

Private-Sector Housing Roundtable Report: *Housing Makes Economic Sense*

Date:	June 6, 2012
To:	Executive Committee
From:	Sean Gadon, Director, Affordable Housing Office
Wards:	All
Reference Number:	AFS 15943

SUMMARY

This report provides an update on City Divisions' review and early implementation opportunities of the Private Sector Housing Roundtable report, *Housing Makes Economic Sense*. This staff report to Executive Committee was requested by the Affordable Housing Committee at its meeting on May 28, 2012.

The report recommends that the Director, Affordable Housing Office, continue to work with City Divisions on the review and implementation of the report, *Housing Makes Economic Sense* and report back to the Affordable Housing Committee on progress achieved by September 2013.

RECOMMENDATIONS

1. Toronto City Council endorse in principle the Roundtable report and the strategic directions for action on opportunity to create new affordable homeownership, which will help to meet affordable rental housing demand, and reinvest in private rental housing communities; and
2. The Director, Affordable Housing Office, recommends that City Council authorize the Director, Affordable Housing Office, to continue to work with City Divisions

on further review and implementation of the Private Sector Housing Roundtable report, Housing Makes Economic Sense and report back on progress achieved to the Affordable Housing Committee by September 2013.

Financial Impact

There are no financial implications resulting from this report. Any potential future financial implications will be identified and reported to City Council by the Division responsible for implementation of the recommendations included in the Private Sector Housing Roundtable report.

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

DECISION HISTORY

At its May 28, 2012 meeting, the Affordable Housing Committee thanked members of the Private Sector Housing Roundtable for its initiative and work in producing the report, Housing Makes Economic Sense. The Committee endorsed the report and forwarded it for consideration to the Executive Committee at its June 12, 2012 meeting.

The Affordable Housing Committee also requested the Director, Affordable Housing Office, to report on City Divisions' review and early implementation opportunities of the Roundtable report at the Executive Committee meeting on June 12, 2012.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.AH4.4>

ISSUE BACKGROUND

The Private Sector Housing Roundtable was established in April, 2011 by Councillor Ana Bailão, Chair of the Affordable Housing Committee. Its mandate is to increase the participation and role of the private sector in providing new and innovative housing solutions in the City of Toronto.

On May 18, 2012, the Roundtable released its report, Housing Makes Economic Sense. It contains 12 strategic actions which upon implementation would create, maintain or repair more than 7,800 affordable homes and generate some 13,000 jobs over the next three years. <http://www.toronto.ca/affordablehousing/pdf/private-sector.pdf>

Housing Makes Economic Sense marks a significant achievement in harnessing the expertise and energy of the private sector to provide helpful solutions and advice to the City, federal and provincial governments and other stakeholders on addressing housing issues in a period of limited government funding.

This report is an example of City leadership and its ability to leverage partnerships with the private sector. The report offers solutions for creating new and safe affordable homes, complete communities and employment opportunities that provide far-reaching economic benefits which enhance the entire city.

COMMENTS

Housing Makes Economic Sense was circulated for review and responses were received from the following City Divisions: the Affordable Housing Office; City Planning; Corporate Finance; Economic Development; Shelter, Support and Housing Administration; and the Tower Renewal Office.

A further review and consideration for the implementation of the Recommendations will be undertaken and reported on as is outlined in Appendix A.

Affordable Housing Office

The Affordable Housing Office (AHO) broadly supports the recommendations of the Roundtable report and will work with other City departments and agencies on implementation.

Recommendations that can be implemented by the AHO in the near future include: releasing a proposal call for an affordable housing pilot project funded by dedicated Development Charge funds as proposed in Recommendation Seven; launching the new Toronto Renovates Program to lever private investment in rental housing repairs as proposed in Recommendation 10 a. and working with Build Toronto to review the Memorandum of Understanding to support a mix of new rental housing and affordable home ownership opportunities as proposed in Recommendation Two.

The Affordable Housing Office, under the direction of the City Manager's Office, will follow-up on the requests to the federal and provincial governments concerning the request for a more positive federal tax environment in Recommendation Four and the renewal of the Investment in Affordable Housing Program as proposed in Recommendation Five.

City Planning

As part of the Official Plan Review, the affordable ownership housing policies identified by the Private Sector Roundtable are already being considered. One aspect of the review will seek to address challenges with the current affordable ownership policies:

- The affordable ownership house price limits, as based on the OP definition, are not achievable by most affordable ownership providers and, as such, providers do not qualify for financial incentives that are available for affordable housing developments.

- The City's Section 37 policies do not explicitly include affordable ownership housing as a community benefit in any instance except on a large site. However, staff are of the opinion that affordable ownership housing could currently qualify as an eligible Section 37 benefit, as the list of benefits in 5.1.1.6 is generally not considered to be exhaustive.

Staff are also exploring different opportunities to support new infill rental housing in high-rise neighbourhoods and secure new affordable housing as part of the Official Plan Review.

The Report incorrectly states that affordable ownership housing cannot satisfy the large site policy and recommends that the large sites policy be revised to include affordable ownership housing. The current policy permits both affordable ownership and rental housing to satisfy the policy. However, the policy has not been very successful in achieving affordable housing on privately-owned sites due to other problems, including that the affordable ownership housing price threshold is too low and that other community benefits are often prioritized over affordable housing. Amendments to the affordable housing large sites policy will seek to ensure that it can be implemented equitably across the City and address a broader range of residential developments, not just those on large sites.

Corporate Finance

The Roundtable report suggests many innovative ideas to facilitate the development of new affordable housing; the Division is encouraged that the private sector supports these initiatives.

This report does not propose committing additional City resources; however, the Division strongly supports encouraging the federal and provincial governments to provide incentives; implement regulatory changes in the Planning Act; and supports the idea that Build Toronto should adjust the mix between rental and ownership commitments.

Implementation of the recommendations could help to ease the financial burden on the City to provide affordable housing.

Economic Development

Economic Development supports the Roundtable report and is willing to assist and compliment implementation of the recommendations.

Shelter, Support and Housing Administration

In general, the Division supports the findings of the Roundtable. In particular, the approach to providing housing allowances identified in Recommendation 9 a., to increase available income supports, is consistent with our current approach.

For the most part, the recommendations presented here seem consistent with those identified in Housing Opportunities Toronto, the City's 10-year housing plan. Upon approval by Council, Shelter, Support and Housing would be happy to support implementation of these initiatives.

Tower Renewal Office

Several areas of the Roundtable report compliment the objectives of the Tower Renewal Program and are consistent with the findings of our recent Apartment Infill Study (2012) including Recommendation Six to support infill rental housing, Recommendation Seven to pilot rental housing innovations, Recommendation 10 to invest for impact and leverage rental repair through new rental construction on infill sites and Recommendation 12 to encourage provincial action to support financing for retrofit projects.

There is also significant opportunity to design the new Toronto Renovates program to maximize private sector investments as outlined in Recommendation 10. Early implementation of the Roundtable report would include advocacy to the provincial government on Recommendation 12.

CONCLUSION

The review and comments received from City Divisions indicate broad support for the report and agreement to work together on its implementation. The Director, Affordable Housing Office will co-ordinate continued work on this initiative in partnership with City Divisions. An update on the progress achieved on implementation will be provided to the Affordable Housing Committee by September 2013.

While this report summarizes responses from several City Divisions to the Roundtable report, it should be noted that successful implementation of these initiatives will require the three orders of government working together in partnership with the Private Sector to realize the full potential of the Recommendations contained in the report.

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ATTACHMENT

Appendix A. Housing Makes Economic Sense Recommendations and Divisional Implementation

APPENDIX A

Housing Makes Economic Sense Recommendations and Divisional Implementation

Recommendation	Divisional Implementation
1. Revise the City's Official Plan by redefining affordable ownership housing, revising the large sites policy and making affordable home ownership and eligible Section 37 benefit.	<ul style="list-style-type: none"> • City Planning
2. Deliver more value on City-owned land by accelerating affordable ownership partnerships and implementing mixed-housing opportunities.	<ul style="list-style-type: none"> • Affordable Housing Office
3. Invest in affordable ownership.	<ul style="list-style-type: none"> • Affordable Housing Office
4. Federal action required to provide a more positive tax environment and lending incentives.	<ul style="list-style-type: none"> • Affordable Housing Office under the direction of the City Manager's Office
5. Federal/Provincial catalytic investments.	<ul style="list-style-type: none"> • Affordable Housing Office under the direction of the City Manager's Office
6. Support infill rental housing.	<ul style="list-style-type: none"> • Affordable Housing Office • City Planning • Tower Renewal Office
7. Pilot rental housing innovations.	<ul style="list-style-type: none"> • Affordable Housing Office
8. Facilitate new affordable rental housing on surplus land.	<ul style="list-style-type: none"> • Affordable Housing Office
9. Support tenants with affordability challenges.	<ul style="list-style-type: none"> • Shelter, Support and Housing Administration
10. Facilitate and lever opportunities for repairs.	<ul style="list-style-type: none"> • Affordable Housing Office • City Planning • Tower Renewal Office
11. Rebuild healthy rental communities.	<ul style="list-style-type: none"> • Tower Renewal Office
12. Encourage provincial action to support financing for retrofit projects.	<ul style="list-style-type: none"> • Tower Renewal Office under the direction of the City Manager's Office