

## Executive Committee

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|-------|--|---------|--|-----------|
| EX1.1 |  | Amended |  | Ward: All |
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### Implementing the "Housing Now" Initiative

#### City Council Decision

City Council on January 30 and 31, 2019, adopted the following:

#### Land Considerations

1. City Council direct the Deputy City Manager, Corporate Services and the Director, Real Estate Services to review, on an expedited basis, the 11 sites identified in Appendix 3 (the "11 Properties") to the report (January 11, 2019) from the City Manager, including any prior terms of transfer that have been approved by Council, and authorize them to determine, in consultation with the City Manager, whether such terms should be amended in order to achieve the objectives of the Housing Now initiative.
2. City Council authorize the Deputy City Manager, Corporate Services, where it is determined such action is appropriate to achieve the objectives of the Housing Now Initiative, to declare all or portions of each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager surplus, and to amend any prior declaration(s) of surplus, subject to the retention of those areas and interests as have been determined critical to the operational requirements of a Division or Agency.
3. City Council amend the existing delegated approvals and signing authorities in Item EX27.12, City-Wide Real Estate - Delegated Authorities Framework and Transition Plan, adopted by City Council on October 2, 3 and 4, 2017, to authorize the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to approve any lease, transfer and other property transactions involving these 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager for the purpose of achieving the City's affordable housing objectives notwithstanding that the related compensation may exceed \$5 million, and authorize the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to treat the estimated value of the rental savings that will be realized by tenants of the affordable housing units as compensation received by the City when assessing whether a proposed transaction reflects market value, provided that the Executive Director, Housing Secretariat, and the Board of Directors of CreateTO or the Board of Directors of the relevant CreateTO corporate entity concur with the proposed transaction terms.
4. City Council authorize the Deputy City Manager, Corporate Services, to approve the transfer of title to any of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, or a portion thereof to corporate entities controlled by the Board of CreateTO at nominal consideration where permitted by law, and where the Deputy City

Manager, Corporate Services, the Executive Director, Housing Secretariat and the Chief Executive Officer, CreateTO have agreed upon the terms of transfer that will be reflected in a Transfer Agreement between the City and the corporate entity controlled by the CreateTO Board.

5. City Council waive the restrictions of Section 2.4(a) of the Shareholder Direction of Build Toronto Inc., controlled by the Board of Directors of CreateTO, solely for transactions relating to the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager on terms and conditions satisfactory to the City Manager and in a form approved by the City Solicitor, and allow for donations or similar contributions to any charity or charitable organization, or to a non-profit organization for the purpose of facilitating the provision of affordable housing units at the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager where determined appropriate by the Board of Directors of CreateTO, in consultation with the Deputy City Manager, Corporate Services and the Executive Director, Housing Secretariat.
6. City Council request the Director, Real Estate Services and the Director, Affordable Housing Office to work with Senior Peoples' Resources in North Toronto Incorporated, consistent with Council's previous decision on June 26, 2018, in Item GM28.21, to expedite identification and securing of a suitable location and facility for the temporary relocation of their operations as part of the redevelopment of 140 Merton Street, in order to provide new permanent affordable rental housing for seniors, and to facilitate the design and provision of some 30,000 square feet of community space, including approximately 12,000 square feet set aside for the operations of Senior Peoples' Resources in North Toronto Incorporated.
7. City Council direct the Deputy City Manager, Community and Social Services, Deputy City Manager, Corporate Services, Executive Director, Housing Secretariat and the Chief Planner and Executive Director to add the existing Green "P" parking lot site located at 19 Spadina Road to the list of Housing Now sites outlined in Appendix 4 to the report (January 11, 2019) from the City Manager, and prioritize the development of affordable rental housing and parks at the site.
8. City Council authorize the City Solicitor to complete the transactions provided for in City Council's decision on behalf of the City, including making payment of any necessary expenses related to closing, amending the closing and other dates to such earlier or later dates, and amending or waiving the terms and conditions, as the City Solicitor may from time to time consider reasonable.

#### Planning Process

9. City Council deem the Housing Now Initiative as having City-wide interest and direct that the City initiated re-zoning Applications for each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager be considered by the Planning and Housing Committee.
10. City Council request the Chief Planner and Executive Director, City Planning, to:
  - a. provide key planning principles and guidelines for each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager to be included as part of the public market offering process;

- b. expeditiously advance any Official Plan Amendments and Zoning By-law Amendments required to prepare the properties for marketing and ensure a range of housing opportunities within each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager; and
- c. support the Housing Now Initiative by implementing an expedited review process and setting timelines for the completion of review of the related development applications submitted by the selected developers of each site.

#### Affordable Housing Program

11. City Council approve an overall development target across the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager of a minimum of one-third affordable rental units with average rents not to exceed 80 percent of annual Canada Mortgage and Housing Corporation average market rent and one-third market rental housing, and a maximum of one-third ownership homes, with the development targets for each property to be substantially similar to those outlined in Appendix 2 to the report (January 11, 2019) from the City Manager.
12. City Council authorize the Director, Affordable Housing Office to offer the Open Door incentives for affordable rental housing, for the term of affordability, including property taxes exempted for municipal and school purposes from the date of occupancy, for up to 3,700 homes representing one-third of the total number of the homes anticipated to be developed throughout the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager at an estimated net present value of approximately \$280,000,000 over 99 years.
13. City Council authorize the Director, Affordable Housing Office to exempt the affordable rental housing, including any applicable ancillary and related amenity space on the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager from the payment of development charges and provide a waiver of all planning and building permit fees and parkland dedication fees.
14. City Council authorize the Director, Affordable Housing Office, to negotiate and enter into, on behalf of the City, municipal housing facility agreements (the City's Contribution Agreement) with the developers chosen for each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, on terms and conditions satisfactory to the Director, Affordable Housing Office, and in a form approved by the City Solicitor.
15. City Council authorize severally each of the Director, Affordable Housing Office and the General Manager, Shelter, Support and Housing Administration to execute, on behalf of the City, any security or financing documents required by the developers of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager to secure construction and conventional financing and subsequent refinancing, including any postponement, confirmation of status, discharge or consent documents where and when required during the term of the municipal housing facility agreement, as required by normal business practices, and provided that such documents do not give rise to financial obligations on the part of the City that have not been previously approved by Council.

16. City Council authorize the Deputy City Manager, Corporate Services, in consultation with the Deputy City Manager, Community and Social Services, to provide any consent necessary to transfer or encumber the 11 Properties and to negotiate and enter into any agreements or other documents required to effect any future transfer or assignment of any of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager and the associated legal agreements with the City to another legal entity, on terms and conditions satisfactory to them and in a form approved by the City Solicitor.

#### Funding and Budget Considerations

17. City Council approve an initial allocation of \$20,000,000 from the City Building Reserve Fund (XR1730) to the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to be overseen and used by the Director, Affordable Housing Office in consultation with the Executive Director, Housing Secretariat to prepare the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager for marketing, including adding temporary staff complement and undertaking necessary environmental studies and remediation, market analyses, planning and other consultant studies.

18. City Council approve \$1 million, out of the \$20,000,000 referenced in Part 17 above, to develop a Non-profit Housing Capacity Fund to support the participation of non-profit organizations in the Housing Now Initiative.

19. City Council establish a budget of \$7,000,000 gross, \$0 net, for the Housing Secretariat through the Affordable Housing Office, funded from the Capital Revolving Reserve Fund for Affordable Housing Office (XR1058), to be utilized as below and considered as part of the 2019 Budget Process, with the future year requests subject to Council approval through the annual budget process:

- a. funding of \$352,500 for three (3) temporary positions including salary, benefits and equipment for the Housing Secretariat Office to manage the overall implementation of the Housing Now Initiative, with future year staffing requests subject to Council approval through the annual budget process;
- b. increase the 2019 Staff Recommended Operating Budget for City Planning by \$195,000 gross, \$0 net, for two (2) new temporary positions for four years, including salary, benefits and equipment to support expedited delivery of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, with future year staffing requests subject to Council approval through the annual budget process;
- c. increase the 2019 Staff Recommended Operating Budget for CreateTO by \$292,500 gross, \$0 net, for two (2) temporary positions for four years, including salary, benefits and equipment, to support expedited delivery of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, with future year staffing requests subject to Council approval through the annual budget process;
- d. increase the 2019 Staff Recommended Operating Budget for the Affordable Housing Office by \$500,000 gross, \$0 net, funded from the Non-Profit Capacity Fund referenced in Part 17 above, with future year impacts subject to Council approval through the annual budget process; and

e. increase the 2019 Staff Recommended Operating Budget for the Affordable Housing Office by the balance of the \$7,000,000 budgeted above in 2019, or \$5,660,000 whichever is higher, to undertake environmental studies and remediation, market analyses, planning and other consultant studies to support expedited delivery of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, with future year impacts subject to Council approval through the annual budget process.

20. City Council direct the City Manager to review the staffing in Part 19 above for the Housing Secretariat to determine if positions can be filled using existing staff resources from the Affordable Housing Office, CreateTO and City Planning and report the results of this review to the Budget Committee as part of the 2019 Budget Process.

21. City Council request the Chief Financial Officer and Treasurer, in consultation with the Director, Affordable Housing Office, to report through the 2020 Budget Process on options and financial resources associated with the recommended tax and fee exemptions or expenditures including converting tax expenditures to a grant program.

22. City Council authorize the City Manager and the Chief Financial Officer and Treasurer to review and approve an expenditure plan for the use of funds referenced in Part 17 above, to be prepared by the Director, Affordable Housing Office in consultation with the Executive Director, Housing Secretariat, Executive Director, Financial Planning and the Chief Executive Officer, CreateTO, and report annually on the expenditures during the preceding year, through the Planning and Housing Committee.

23. City Council direct the Chief Financial Officer and Treasurer to report back, on an annual basis, with the recommendations for disbursing the proceeds of the sale or lease of any of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager sold and/or leased during the year, either by the City or through CreateTO.

24. City Council direct the Chief Financial Officer and Treasurer, in consultation with the Deputy City Manager, Corporate Services and the Executive Director, Housing Secretariat, to identify appropriate funding solutions to address critical operational needs identified by City divisions or agencies on the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager and to seek funding approval in future budget years so that funding is available in line with the development schedule for the 11 Properties.

25. City Council direct the Deputy City Manager, Community and Social Services to compensate CreateTO for provision by CreateTO of the services referenced in Part 17 above, with payment to be made to CreateTO on a cost-recovery basis from the \$20,000,000 to be transferred to Capital Revolving Reserve Fund for Affordable Housing, referenced in Part 17 above.

26. City Council request the City Manager and the Chief Financial Officer and Treasurer, in consultation with the Director, Affordable Housing Office, the General Manager, Shelter, Support and Housing Administration, the Chief Planner and Executive Director, City Planning, the City Solicitor, the Executive Director, Corporate Finance, the Executive Director, Financial Planning and the Chief Executive Officer, CreateTO, to review the operating and capital funding requirements of the Housing Now Initiative and incorporate the Housing Now Initiative into future City Operating and Capital budgets starting in 2020 and the new 10-year Housing Plan 2020-2030 to be considered by City Council in Fall 2019.

27. City Council direct the Executive Director, Housing Secretariat to consider the use of refundable debt to finance any future affordable housing projects.

#### Market Offering Process

28. City Council direct the utilization of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager for the Housing Now Initiative through a market offering process with a priority of retaining public ownership through long-term land leases.

29. City Council direct the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to approve the business case and marketing offering process for each property provided that the Executive Director, Housing Secretariat and the Board of Directors of CreateTO or the Board of Directors of the relevant CreateTO corporate entity concur with the proposed business case and market offering process.

30. City Council direct the Chief Executive Officer, CreateTO to administer the market offering process for the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager and utilize its existing pre-qualified Broker roster to expedite marketing, subject to the approvals required in Part 29 above.

31. City Council request the Executive Director, Housing Secretariat to work with the Director, Affordable Housing Office, the Chief Executive Officer, CreateTO, the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer in overseeing the market offering process related to the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager including the selection of preferred proponents, and the co-ordination of government funding and financing incentives to ensure that the affordable housing project is financially viable.

32. City Council request the Executive Director, Housing Secretariat, the Chief Executive Officer, CreateTO and the Director, Affordable Housing Office to encourage the involvement and participation of non-profit and co-operative housing organizations in the market offering process for the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, including the opportunity for long-term operation of the affordable rental units.

33. City Council request the Executive Director, Housing Secretariat, the Chief Executive Officer, CreateTO and the Director, Affordable Housing Office in consultation with the Executive Director, Social Development, Finance and Administration to incorporate, in the market offering process through the implementation of Housing Now Initiative, measureable community benefits opportunities, such as social procurement and apprenticeship, training, and/or other hiring opportunities for people from equity-seeking communities.

34. City Council request the Executive Director, Housing Secretariat, in consultation with the Director, Affordable Housing Office, the Chief Executive Officer, CreateTO, Deputy City Manager, Corporate Services and Chief Financial Officer and Treasurer, in overseeing the Market Offering Process for the development of current commuter parking lots, provided there is no loss of affordable housing units, consideration be given to proposals which contain paid commuter parking. Such commuter parking spaces could also include resident (evening) and commuter (work hours) shared parking.

35. City Council request the Executive Director, Housing Secretariat, in consultation with the Director, Affordable Housing Office, the Chief Executive Officer, CreateTO, the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer, in overseeing the Market Offering Process to provide greater consideration in the offering process to proposals that address the following issues:

- a. more units of affordable housing;
- b. deeper levels of affordability;
- c. ownership and/or operation of affordable units by non-profits through partnership in the development or as recipients of a transfer of the affordable units;
- d. measures and commitments on tenant protections, related to evictions and rent control, as part of their submissions for the Housing Now initiative particularly on smaller sites;
- e. inclusion of supportive housing units;
- f. affordable housing for Artists;
- g. available mechanisms to ensure no units could be converted to short term rentals; and
- h. community benefits agreements for larger sites.

36. City Council direct that the new affordable units target four sites identified in the Housing Now initiative, to be owned and operated by the not-for-profit and/or co-operative housing sectors, with enhanced consideration given to not-for-profit and/or co-operative housing proponents for all 11 Housing Now sites.

37. City Council direct that new supportive housing units be included in as many as possible, but target at least one, of the sites identified in the Housing Now initiative, and that enhanced consideration be given to submissions that include new supportive housing for all 11 Housing Now sites.

#### Other Considerations

38. City Council authorize the City Manager to request the Federal Government, through the Canada Mortgage and Housing Corporation, to:

- a. approve a portfolio approach to the funding and financing of the initial 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager;
- b. extend the Rental Construction Financing Initiative beyond 2021 or introduce a similar program to ensure that approved developments through the Housing Now Initiative have access to favourable construction financing; and
- c. reiterate the request to identify surplus lands within Toronto and dedicate such surplus lands to be utilized to create new mixed-income communities, including new affordable and market rental units.

39. City Council authorize the City Manager to request the Federal Government to publicly release the list of surplus federal lands in the City of Toronto, and to make those surplus federal lands available to the City of Toronto for affordable housing immediately.
40. City Council authorize the City Manager to request the Ontario Government to support the development of new mixed-income developments by providing assistance to individuals with housing and support needs through the provision of capital and operating funding to the Housing Now Initiative, and to reiterate the request to the Provincial Government to identify surplus lands within Toronto, including those identified in Appendix 4 to the report (January 11, 2019) from the City Manager, and dedicate such surplus lands and any future surplus lands to be utilized to create new mixed-income communities, including new affordable and market rental units.
41. City Council request the Deputy City Manager, Community and Social Services, the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to report to the Executive Committee by June 2019 on the feasibility and financial implications of extending the availability of surplus municipal land to support the development of new non-profit, long-term care residences and improving their financial viability through extending municipal financial incentives, such as reducing or eliminating development charges.
42. City Council direct the Deputy City Manager, Community and Social Services and the Deputy City Manager, Corporate Services in consultation with the Chief Executive Officer, CreateTO to report annually to the Planning and Housing Committee on the status and results of the Housing Now Initiative including any required program adjustments and key items from the Initiative's delivery framework, as outlined in the report (January 11, 2019) from the City Manager.
43. City Council direct the Deputy City Manager, Community and Social Services to report back to Planning and Housing Committee by the second quarter of 2019 on a framework that provides that Toronto Community Housing Corporation include net new affordable rental units as part of all new development projects on its lands.
44. City Council request the Deputy City Manager, Community and Social Services to develop specific initiatives and plans to address the need for deeply affordable rental housing, such as including maintaining and increasing rent geared to income opportunities for residents of low-income and report to City Council in Fall 2019 as part of the new 10-year Housing Plan 2020-2030.
45. City Council request the Deputy City Manager, Community and Social Services, as part of the Fall report on the City's 10-year Housing Plan 2020-2030, to:
- a. provide City Council with an updated staffing framework for the co-ordination, streamlining and efficient delivery of the full range of the City's housing programs and policies; and
  - b. include options for the allocation of new affordable units and opportunities for simplification and alignment with the choice-based housing process.
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## Committee Recommendations

The Executive Committee recommends that:

### Land Considerations

1. City Council direct the Deputy City Manager, Corporate Services and the Director, Real Estate Services to review, on an expedited basis, the 11 sites identified in Appendix 3 (the "11 Properties") to the report (January 11, 2019) from the City Manager, including any prior terms of transfer that have been approved by Council, and authorize them to determine, in consultation with the City Manager, whether such terms should be amended in order to achieve the objectives of the Housing Now initiative.
2. City Council authorize the Deputy City Manager, Corporate Services, where it is determined such action is appropriate to achieve the objectives of the Housing Now Initiative, to declare all or portions of each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager surplus, and to amend any prior declaration(s) of surplus, subject to the retention of those areas and interests as have been determined critical to the operational requirements of a Division or Agency.
3. City Council amend the existing delegated approvals and signing authorities in Item EX27.12, City-Wide Real Estate - Delegated Authorities Framework and Transition Plan, adopted by City Council on October 2, 3 and 4, 2017, to authorize the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to approve any lease, transfer and other property transactions involving these 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager for the purpose of achieving the City's affordable housing objectives notwithstanding that the related compensation may exceed \$5 million, and authorize the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to treat the estimated value of the rental savings that will be realized by tenants of the affordable housing units as compensation received by the City when assessing whether a proposed transaction reflects market value, provided that the Executive Director, Housing Secretariat, and the Board of Directors of CreateTO or the Board of Directors of the relevant CreateTO corporate entity concur with the proposed transaction terms.
4. City Council authorize the Deputy City Manager, Corporate Services, to approve the transfer of title to any of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, or a portion thereof to corporate entities controlled by the Board of CreateTO at nominal consideration where permitted by law, and where the Deputy City Manager, Corporate Services, the Executive Director, Housing Secretariat and the Chief Executive Officer, CreateTO have agreed upon the terms of transfer that will be reflected in a Transfer Agreement between the City and the corporate entity controlled by the CreateTO Board.
5. City Council waive the restrictions of Section 2.4(a) of the shareholder direction of Build Toronto Inc., controlled by the Board of Directors of CreateTO, solely for transactions relating to the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager on terms and conditions satisfactory to the City Manager and in a form approved by the City Solicitor, and allow for donations or similar contributions to any charity or charitable organization, or to a non-profit organization for the purpose of facilitating the provision of affordable housing units at the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager where determined appropriate by the Board of Directors

of CreateTO, in consultation with the Deputy City Manager, Corporate Services and the Executive Director, Housing Secretariat.

6. City Council authorize the City Solicitor to complete the transactions provided for in City Council's decision on behalf of the City, including making payment of any necessary expenses related to closing, amending the closing and other dates to such earlier or later dates, and amending or waiving the terms and conditions, as the City Solicitor may from time to time consider reasonable.

#### Planning Process

7. City Council deem the Housing Now Initiative as having City-wide interest and direct that the City initiated re-zoning Applications for each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager be considered by the Planning and Housing Committee.

8. City Council request the Chief Planner and Executive Director, City Planning, to:

- a. provide key planning principles and guidelines for each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager to be included as part of the public market offering process;
- b. expeditiously advance any Official Plan Amendments and Zoning By-law Amendments required to prepare the properties for marketing and ensure a range of housing opportunities within each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager; and
- c. support the Housing Now Initiative by implementing an expedited review process and setting timelines for the completion of review of the related development applications submitted by the selected developers of each site.

#### Affordable Housing Program

9. City Council approve an overall development target across the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager of a minimum of one-third affordable rental units with average rents not to exceed 80 percent of annual Canada Mortgage and Housing Corporation average market rent and one-third market rental housing, and a maximum of one-third ownership homes, with the development targets for each property to be substantially similar to those outlined in Appendix 2 to the report (January 11, 2019) from the City Manager.

10. City Council authorize the Director, Affordable Housing Office to offer the Open Door incentives for affordable rental housing, for the term of affordability, including property taxes exempted for municipal and school purposes from the date of occupancy, for up to 3,700 homes representing one-third of the total number of the homes anticipated to be developed throughout the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager at an estimated net present value of approximately \$280,000,000 over 99 years.

11. City Council authorize the Director, Affordable Housing Office to exempt the affordable rental housing, including any applicable ancillary and related amenity space on the 11

Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager from the payment of development charges and provide a waiver of all planning and building permit fees and parkland dedication fees.

12. City Council authorize the Director, Affordable Housing Office, to negotiate and enter into, on behalf of the City, municipal housing facility agreements (the City's Contribution Agreement) with the developers chosen for each of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, on terms and conditions satisfactory to the Director, Affordable Housing Office, and in a form approved by the City Solicitor.

13. City Council authorize severally each of the Director, Affordable Housing Office and the General Manager, Shelter, Support and Housing Administration to execute, on behalf of the City, any security or financing documents required by the developers of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager to secure construction and conventional financing and subsequent refinancing, including any postponement, confirmation of status, discharge or consent documents where and when required during the term of the municipal housing facility agreement, as required by normal business practices, and provided that such documents do not give rise to financial obligations on the part of the City that have not been previously approved by Council.

14. City Council authorize the Deputy City Manager, Corporate Services, in consultation with the Deputy City Manager, Community and Social Services, to provide any consent necessary to transfer or encumber the 11 Properties and to negotiate and enter into any agreements or other documents required to effect any future transfer or assignment of any of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager and the associated legal agreements with the City to another legal entity, on terms and conditions satisfactory to them and in a form approved by the City Solicitor.

#### Funding and Budget Considerations

15. City Council approve an initial allocation of \$20,000,000 from the City Building Reserve Fund (XR1730) to the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to be overseen and used by the Director, Affordable Housing Office in consultation with the Executive Director, Housing Secretariat to prepare the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager for marketing, including adding temporary staff complement and undertaking necessary environmental studies and remediation, market analyses, planning and other consultant studies.

16. City Council approve \$1 million, out of the \$20,000,000 referred to in Recommendation 15 above, to develop a Non-profit Housing Capacity Fund to support the participation of non-profit organizations in the Housing Now Initiative.

17. City Council establish a budget of \$7,000,000 gross, \$0 net, for the Housing Secretariat through the Affordable Housing Office, funded from the Capital Revolving Reserve Fund for Affordable Housing Office (XR1058), subject to approval of Recommendation 15 above, to be utilized as below and considered as part of the 2019 Budget Process, with the future year requests subject to Council approval through the annual budget process:

- a. funding of \$352,500 for three (3) temporary positions including salary, benefits and equipment for the Housing Secretariat Office to manage the overall implementation of the

Housing Now Initiative, subject to approval of Recommendation 14 above, with future year staffing requests subject to Council approval through the annual budget process;

b. increase the 2019 Staff Recommended Operating Budget for City Planning by \$195,000 gross, \$0 net, for two (2) new temporary positions for four years, including salary, benefits and equipment to support expedited delivery of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, subject to approval of Recommendation 15 above, with future year staffing requests subject to Council approval through the annual budget process;

c. increase the 2019 Staff Recommended Operating Budget for CreateTO by \$292,500 gross, \$0 net, for two (2) temporary positions for four years, including salary, benefits and equipment, to support expedited delivery of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, subject to approval of Recommendation 15 above, with future year staffing requests subject to Council approval through the annual budget process;

d. increase the 2019 Staff Recommended Operating Budget for the Affordable Housing Office by \$500,000 gross, \$0 net, funded from the Non-Profit Capacity Fund referenced in Recommendation 15, subject to approval of Recommendation 15 above, with future year impacts subject to Council approval through the annual budget process; and

e. increase the 2019 Staff Recommended Operating Budget for the Affordable Housing Office by the balance of the \$7,000,000 budgeted above in 2019, or \$5,660,000 whichever is higher, to undertake environmental studies and remediation, market analyses, planning and other consultant studies to support expedited delivery of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, subject to approval of Recommendation 15 above, with future year impacts subject to Council approval through the annual budget process.

18. City Council direct the City Manager to review the staffing recommended in Recommendation 17 above for the Housing Secretariat to determine if positions can be filled using existing staff resources from the Affordable Housing Office, CreateTO and City Planning and report the results of this review to the Budget Committee as part of the 2019 Budget Process.

19. City Council request the Chief Financial Officer and Treasurer, in consultation with the Director, Affordable Housing Office, to report through the 2020 Budget Process on options and financial resources associated with the recommended tax and fee exemptions or expenditures including converting tax expenditures to a grant program.

20. City Council delegate authority to the City Manager and the Chief Financial Officer and Treasurer to review and approve an expenditure plan for the use of funds referred to in Recommendation 15 above, to be prepared by the Director, Affordable Housing Office in consultation with the Executive Director, Housing Secretariat, Executive Director, Financial Planning and the Chief Executive Officer, CreateTO, and report annually on the expenditures during the preceding year, through the Planning and Housing Committee.

21. City Council direct the Chief Financial Officer and Treasurer to report back, on an annual basis, with the recommendations for disbursing the proceeds of the sale or lease of any of the

11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager sold and/or leased during the year, either by the City or through CreateTO.

22. City Council direct the Chief Financial Officer and Treasurer, in consultation with the Deputy City Manager, Corporate Services and the Executive Director, Housing Secretariat, to identify appropriate funding solutions to address critical operational needs identified by City divisions or agencies on the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager and to seek funding approval in future budget years so that funding is available in line with the development schedule for the 11 Properties.

23. City Council direct the Deputy City Manager, Community and Social Services to compensate CreateTO for provision by CreateTO of the services referred to in Recommendation 15 above, with payment to be made to CreateTO on a cost-recovery basis from the \$20,000,000 to be transferred to Capital Revolving Reserve Fund for Affordable Housing, referred to in Recommendation 15 above.

24. City Council request the City Manager and the Chief Financial Officer and Treasurer, in consultation with the Director, Affordable Housing Office, the General Manager, Shelter, Support and Housing Administration, the Chief Planner and Executive Director, City Planning, the City Solicitor, the Executive Director, Corporate Finance, the Executive Director, Financial Planning and the Chief Executive Officer, CreateTO, to review the operating and capital funding requirements of the Housing Now Initiative and incorporate the Housing Now Initiative into future City Operating and Capital budgets starting in 2020 and the new 10-year Housing Plan 2020-2030 to be considered by City Council in Fall 2019.

#### Market Offering Process

25. City Council direct the utilization of the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager for the Housing Now Initiative through a market offering process with a priority of retaining public ownership through long-term land leases.

26. City Council direct the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to approve the business case and marketing offering process for each property provided that the Executive Director, Housing Secretariat and the Board of Directors of CreateTO or the Board of Directors of the relevant CreateTO corporate entity concur with the proposed business case and market offering process.

27. City Council direct the Chief Executive Officer, CreateTO to administer the market offering process for the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager and utilize its existing pre-qualified Broker roster to expedite marketing, subject to the approvals required in Recommendation 26 above.

28. City Council request the Executive Director, Housing Secretariat to work with the Director, Affordable Housing Office, the Chief Executive Officer, CreateTO, the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer in overseeing the market offering process related to the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager including the selection of preferred proponents, and the co-ordination of government funding and financing incentives to ensure that the affordable housing project is financially viable.

29. Council request the Executive Director, Housing Secretariat, the Chief Executive Officer, CreateTO and the Director, Affordable Housing Office to encourage the involvement and participation of non-profit and co-operative housing organizations in the market offering process for the 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager, including the opportunity for long-term operation of the affordable rental units.

30. Council request the Executive Director, Housing Secretariat, the Chief Executive Officer, CreateTO and the Director, Affordable Housing Office in consultation with the Executive Director, Social Development, Finance and Administration to incorporate, in the market offering process through the implementation of Housing Now Initiative, measureable community benefits opportunities, such as social procurement and apprenticeship, training, and/or other hiring opportunities for people from equity-seeking communities.

31. City Council request the Executive Director, Housing Secretariat, in consultation with the Director, Affordable Housing Office, the Chief Executive Officer, CreateTO, Deputy City Manager, Corporate Services and Chief Financial Officer and Treasurer, in overseeing the Market Offering Process for the development of current commuter parking lots, provided there is no loss of affordable housing units, consideration be given to proposals which contain paid commuter parking. Such commuter parking spaces could also include resident (evening) and commuter (work hours) shared parking.

#### Other Considerations

32. City Council authorize the City Manager to request the Federal Government, through Canada Mortgage and Housing Corporation, to:

a. approve a portfolio approach to the funding and financing of the initial 11 Properties identified in Appendix 3 to the report (January 11, 2019) from the City Manager;

b. extend the Rental Construction Financing Initiative beyond 2021 or introduce a similar program to ensure that approved developments through the Housing Now Initiative have access to favourable construction financing; and

c. reiterate the request to identify surplus lands within Toronto and dedicate such surplus lands to be utilized to create new mixed-income communities, including new affordable and market rental units.

33. City Council authorize the City Manager to request the Ontario Government to support the development of new mixed-income developments by providing assistance to individuals with housing and support needs through the provision of capital and operating funding to the Housing Now Initiative, and to reiterate the request to the Provincial Government to identify surplus lands within Toronto, including those identified in Appendix 4 to the report (January 11, 2019) from the City Manager, and dedicate such surplus lands and any future surplus lands to be utilized to create new mixed-income communities, including new affordable and market rental units.

34. City Council request the Deputy City Manager, Community and Social Services, the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to report to the Executive Committee by June 2019 on the feasibility and financial implications of

extending the availability of surplus municipal land to support the development of new non-profit, long-term care residences and improving their financial viability through extending municipal financial incentives, such as reducing or eliminating development charges.

35. City Council direct the Deputy City Manager, Community and Social Services and the Deputy City Manager, Corporate Services in consultation with the Chief Executive Officer, CreateTO to report annually to the Planning and Housing Committee on the status and results of the Housing Now Initiative including any required program adjustments and key items from the Initiative's delivery framework, as outlined in the report (January 11, 2019) from the City Manager.

36. City Council direct the Deputy City Manager, Community and Social Services to report back to Planning and Housing Committee by the second quarter of 2019 on a framework that provides that Toronto Community Housing Corporation include net new affordable rental units as part of all new development projects on its lands.

37. City Council request the Deputy City Manager, Community and Social Services to develop specific initiatives and plans to address the need for deeply affordable rental housing, such as including maintaining and increasing rent geared to income opportunities for residents of low-income and report to City Council in Fall 2019 as part of the new 10-year Housing Plan 2020-2030.

38. City Council request the Deputy City Manager, Community and Social Services, as part of the Fall report on the City's 10 year Housing Plan 2020-2030, to provide City Council with an updated staffing framework for the co-ordination, streamlining and efficient delivery of the full range of the City's housing programs and policies.

### **Committee Decision Advice and Other Information**

The Deputy City Manager, Community and Social Services gave a presentation on Implementing the Housing Now Initiative.

### **Origin**

(January 11, 2019) Report from the City Manager

### **Summary**

On December 13, 2018, City Council approved the new Housing Now Initiative to activate 11 City-owned sites (the "11 Properties") for the development of affordable housing within mixed-income, mixed-use and transit-oriented communities.

City Council also requested the City Manager to report to Executive Committee in January 2019 with an action plan to deliver the Initiative and to identify the resources required to expedite the implementation process.

The Housing Now Initiative represents a new city-building approach to the disposition of City-owned lands. The Initiative will stimulate the creation of complete communities with a range of new mixed-income housing in close proximity to commercial and employment areas and transit hubs, providing the opportunity for Toronto residents to live in these new mixed-income developments.

Over the last decade, the cost of housing and residents' housing choices have become increasingly restricted. The cost of both rental and ownership housing has increased significantly, while incomes have not kept pace. The Deputy City Manager, Community and Social Services will report to Council in fall 2019 with a 10-year Housing Plan that outlines actions addressing the growing need and demand across the housing continuum. Staff will also provide a costing plan for the Housing Plan for Council's consideration.

While new residential construction has been dominated by the development of condominiums, rental housing development has lagged behind. In Toronto, over the last five years, about 80,000 new condominium units have been completed compared to 4,500 purpose-built rental units.

The first phase of the Housing Now Initiative and the recommendations in this report will activate the 11 Properties with the potential to create approximately 10,000 new residential units. The report proposes a minimum two-thirds of all residential units created on the 11 Properties be purpose-built rental housing with at least 50 percent of the rental units as affordable rental housing (approximately 3,700 units) with rents set at 80 percent of Toronto's average market rent.

This target is in addition to the affordable rental homes to be provided on non-City sites in partnership with non-profit and private housing organizations through the 2019 Open Door Call for Affordable Rental Housing Applications.

This report sets out an action plan kick-starting the Housing Now Initiative and provides recommendations on the organizational structure and processes to deliver the Housing Now Initiative, the proposed affordable housing program, and the overall financial implications of the program.

Subject to City Council approval of this report, the City Manager will establish a Housing Secretariat to manage the overall implementation of the Housing Now Initiative. The Housing Secretariat will be led by an Executive Director who will report directly to the Senior Leadership Team (through the Deputy City Manager, Community and Social Services). The Executive Director, Housing Secretariat will initially lead the delivery of the Housing Now Initiative through developing an inter-divisional governance model in partnership with City divisions, CreateTO, and other City agencies, liaising with City Councillors, and proactively identifying or resolving issues arising in the development process.

During the next stage of work, City Staff and CreateTO will undertake more detailed due diligence and develop business cases, including financial plans, for each of the 11 Properties and will report to the CreateTO Board of Directors on directions and impacts prior to marketing.

In recognition of the urgency to provide affordable rental housing in our city, the report also outlines a range of recommendations to expedite the delivery process for the 11 Properties, the procurement of developers, and the development approval processes to facilitate construction, completion and occupancy including decision making on real estate matters delegated to the Deputy City Manager, Corporate Services, Chief Financial Officer and Treasurer, Executive Director, Housing Secretariat, and the CreateTO Board of Directors. The Deputy City Manager, Community and Social Services and Deputy City Manager, Corporate Services will provide an



annual report to the Planning and Housing Committee on the progress of the Housing Now Initiative.

In the absence of the Housing Now Initiative, the 11 Properties would be sold at market prices mainly resulting in the development of market condominiums. The Housing Now Initiative sets a new course to create much needed affordable rental housing in mixed-income communities.

This report has been prepared with input from the Affordable Housing Office, CreateTO, City Legal, City Planning, Real Estate Services, Shelter, Support and Housing Administration, Financial Planning, Corporate Finance, and City Building and Engineering and Construction Services.

### **Background Information (Committee)**

(January 23, 2019) Presentation from the Deputy City Manager, Community and Social Services on Implementing the Housing Now Initiative

(<http://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-123885.pdf>)

(January 11, 2019) Report and Appendices 1 to 4 from the City Manager on Implementing the "Housing Now" Initiative

(<http://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-123663.pdf>)

(January 9, 2019) Report from the City Manager on Implementing the "Housing Now" Initiative - Notice of Pending Report

(<http://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-123649.pdf>)

### **Communications (Committee)**

(January 21, 2019) E-mail from Morgan Harris (EX.Supp.1.1.1)

(January 22, 2019) E-mail from Paul Dowling, Human Rights Working Group, Toronto Alliance to End Homelessness (EX.Supp.1.1.2)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88886.pdf>)

(January 22, 2019) Letter from Cynthia Wilkey, Co-Chair, West Don Lands Committee (EX.Supp.1.1.3)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88907.pdf>)

(January 23, 2019) Letter from Darryl Chong, President and Chief Executive Officer, Greater Toronto Apartment Association (EX.Supp.1.1.4)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88925.pdf>)

(January 23, 2019) Letter from Brian Davis, Houselink Community Homes and Toronto Alliance to End Homelessness (EX.Supp.1.1.5)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88926.pdf>)

(January 23, 2019) Letter from Suzanne Kavanagh, Chair, Development Committee, St. Lawrence Neighbourhood Association (EX.Supp.1.1.6)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88927.pdf>)

(January 23, 2019) Letter from Daphna Nussbaum, Solutions Manager, Toronto Alliance to End Homelessness (EX.Supp.1.1.7)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88928.pdf>)

(January 23, 2019) Letter from Lindsay Parsons, Toronto Shelter Network (EX.Supp.1.1.8)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88929.pdf>)

(January 23, 2019) Submission from Don Weitz (EX.New.1.1.9)

(January 23, 2019) Letter from Bruce Rivers, Executive Director and Louise Smith, Associate Director, Community and Government Relations, Covenant House (EX.New.1.1.10)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88946.pdf>)

(January 23, 2019) E-mail from Doris Power (EX.New.1.1.11)

(January 23, 2019) Submission from Mark J. Richardson, HousingNowTO (EX.New.1.1.12)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88931.pdf>)

(January 23, 2019) Submission from Judith Penfold, Parkdale Tenants Association (EX.New.1.1.13)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88947.pdf>)

(January 23, 2019) E-mail from Jean Stevenson, Madison Community Service and Toronto Alliance to End Homelessness (EX.New.1.1.14)

(<http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-88948.pdf>)

### **Communications (City Council)**

(January 29, 2019) Letter from Nancy Singer, Executive Director, Kehilla Residential Programme (CC.Supp.EX1.1.15)

(<http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-89027.pdf>)

(January 28, 2019) Letter from Tom Clement, Executive Director, Co-operative Housing Federation of Toronto (CC.Supp.EX1.1.16)

(<http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-89029.pdf>)

(January 28, 2019) Letter from Andrea Adams, Executive Director, St. Clare's Multifaith Housing Society (CC.New.EX1.1.17)

(<http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-89050.pdf>)

(January 29, 2019) E-mail from Mark Aston, Fred Victor; Derek Ballantyne, New Commons Development; Harvey Cooper, Co-op Housing Federation of Canada; Daniel Ger, Habitat for Humanity; LoriAnn Girvan, Artscape; Gautam Mukherjee, Mainstay Housing; Mwarigha, WoodGreen Community Inc.; and Heather Tremain, Options for Homes (CC.New.EX1.1.18)

(January 29, 2019) E-mail from Heather Tremain, Options for Homes; Graham Haines, Ryerson City Building Institute; Leith Moore, Waverley Projects Inc.; Paul Kershaw, Generation Squeeze; Paul Smetanin, CANCEA; Pedro Barata, United Way Greater Toronto; Paul Bedford, Sean Galbraith, Galbraith Planning; Jeff Evenson, Canadian Urban Institute; and Michelle German, Evergreen (CC.New.EX1.1.19)

(<http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-89066.pdf>)

(January 29, 2019) Letter from Mary Todorow, Research and Policy Analyst, Advocacy Centre for Tenants Ontario (CC.New.EX1.1.20)

(<http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-89085.pdf>)

(January 30, 2019) Submission from Sean Meagher, ConveneToronto; Mary Todorow, Advocacy Centre for Tenants Ontario; Judy Duncan, ACORN; Melissa Goldstein, Housing Action Now; Victor Willis, Parkdale Activity Recreation Centre; Emily Paradis, Instructor, Urban Studies, University of Toronto; Paul Dowling, Toronto Alliance to End Homelessness Human Rights Working Group; and Joshua Brandt, Parkdale Neighbourhood Land Trust, submitted by Councillor Paula Fletcher, Ward 14 Toronto-Danforth (CC.New.EX1.1.21)

(<http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-89106.pdf>)

(January 30, 2019) E-mail from Bruna Nota (CC.New.EX1.1.22)

### **Speakers**

Amy Slotek

Daphna Nussbaum, Solutions Manager, Toronto Alliance to End Homelessness

Joe Deschenes Smith, Trillium Housing Non-Profit

Rector Maggie Helwig, Chair, Social Justice and Advocacy Committee, Anglican Diocese of Toronto

Daryl Chong, President and Chief Executive Officer, Greater Toronto Apartment Association

Jean Stevenson, Executive Director, Madison Community Services

Matthew Kellway

Brian Davis, Houselink Community Homes and Toronto Alliance to End Homelessness

Gautam Mukherjee, Executive Director, Mainstay housing

Alejandra Ruiz, Toronto ACORN

Don Weitz  
Mary Hynes  
Dr. Keith Johnstone, Health Providers Against Poverty  
Patricia O'Connell, Executive Director, Sistering  
Rayna Slobodian  
Greg Cook, Outreach Worker, Shelter and Housing Justice Network  
Yogi Acharya, Ontario Coalition Against Poverty  
Mark J. Richardson, HousingNowTO  
Andrea Budgey, Humphrys Chaplain, Trinity College, Anglican Chaplain, University of Toronto  
Judith Penfold, Co-Chair, Parkdale Tenants Association  
Paul Dowling, Human Rights Working Group, Toronto Alliance to End Homelessness  
Maryanna Lewyckyj, President, Park Vista Tenants' Association  
Monica De Vera  
Joanna Moon  
Geordie Dent, Executive Director, Federation of Metro Tenants' Associations  
Lindsay Parsons, Toronto Shelter Network  
Miguel Avila-Velarde  
Mercedes Sharpe Zayas, Parkdale People's Economy  
Isabella Gamk, Founder, Protecting ODSP OW Funding (POOF)  
Teresa Portillo, Community Benefits Organizer, Parkdale People's Economy  
Connie Dejak  
Councillor Joe Cressy  
Councillor Paula Fletcher  
Councillor Mike Layton  
Councillor Kristyn Wong-Tam