



REPORT FOR ACTION

Property Tax Relief to Support New Transitional Housing at 9 Huntley Street

Date: February 15, 2018
To: Affordable Housing Committee
From: Director, Affordable Housing Office
Wards: Ward 27 - Toronto Centre-Rosedale

SUMMARY

Consistent with City policy, this report recommends that City Council exempt 20 new transitional housing units at 9 Huntley Street in Ward 27 - Toronto Centre-Rosedale, being purchased by the City of Toronto and leased to Fife House Foundation Inc. (Fife House) for 20 years.

In December, 2017, City Council approved Open Door incentives and Federal-Provincial and City capital funding to acquire and renovate 9 Huntley Street and enter into necessary agreements to lease the property to Fife House for the purpose of creating 20 new transitional housing units with comprehensive support services.

The net present value of the requested property tax exemption for the 20 year lease term is estimated at \$195,959 and will assist in increasing affordability and contributing to the Fife House transitional housing program for high support people living with HIV/AIDS and complex health conditions.

RECOMMENDATIONS

The Director, Affordable Housing Office recommends that:

1. City Council exempt the twenty new affordable housing units at 9 Huntley Street from taxation for municipal and school purposes for the term of 20 years from the commencement date of the lease with Fife House Foundation Inc.
2. City Council authorize the City Solicitor to execute, postpone, confirm the status of and discharge any City security documents registered as required by normal business practices.
3. City Council authorize City staff to cancel or refund any taxes paid from the by-law exempting the property from taxation.

FINANCIAL IMPACT

In keeping with City policy to increase affordability, this report recommends City Council exempt 20 transitional housing units at 9 Huntley Street from property taxes for 20 years.

The value of the annual property tax exemption is estimated at \$13,171 at 2017 rates. The net present value over the 20 year-term is estimated at \$195,959 as summarized below:

Property Tax	Annual	NPV: 20 Years
City	\$ 9,561	\$142,248
Education	\$ 3,563	\$ 53,014
City Building	\$ 47	\$ 697
Total:	\$13,171	\$195,959

A tax exemption would have no net present impact to the City for the educational portion of taxes remitted to the Province.

The 20 new homes to be developed at 9 Huntley Street form part of the 2017 Open Door Affordable Rental Housing targets, aimed at approving 1,000 new affordable rental homes annually.

City incentives have previously been approved along with funding for the purchase and renovation of 9 Huntley Street. The table below summarizes the approved capital funding for this project:

Approved Capital Funding: 9 Huntley Street		
Affordable Rental Homes	Value of Contribution Per Unit	Total Support (20 units)
City Incentives (Development Charges, Planning and Building Fees)	\$ 23,163	\$ 463,260
City funding for Property Acquisition including closing costs from LARF (XR1012)	\$110,014	\$2,200,280
Federal/Provincial funding for acquisition (SIF-IAH-E)	\$135,000	\$2,700,000
Federal/Provincial funding for renovations (SIF-IAH-E)	\$ 15,000	\$ 300,000
Section 37 funds from 43, 49, 51 Gerrard Street West & 695 Bay Street	\$ 25,000	\$ 500,000
Total City/Federal-Provincial Contribution	\$308,177	\$6,163,540

The Acting Chief Financial Officer has reviewed this report and agrees with the financial impact information. The City will have no further obligations beyond the incentives and City contributions already approved for the project.

EQUITY IMPACT STATEMENT

Access to safe, secure, affordable housing in all parts of Toronto is a fundamental goal of the City's Housing Opportunities Toronto Action Plan 2010-2020 and the Housing Stability Service Planning Framework. Providing new affordable housing is also a goal of the City's Poverty Reduction Strategy.

Providing tax relief for 9 Huntley Street will assist in making transitional housing more accessible for low-income Toronto residents with HIV/AIDS and assist the City in contributing to meeting the City's housing targets.

DECISION HISTORY

At its meeting on December 5, 6, 7 and 8, 2017, City Council adopted EX29.13 "Creating Transitional Housing at 9 Huntley Street", authorizing the Director, Affordable Housing Office to enter into agreements to purchase the property at 9 Huntley Street from Casey House, accept an Offer to Lease from Fife House, and support the creation of new transitional housing by providing City incentives and Federal/Provincial housing funding.

<https://www.toronto.ca/legdocs/mmis/2017/ex/bqrd/backgroundfile-109111.pdf>

At its meeting on July 4, 5, 6 and 7, 2017 City Council adopted MM31.17 "Transitional Housing Opportunity at 9 Huntley Street for low- income people with HIV/AIDS," requesting the Chief Corporate Officer and the Director, Affordable Housing Office, in consultation with Legal Services, Corporate Finance and Shelter, Support and Housing Administration, to conduct the due diligence necessary to support the City to purchase 9 Huntley Street at a below-market rate and to enter into a lease with Fife House.

City Council also requested the Director, Affordable Housing, the General Manager, Shelter, Support and Housing Administration, and the Chief Corporate Officer, in consultation with Legal Services and Corporate Finance, to report to the Executive Committee meeting on October 24, 2017 on a proposed course of action, outlining federal, provincial and City funding sources to support the purchase, renovation and operation of 9 Huntley Street as transitional housing, including outlining the necessary agreements and reporting requirements.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.MM31.17>

COMMENTS

Fife House has been providing safe, affordable housing for men, women and families living with HIV/AIDS since 1998. The organization currently operates six residential programs that house more than 200 persons in scattered homes and apartments.

The organization has assembled a project team to execute the renovation of 9 Huntley Street and has attracted the necessary capital funds from community and corporate donors through an extensive fundraising campaign.

Upon the City acquiring the property, expected in the spring of 2018, the construction is anticipated to take six months with completion scheduled toward the end of 2018.

The 9 Huntley Street project will combine clinical, psychiatric, rehabilitation and community care services in one residential setting and will provide high-support transitional housing to 20 people living with HIV/AIDS and complex health conditions.

Fife House has been working with the City's Shelter Support and Housing Administration division on a targeted plan to house people that are in or entering the city's emergency shelter system, including clients currently residing in Seaton House.

Approving this request will contribute to increasing affordability for the residents of 9 Huntley Street and assist the Fife House transitional housing program. The City will monitor the development for the term of the 20 year Contribution Agreement and lease with Fife House to ensure the obligations to operate the premises as transitional housing are met.

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SIGNATURE

Sean Gadon
Director, Affordable Housing Office

ATTACHMENTS

Attachment 1: Location Map and Street View – 9 Huntley Street

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