

Home Ownership Alternatives

May 14, 2014

To the Chair and Members of the
City of Toronto Affordable Housing Committee

Attn. Jennifer Forkes,
Committee Administrator

Re: Affordable Home Ownership Assistance Program (“HOAP”) Adjustments

To Whom It May Concern:

Home Ownership Alternatives Non-Profit Corporations (Greater Toronto Area) (“HOA”) is a non-profit financial organization dedicated to making home ownership possible for low and middle income families.

Options for Homes (“Options”) is a private non-profit corporation dedicated to providing cost-effective home ownership for low-to middle-income households.

HOA and Options support the proposed adjustment to HOAP funding to compensate for an equivalent increase in the City’s development fees and charges.

We would like to thank the City of Toronto, and in particular the staff of the Affordable Housing Office for their continued and ongoing support in helping us provide affordable ownership housing.

HOA and Options are anticipating further growth in our delivery of affordable ownership homes in the city to the extent of 500-600 additional homes per year. In that light we very much welcome the continued support of the City, but would also like to take this opportunity to draw our concern to the Committee’s attention: The current adjustment of \$2,130,000 is taken from the uncommitted balance of the Development Charge Reserve Fund (XR2116). The net effect will be that this allocation will no longer be available for the development of affordable housing in the City.

A preferable long-term strategy would be to adjust the current annual \$2 million contribution to \$5 million to absorb the continuing changes in Development Charges By-Law. This would in effect maintain the in 2010 established affordable housing support targets and could be funded out of the now higher development charge revenue overall.

To demonstrate our rationale:

- HOAP was established in 2010 with an allocation of \$2 million in annual contributions with a per unit support of \$10,000. This supported 200 homes per year.
- In May-2012, the per-unit funding was raised to \$15,000 to properly reflect planning and development fee increases. With the same annual \$2 million contributions, only 133 homes could be supported per year.


- In May-2014, the per-unit funding will be raised to \$ 25,000 per unit, again to respond to higher development fee increases. With no further annual allocations, now the Program would only support the development of 80 homes in every given year, based on the same \$2 million annual contributions.
- ⇒ From the initial creation of the Program, the constant annual allocation of \$2 million to the Program has reduced the amount of affordable homes that can be created from an initial 200 per year in 2010 to 80 per year in 2014.

HOA and Options would favour a long-term strategy of increasing the annual contributions from currently \$2 million to \$5 million with an allocation of \$25,000 per unit, which would again allow the creation of 200 homes, as was a strategic target when HOAP was created in 2010. The additional allocation could be funded out of the City's now higher development charges revenue overall.

Kind regards,



Jens Lohmueller
CEO
Home Ownership Alternatives



Michel Labbé
President & CEO
Options for Homes