

EX16.3.21

Executive Committee - Comments for 2012.EX15.2 on January 24, 2012 Executive Committee

From: "Sandra Ryan-Cuyugan" <Sandra.Ryan-Cuyugan@torontohousing.ca>
To: <exc@toronto.ca>
Date: 1/20/2012 12:51 PM
Subject: Comments for 2012.EX15.2 on January 24, 2012 Executive Committee
Attachments: Letter to Exec. Cttee re Agenda Item - 15.2 in Jan2012.pdf

To the City Clerk:

On behalf of Toronto Community Housing's CEO Len Koroneos, please add the attached comments to the agenda for the January 24, 2012 Executive Committee meeting on item 2012.EX15.2, Investments in Affordable Housing: Proposed Program Allocations for New Federal/Provincial Funding

I understand that these comments and the personal information in this email will form part of the public record and that my name will be listed as a correspondent on agendas and minutes of City Council or its committees. Also, I understand that agendas and minutes are posted online and my name may be indexed by search engines like Google.

Comments:

Toronto Community
Housing Corporation
931 Yonge Street
Toronto, ON
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Toronto
Community
Housing

His Worship Rob Ford, Mayor, City of Toronto and Members of the Executive Committee

January 24, 2012

Investment in the Affordable Housing Program (IAH)

Mayor Ford and Members of the Executive Committee,

We are writing in support of the proposed allocation for the Investment in Affordable Housing (IAH) Program being recommended to Executive Committee on January 24, 2012.

Building mixed-income communities is a core principle of Toronto Community Housing's approach to revitalization and building sustainable communities. The need to address the concentration of poverty in Regent Park (which was 100 per cent rent-geared-to-income) helped drive the commitment to revitalization. Building mixed-income communities through revitalization is a financially-viable approach to neighbourhood redevelopment. It creates economic transformation at no cost to taxpayers by leveraging the land value in Regent Park with condominium development, built alongside new family rental buildings.

Toronto Community Housing promotes a mixed economy at both the neighbourhood level and within buildings. The allocation of IAH funding from senior government enables us to broaden the income ranges in our buildings. New affordable units rented at 80 per cent of market rents are only commercially viable with grant support under this program. Similarly, the Affordable Ownership support makes home ownership in the downtown a realistic possibility for more families than would otherwise be the case. Without this assistance, our new buildings would be either entirely rent-geared-to-income or entirely condominiums, which would be a lost opportunity to reduce social polarization.

The allocations recommended by the Affordable Housing Office and the Shelter, Support and Housing Administration are a win-win for Toronto Community Housing and the City of Toronto. The use of federal and provincial funding promotes more sustainable development, which increases the value of Toronto Community Housing's land and

buildings over each phase of the Regent Park revitalization. The \$16.4-million proposed for Affordable Rental and the \$3.3-million proposed for Affordable Ownership is money that we would not need to borrow to fund new construction or have to divert from much-needed capital repairs to our wider portfolio. If Regent Park were not being revitalized, we estimate a repair backlog of approximately \$70,000 per unit would be added to the corporation's long-term liabilities, which are currently \$650-million and growing. Conversely, the proposed allocation is equivalent to the cost of around 3,581 bathroom replacements (benchmark cost of \$5,500 per unit).

The proposal includes funding for 230 Sackville Street at Regent Park, the first Phase 2 rental building under construction and eligible for immediate funding from the 2011-12 transitional year in the IAH program. Our Building and Investment Committee will consider the associated Contribution Agreement on January 27, 2012. The affordable homeownership grants will help about 100 modest-income families purchase homes in condominium buildings in Phase 2 of Regent Park or the Railway Lands West.

We would like to convey our appreciation for the support to date on this valuable initiative to broaden the housing options in our communities.

Yours truly,

Bud Purves
Chair, Board of Directors
Toronto Community Housing

Len Koroneos
Chief Executive Officer (Interim)
Toronto Community Housing

cc:

Phil Brown
General Manager, Shelter, Support and Housing Administration

Sean Gadon
Director, Affordable Housing Office