



REPORT FOR ACTION

Supplementary Report - Addressing Housing and Homelessness Issues in Toronto through Intergovernmental Partnerships

Date: September 29, 2020

To: City Council

From: Executive Director, Housing Secretariat

Wards: All

SUMMARY

On September 22, 2020, the Planning and Housing Committee adopted Item No. "PH16.8 - Addressing Housing and Homelessness Issues in Toronto through Intergovernmental Partnerships" and directed the Executive Director, Housing Secretariat to outline the process that will give unsolicited inquiries from property owners their due consideration as part of any plan to obtain 1,000 new homes through acquisitions, renovations and "shovel ready" projects to support the City's Housing and People Action Plan. This report responds to the Committee's request.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council receives this report for information.

FINANCIAL IMPACT

There are no financial implications arising from this report.

EQUITY IMPACT STATEMENT

The HousingTO 2020-2030 Action Plan envisions a city in which all residents have equal opportunity to develop to their full potential, and is centred on a human rights-based approach to housing. This human rights-based approach recognizes that housing is essential to the inherent dignity and well-being of a person and to building inclusive,

healthy, sustainable and liveable communities. It also recognizes that resources must be prioritized to help those most in need.

A key component of the HousingTO 2020-2030 Action Plan (HousingTO Plan) is to increase the supply of permanent affordable rental and supportive housing to help our most vulnerable and marginalized residents, including Indigenous Peoples and those from equity-seeking groups, live in dignified housing with appropriate supports.

Access to good quality, safe, affordable housing is an important social determinant of health and also improves the social and economic status of individuals and families. Good quality, affordable housing is also the cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

DECISION HISTORY

At its meeting of September 22, 2020, the Planning and Housing Committee adopted, with amendments, Item No. PH16.8, "Addressing Housing and Homelessness in Toronto through Inter-governmental Partnership" which described the advocacy the City was undertaking to secure additional investment from both the Provincial and Federal governments.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.8>

At its meeting of December 17 and 18, 2019, City Council adopted, with amendments, Item No. PH11.5, "HousingTO 2020-2030 Action Plan" and its recommended actions as a strategic framework to guide the City's programs, policies and investments on housing and homelessness needs over the next ten years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

COMMENTS

Addressing Housing and Homelessness in Toronto through Inter-governmental Partnership

On September 22, 2020, through Item No. PH16.8, "Addressing Housing and Homelessness Issues in Toronto through Inter-governmental Partnerships", staff provided the Planning and Housing Committee with an update on some of the actions taken to date in response to the pandemic including requests for a new tri-government partnership to support the City's COVID-19 Housing and Homelessness Recovery Response Plan, which is a 24-month plan to create 3,000 permanent affordable and supportive housing units, with the support of the federal and provincial governments.

The permanent homes are proposed to be created through the acquisition of buildings and sites and investments in "shovel-ready" projects; modular housing; and through the provision of housing benefits. Ultimately, this accelerates the City's previous requests to

federal and provincial governments to partner on the City's HousingTO 2020-2030 Action Plan ("HousingTO Plan").

Federal and Provincial Investments in Housing in Toronto

HousingTO Plan

The targets in the HousingTO Plan reflect a range of actions already being taken by government, as well as ramping up a full range of measures. Achieving these targets would produce major positive outcomes for Toronto residents. The HousingTO Plan ultimately aims to end chronic homelessness and help over 340,000 households in the city achieve and maintain housing stability over the next decade.

Implementing the HousingTO Plan is estimated to cost all orders of government \$23.4 billion, and below is a summary of required investment by each order of government plus commitments to date:

- City investment of \$8.5 B (\$5.5 already committed)
- Federal request of \$7.9B (\$1.5B already committed)
- Provincial request of \$7.0 B (\$73M already committed)

While the need to address the housing and homeless situation in the city was urgent prior to the onset of the COVID-19 pandemic, it has become even more critical due to the health, social and economic implications associated with the pandemic.

The City's 24-month COVID-19 Housing and Homelessness Recovery Response Plan outlined above will accelerate investments in the HousingTO Plan, to support our most vulnerable and marginalized residents who are homeless and disproportionately impacted by the pandemic.

Federal Investments - Rapid Housing Initiative (RHI)

On September 21, 2002, the Federal government announced a new Rapid Housing Initiative (RHI) investing \$1 billion in construction of modular housing, as well as the acquisition of land, and the conversion of existing buildings to affordable housing.

An additional \$236.7 million through Reaching Home: Canada's Homelessness Strategy will be provided to help extend and expand the emergency response to the COVID-19 outbreak. No further details about the new program and its roll-out by Canada, Mortgage and Housing Administration have been released publically to-date.

Provincial Investments - Social Services Relief Fund (SSRF)

The Province provided \$39.2 million to the City under the Social Services Relief Fund (SSRF) (distributed via the Community Homelessness Prevention Initiative (CHPI)) of which 20% flows through the City to community agencies (\$7.9 million).

The Province has also committed a further \$118 million to the City under a subsequent phase of funding through the SSRF. As part of preparing a business case for the

recently announce \$118 million allocated to the City through SSRF, staff are proposing that approximately \$38 million be allocated a range of capital costs including those related to the acquisition of hotels/motels and conversion of shelters to housing.

City Response to New Federal and Provincial Investment Opportunities

Inter-divisional Approach

An inter-divisional team of staff has been established to respond quickly and effectively to the recently announced RHI and SSRF initiatives. The team includes senior staff from the City Manager's Office, Corporate Real Estate Management (CREM), CreateTO, Housing Secretariat and Shelter, Support and Housing Administration.

Criteria for Creating New Affordable Housing and Responding to Funding Programs

The inter-divisional team has compiled and is assessing an initial list of properties and land suitable for modular supportive housing; acquisition opportunities (including hotels, motels, rental properties and multi-tenant dwelling homes) and shelters to be converted to permanent supportive housing.

Key program criteria developed to assess sites on the list include, but is not limited to:

- cost per unit;
- return on investment (including ability to offset existing costs);
- location (vicinity to transit, services);
- number of units per building;
- size of units; and
- timing and availability (i.e. to purchase/develop and create permanent housing opportunities)

The initial assessment of sites against the above-noted program criteria will enable staff to prioritize opportunities and make strategic recommendations to Council, and the federal and provincial governments regarding priorities for investments.

The inter-divisional team has also reached out to key non-profit partners to inquire about potential land and building opportunities they have been pursuing.

Next steps are underway on site-specific diligence, including zoning reviews, site inspections, fair market value determined through appraisals, and construction assessment.

Unsolicited Offers

Should unsolicited offers also be made to the City of Toronto by potential sellers, such offers will be reviewed against the key program criteria outlined above. Properties that come through unsolicited offers and deemed suitable for permanent affordable housing will also be subject to the same level of feasibility and due diligence work/conditions as other properties in order to ensure an approach that is strategic, fair, consistent, and grounded in the principle of best economic and social value. Additionally, all acquisitions

will be completed at fair market value, as assessed through appraisals completed in accordance with applicable industry standards

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SIGNATURE

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