

**EX36.35**

## Decision Letter

### Affordable Housing Committee

<b>Meeting No.</b>	10	<b>Contact</b>	Dela Ting, Committee Administrator
<b>Meeting Date</b>	Monday, June 25, 2018	<b>Phone</b>	416-396-7287
<b>Start Time</b>	9:30 AM	<b>E-mail</b>	ah@toronto.ca
<b>Location</b>	Committee Room 1, City Hall	<b>Chair</b>	Councillor Ana Bailão

AH10.10	ACTION	Adopted		Ward:All
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#### Progress on Toronto's Participation in Ontario's Development Charges Rebate Program for Non-Luxury Rental Housing

##### Committee Decision

The Affordable Housing Committee recommends to Executive Committee that:

1. City Council delegate authority to the Director, Affordable Housing Office to:
  - a. Approve as program administrator under the Ontario Development Charges Rebate Program projects eligible for funding, on terms satisfactory to the Director, Affordable Housing Office and coordinate with affected divisions including Toronto Building, Accounting Services, Legal Services and Corporate Finance to administer the program in accordance with the provincial program guidelines.
  - b. Undertake appropriate measures as the Ontario Development Charges Rebate Program proceeds to adjust program parameters, recipients and year end funding among program components as required to ensure full and effective use of available provincial funds, on such terms and conditions as are satisfactory to the Director, Affordable Housing Office, and in a form approved by the City Solicitor.
  - c. Negotiate and enter into on behalf of the City, agreements or documents required with other City divisions, the Province, provincial agencies, community agencies, private entities and/or individuals to allocate and deliver the Ontario Development Charges Rebate Program funding in accordance with the provincial program guidelines, to secure the financial assistance being provided and to set out the terms of the development and operation of the new rental housing, on terms and conditions satisfactory to the Director, Affordable Housing Office and in a form satisfactory to the City Solicitor.
  - d. Approve the Take-Up Plan to the Province to request funding for qualifying rental housing developments and units eligible to receive rebates and any updates or adjustments required under the Ontario Development Charges Rebate Program.
2. City Council approve the establishment of an obligatory corporate reserve fund account named the 'Ontario Development Charges Rebate Program Reserve Fund - Affordable Housing Office' in Schedule 15 of the City of Toronto Municipal Code Chapter 227, Reserves and Reserve Funds ("Chapter 227"), the purpose of which is to receive

provincial funds from the Ontario Development Charges Rebate Program and to make payments to developers eligible to receive Development Charges rebates through the program and to draw funds to cover City administration costs, with criteria as set out in Appendix A of this report.

3. City Council authorize an increase to the 2018 Approved Operating Budget for the Affordable Housing Office by up to \$120,000 gross, \$0 net to support the creation of two new full time temporary positions and fund one-time ancillary set-up costs required for the administration and delivery of the program, fully funded from the administration funding component of the City's allocation under the Ontario Development Charges Rebate Program. The new positions are required from September 1, 2018 to December 31, 2020 with the option to extend their duration beyond 2020 subject to Council approval through future year budget processes.

4. City Council authorize the Director, Affordable Housing Office, in consultation with the Chief Financial Officer, to make the necessary in-year budget adjustments to the approved annual operating budget for the Affordable Housing Office to receive and budget funding and expenditures for each year of the program, if required, and otherwise process future year requests through the annual budget process.

### **Origin**

(June 11, 2018) Report from the Director, Affordable Housing Office

### **Summary**

On April 27, 2018, the Province of Ontario confirmed Toronto's funding allocation through the Ontario Development Charges Rebate Program of \$60 million over five years, beginning in 2018/2019. This represents almost half of the province-wide program funding of \$125 million.

The purpose of the program is to stimulate the creation of new non-luxury rental housing in communities, such as Toronto, where suitable rental homes have become increasingly hard for individuals and families to find and afford.

The results of the 2018 Open Door Program Call for Affordable Rental Housing Applications will be outlined in a companion report at the July 2018 meeting of Council. It will recommend 422 mid-range rental homes in three mixed-income developments as eligible to participate in the first year of Toronto's delivery of the Ontario Development Charges Rebate Program. Subject to Council approval, these three developments will also contain 228 new affordable rental homes, resulting in mixed-income communities, one of the City's Housing Opportunities Toronto and Official Plan priorities.

On January 31 and February 1, 2018 City Council approved the City's participation in the province's Development Charges Rebate Program, and authorized the Director, Affordable Housing Office on behalf of the City acting as Service Manager under the Housing Services Act, 2011, to administer the province's Development Charges Rebate Program. This report seeks additional authorities including budgeting and resourcing administration of the program, utilizing the up to five per cent administration fee included in the provincial program funding envelope, with net zero impact to the City.

This report responds to direction from Council at its January 31 and February 1, 2018 meeting, to report to the Affordable Housing Committee, Executive Committee and Council in June and July, 2018 on program administration and recommended projects eligible for the province's Development Charges Rebate Program.

The provincial program will be coordinated with a new City Purpose-built Rental Development Charges Rebate Program, approved by Council on April 24, 25, 26 and 27, 2018. The City program was established to provide support for non-luxury purpose-built rental housing to mitigate the impact of rate increases to development charges approved by Council in 2018, effectively freezing development charges at 2018 rates for qualifying units. The City has committed to matching the same amount of funding, on an annual basis, provided by the Province over five years.

This report has been prepared in consultation with the Corporate Finance, Toronto Building, Accounting Services, City Legal, City Planning, Social Development, Finance and Administration and Shelter, Support and Housing Administration divisions.

### **Background Information**

(June 11, 2018) Report and Attachments 1-2 from the Director, Affordable Housing Office - Progress on Toronto's Participation in Ontario's Development Charges Rebate Program for Non-Luxury Rental Housing

(<http://www.toronto.ca/legdocs/mmis/2018/ah/bgrd/backgroundfile-116416.pdf>)