



**STAFF REPORT  
ACTION REQUIRED  
with Confidential Attachment**

**Providing a Property Tax Exemption for New Transitional Housing for Young Victims of Sexual Exploitation and Human Trafficking**

<b>Date:</b>	February 19, 2015
<b>To:</b>	Affordable Housing Office
<b>From:</b>	Director Affordable Housing Office
<b>Reason for Confidential Information</b>	Security of the Property of the Municipality or Local Board
<b>Wards:</b>	Confidential
<b>Reference Number:</b>	AFS #20395

**SUMMARY**

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This report recommends that City Council approve a 15-year property tax exemption for a Toronto Community Housing Corporation (TCHC) property to be renovated into transitional housing for young women who are victims of sexual exploitation and human trafficking, (the "Transitional Home").

Recognizing the need to protect the safety and security of residents, the property's location is contained in the Confidential Attachment.

At its June 10, 11, 12 and 13, 2014 meeting, Council approved financial assistance of up to \$0.850 million to TCHC for capital repairs to the property. Renovations are expected to start in early 2015 with occupancy of the eight units in late 2015 or early 2016.

A property tax exemption is consistent with City policy. TCHC will be leasing the property to a charitable service agency at a nominal cost. The agency will manage the property and provide support services to assist young women in recovering from their trauma and to move on to more independent housing. These are particularly vulnerable individuals whose housing and social service needs are not being met in Toronto.

## **RECOMMENDATIONS**

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The Director of the Affordable Housing Office recommends that:

1. City Council exempt from taxation for municipal and school purposes, Toronto Community Housing Corporation, for the non-profit development at the location contained in the attached confidential report for 15 years.
2. City Council grant authority to the Director, Affordable Housing Office, on behalf of the City, to enter into a municipal capital facility agreement with Toronto Community Housing Corporation, on terms and conditions acceptable to the City Solicitor, to secure the ongoing affordability of the units being exempted from taxation.
3. City Council grant authority to the Director, Affordable Housing Office, on behalf of the City to negotiate and enter into any amendments to or discharges or postponements of the municipal capital facility agreement, the City's security and any other documents or agreements required to enact this tax exemption on terms and conditions satisfactory to the Director, Affordable Housing Office, and in a form approved by the City Solicitor.
4. City Council grant authority to cancel or refund any taxes paid from the by-law exempting the property from taxation.
5. City Council direct that Confidential Attachment 1 be made public at the discretion of the City Solicitor as it pertains to the security of the property of the municipality or local board.
6. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

### **Financial Impact**

In keeping with City policy, this report recommends that Toronto Community Housing Corporation be exempt from property taxes for municipal and school purposes for 15 years for eight units of transitional housing at the address in the attached confidential report.

The net present value of this property tax exemption is \$35,858 which is approximately \$3,692 per year with the municipal share being approximately \$25,818 or \$2,658 per year. A tax exemption would have no net impact to the City for the education portion of taxes that are remitted to the Province.

Building fees of approximately \$8,280 have been waived.

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

## **Equity Impact**

The provision of safe, secure and affordable housing will allow young women who are victims of human trafficking and sexual exploitation to receive supports to help them stabilize their lives and move on to more permanent housing. These are particularly vulnerable individuals whose housing and social service needs are not being met in Toronto.

Lack of access to affordable housing is a barrier to lower-income people living in Toronto, a City priority group. This initiative addresses this barrier for a particularly vulnerable population of lower-income people by providing City resources in partnership with TCHC to create new transitional homes with support services.

The impact of this initiative will be monitored by the City for the 15 years of the Contribution Agreement that TCHC has signed with the City for the receipt of funding and any property tax exemption ensuring that the housing remains affordable for 15 years.

## **DECISION HISTORY**

At its meeting of August 5 and 6, 2009, Council adopted *Housing Opportunities Toronto: An Affordable Housing Action Plan 2010 - 2020* as the plan to address Toronto's affordable housing challenges over 10 years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX33.47>

At its meeting of October 29, 2013, the Affordable Housing Committee requested staff investigate creating a pilot housing initiative for young women who are victims of sexual exploitation and human trafficking.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.AH7.4>

This request was initiated by a letter from Councillor Ana Bailão, Chair, Affordable Housing Committee, on the subject, which included a report entitled *Creating Housing For Youth Victims of Human Trafficking*.

<http://www.toronto.ca/legdocs/mmis/2013/ah/bgrd/backgroundfile-62614.pdf>

At its meeting on December 16, 2013, Council adopted EX36.13 *Initiatives to Address Human Trafficking* that recommended staff continue to work with all stakeholders to raise public awareness of this crime, increase services and supports for trafficked persons, and increase efforts to prevent human trafficking.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX36.13>

At its meeting of June 10, 11, 12, and 13, 2014, Council adopted EX42.17 *New Transitional Housing for Young Victims of Sexual Exploitation and Human Trafficking*

that recommended up to \$0.850 million in financial assistance for the capital repairs of a TCHC property to provide transitional housing for young women who are victims of sexual exploitation and human trafficking.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX42.17>

## **ISSUE BACKGROUND**

Council-approved capital funding to Toronto Community Housing of up to \$0.850 million to renovate the vacant house into eight rooms and common areas. The funding will be secured through a City Contribution Agreement. The service agency leasing the property from TCHC will assume the reporting and compliance obligations in the Contribution Agreement between TCHC and the City, for so long as it operates the house.

## **COMMENTS**

This report recommends a 15-year property tax exemption for the Transitional Home being created in a vacant TCHC property for young victims of sexual exploitation and human trafficking.

Capital funding of up to \$0.850 million for renovations has been approved by Council for TCHC for capital repairs. The City has waived building permit fees pursuant to existing policy for non-profit affordable housing.

## **CONTACT**

Simon Liston, Manager, Housing Development  
Affordable Housing Office  
Phone: 416 392-0602  
Fax: 416 392-4219  
E-mail: [sliston@toronto.ca](mailto:sliston@toronto.ca)

## **SIGNATURE**

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Sean Gadon, Director Affordable Housing Office