

EX36.36

Decision Letter

Affordable Housing Committee

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

AH10.11	ACTION	Adopted		Ward:All
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Development Charges Deferral Update to the City's Home Ownership Assistance Program

Committee Decision

The Affordable Housing Committee recommends to Executive Committee that:

1. City Council authorize the Director, Affordable Housing, in consultation with the Chief Financial Officer and City Solicitor, to administer a Home Ownership Assistance Program Development Charges Deferral, in accordance with the following general terms and conditions:

- a. Delegate authority to the Director, Affordable Housing, in consultation with the Chief Financial Officer, to enter into appropriate agreements and administer the City Home Ownership Assistance Program Development Charges Deferral Program
- b. Home Ownership Assistance Program Development Charges Deferral Eligibility Requirements shall include:
 - i. Eligible purchasers and/or housing providers/developers must provide a minimum five percent contribution;
 - ii. The development charges deferral is secured by a second mortgage loan;
 - iii. The City's equity is ahead of the developer/housing provider and homeowners equity on an aggregate basis to ensure that the value of the development charges are appropriately secured;
 - iv. The development charges deferral is calculated based on the development charges rate in effect at the time building permit issuance and paid upon sale or refinancing of the unit, with interest;
 - v. The development charges deferral is based on the development charges payable for a project, in aggregate, and allocated to eligible purchasers by the developer/housing provider based on eligibility and need with a minimum of \$5,000 and maximum of \$60,000 development charges deferred per home;
 - vi. The City will continue to participate in capital appreciation on the units, beyond

the value of the development charges deferred, with these funds being deposited into the Development Charges Reserve Fund for Subsidized Housing (XR2116) account. The security of the development charges repayment will take precedence over the City's participation in capital appreciation.

- c. The Director, Affordable Housing, in consultation with the Chief Financial Officer and City Solicitor, be authorized to make such administrative amendments to the Home Ownership Assistance Program Development Charges Deferral, as necessary.
2. City Council authorize the Director, Affordable Housing Office to convert the three projects listed below and previously approved under the existing grant-based Home Ownership Assistance Program to the development charges deferral program:
 - a. Property currently known as 10 Wilby Crescent;
 - b. Property currently known as 383-425 Old Weston Road; and
 - c. Property currently known as 51 Panorama Court.
 3. City Council authorize the Director, Affordable Housing Office, to negotiate, enter into and execute, on behalf of the City, all development charges deferral agreements, and any security, financing or other documents required with Options for Homes Non-Profit Corporation (Greater Toronto Area), or a related corporation, Home Ownership Alternatives Non-Profit Corporation (Great Toronto Area), or a related corporation, Humber Co-operative Development Corporation, or a related corporation, for the 10 Wilby Crescent affordable ownership project, Habitat for Humanity Greater Toronto Area, or a related corporation, for the project at 383-425 Old Weston Road, the developers chosen for the development of the affordable/assisted housing at 51 Panorama Court and any other parties deemed necessary to facilitate the development charges deferral outlined in this Report, on terms and conditions satisfactory to the Director, Affordable Housing Office, in consultation with the Interim Chief Financial Officer, and in a form satisfactory to the City Solicitor.
 4. 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.

Origin

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

Summary

This report responds to City Council's direction of April 2018, in EX33.3, Development Charges Bylaw Review - Results of Additional Consultation, to the Director, Affordable Housing Office, to work with Corporate Finance and Legal Services to update the City's Home Ownership Assistance Program (HOAP). The direction was to report on the conversion of the HOAP from a loan program funded directly from the Development Charges Reserve Fund for Subsidized Housing (XR2116) to a development charges deferral program.

The recommended program update will assist the City in meeting its affordable home ownership targets of 400 homes annually.

HOAP was launched in 2010 and has provided funding to off-set development charges, building permit and planning fees, at an average rate of \$25,000 per home and up to a total of \$2 million annually. This funding is then converted by housing providers/ developers into down

payment assistance loans to make the homes more affordable for eligible purchasers. City Council has approved HOAP assistance for more than 1,000 loans at 40 non-profit and seven private developments. HOAP was modelled on the terms and conditions of the federal/provincial affordable home ownership program, including purchaser eligibility and price limits, so that funds could be combined for deeper affordability.

Staff from Corporate Finance, the Affordable Housing Office and Legal Services consulted with the non-profit affordable ownership sector on the redesign of HOAP. The proposed development charges deferral is endorsed by the sector and enables HOAP to continue to support the sector as development charges increase over time.

The updated HOAP will continue to assist non-profit groups such as Habitat for Humanity and Options for Homes in developing new affordable homes. The deferred development charges will be collected by the City with interest and capital appreciation when the homes are sold or refinanced.

Background Information

(June 11, 2018) Report from the Director, Affordable Housing Office - Development Charges Deferral Update to the City's Home Ownership Assistance Program
(<http://www.toronto.ca/legdocs/mmis/2018/ah/bgrd/backgroundfile-116417.pdf>)

Communications

(June 22, 2018) Letter from Ene Underwood, CEO, Habitat for Humanity (AH.New.AH10.11.1)
(<http://www.toronto.ca/legdocs/mmis/2018/ah/comm/communicationfile-85101.pdf>)