

# Notes and information for June 28th Planning and Housing Committee

Item PH25.9

Presenter: Mike Labbe

Organization: Home Opportunities Non-profit Corporation [www.homeopportunities.ca](http://www.homeopportunities.ca)

## **Introduction:**

Mike Labbe, President of Home Opportunities Non-profit Corporation “Home Opportunities”. Over the last 42 years, I have been working with four Non-profit Consultancies that have developed over 10,000 units of housing in Toronto and around the world. This work has led to the latest Affordable Home Ownership model that focuses on reducing poverty through housing development.

Home Opportunities is a member of a Housing Coalition (see attached list) composed of the United Way, YMCA, Canadian Mental Health Association, Woodgreen Community Services and the Meridian Credit Union among many others. The coalition has focused on working with models that can be scaled up in order to address the growing housing disparities in Toronto.

To do this successfully municipalities require models that do not need any government grants or subsidies. Affordable ownership models are the only ones capable of doing this.

Your interest is very timely, and we wish to congratulate the Housing Secretariat for recommending a study of the current state of affordable ownership housing in the City

## **The Affordable Housing models:**

Non-profit Corporations now have access to funding that can produce carrying costs for ownership units that are below 80% of the CMHC average rent. They can do this without the need for any grants or subsidies. It is now possible in Toronto to offer homes to households on the housing waiting list and the low end of the City’s workforce with incomes between \$20,000-50,000 a year. Since there is no requirement for grants or subsidies and the sponsor groups can pay market value for land, these non-profits groups can deliver a large volume of new, affordable homes. The key to this is attracting a larger number of non-profit organizations as sponsor/providers.

Our Coalition believes that in the next 10 years, non-profit delivery agencies can increase production of affordable ownership housing to 10,000 units a year, (provided there is access to suitable land parcels). The Coalition also believes that Affordable Ownership is the one Model that provides both badly needed housing and a path out of poverty.

## **Scope of the Review:**

Our Housing Coalition would therefore respectfully suggest that the scope of the consultants review not be limited to the 400 units a year that is the current target for affordable ownership

housing. Also given the potential economic benefits to the City of ramping up the production of this form of housing, that the review also consider which other agencies or branches of City Government could be assisting important work of the Housing Secretariat. I have attached a list of the type of support that could move affordable ownership housing forward in the City.

A quick analysis of the impact of Ten Thousand new housing units a year reveals the creation of approximately 15,000 new jobs for Toronto, which we can only assume will peak the interest of the Economic Development Department. The City will need a massive “all hands on deck” effort to accomplish a program like this.

**Working on current applications:**

City Planning has at least one application before it using these ownership models and several more to come in the next few months. The Housing Coalition would respectfully request that the City fast track these applications, which are at least a year away from the start of construction.

These models require support from all levels of government, which will take several months to negotiate. Moving forward with these negotiations will provide valuable information for the Committee’s review. It will then be able to negotiate on the specific supports required for the City at each level of government, rather than speculating on them.

A two-track process makes eminent sense given the scale of the problem that the City faces with the need for volume on affordable housing delivery.

# Government Supports Needed for Workforce Housing

June 25, 2021

In order to address the increasing need for housing that lower income earners in the workforce and on housing waiting lists can afford, Governments at all levels need to be open to innovative solutions. The City of Toronto currently requires 200,000 units of housing that is sufficiently cost effective to satisfy this need.

The key to delivery is to increase the scale of production, and to do so providers cannot rely on limited government grants and subsidies. The need is best met with home ownership models that use the innovative financing available to Non-profit Corporations. Governments can help launch this approach by supporting the Home Opportunities Non-profit program and others like it that will demonstrate the opportunity for private sector and government investment. The following supports for delivery are important to understand.

## Municipal Requirements:

1. Land:
  - Access to land at fair market value but paid when construction starts. Government surplus land or private sector will both work.
  
2. Loan support:
  - Sufficient municipal support to obtain an Infrastructure Ontario loan for land, servicing and/or Municipal expenses. This may be as simple as a sales guarantee, or local employers may be open to providing these as well.
  - Written support for application to the CMHC Co-investment fund
  - Deferral of development charge payments until condominium closing.
  
3. Internal support:
  - Fast tracking municipal approvals
  - Flexibility around new modular housing designs and approaches.
  - Loan/deferral of property taxes on 30% of the units for low-income purchasers.
  
4. Marketing support:
  - Access to employers who have employees that would benefit from cost effective ownership opportunities.
  - Access to Municipal Housing waiting lists
  - Launch ceremony and regular municipal updates.
  - Promotion to local media.
  - Venue for program and sales presentations.

5. Economic development advantages:

- 1.5 jobs per unit built
- Potential for the establishment of a local modular plant
- Use as an incentive to attract industries to the region
- A housing solution that has little impact on existing taxpayers.
- The positive benefits from increasing the percentage of owners in Toronto.
- Greater employment stability
- Ability to live closer to work.

## Provincial Requirements:

1. Fast tract OPA if needed and Community Wealth Inter Lender Agreement.
2. Infrastructure Ontario loan based on 10-year term at 10 year bond rate and 20 year amortization (this has been agreed to in principal).
3. Priority Access to surplus land portfolio at fair market value.
4. Support for Co-investment application to CMHC

## Federal Requirements:

1. Bulk Co-investment loan with 50-year amortization and a 10-year term beginning when the Condominiums closes. Secured by Community Wealth and individual mortgages on owners condominiums. (This has been agreed in principal)
2. Stress test met with 10-year terms and collateral guarantor.
3. Seed capital funding for developments.
4. Support and funding for setting up national training program to teach others how to deliver these models.
5. Fast track Community Wealth Inter Lenders Agreement.

# Community Wealth Workforce Housing Coalition

## Corporate Members and Supporters

- 1. The Neighbourhood Group:** **Kegan Harris** - Director, Housing Development
- 2. United Way Greater Toronto:** **Lorraine Duff** - Director Special Projects & **Alex Dow** Director Neighbourhood Initiatives
- 3. North York Community House:** **Shelley Zuckerman** – Executive Director
- 4. Building Up:** **Tarah Clark** - Partner, Chief Operating Officer
- 5. Mennonite New Life Centre:** **Shelly D’Mello** - Executive Director
- 6. Barbara Schlifer Commemorative Clinic:** **Marion Newrick** - Manager Executive Office
- 7. Circle of Care Sinai Health System:** **Josephine Sarne** - Business Development Lead & **Lara De Sousa** - VP Client Services
- 8. YMCA of Greater Toronto:** **Jane Pyper** - Chief Operation & Service Officer
- 9. Luma Care:** **Danielle Dang** - Senior Director, Planning and Care Initiatives
- 10. Houselink Community Homes:** **Brian Davis** - Executive Director
- 11. Keller Williams advantage Path Team Realty:** **Sean Provencher** - Broker of Record, Owner
- 12. Mainstay Housing:** **Gautam Mukherjee** - Executive Director
- 13. Meridian Credit Union:** **Michael Ras** - Director, Government and Stakeholder Relations
- 14. Woodgreen Community Services:** **Mwarigha** - Vice President Housing & Homelessness Services
- 15. Autism Ontario:** **Nalina Patel** - Parent Group Member
- 16. Mennonite New Life Centre of Toronto:** **Tracy Docheff** - Communications Manager
- 17. Jane Finch Centre:** **Clara Stewart-Robertson** - Manager, Community Planning and Development
- 18. Canadian Mental Health Association, Toronto Branch:** **Nicole Giles**
- 19. Home Opportunities Non-profit Corporation:** **Mike Labbe** – President CEO

**20. Yee Hong Center for Geriatric Care: Dr. San Ng - Acting CEO**

## **Supporters**

- 1. Steve Lurie:** Adjunct Professor FISW, University of Toronto
- 2. M. Carol Jamieson:** Principal Seniors Affordability - MCJ Development Consultants
- 3. Yu-Kai (Joseph) Wong:** Founder Yee Hong Center for Geriatric Care

## **Implementation Group**

- 1. Michael Ras**
- 2. Carol Jamieson**
- 3. Mwarigha**
- 4. Mike Labbe**