

May 20, 2010

Memorandum of Understanding

Development of Affordable Housing by Build Toronto

1. Background

The mandate for Build Toronto includes providing value to the City of Toronto in financial as well as city-building and social dividends. A key social dividend is the provision of affordable rental and ownership housing.

The City's housing needs and its strategy to meet the demand for affordable housing is documented in City's ten-year housing plan: the Housing Opportunities Toronto Affordable Housing Action Plan 2010-2020, as approved by City Council.

This agreement between Build Toronto and the Affordable Housing Office sets out how in practice affordable housing will be delivered on Build Toronto sites. It is intended to meet the requirements of the Build Toronto Shareholder Direction (and related Council motions) and the City's Real Estate Strategy Principles with regard to Build Toronto's commitment to deliver affordable housing. It is also intended to provide predictability in the flow of capital funding and other assistance for the production of affordable housing administered by the City of Toronto.

2. Global agreement

2.1 Target

Build Toronto agrees to set aside sufficient lands in order to construct 1,000 units of affordable rental housing between 2010 and 2015, and 250 units of affordable ownership housing, subject to the availability of capital funding for these program-ready units (see below). This target will be reviewed semi-annually. Changes to the targets may be made from time to time by mutual agreement of the parties. Such changes may be required as a result of site availability, project delivery timing and availability of capital funds for housing projects.

2.2 Affordable Housing Opportunities on Surplus City Lands

The Affordable Housing Office and Build Toronto are represented on the City's Property Management Committee, which is charged with implementing the City's Real Estate Strategy Principles. In fulfillment of the affordable housing obligations of Principle 5, the Affordable Housing Office and Build Toronto will identify opportunities to develop affordable housing on surplus City properties provided to Build Toronto, in a manner consistent with the intent of the Housing First Policy. Both parties acknowledge that properties identified as potential sites for affordable housing may not be developed for this purpose and that the agreed targets may be achieved elsewhere.

2.3 Site selection

Build Toronto will identify sites suitable for affordable housing in collaboration with the Affordable Housing Office. Sites will be reviewed annually and plans adjusted based on these reviews. Criteria will include:

- Availability of neighbourhood amenities
- Access to public transportation

- Impact on overall development approach and timeframe
- Time line for the construction of the affordable housing units
- Availability of funding and its terms and conditions
- Ability to meet the transfer or turn-over agreement requirements

Given the sometimes unpredictable nature of the timing of new affordable housing program funding, in addition to these annual reviews Build Toronto and the Affordable Housing Office agree to review development plans and time lines whenever new funding announcements are made.

Attached as Appendix I is the initial list of sites identified by the City for transfer or turn over to Build Toronto from which the affordable targets may be achieved.

2.4 Capital funding, City incentives and other benefits

As the recognized Municipal Service Manager, the Affordable Housing Office will prioritize capital program funding allocated to the City of Toronto for affordable rental housing development for Build Toronto's program-ready target units.

In consultation with Build Toronto, the Affordable Housing Office will also co-ordinate the provision of non-program incentives for affordable rental housing (such as waived City fees and charges or property tax relief) and other benefits as provided for under the City's by-laws and policies. Capital program funding, City incentives and any other benefits will be secured through site specific agreements with the Affordable Housing Office.

In the case of affordable ownership funding, the Affordable Housing Office will prioritize Affordable Housing Program down payment assistance loans for purchasers of Build Toronto's program-ready target units, as well as any assisted ownership capital funding the City may make available, when the development proponent and loans administrator are non-profit entities.

To the degree that is possible, the Affordable Housing Office will provide a schedule of the flow of funding in future years so that these can be matched to available and program-ready sites and projects.

2.5 Delivery approach

Build Toronto will assess how best to deliver the affordable housing units, in consultation with the Affordable Housing Office. The delivery may include but is not restricted to:

- contracting with third party private and non-profit developers (including Toronto Community Housing)
- including the units in joint-venture development projects
- construction management contracts.

Build Toronto may be the designated recipient of the City's affordable housing program and other financial incentives (funding and other forms) and the party to enter into agreements with the Affordable Housing Office, or the Affordable Housing Office in consultation with Build Toronto and with the approval of City Council, if necessary, may identify another party for this purpose.

2.6 Housing management or loan administration

Third party managers under agreements with the Affordable Housing Office will be bound to all funding program requirements and restrictions. It is not anticipated that Build Toronto will provide on-going rental housing management.

Third party managers under agreements with the Affordable Housing Office will be bound to all loan program requirements and restrictions. Similarly, it is not anticipated that Build Toronto will provide on-going affordable ownership loan administration under affordable ownership initiative.

2.7 Partnerships

Build Toronto recognizes the interest that the Affordable Housing Office has in supporting non-profit community groups who may offer to operate affordable housing under longer-term arrangements. Build Toronto will seek to enter into partnerships with such groups for the on-going ownership (freehold or long-term lease) and management of affordable rental housing delivered through this agreement, and the development, sales and loan administration of affordable ownership housing delivered through this agreement.

3. Implementation and approvals

This Agreement will be effective as of the date of signature by both parties. Build Toronto has included the affordable housing targets in its Strategic Plan 2010 – 2014. Build Toronto and the Affordable Housing Office will conduct an annual review of the Agreement to track progress and incorporate any agreed amendments.



Sue Corke, Deputy City Manager
City of Toronto



Lorne Braithwaite, Chief Executive Officer
Build Toronto



Derek Ballantyne, Chief Operating Officer
Build Toronto

**Appendix I: Sites identified for potential transfer or turn-over to Build Toronto
(April 2010)**

1. 1035 Sheppard Avenue West
2. 301 Rockcliffe Blvd
3. 411 Victoria Park Avenue
4. 4050 Yonge Street
5. 154 Front Street East
6. Pt 705 Warden Avenue
7. 30 Tippet Road
8. 75 Billy Bishop Way
9. 50 Wilson Heights Boulevard
10. 64 - 70 Cordova Avenue
11. 120 & 130 Harbour Street
12. 2126 Kipling Avenue
13. 4260 Finch Avenue East
14. 150 Symes Road
15. 383-425 Old Weston Road
16. 297 Sixth Street
17. 120 Grangeway Avenue
18. 51 Power Street
19. 3326 Bloor Street West & 1226 Islington Avenue
20. 1226 Islington Avenue (Islington Station)
21. 2200 Yonge Street
22. 777 Victoria Park Avenue
23. 40 St. Clair Avenue East
24. 1303 Queen Street West
25. 5151 Yonge Street, 10 Empress Avenue & Kingsdale Avenue
26. 1035 Sheppard Avenue West
27. 2 Bicknell Avenue & Bicknell Loop
28. Eglinton/Don Mills (s/w/c)
29. 770 Don Mills Rd
30. Eglinton/Don Mills (s/e/c/)
31. Midland/St. Clair (n/w/c)
32. 253 Markham Road & 12 Dunelm Street