
City Council**Motion Without Notice**

MM25.32	ACTION			Ward: All
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Implementation of the Federal Rapid Housing Initiative - by Mayor John Tory, seconded by Councillor Ana Bailão

** This Motion has been deemed urgent by the Chair.*

** This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

Recommendations

Mayor John Tory, seconded by Councillor Ana Bailão, recommends that City Council adopt the following recommendations in the report (October 28, 2020) from the Executive Director, Housing Secretariat and the Executive Director, Corporate Real Estate Management:

1. City Council authorize the Deputy City Manager, Community and Social Services, to enter into a Rapid Housing Initiative Agreement and/or related agreement(s) and amendments with the Canada Mortgage and Housing Corporation, the Government of Canada or any other federal entity necessary for the receipt and expenditure of funding under the Rapid Housing Initiative on such terms and conditions as are satisfactory to the Executive Director, Housing Secretariat, in consultation with the Executive Director, Corporate Real Estate Management, and in a form approved by the City Solicitor.
2. City Council direct the Executive Director, Housing Secretariat, in consultation with the Executive Director, Corporate Real Estate Management and the General Manager, Shelter, Support and Housing Administration to develop an Investment Plan (the "Investment Plan"), outlining units that can be available for occupancy within twelve (12) months, in accordance with the terms and conditions of the Rapid Housing Initiative Agreement and any related program guidelines, and authorize its submission, and any subsequent updates, to the Canada Mortgage and Housing Corporation by November 27, 2020.

3. City Council approve the receipt of the Rapid Housing Initiative program funds, in accordance with the terms and conditions of the Rapid Housing Initiative Agreement and any related agreements, directives or program guidelines.
4. City Council approve an allocation of \$203,265,729 (net \$0) fully funded from the Rapid Housing Initiative to the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to be overseen by the Executive Director, Housing Secretariat and used to support the acquisition by the City of real estate interests suitable for the Rapid Housing Initiative, the purchase of modular housing, related pre-development and pre-construction costs (e.g. community engagement, planning, communications, environmental site assessments, cost consultant reports, permits, architectural or engineering reports, appraisals, legal/closing costs related to acquisition of land and buildings) and all other costs permitted under the Rapid Housing Initiative to secure and develop affordable housing, in each instance on terms satisfactory to the Executive Director, Housing Secretariat and the Executive Director, Corporate Real Estate Management.
5. City Council approve an increase to the 2020 Capital Budget for Shelter, Support and Housing Administration of \$203,265,729 (net \$0) fully funded from the Rapid Housing Initiative to enable staff to begin project commitments, with the final cash flow adjustments between 2020 and 2021 to be requested through the third quarter variance report following completion of the Investment strategy.
6. City Council authorize the Executive Director, Housing Secretariat, as appropriate, to enter into agreements or other suitable arrangements with City divisions, agencies, the Government of Ontario and/or its agencies, community agencies, private entities and/or individuals to allocate and deliver the Rapid Housing Initiative funding in accordance with the program guidelines.
7. City Council exempt up to 800 affordable rental homes to be developed through the Rapid Housing Initiative from development charges, planning and permit fees, parkland dedication and property taxes.
8. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the Executive Director, Housing Secretariat, to approve the acquisition by the City of real estate interests suitable for the Rapid Housing Initiative, and to approve related pre-development and pre-construction costs (e.g. environmental site assessments, cost consultant reports, permits, architectural or engineering reports, appraisals, legal/closing costs related to acquisition of land and buildings), in each instance on terms satisfactory to the Executive Director, Corporate Real Estate Management, in consultation with the Executive Director, Housing Secretariat and in a form satisfactory to the City

Solicitor, and provided that all related expenditures are to be funded through the capital funding that is advanced to the City under the Rapid Housing Initiative Agreement.

9. City Council authorize the Executive Director, Corporate Real Estate Management and/or the Deputy City Manager, Corporate Services, to execute the agreements relating to the acquisitions referenced in Part 8 above, and any ancillary agreements and documents on behalf of the City of Toronto.

10. City Council request the Executive Director, Housing Secretariat, in consultation with the Executive Director, Corporate Real Estate Management and the General Manager, Shelter, Support and Housing Administration to inform local Councillors in advance of any intention to purchase or develop properties using the Rapid Housing Initiative funding in advance of any address being publicly released and to work with local Councillors on communication and community engagement.

11. City Council authorize the Executive Director, Corporate Real Estate Management, to administer and manage all transactions in consultation with the Executive Director, Housing Secretariat, including the provision of any consents, approvals, waivers, and notices, provided that they may, at any time, refer consideration of any such matters (including their content) to City Council for consideration and direction.

12. City Council authorize the Executive Director, Corporate Real Estate Management and/or the Executive Director, Housing Secretariat to negotiate and enter into any necessary non-competitive agreements, including those with a value exceeding \$500,000 for which Council approval would normally be required under Chapter 195, Purchasing, for the provision of professional services needed to complete the acquisition of suitable real estate interests and to carry out any necessary pre-development and pre-construction matters for the development of affordable housing under the Rapid Housing Initiative, provided that:

- a. non-competitive procurement is necessary to meet the timelines of the Rapid Housing Initiative;
- b. the costs are eligible for and will be funded through the Rapid Housing Initiative; and
- c. the terms and conditions of any such agreements are acceptable to the Executive Director, Corporate Real Estate Management and in a form satisfactory to the City Solicitor.

13. City Council authorize the City Solicitor to negotiate and enter into any necessary non-competitive retainers, including those with a value exceeding \$500,000 for which Council approval would normally be required under Chapter 195, Purchasing, for the provision of legal services needed to complete the acquisition of suitable real estate interests for the development of affordable housing under the Rapid Housing Initiative, provided that:

- a. non-competitive procurement is necessary to meet the timelines of the Rapid Housing Initiative;
- b. the costs are eligible for and will be funded through the Rapid Housing Initiative; and
- c. the terms and conditions of any such retainers are acceptable to the City Solicitor.

14. City Council authorize the Executive Director, Housing Secretariat, in consultation with the Executive Director, Corporate Real Estate Management and the General Manager, Shelter, Support and Housing Administration to work with the non-profit sector and include their eligible priority projects for consideration by Canada Mortgage and Housing Corporation under the Projects Stream.

15. City Council request the Executive Director, Housing Secretariat, in consultation with the Executive Director, Corporate Real Estate Management and the General Manager, Shelter, Support and Housing Administration, to report to the Planning and Housing Committee in January 2021 on the number of properties and affordable rental units acquired through the Rapid Housing Initiative, allocation to priority groups and impact on addressing chronic homelessness in the City.

16. City Council request the Chief Planner and Executive Director, City Planning, in consultation with the Executive Director, Housing Secretariat, the Executive Director, Corporate Real Estate Management and the Chief Building Official and Executive Director, Toronto Building to prioritize the review of sites identified as part of the Rapid Housing Initiative, including sites suitable for the construction of modular housing, land acquisitions, and the conversion of existing buildings to affordable housing, and identify ways to expedite the necessary building and planning approvals.

17. City Council authorize the Chief Executive Officer, CreateTO to act as the City's agent and to submit applications required to obtain required planning approvals for sites identified under the Rapid Housing Initiative.

18. City Council authorize the Executive Director, Housing Secretariat to compensate CreateTO on a direct cost-recovery basis for provision of the following goods and services to be performed by CreateTO and its contractors, with prior approval from the Executive Director, Housing Secretariat for such expenses:

- a. preparing the identified sites for construction, including undertaking necessary environmental studies and remediation, community consultations, planning and other consultant studies to support expedited delivery of the identified sites for modular supportive housing and creation of new housing through acquisition and conversion/restoration; and
- b. entering into and administering the contract or any other agreements required to be entered into with the manufacturer of modular units for the manufacture and installation of the modular units and/or with appropriate entities to undertake conversion/restoration of properties acquired through the Rapid Housing Initiative.

19. City Council authorize the Executive Director, Housing Secretariat, in consultation with the General Manager, Shelter, Support and Housing Administration, to issue a Request for Proposals and to select non-profit housing providers to operate the affordable and supportive housing units to be developed under Rapid Housing Initiative.

20. City Council authorize the Executive Director, Housing Secretariat to negotiate and execute on behalf of the City, municipal housing facility agreements (the City's "Contribution Agreement") for up to 99 years with the non-profit housing providers selected through the competitive process referred to in Part 19 above, or a related corporation, to secure the financial assistance being provided and to set out the terms of the operation of the new affordable rental housing, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form approved by the City Solicitor.

21. City Council authorize the General Manager, Shelter, Support and Housing Administration to negotiate and enter into any agreements with the non-profits housing providers selected, for any operating funding that may be available, including, but not limited to rent supplement or grant funding agreements, on terms and conditions agreed to by the General Manager, Shelter, Support and Housing Administration and in a form approved by the City Solicitor.

22. City Council authorize severally each of the Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration to execute, on behalf of the City, any security or financing

documents required by the non-profit housing providers, 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 City Council.

23. City Council request that the Province of Ontario provide ongoing operating funding, including funding for housing benefits and mental health and addiction services, to ensure the units created under the Rapid Housing Initiative results in new supportive housing opportunities for vulnerable and marginalized individuals, including people experiencing homelessness.

Summary

The Rapid Housing Initiative was announced by the Government of Canada on September 21, 2020. Rapid Housing Initiative will deliver \$1 billion in grant funding nationally to rapidly create new affordable rental housing in response to the urgent housing needs of vulnerable and marginalized individuals. This funding will be delivered through the Canada Mortgage and Housing Corporation, and the Rapid Housing Initiative will cover the construction of modular housing, as well as the acquisition of land, and the conversion of existing buildings to affordable housing.

On October 27, 2020, the Government of Canada announced program allocations, including \$203,265,729 for the City of Toronto, subject to meeting the program criteria and timelines. The City's allocation is required to create a minimum of 417 units of new permanent affordable housing.

This funding will be transferred to the City in full upon the successful execution of an agreement with Canada Mortgage and Housing Corporation. Quick execution of the agreement is needed in order for the funding to be transferred before the end of the calendar year. In addition, City staff will need to move rapidly to develop and submit an investment plan before November 27, 2020, outlining the capital projects that will be built/secured with the Rapid Housing Initiative allocation in order to confirm the take-up of funds.

Due to the tight timelines to execute the required agreements, and begin work to deliver the Rapid Housing Initiative program, staff are recommending Council's approval of the recommendations in this report. This report also recommends Council approval of approximately \$59 million in pre-approved City Open Door incentives to support the creation of up to 800 affordable rental units under the program, to maximize the Rapid Housing Initiative opportunity and exceed the minimum unit requirement set out under the Rapid Housing Initiative . Staff will

report back to City Council in January 2021 with a progress update and to seek any additional authorities required to acquire or develop the new affordable rental units within the federal 12-month program timeframe.

The Rapid Housing Initiative program will help support the City's 24-month housing recovery plan aimed at delivering 3,000 affordable and supportive homes for vulnerable and marginalized individuals experiencing homelessness.

However, as the Rapid Housing Initiative is a capital only program, ongoing provincial government operating funding (housing benefits and support services funding) will be required to create supportive housing opportunities that will help address chronic homelessness which is a key priority for all governments.

Supportive housing is critical to addressing the housing and health needs of residents, particularly those who are vulnerable and marginalized, and helping them to exit homelessness and improve their quality of life.

Background Information (City Council)

Member Motion MM25.32

(October 30, 2020) Report from the Executive Director, Housing Secretariat and the Executive Director, Corporate Real Estate Management on Implementation of the Federal Rapid Housing Initiative

(<http://www.toronto.ca/legdocs/mmis/2020/mm/bgrd/backgroundfile-157936.pdf>)