



STAFF REPORT ACTION REQUIRED

Fast-Tracking Construction of Rental Housing in the Railway Lands Through the New Open Door Program

Date:	November 12, 2015
To:	Affordable Housing Committee Executive Committee
From:	Director, Affordable Housing Office
Wards:	Ward 20
Reference Number:	AFS #21606

SUMMARY

In May 2015, Executive Committee directed the Director, Affordable Housing Office, in co-ordination with City Planning, and in consultation with Finance and other relevant Divisions and Agencies, to report on the development of an *Open Door* program to enhance the City's ability to more quickly deliver affordable housing. Recommended actions for Council's approval of *Open Door* are contained in a companion report: *Open Door Program for New Affordable Housing*.

This report recommends council request the Director of the Affordable Housing Office, in collaboration with Toronto Community Housing to issue a Request for Proposals to non-profit and private sector organizations to build affordable rental housing on the land owned by TCH on Block 36 North in the Railway Lands. The City and TCH are working together to lease the land, which would be developed through an RFP, for up to 50 years.

The RFP will make the site available through a lease for up to 50 years and require the successful proponent to build and operate a minimum of 80 affordable rental homes. The site at Block 36 North has been vacant for over two decades and has been set aside to assist in meeting the affordable housing requirements of the Railway Lands Central Secondary Plan.

By approving this report, Council will provide direction to staff to issue the RFP and report the results no later than June, 2016.

RECOMMENDATIONS

The Director, Affordable Housing Office recommends that:

1. City Council request the Director, Affordable Housing Office to issue a Proposal Call under the new *Open Door* program on Block 36 North in the Railway Lands with the goal of selecting an experienced non-profit or private sector organization to develop and operate new affordable rental housing; and
2. City Council request the Director, Affordable Housing Office to report by June, 2016 on the results of the Proposal Call including recommending the successful proponent and to provide details on the development proposal for the purposes of leasing Block 36 North for up to 50 years to develop and operate new permanent affordable rental housing.

FINANCIAL IMPACT

There is no financial impact to issue the Proposal Call. Staff will report on the financial impact when RFP recommendations are made to the Affordable Housing Committee by June 2016.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On May 26, 2015 Executive Committee adopted EX6.8 *Affordable Housing "Open Door" Initiative* with amendments instructing staff to report on land, planning and financial actions aimed at enhancing the City's ability to deliver affordable housing and achieve its approved housing targets.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX6.8>

At its meeting of July 16,17,18 and 19, 2007, Council approved the transfer of Blocks 18AB, 31, 32 and 36 in the Railway Lands to Toronto Community Housing Corporation for the development of an affordable rental and ownership community:

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

ISSUE BACKGROUND

The provision of affordable housing on the Railway Lands has been planned since the mid-1990's when four blocks of land were conveyed to the City for affordable housing.

In 2007, a number of sites, including Blocks 32 and 36, were conveyed to TCH for a mixed community of rental and ownership homes. Since then, TCHC has successfully developed 427 affordable rental homes on Block 32 and a 364-unit market condominium on Block 36 South. However, due to a number of factors, including a lack of resources, Block 36 North did not proceed.

In April 2015, Mayor Tory and the City's Housing Advocate, Ana Bailão announced the *Open Door Program*. Through this initiative it was proposed that the City work with non-profit and private sector housing providers to unlock opportunities on public land, fast-track the planning approvals process and expand City financial incentives to develop affordable rental housing. *Open Door Program* also challenged developers and the federal and provincial governments to step up their efforts to provide affordable housing.

COMMENTS

This report highlights the value and positive impact of *Open Door Program* in speeding up housing construction. Through *Open Door Program*, the critical elements needed to kick-start affordable housing construction are in place for this proposal: vacant public land designated for new affordable rental housing; fast-tracked planning approvals; federal/provincial funding and City funding and other financial incentives.

Block 36 North will set the template for creating affordable housing at a faster pace at other sites across Toronto.

Proponents responding to the RFP can benefit from:

1. Publicly owned land at a below-market lease;
2. As required, federal-provincial funding from the IAH for capital costs;
3. As required, Section 37 funds for capital costs;
4. As required, City funding from the Development Charges Reserve Account and incentives, including relief from development charges, fees and property taxes.

A Request for Proposals will be issued in January, 2016. Key components expected to be included would be:

- Land available for up to 50-year lease for a nominal sum
- A minimum 80-unit building
- A portion of the units eligible for federal/provincial IAH funding of up to \$150,000 per unit
- City financial incentives
- A percentage of units allocated to TCH for rent-geared-to-income residents
- Remaining unit mix to be proposed by proponent
- Requirement that approvals are in place for construction start in 2017.

CONCLUSION

The development of Block 36 North through the City's new *Open Door Program* will activate a site that has remained undeveloped for many years.

The City, working in collaboration with Toronto Community Housing, will issue an RFP in January 2016 to seek proposals from the non-profit and private sector organizations to develop the site through the provision of public land, fast-tracking planning approvals, and necessary financial incentives.

In addition to a minimum of 80 new affordable rental units the development at this site also provides an opportunity for Toronto Community Housing to house a percentage of rent-geared-to-income residents.

The successful proponent will be expected to undertake the project with a construction start in 2017 and expected occupancy in 2019.

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SIGNATURE

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