

## **Regent Park Revitalization Project - Transmittal of Background Information from Toronto Community Housing Corporation**

**Date:** February 13, 2017

**To:** City Council

**From:** Deputy City Manager & Chief Financial Officer and Deputy City Manager, Cluster A

**Wards:** All

### **SUMMARY**

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This report transmits a letter provided by Toronto Community Housing Corporation (TCHC) in response to a February 7, 2017 request by Executive Committee. The letter from the President & Chief Executive Officer of TCHC provides background on the original funding model for the social housing revitalization of Regent Park and how the funding model has changed over time. As noted in the January 17, 2017 City staff report that was considered by Executive Committee, the Regent Park revitalization project faces a funding shortfall of \$107.7 million to complete Phase 3, as well as a funding shortfall of \$182 million currently estimated for Phases 4 and 5.

### **RECOMMENDATIONS**

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1. City Council receive for information the letter from TCHC dated February 9, 2017 and attached as Attachment 1 to this report.

### **FINANCIAL IMPACT**

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There are no financial implications associated with adoption of the recommendation in this report.

### **DECISION HISTORY**

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On February 7, 2017, during consideration of the staff report "City Funding Request for Regent Park Phase 3 - Rental Blocks 16 North and 17 North", Executive Committee

requested the Deputy City Manager and Chief Financial Officer and the Deputy City Manager, Cluster A report directly to City Council at its meeting of February 15 and 16, 2017 on "details of the original funding model for the social housing revitalization in Regent Park and explain in more detail on how the model has fallen short and what is needed to get the Regent Park Revitalization project back to its original projections."

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX22.2>

## **COMMENTS**

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Consideration and approval by both the Board of TCHC and City Council of the Regent Park revitalization initiative dates back to 2003. This revitalization would take place over many phases and years. For an initiative of this scale, project scope, costs and funding approaches can and will change over time.

The original 2003 business plan estimated the Regent Park revitalization cost at \$454 million over 15 years with funding sources totaling \$402 million. The shortfall of \$52 million was mainly attributed to municipal infrastructure costs (water, sewer, roads and community spaces), with an anticipation that these components would be funded by the City or other levels of government.

A variety of changes have taken place between then and now. These include: changes in number of units and mix; addition of affordable rental units; a change in business model and developer relationship; implementation of LEED standards; and increases in construction cost. TCHC absorbed most of the increases in cost. In 2008, the City agreed to a 60/40 cost-sharing arrangement for municipal infrastructure.

The ebbs and flows over time in the business plan is more appropriately described by TCHC in their letter to City Council attached to this report.

Presently, the projected costs for the entire revitalization (all five phases) have increased to just over \$1 billion. TCHC is advising that the funding shortfall to complete Phase 3 of Regent Park is \$107.7 million. In the absence of support from other orders of government, City Council must support this funding request if relocated tenants are to be returned to Regent Park in a timely manner. TCHC also advises the estimated funding shortfall for Phases 4 and 5 could be in the order of \$182 million.

## **CONTACT**

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## **SIGNATURE**

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Cluster A

## **ATTACHMENTS**

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1. Letter from Greg Spearn, President and Chief Executive Officer, Toronto Community Housing Corporation (February 9, 2017), headed "Rationale for Regent Park Funding Request to City Council"