



Planning and Housing Committee
10th Fr, West Tower, City Hall
100 Queen St West
Toronto, ON, M5H 2N2

June 24, 2021

Dear Councillor Bailao

RE: Upcoming Review of City Affordable Home Ownership Policy and Programs (PH25.9 - Planning and Housing Committee consideration on June 28, 2021)

I am writing on behalf of Trillium Housing to express our interest in participating in the external review process of the City's affordable home ownership policy and programs framework.

Trillium Housing has several decades of experience in the delivery of all aspects of housing affordability in Toronto and we share your interest in ensuring that it be done so in the most cost-effective manner. In fact our most recent Toronto project, the LOOP, delivered with loan support from the City, strongly demonstrates a model of how this can easily be accomplished.

To strengthen the review and make it more complete, we offer the following four recommendations for inclusion in the RFP that will be used to identify the review's consultant:

1. We recommend that the review include a cost/benefit assessment comparing the cost to the City to support a family with an income sufficient to rent or own a two -bedroom home in Toronto. Several years ago we provided you a simple analysis which I attach for your reference.
2. We recommend a comparative analysis of the cost to provide commercial developments in Toronto a Zero-rate Development Charge and the results derived for the city, versus the treatment of the city's non-profit housing providers (ownership and also rental) under the same DC bylaw and more recently under the occasional HOAP intake process. We believe that the greater clarity, efficiency and fairness of an equivalent as-of-right DC treatment would provide greater housing affordability outcomes for the City.
3. The City's draft Inclusionary Zoning concept is to create a new regime to restrict owners' right on re-sale of their units. This model ignores the well-established shared-equity model pioneered by several Toronto non-profits. Accordingly, we recommend that the consultant review should include the feasibility and costs associated with the proposed new DC regime when compared to current practice of experienced, ownership housing affordability providers.
4. We recommend that the consultant be asked to review how the lack of any operational funding limits the ability of non-profits to effectively deliver housing affordability programs.



Trillium Housing is pleased that Council has decided to have an external review of its ownership housing affordability programs. We would be pleased to participate and support the process.

Thank you for considering our submission.

Sincerely

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Comparison: IAH RENTAL to Trillium Housing Ownership

Spring 2017

Comparison starts with equal \$250,000 contribution (Grant for IAH rental versus LOAN for Trillium Housing ownership)

IAH Rental Program

Funding:	\$250,000 GRANT (source: IAH, city fee/tax waivers)	
Units Built:	1	
Affordability:	\$989 Monthly rent	80% of AMR (figures from City)
Duration:	20 years	
Families assisted:	1	
Household Income:	\$39,552 (at 30% income to housing, per City)	
Family Equity 10yrs	ZERO	
Funding Repayment:	NEVER	

Trillium Housing:

Funding:	\$250,000 secured <u>LOAN</u>	
Units Built:	30 (assume TH matches government funding of \$250k and partners 50/50 with builder – total equity of \$1m)	
Affordability:	\$ 1,164 Monthly carrying cost per unit	
Trillium Mortgages	\$720,000 (\$250,000 funding plus project return)	
Families assisted:	6	
Household Income:	\$39,920 (Trillium Mortgages set to match IAH income target)	
Duration:	25 years	
Family Equity 10 yrs	\$129,905 (x6) 1 st Mortgage capital repayment + Home Value Appreciation	
Funding Repayment	\$335,979	Initial loan PLUS share of Home Value Appreciation.

Assumptions for Trillium project, 30 units are 750 sq ft selling for \$300,000. Development return of 12% on revenue. Purchasers receiving Trillium Mortgage of \$120,000 and provide 5% (\$15,000) downpayment. Bi-weekly Mortgage payment of \$422 based Bank of Canada posted 5 year closed rate of 4.64%. Additional carrying cost of \$250 monthly condo taxes/costs. Household income calculated at 35% of income to housing cost reflects home equity contribution. 10 year Unit value appreciation at 3%/yr= \$103,175.