

### Supporting New Transitional Housing for Youth at 212 Epsom Downs Drive

Date: June 11, 2018  
To: Affordable Housing Committee  
From: Director, Affordable Housing Office  
Wards: Ward 9 – York Centre

#### SUMMARY

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As part of the Federal Government's Homelessness Partnering Strategy (HPS) funding stream, the Surplus Federal Real Property for Homeless Initiative (SFRPHI) makes surplus federal properties available to community organizations, the not-for-profit sector and other levels of government for projects that help prevent and alleviate homelessness.

Raising the Roof, a national charity committed to long-term solutions for preventing homelessness through partnerships and collaboration, was recently selected through the SFRPHI proposal call process to obtain a single-family detached house located at 212 Epsom Downs Drive in Toronto for the creation of new transitional housing to assist vulnerable youth who are at imminent risk of becoming homeless.

As part of its proposed *Reside* program to be operated at the property, Raising the Roof will undertake a re-purposing and modernization of the asset to demonstrate that existing housing stock can be better utilized to help prevent homelessness. The new transitional homes to be created at 212 Epsom Downs Drive will be managed by Raising the Roof's partner, Woodgreen Community Services, and ongoing case management and other support services will be provided onsite for residents.

This report recommends that City Council approve Fifty Thousand Dollars (\$50,000) in financial assistance from the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to be given to Raising the Roof for use towards renovation of the property to create two units of transitional housing for five youth who are at imminent risk of homelessness.

This report also recommends an exemption of property taxes for 25 years. The net present value of the requested property tax exemptions for the 25-year term is estimated at \$32,655.

## RECOMMENDATIONS

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The Director, Affordable Housing Office recommends that:

1. City Council authorize the Director, Affordable Housing Office, to provide capital funding from the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to Raising the Roof or a related corporation, in an amount not to exceed \$50,000 to fund the expenses of repairs of the 212 Epsom Downs Drive property to provide transitional housing for youth at imminent risk of homelessness.
2. City Council authorize the General Manager, Shelter, Support and Housing Administration, in consultation with the Director, Affordable Housing Office, to approve a one-time increase in the 2018 Approved Operating Budget for Shelter, Support and Housing Administration of \$50,000 gross \$0 net from the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to provide funding for this initiative.
3. City Council authorize the Director, Affordable Housing Office to negotiate, enter into, and execute on behalf of the City, a municipal housing facility agreement known as the City's "Contribution Agreement", with Raising the Roof or a related corporation, to secure the financial assistance, being provided and to set out the terms of the development and operation of the new affordable rental housing, on terms and conditions satisfactory to the Director, Affordable Housing Office and in a form approved by the City Solicitor.
4. City Council authorize the Director, Affordable Housing Office execute, on behalf of the City, any security or financing documents or any other documents required to facilitate the funding process, including any documents required by Raising the Roof, or a related corporation or its mortgagee(s) to complete construction and conventional financing and subsequent refinancing, where and when required during the term of the municipal housing facility agreement.
5. City Council exempt the two new affordable housing units to be developed at 212 Epsom Downs Drive from taxation for municipal and school purposes for the 25-year term of the municipal capital facility agreement.
6. City Council authorize the City Solicitor to execute, postpone, confirm the status of and discharge any City security documents registered with respect to the municipal capital facility agreement, as required by normal business practices.
7. City Council authorize City staff to cancel or refund any taxes paid after the effective date of the municipal capital facility agreement.

## FINANCIAL IMPACT

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This report recommends approval of a one-time contribution of \$50,000 from the Capital Revolving Reserve Fund (CRRF) for Affordable Housing (XR1058) to be given to Raising the Roof for capital repairs at 212 Epsom Downs Drive. The Financial Planning Division has verified the sufficiency of funds in the uncommitted balance of XR1058 after this allocation.

The transfer of \$50,000 for the capital improvements at 212 Epsom Downs Drive will result in the need to increase the 2018 Approved Operating Budget for Shelter Support and Housing Administration by \$50,000 gross and \$0 net.

In keeping with City policy to increase affordability, this report also recommends that City Council exempt 212 Epsom Downs Drive from property taxes for 25 years. Rents for these new housing units will be set at or below 60% of Canada Mortgage and Housing Corporation (CMHC) average market rents.

A list of estimated City incentives and contributions is summarized below:

<b>212 Epsom Downs Drive</b>		
<b>Affordable Rental Homes</b>	<b>Value of Contribution (Per Unit)</b>	<b>Total Support (2 Units)</b>
Capital Revolving Reserve Fund (CRRF) XR1058	\$25,000	\$50,000
City Incentives* (Tax Exemption)	\$ 16,328	\$32,655
<b>Total</b>	<b>\$41,328</b>	<b>\$82,655</b>

\*City incentives are estimates.

The value of the annual property tax exemption is estimated at \$1,875 at 2018 rates. The net present value (NPV) over the 25-year term is estimated at \$32,655 as summarized below:

<b>Property Tax</b>	<b>Annual</b>	<b>NPV: 25 Years</b>
City	\$1,367	\$23,803
Education	\$502	\$8,735
City Building	\$7	\$117
<b>Total:</b>	<b>\$1,875</b>	<b>\$32,655</b>

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

## **EQUITY IMPACT STATEMENT**

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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. It also supports the City's Poverty Reduction Strategy.

Supporting the creation of new transitional homes recommended in this report will assist in the prevention of youth homelessness and help the City in meeting its housing targets. This initiative also promotes social and economic inclusion through the delivery of housing and wrap around supports in partnership with various levels of government and the non-profit and private sectors.

## **DECISION HISTORY**

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At its meeting on December 16, 2013, Council adopted *2014-2019 Housing Stability Service Planning Framework* as the plan to guide Shelter Support and Housing Administration in their work over the next five years. The framework aims to improve housing stability for vulnerable Toronto residents, including supporting the transition from homelessness and shelter use to permanent, stable housing.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD25.10>

## **COMMENTS**

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Raising the Roof has been a national leader for long-term solutions to homelessness through partnership with diverse stakeholders, investments in local communities and public education since 1996. For instance, in 2006, Raising the Roof launched a national initiative to help create long-term solutions to youth homelessness through research on housing, employment and training needs, and numerous public education campaigns.

The renovation and re-purposing of 212 Epsom Downs Drive into transitional housing for youth at imminent risk of homelessness is the first step in Raising the Roof's new *Reside* pilot program. This program is based on the United Kingdom's Canopy Housing model in which vacant properties are re-purposed to provide a range of housing options for individuals dealing with homelessness.

Raising the Roof is requesting a capital contribution of \$50,000 from the City in order to undertake renovations at 212 Epsom Downs Drive based on a recently completed building condition assessment, and to make it suitable for accommodating five youth in two apartments. The remaining funding required for the renovations will come from

donations of cash and materials from various public, non-profit and private sector partners.

The *Reside* program to be operated out of 212 Epsom Downs Drive will target rent levels at about 60% of CMHC average market rents to make homes affordable for residents and to support ongoing operations. Further, Raising the Roof will employ youth at risk of homelessness for the renovation of the home and partner with Woodgreen Community Services to provide wrap around support services.

## **Conclusion**

This initiative aligns with the City's 10-year housing and homelessness plan, Housing Opportunities Toronto, an Affordable Housing Action Plan 2010-2020 that recognizes the need to create housing opportunities for vulnerable individuals and to work with partners to secure affordable housing and necessary supports.

Approving the recommendations in this report will contribute towards providing safe, affordable transitional housing for youth who are at imminent risk of becoming homeless. This initiative will also increase the supply of much-needed affordable housing in the city.

## **CONTACT**

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## **SIGNATURE**

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