2010 that:

- 1. City Council grant authority to provide capital funding of \$1,198,800.00 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to YWCA of Greater Toronto, as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at 110 Edward Street.**
- 2. City Council grant authority to provide capital funding of \$967,032.00 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to TCHC, as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at McCord site, West Don Lands.**
- 3. City Council grant authority to provide capital funding of \$1,706,292.00 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to TCHC, as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at Block 32 of the Railway Lands.**
- 4. City Council grant authority to provide capital funding of \$347,652.00 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to Toronto Christian Resource Centre, as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at 40 Oak Street.**
- 5. City Council grant authority to provide capital funding of \$175,824.00 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to Woodgreen Community Housing Inc., as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at 270 Donlands Avenue.**
- 6. City Council authorize and direct the Director, Affordable Housing Office, to enter into and execute, on behalf of the City, agreements with each of the five proponents to secure the funding, in addition to any other documents or agreements required to facilitate the completion of the funding recommended in this report and required by Proponents 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 Projects and on terms and conditions satisfactory to the Director, Affordable Housing Office and in a form approved by the City Solicitor; and**
- 7. The 2010 Approved Operating Budget for Shelter, Support and Housing Administration be increased by \$4,395,600.00 gross zero net to provide additional funding for the five following non-profit housing developments: YWCA**

located at 110 Edward Street; TCHC located at the McCord site, West Don Lands; TCHC located at Block 32 Railway Lands; Toronto Christian Resource Centre (CRC) located at 40 Oak Street and Woodgreen Community Housing Inc. at 270 Donlands Avenue.

Background:

The Affordable Housing Committee on June 3, 2010, considered a report (May 17, 2010) from Sue Corke, Deputy City Manager recommending the allocation of Development Charges Reserve Fund – Shelters/Housing (XR2107) monies to five previously approved affordable non-profit rental housing developments now under construction.

The Affordable Housing Committee also had before it a letter (June 1, 2010) from John Fox, Acting Vice-President, Development and Legal Counsel (Development), Toronto Community Housing Corporation.

Background Information

Staff Report from Sue Corke, Deputy City Manager

<http://www.toronto.ca/legdocs/mmis/2010/ah/bgrd/backgroundfile-30438.pdf>

City Clerk

Dela Ting
Item AH13.2

Attachments

cc: Deputy City Manager, Sue Corke
Deputy City Manager and Chief Financial Officer
Director, Affordable Housing Office
Councillor Giorgio Mammoliti, Ward 7 York West
Interested Persons



STAFF REPORT ACTION REQUIRED

Providing City Incentives to Support 1,100 Homes in Five Approved Affordable Non-Profit Rental Developments

Date:	May 17, 2010
To:	Affordable Housing Committee
From:	Sue Corke, Deputy City Manager
Wards:	20, 27, 28
Reference Number:	AFS - 12029

SUMMARY

This report recommends the allocation of Development Charges Reserve Fund – Shelters/Housing (XR2107) monies to five previously approved affordable non-profit rental housing developments now under construction. These developments are recognized as capital projects and are eligible for development charge funding. Upon approval, \$4,395,600 or \$3,996 per unit for 1,100 units would become available to assist the five non-profit proponents. This allocation is available from the current uncommitted balance of the fund.

The recommended developments have been the subject of previous reports to Council for funding and are all currently under construction. They are contributing to the City’s goal of creating 1,000 new affordable homes annually as set out in the Housing Opportunities Toronto (HOT) ten-year plan. These projects were included in the City's Development Charges Background Study and Addendum and are eligible for development charge funding. The recommended funds from the Development Charges Reserve Fund will contribute towards the affordability and viability of the developments.

The five developments are:

- YWCA of Greater Toronto (YWCA) – Elm Centre, 110 Edward Street: 300 homes
- Toronto Community Housing Corporation (TCHC) – McCord site, West Don Lands: 242 homes
- TCHC – Block 32 Railway Lands – 427 homes
- Toronto Christian Resource Centre (CRC) – 40 Oak Street – 87 homes

- Woodgreen Community Housing Inc. – 270 Donlands Avenue – 44 homes

RECOMMENDATIONS

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

1. City Council grant authority to provide capital funding of \$1,198,800 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to YWCA of Greater Toronto, as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at 110 Edward Street;
2. City Council grant authority to provide capital funding of \$967,032 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to TCHC, as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at McCord site, West Don Lands;
3. City Council grant authority to provide capital funding of \$1,706,292 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to TCHC, as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at Block 32 of the Railway Lands;
4. City Council grant authority to provide capital funding of \$347,652 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to Toronto Christian Resource Centre, as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at 40 Oak Street;
5. City Council grant authority to provide capital funding of \$175,824 from the Development Charges Reserve Fund – Shelters/Housing (XR2107) to Woodgreen Community Housing Inc., as a grant by way of a forgivable loan, to be used to complete construction of affordable housing at 270 Donlands Avenue;
6. City Council authorize and direct the Director, Affordable Housing Office, to enter into and execute, on behalf of the City, agreements with each of the five proponents to secure the funding, in addition to any other documents or agreements required to facilitate the completion of the funding recommended in this report and required by Proponents 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 Projects and on terms and conditions satisfactory to the Director, Affordable Housing Office and in a form approved by the City Solicitor; and
7. The 2010 Approved Operating Budget for Shelter, Support and Housing Administration be increased by \$4,395,600 gross zero net to provide additional funding for the five following non-profit housing developments: YWCA located at 110 Edward Street; TCHC located at the McCord site, West Don Lands; TCHC located at Block 32 Railway Lands; Toronto Christian

Resource Centre (CRC) located at 40 Oak Street and Woodgreen Community Housing Inc. at 270 Donlands Avenue.

Financial Impact

This report seeks approval to allocate \$4,395,600 from the uncommitted balance available in the Development Charges Reserve Fund – Shelters/Housing (XR2107) to five previously approved affordable housing developments outlined in the Appendix. All five developments were identified in the 2008 Development Charge Background Study and Addendum hence are eligible for development charge funding. Upon approval, total development charge funding for these five projects would amount to \$4,395,600 based on \$3,996 for each of 1100 affordable homes, as detailed in the table below.

Proponent	Address	# of units	Recommended Funding
YWCA	110 Edward Street	300	\$1,198,800
TCHC	McCord, West Don Lands	242	\$ 967,032
TCHC	Block 32 Railway Lands	427	\$1,706,292
CRC	40 Oak Street	87	\$ 347,652
Woodgreen	270 Donlands Avenue	44	\$ 175,824
TOTAL		1,100	\$4,395,600

Development charge revenues are distributed to service-specific reserve funds based on the proportions set out in the City's Development Charge By-law. Under the by-law approved in 2009, the affordable housing component of development charges collected is deposited in the Development Charges Reserve Fund – Subsidized Housing (XR2116). The affordable housing component of the annual development charge collections is estimated to be \$4 million; however, actual collections could vary depending on the level of development activity and the applicable rates in effect.

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

Equity Statement

The funding recommended in this report will assist five affordable non-profit housing developments whose mandate is to provide more affordable housing; to women, especially women needing supports in the case of the YWCA; low-income seniors and low-income families in the case of the two TCHC developments; low-income singles in the case of CRC and homeless women and children in the case of Woodgreen. This housing is being built to improve the economic and social well being of these disadvantaged Torontonians. The impact of

these developments will be monitored for the life of the agreements the proponents have with the City, which is 50 years with the YWCA and 25 years with TCHC, CRC and Woodgreen.

DECISION HISTORY

Toronto City Council has previously considered the five housing developments recommended in this report. Key reports and decisions related to the funding of these developments are outlined below.

110 Edward Street – 300 Affordable Rental Homes

City Council at its meeting of July 25, 26 and 27, 2006 approved funding from the Canada-Ontario Affordable Housing Program, Supporting Community Partnership Initiatives, Mayor's Homelessness Initiative Reserve Fund and the Capital Revolving Fund (CRF) to the YWCA of Greater Toronto to allow for the construction of 300 homes for women and children. The report is entitled: *Developing Affordable and Supportive Housing and Other Compatible Uses at 110 Edward Street – Request for Proposal 9155-06-7197 (Ward 27 – Toronto Centre Rosedale)*

In July 2007 Council further approved \$2 million in CRF funding for energy efficiency features such as geo-thermal and radiant heating and cooling in a report entitled: *Affordable Housing Funding Allocations for 2007-2008*.

McCord, West Don Lands – 242 Affordable Rental Homes for Seniors and Families

City Council on May 25, 26 and 27, 2009 authorized Block 23 of the McCord site to be a 127 unit seniors' project to be recommended to the Ministry of Municipal Affairs and Housing (MMAH) for Economic Stimulus funding. The report is entitled: *Contributing to the Economic Recovery – Construction of Three Hundred and Sixty-Two New Affordable Rental Homes. (Ex 32.12)*
<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-05-25-cc36-dd.htm>

The development was approved by MMAH for funding of \$130,000/unit for 127 units for \$16,510,000 on January 19, 2010.

The other half of the site is being constructed as a 115-unit stacked townhouse building for families. City Council on July 16, 17, 18 and 19, 2007 approved Federal Housing Trust-Provincial Delivering Opportunities for Ontario Renters Initiative (DOOR) funds. The report is entitled: *Waterfront Affordable Housing - Funding Approval for TCHC North River Square/McCord Project, West Don Lands (page 46) at:*
<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

In 2009 and 2010 further funding was approved by MMAH totalling \$8,015,000 or \$69,696 per unit.

Railway Lands Block 32 – 427 Affordable Rental Homes

On February 12, 2010, MMAH confirmed funding of \$18 million or \$100,000/unit for 180 units for Block 32 of the Railway lands. This is in addition to previous funding from the City of \$21,090,000 made up of approximately \$17.09 million DOOR funds and \$4 million from the City's Capital Revolving Fund for Affordable Housing. 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>

40 Oak Street – 87 Affordable Rental Homes

City Council on May 26 and 27, 2008 approved Canada-Ontario Affordable Housing Program funds of \$6,090,000 or \$70,000/unit as well as \$1,410,000 in funding from the Mayor's Homelessness Initiative Reserve Fund to the Toronto Christian Resource Centre for the development of 87 affordable housing units at 40 Oak Street. The report is entitled: *Development of Affordable Housing by the Toronto Christian Resource Centre at 40 Oak Street* (page 24) at:

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-05-26-cc21-dd.pdf>

270 Donlands Avenue – 44 Affordable Rental Homes

City Council on May 23, 24 and 25, 2007 approved Canada-Ontario Affordable Housing Program funds of \$3,080,000 or \$70,000/unit to Woodgreen Community Housing Inc. for the development of 44 affordable housing units at 270 Donlands Avenue. The report is entitled: *Affordable Housing – Funding Recommendations Request for Proposals 9155-06-7380 and TCHC – Wards 11, 14, 17, 18, 20, 21, 22, 28, 29 and 35.* (page 8) at:

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-05-23-cc08-dd.pdf>

City Council on May 25, 26 and 27, 2009 authorized replacement AHP Economic Stimulus funding to Woodgreen of \$100,000 per unit or \$4,400,000 in total. The report is entitled: *Contributing to the Economic Recovery – Construction of Three Hundred and Sixty-Two New Affordable Rental Homes.* (Ex 32.12)

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-05-25-cc36-dd.htm>

ISSUE BACKGROUND

The five affordable rental housing developments that are the subject of this report were identified in the 2008 Development Charge Background Study and Addendum, are eligible for development charge funding and have not received any development charge funds to date. The Background Study including the list of projects is available at:

http://www.toronto.ca/finance/dev_charges_bylaw_review/index.htm

Development Charge funding is being recommended to these developments to make the housing more affordable and viable.

Project Details

The YWCA development of 300 units at 110 Edward Street has been under construction since February, 2009 and is expected to start occupying in June 2011.

TCHC started construction in February, 2010 on the McCord site in the West Don Lands of 242 affordable homes in the form of 115 stacked townhouses for families and an eight storey 127-unit apartment building for seniors. Occupancy is projected to be the fall of 2011.

Construction in Block 32 of the Railway Lands was started by TCHC in January, 2010 with completion scheduled for mid 2012. The development consists of 427 affordable homes in a 17-storey building with townhouses at base of the podium.

CRC started construction at 40 Oak Street of a five-storey 87-unit building in April 2010 in the first phase of the Regent Park redevelopment with occupancy expected to be August 2011.

Woodgreen started construction of a 44-unit eight-storey apartment building at 270 Donlands Avenue in August 2009 with occupancy scheduled to begin in July 2011.

COMMENTS

This report recommends that five approved affordable non-profit housing developments, totalling 1100 units, receive funds from the Development Charges Reserve Fund – Shelters/Housing (XR2107). The total request of \$4,395,600 or \$3996 per unit is

available in the uncommitted balance of the fund. All projects were included in the City's Development Charges Background Study and Addendum and are eligible for development charge funding. The recommended funding will contribute towards the affordability and viability of the developments.

CONTACT

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SIGNATURE

Sue Corke, Deputy City Manager

Appendix 1: Summary of Funding to Five Affordable Non-Profit Housing Developments

Appendix 1

Summary of Funding to Five Affordable Non-Profit Housing Developments

Proponent	YWCA	TCHC	TCHC	CRC	Woodgreen
Project Address	Elm Centre - 110 Edward Street	McCord site - West Don Lands	Block 32 - Railway Lands	40 Oak Street	270 Donlands Avenue
Ward Number	27	28	20	28	29
Number of Units	300	242	427	87	44
Affordable Housing Program Funding	\$21,000,000 Strong Starts (300 units x \$70,000)	\$8,015,000 Wave 1 (115 units x \$69,696) \$16,510,000 – AHP Extension (127 units x \$130,000)	\$4,060,000 Wave 1 (58 units x \$70,000) \$18,000,000 – AHP Extension (180 units x \$100,000)	\$6,090,000 Wave 1 (87 units x \$70,000)	\$4,400,000 – AHP Extension (44 units x \$100,000)
City Contributions (DCs, waived fees, net present value of property taxes, other incentives)	\$7,500,000 CRF \$1,000,000 Toronto Energy Efficiency \$2,655,501 NPV Taxes (25 yrs) \$2,433,316 Waived Fees/DCs	\$7,490,000 DOOR \$3,473,221 NPV Taxes (25 yrs) \$2,768,700 Waived Fees/DCs	\$17,090,000 DOOR \$4,000,000 CRF \$5,420,314 NPV Taxes (25 yrs) \$6,514,549 Waived Fees/DCs	\$1,410,000 Mayor's Fund \$776,694 NPV Taxes (25 yrs) \$596,000 Waived Fees/DCs	\$533,940 NPV Taxes (25 years) \$456,844 Waived Fees/DCs
Proponent Equity	\$15,000,000	To be determined based on financing and final costs	To be determined based on financing and final costs	\$1,500,000	\$1,500,000
Recommended New Funding - Development Charges Reserve Fund-Shelters/Housing (XR2107)	\$1,198,800	\$967,032	\$1,706,292	\$347,652	\$175,824