



Advocacy Centre for Tenants Ontario
Centre ontarien de défense des droits des locataires

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February 27, 2013

Planning and Growth Management Committee
10th Floor, West Tower, City Hall
100 Queen St. West
Toronto, Ontario M5H 2N2

Dear Chair and Committee members,

**Re: City of Toronto's Official Plan Review – Official Plan Amendment to Adopt
New Section 37 Policies Related to Affordable Housing (Agenda Item
PG22.1 for February 28, 2013 meeting)**

I am writing on behalf of the Advocacy Centre for Tenants Ontario (ACTO) with comments for your consideration regarding the recommendations from City Planning Division to adopt the above-mentioned proposed Official Plan amendments in the staff report dated January 30, 2013. ACTO staff attended the City Planning Division Open House held on November 21, 2012 and subsequently shared our concerns regarding the proposed amendments with Planning staff in a letter dated January 11, 2013 (which I have attached for your easy reference). City Planning staff responded to ACTO's concerns in their report and we will address the staff responses below.

ACTO's position remains that:

1. The Committee and Council should not adopt the proposed amendment to explicitly include affordable ownership housing as a Section 37 community benefit, and
2. The Committee and Council should not adopt the proposed new section 6(j) to explicitly authorize condo-registered affordable rental units as eligible section 37 community benefits.

However, should Council decide to proceed with adopting these policy changes, ACTO strongly urges that Council re-instate the 20-unit maximum for the number of affordable rental units per condominium building in the proposed new section 6(j) so that it reads as follows:

"j. a maximum of 20 individual affordable rental housing units located in a registered condominium, deemed to be rental housing notwithstanding the definition of rental housing that would otherwise exclude condominium-registered units, provided the units are owned and operated as rental

In our January 11th letter, ACTO raised a number of concerns regarding the risks associated with condo-registered rental units which the staff report acknowledges on page 8 of the report, but finds is either an acceptable risk (with respect to the financial risk for non-profit housing providers) or concludes is not valid reason (with respect to tenants' reduced rights and standing in condominiums) to not proceed with the proposed new subsection (j). We do not agree with Planning staff's conclusions.

ACTO continues to urge the City to make more effective use of Section 37 to increase the supply of affordable purpose-built rental housing and to support the introduction of provincial legislation for inclusionary housing.

Yours truly,
Advocacy Centre for Tenants Ontario
Per:

A handwritten signature in cursive script that reads "Mary Todorow".

Mary Todorow
Research/Policy Analyst

Attachment



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January 11, 2013

Deanna Chorney
Planner, Community Policy,
Policy & Research, City Planning
City of Toronto
55 John St., 23rd floor, Metro Hall
Toronto, Ontario M5V 3C6

Dear Ms Chorney,

Re: City of Toronto's Official Plan Review – proposed draft policies to permit affordable ownership housing and condominium-registered rental housing units owned by non-profits as Section 37 community benefits

Further to City Planning's Open House held on November 21, 2012 on the above-mentioned proposals, I am writing on behalf of the Advocacy Centre for Tenants Ontario (ACTO) with additional comments and recommendations for consideration.

ACTO is a community legal clinic, funded by Legal Aid Ontario, with a province-wide mandate. We work for the advancement of human rights and social justice in housing for low-income Ontarians through legal advice and representation, law reform, community organizing, and education and training. The clinic also coordinates the Tenant Duty Counsel Program across Ontario which provides legal information assistance to self-represented tenants appearing at the Landlord and Tenant Board.

1. Need for improved tracking and analysis of Section 37 community benefits related to housing before proceeding with any policy changes

At the November 21st Open House, ACTO requested that City Planning staff provide information to stakeholders about the number of purpose-built rental units that have been secured as Section 37 community benefits. In our view, such information and an analysis of long-term outcomes – measured against the targets in the City's Affordable Housing Action Plan and projected rental housing demand in Toronto – is absolutely essential before considering any amendments to Section 37 policies related to housing.

Housing can be secured as a Section 37 community benefit through:

1. voluntary agreements

the annual target of 1,000 new rental units in *Housing Opportunities Toronto*, the City's 10-year affordable housing action plan.

According to the best information City Planning staff was able to provide to ACTO, only about 1,589 rental units have been secured as Section 37 community benefits over the years 1996 to 2012 – that is about 94 rental units per year. Of these approximately 1,589 rental units, about 900 units were at mid-range rents rather than affordable rents. Also, we understand that the majority of these rental units were secured under the mandatory requirement in the OP that existing rental units that are demolished for new development must be replaced.

ACTO's concern is that even fewer rental units – especially those at affordable rents – would be secured as section 37 community benefits if the City includes affordable ownership housing in section 6(i) as an explicit community benefit option in negotiations with developers seeking increased height and density for their residential projects. An additional concern we have is about the possible revision to the definition of "affordable ownership housing" which would set the purchase price at the average resale price of a Toronto home. This would be a further economic incentive for residential development proponents to opt for affordable ownership housing in section 37 agreements. As well, disparity would be created between what is considered affordable in ownership and rental housing.

The City's Affordable Housing Committee's Private Sector Housing Roundtable Report titled *Housing Makes Economic Sense* that was released in May 2012 points out that the private sector continues to successfully build new ownership homes with more than 18,000 construction starts in Toronto in 2011 (the majority of which were multi-residential condominium). The report also points out that, in 2011, non-profit and charitable organizations partnered with the private and volunteer sectors to create 400 affordable ownership homes.

Clearly, the City's attention should be on meeting the affordable rental housing demand in our community when it engages in section 37 negotiations.

3. Registration of affordable rental units as condominiums (proposed new section 6(j) in O.P. policies, Chapter 5 - 5.5.1 Height and/or Density Incentives)

ACTO recommends that the City should not adopt the proposed new section 6(j) to explicitly authorize condo-registered affordable rental units as eligible section 37 community benefits. Such units maintain their rental status only for a temporary period. ACTO is also concerned that the proposed new section no longer caps the number of condo-registered rental units that can be located in a building. The original proposed amendment had a cap of 20 units. By removing this proposed cap, it allows for the possibility that all new affordable rental/social housing units will be condo-registered, and therefore easier to sell-off. The City needs to focus on using its available planning tools to increase the supply of rental housing as a permanent, purpose-built asset.

Rather than adopting the two above proposed amendments, the City should focus on making more effective use Section 37 to secure affordable purpose-built rental housing and on supporting the introduction of provincial legislation for inclusionary housing.

Yours truly,
Advocacy Centre for Tenants Ontario
Per:

Original signed by,

Kenneth J. Hale
Director of Advocacy and Legal Services

cc: Peter Langdon, (Acting) Manager, Community Planning, Strategic Initiatives,
Policy & Analysis, City Planning