

EX16.31a



Affordable Housing Committee

Meeting No.	5	Contact	Yvonne Davies, Committee Administrator
Meeting Date	Monday, June 20, 2016	Phone	416-396-7287
Start Time	9:30 AM	E-mail	ah@toronto.ca
Location	Committee Room 2, City Hall	Chair	Councillor Ana Bailão

AH5.7	ACTION	Adopted		Ward:20
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Securing Affordable Ownership Housing at 505 Richmond Street West

Committee Decision

The Affordable Housing Committee recommends to the Executive Committee that:

1. City Council authorize the City to enter into an agreement with Artscape, Build Toronto, the Developer and any other party deemed necessary, to secure the purchase and financing of the Artscape Units at below market value.
2. City Council authorize the City to be a party to the agreements of purchase and sale contemplated to be entered into for the Artscape Units as a contingent transferee, in order to ensure the benefit of the Artscape Units is secured for the intended purposes, in the event Artscape or its assignee is not able to complete the transactions.
3. City Council authorize the City to assign its interests in the Artscape Units to another not for profit housing provider, chosen by the Director, Affordable Housing Office to give effect to the intended purpose of the Artscape Units as affordable housing, or to an arm's length purchaser at fair market value if no agreement can be made with a suitable not for profit, on terms and conditions determined by him and in a form approved by the City solicitor prior to the closing date with the Developer, with the intention that there are no financial consequences to the City having been a party to the agreements of purchase and sale for the Artscape Units.
4. City Council authorize the proceeds of the assignment of an agreement of purchase and sale for a Artscape Unit at fair market value to be paid to the Capital Revolving Reserve Fund for Affordable Housing (XR1058) after payment of all expenses incurred in making the assignment of any of the Artscape Units.
5. City Council approve allocation up to \$375,000.00 in financial assistance from the Development Charges Reserve Fund (2009) for Subsidized Housing (XR2116) for up to 15 down payment assistance loans (\$25,000 per unit maximum) for delivery by Artscape, under the terms of the City's Home Ownership Assistance Program.
6. City Council approve a change to the terms of the City's Home Ownership Assistance Program so that the down payment assistance loans no longer be forgivable after twenty years, but be repayable on sale of the home.

7. City Council authorize the Director, Affordable Housing Office to negotiate and execute, on behalf of the City, the agreement referred to Recommendation 1 and the agreements with Artscape to secure the funding referred to in Recommendations 5 and 6, as well as any documents, agreements, or security required to give effect to the foregoing on terms and conditions determined by the Director, Affordable Housing Office and in a form approved by the City Solicitor.
8. City Council authorize and direct the City Solicitor to execute the agreements of purchase and sale for the Artscape Units, together with any documents or agreement relating to an assignment or a re-sale transaction that may occur as a result of entering into that agreement, and to amend and to waive any terms and conditions on behalf of the City, on such terms as she considers reasonable.
9. City Council grant authority to the City Solicitor to execute any documents required to register security for the funding referred to in Recommendations 5 and 6 and to postpone, confirm the status of, and discharge security, as required by normal business practices.
10. City Council waive the restrictions of Section 2.4(a) of Build Toronto's Shareholder Direction solely for this transaction on terms and conditions satisfactory to the City Manager and in a form approved by the City Solicitor, in order to permit Build Toronto to facilitate the acquisition at below market value by Toronto Artscape of 15 affordable housing units at 505 Richmond Street West, Toronto through funds provided by an affiliate of Build Toronto.

Origin

(June 8, 2016) Report from the Director, Affordable Housing Office

Summary

This report recommends an innovative affordable ownership housing initiative between Toronto Artscape ("Artscape"), the City of Toronto, Build Toronto and the condominium Developer MOD Developments Downtown Properties Inc. and 505 Richmond Inc. (the "Developer") in Ward 20, Trinity Spadina. Fifteen affordable ownership homes will be funded to provide housing for lower-income arts workers and their families. The homes will be incorporated into the condominium development at 505 Richmond Street West, a surplus City of Toronto property transferred to Build Toronto in 2011.

This report seeks authority for the City to enter into an affordable housing agreement with Artscape, Build Toronto, and the Developer whereby 15 homes will be sold at below-market value. Both Build Toronto and the City will provide contributions to make the homes affordable to eligible lower-income households through Artscape's long-term affordable ownership housing program.

Affordable housing program funding is recommended to come from the federal/ provincial Investment in Affordable Housing Program (IAH) and the City's Home Ownership Assistance Program (HOAP), with additional financial contributions from Build Toronto. The IAH provides loans valued at up to 10% of a home's purchase price and the HOAP provides loans of \$25,000 per home. To secure the long-term affordability of the units, Artscape will ensure that when a family sells the home, the funding remains with the unit to assist the next eligible Artscape household to purchase the home.

The new building is between Spadina Avenue and Bathurst Street on the south side of Richmond Street West. The Artscape homes will be clustered together within the building to

foster community.

Background Information

(June 8, 2016) Report from the Director, Affordable Housing Office - Securing Affordable Ownership Housing at 505 Richmond Street West
(<file:///G:/sec/MMIS-Outputs/PROD/mmis/2016/ah/bgrd/backgroundfile-94123.pdf>)

Communications

(June 15, 2016) Letter from Tim Jones, Chief Executive Officer, Artscape (AH.New.AH5.7.1)
(<file:///G:/sec/MMIS-Outputs/PROD/mmis/2016/ah/comm/communicationfile-61559.pdf>)

Speakers

Councillor Cressy