

Supporting the Creation of 5,200 Affordable Rental Homes 'For Indigenous, By Indigenous' in Partnership with Miziwe Biik Development Corporation

Date: September 7, 2021

To: Planning and Housing Committee

From: Executive Director, Housing secretariat

Wards: All

SUMMARY

The HousingTO 2020-2030 Action Plan ('HousingTO Plan') established a target of approving 40,000 new affordable rental homes, including 18,000 supportive homes by 2030. In October 2020, City Council approved an allocation of 5,200 of these new homes for Indigenous Peoples to be directly delivered by Indigenous housing providers and supported by the City and other orders of government. Staff were also directed to work with an Indigenous agency with experience in facilitating housing development to support these efforts. The 5,200 new homes allocation was co-developed with Indigenous housing providers in an effort to end chronic homelessness for Indigenous residents who are over-represented among Toronto's homeless population, and to improve housing stability for those at risk of homelessness.

To achieve this shared objective, over the past few months staff worked with a number of Indigenous housing providers, including those with lived experience, to identify a lead Indigenous organization with the capacity to support housing development activities. A delivery process consistent with the right to self-determination was also co-designed by Indigenous housing partners and City staff. The recommendations in this report are reflective of these actions.

This report seeks Council authority for the City to enter into a Memorandum of Understanding (MOU) with Miziwe Biik Development Corporation (MBDC) to support the creation of 5,200 new affordable rental and supportive homes for Indigenous residents across the city.

MBDC was established in 2004 by Miziwe Biik Aboriginal Employment and Training. The mission of MBDC is to serve as a vehicle for the economic advancement and self-sufficiency of the Aboriginal community in the Greater Toronto Area (GTA). MBDC engages in activities that focus on access to business development initiatives and training, and affordable housing.

As part of the proposed MOU, MBDC will act as the main intermediary between the City of Toronto and Indigenous housing providers. It will assist in managing the flow of funds to Indigenous-led housing providers, troubleshoot issues as they arise, and facilitate the development and operation of affordable rental and supportive housing. The City and MBDC will collaborate to identify land and capital and/or operating funding opportunities, including investments from other orders of government, to support delivery of the new homes.

To support the creation of the new affordable rental homes, provide funding certainty and help expedite future development, this report recommends that City Council approve an estimated \$265.8 million in Open Door Program incentives for up to 5,200 affordable rental homes. The affordable housing projects to be supported through the partnership will be the subject of future reports to Council, and all projects will be subject to the regular planning approvals and public consultation processes once identified.

As an additional material step to realizing the 5,200 homes target, approximately 27% of the City's \$132 million capital allocation (approximately \$36.1 million) under Phase Two of the federal Rapid Housing Initiative (RHI) is being recommended by staff to support the creation of affordable and supportive homes by Indigenous organizations. It is proposed that MBDC will work with the City to allocate the funds to CMHC-approved projects, and oversee the delivery of the new homes to be completed by end of 2022. This recommendation is contained within another report titled, 'Implementing the Federal Rapid Housing Initiative - Phase Two' which is also before Committee and Council for consideration at the same meeting.

Entering into the proposed MOU, providing the financial incentives recommended in this report, and dedicating funding through RHI for Indigenous-led projects advance delivery of the HousingTO Action Plan. These tangible, meaningful actions also help to advance the City's commitments to truth, reconciliation and justice with Indigenous Peoples.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council authorize the Executive Director, Housing Secretariat, to negotiate and enter into, on behalf of the City, a Memorandum of Understanding with the Miziwe Biik Development Corporation ("MBDC") substantially on the major terms and conditions set out in Attachment 1 to the report and on such other or amended terms and conditions acceptable to the Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor.
2. City Council authorize the Executive Director, Housing Secretariat to execute a non-binding letter of intent with MBDC and/or an Indigenous housing provider identifying a site, a proponent, estimated number of units and funding amounts (where available) for affordable rental housing development.

3. City Council authorize the Executive Director, Housing Secretariat, to waive the planning applications fees for up to 5,200 affordable rental housing units identified through the Memorandum of Understanding with MBDC upon the execution of the non-binding letter of intent outlined in Recommendation 2.
4. City Council authorize up to 5,200 affordable rental housing units, to be constructed on sites to be identified through the planning approval process, to be eligible for waivers of building permit fees and parkland dedication fees, and development charge exemptions, through the Open Door program.
5. City Council authorize the Executive Director, Housing Secretariat, to negotiate and enter into, on behalf of the City, any agreements or documents necessary including contribution agreements, with MBDC and/or an Indigenous housing provider, or related corporations, to secure the financial assistance being provided through the Open Door Program, for the affordable housing to be developed at the sites to be identified, on terms and conditions satisfactory to the Executive Director, Housing Secretariat, and in a form approved by the City Solicitor.
6. 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, consents, approvals, agreements or other documents that are ancillary to the any security or financing documents required by the developers of the site 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.
7. City Council authorize the Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration to provide any consent necessary to transfer or encumber any of the identified sites and to negotiate and enter into any agreements or other documents required to effect any future transfer or assignment of any of the identified sites 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.

FINANCIAL IMPACT

This report recommends Council approval, under the terms of the Open Door Program, to allocate financial incentives to support the creation of up to 5,200 affordable rental homes identified through the Memorandum of Understanding with the Miziwe Biik Development Corporation. The incentives for the affordable rental homes recommended by this report are within the approved 10-year Open Door Program financial plan for the implementation of the HousingTO 2020 – 2030 Action Plan.

The City's financial incentives include relief from development charges, building permit fees, planning application fees, and parkland dedication fees. Based on the City's

current applicable fees and charges relief estimates, this report proposes an estimated investment of approximately \$265,821,635 in City incentives as summarized in Table A below.

Table A: Open Door Incentives Proposed

Affordable Rental Homes	Estimated Affordability Period	Estimated Development Charges*	Estimated Planning Fees and Charges**	Estimated Total Value of Incentives
5,200	99	\$228,826,000	\$36,995,635	\$265,821,635

*calculated using November 2020 rates

**includes estimated 2021 building permit fees of \$6,285,053, 2021 planning fees of \$4,710,583 and parkland dedication fees of \$26,000,000

The value of City incentives noted in Table A are estimates at this time. The actual values of waived fees and property taxes may vary as these projects progress through planning review and approval processes.

As noted earlier, the approval of the 5,200 affordable rental units will be completed over the next nine (9) years and spread across a number of sites to be identified in the future, through the planning approval process. The associated financial impact arising from these projects will be presented to City Council for consideration through standalone reports or future year budget processes.

The Chief Financial Officer and Treasurer has been advised of the financial impacts associated with this initiative to be considered along with other priorities through the 2022 Budget Process.

EQUITY IMPACT STATEMENT

The HousingTO Plan envisions a city in which all residents have equal opportunity to develop to their full potential. Supporting the progressive realization of the right to adequate housing, the HousingTO Plan recognizes that creating new affordable homes and appropriate supports will increase the opportunity for structurally vulnerable and marginalized individuals, including Indigenous Peoples, Black people and other racialized groups, seniors, women, and members of the 2SLGBTQ+ community to access safe, healthy and adequate homes.

While it was clear that Indigenous, racialized and other equity-deserving communities were structurally and systemically disadvantaged pre-pandemic, COVID-19 has deepened the inequalities and made them more glaring. Recovering and rebuilding from COVID-19 will require actions that acknowledge, consider and address the disproportionate impacts the pandemic on these marginalized and vulnerable communities.

The actions proposed in this report, co-developed with Indigenous partners, will support the City's commitment to truth, reconciliation and justice with Indigenous Peoples. These commitments acknowledge that Indigenous Peoples are over-represented among Toronto's homeless population as a result of historical trauma, oppression, racism and discrimination. As such, it is critical to increase access to culturally-appropriate, affordable housing and support services for Indigenous residents.

Safe, secure, affordable housing is an important social determinant of health. It improves the social and economic status of individuals, families and communities. 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

On September 30, October 1 and 2, 2020, City Council adopted the HousingTO 2020-2030 Implementation Plan as the accountability framework to monitor the City's progress towards delivering on the actions identified in the HousingTO 2020-2030 Action Plan over the next ten year and established a set-aside target of 5,200 affordable and supportive homes to be approved for Indigenous communities and be delivered by Indigenous housing providers. The City Council Decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.5>

On December 17 and 18, 2019, City Council adopted PH 11.5 HousingTO 2020-2030 Action Plan. The Action Plan committed to developing a dedicated Indigenous grants funding stream for housing and homelessness supports as well as developing a dedicated allocation of the 40,000 new affordable rental and supportive homes approvals over the next 10 years to First Nations, Inuit and Métis peoples through collaboration with housing providers and on sites suitable for developing culturally appropriate affordable rental and supportive housing. The City Council Decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

At its meeting on December 9, 2015, City Council in consultation with the Aboriginal Affairs Committee, identified eight Calls to Action from the Truth and Reconciliation Commission of Canada's report as priorities for implementation. The City Council Decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.16>

In July of 2010 Toronto City Council adopted the report Statement of Commitment to Aboriginal Communities in Toronto – Towards a Framework for Urban Aboriginal Relations in Toronto. In that report it was recommended that an Action Plan be developed in consultation with the Aboriginal Affairs committee to give effect to the commitments contained in the report. The City Council Decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.EX45.5>

COMMENTS

City of Toronto's Commitments to Indigenous Peoples

In 2010, the City adopted the Statement of Commitment to the Aboriginal Communities of Toronto, and in 2015 City Council, in consultation with the Aboriginal Affairs Committee, identified eight Calls to Action from the Truth and Reconciliation Commission's final report as priorities for implementation by the City. Included in this, is the Call to Action for the federal, provincial, territorial, and municipal governments to fully adopt and implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as the framework for reconciliation. The UNDRIP also includes the rights for Indigenous Peoples to practice and revitalize cultures, ceremonies and traditions and participate in decision-making structures.

In June 2020, City Council approved a number of actions for the City of Toronto to take to support the Calls to Justice from the National Inquiry on Missing and Murdered Indigenous Women and Girls, including specific calls for increasing access to supportive housing opportunities.

In addition to the above, in October 2020, City Council adopted the HousingTO Implementation Plan and approved an allocation of new affordable rental and supportive homes dedicated for Indigenous residents. This further signified the City's commitment to working together with Indigenous Peoples to address the systemic and structural challenges they face as a result of Canada's history of colonization and exploitation of Indigenous land and populations.

Advancing the City's Commitments through the MOU

In recognition of the need for Indigenous-specific and Indigenous-led solutions, the City has been working with Indigenous housing partners and MBDC over the past two years to co-develop a target for affordable and supportive housing approvals as well as a process to achieve this target. This includes developing a MOU with MBDC to establish them as the main intermediary to assist and manage the flow of funds to Indigenous-led housing providers, and to facilitate the development and operation of affordable and supportive housing.

MBDC and the City will work together in an effort to achieve the target of approving 5,200 new rental and supportive homes by 2030, to be developed by Indigenous-led organizations for First Nations, Inuit, Métis and Urban Indigenous households.

Affordable rental housing under this MOU is defined housing with gross monthly rent no greater than one (1) times the average City of Toronto Rent, by unit type (number of bedrooms), as reported annually by CMHC in its fall Rental Market Report: Greater Toronto Area. MBDC and the City will work together on a site-by-site basis to explore opportunities to deepen affordability through housing benefits and other programs, where available.

Affordable and supportive homes facilitated through this MOU will be dedicated to Indigenous individuals, couples and families, including those experiencing homelessness or those at risk of homelessness; women; seniors; young adults; person/people with disabilities; people with mental health and substance use issues; members of the 2SLGBTQ+ community; and veterans.

The new homes to be developed will remain affordable over the long term with the goal of permanent affordability. Additionally, at least 20% of all units at each site will meet or exceed CMHC's accessibility standards; all common areas will be fully barrier-free; and universal design features will be incorporated throughout so that the homes can be modified to adapt to residents needs at each stage of their lives.

Implementation of the MOU

Some of the key commitments in the proposed MOU include:

1) Identifying Resources

The City will support MBDC in their efforts to secure land, capital and operating funding from all available resources including, through all orders of governments. This includes applying for funding programs under the National Housing Strategy.

Where funding is received from other orders of government or earmarked by the City for the purpose of developing and operating affordable rental and supportive homes, MBDC and the City will negotiate binding agreements which will allow MBDC to receive a portion of such funding and allocate to Indigenous projects and providers.

2) Building a Pipeline - Open Door Incentives

MBDC will provide the City with a letter for each MBDC-funded non-profit site and, subject to Council's approval of this report, the Executive Director, Housing Secretariat will authorize the exemption of Open Door Program incentives. As mentioned earlier, this will support the creation of a pipeline of sites for building new affordable and supportive housing and provide funding certainty and help expedite future development

Staff will report annually, through the HousingTO annual update report, on the progress made on achieving the targets for approving new affordable and supportive homes, as well as the implementation of this MOU.

Conclusion

In order to meet the HousingTO Plan targets and increase the supply of culturally-responsive and appropriate affordable rental and supportive housing for Indigenous residents across the city, partnerships like the one proposed in this report are essential. The proposed partnership will further enable MBDC, an Indigenous-led agency, in its efforts to support Indigenous housing developers and operators. Having MBDC as the intermediary between the City and Indigenous organizations will help support self-determination as opposed to a perceived paternalistic approach. It will also leverage MBDC's expertise and partnerships to advance 'For Indigenous, by Indigenous' projects.

While this reports signals a significant step forward in advancing the shared objectives of Indigenous Peoples and the City, new and enhanced investments from the federal

and provincial governments will be critical to achieving the HousingTO Plan's objectives, including this Indigenous housing target by 2030.

CONTACT

Valesa Faria
Director, Housing Secretariat
(416) 392-0602, Valesa.faria@toronto.ca

Mercedeh Madani
Senior Strategic Policy Consultant, Housing Secretariat
416-397-4252, mercedeh.madani@toronto.ca

SIGNATURE

Abigail Bond
Executive Director, Housing Secretariat

ATTACHMENTS

Attachment 1 - Proposed Terms and Condition

ATTACHMENT 1 - PROPOSED TERMS AND CONDITION

The following is a summary of the recommended major terms and conditions of the Memorandum of Understanding with the Miziwe Biik Development Corporation.

Proposed Terms and Conditions	
Partner	Miziwe Biik Development Corporation
Signing Date	On or about October 15, 2021
Number of Affordable Rental Units	5,200 units approved by 2030
Affordable Rental Target	Up to 100% of units in each project for up to 99 years
Deepening Affordability	MBDC and the City, on a site-by-site basis, will seek to deepen affordability through use of housing allowances, rent supplements and/or housing benefits.
Accessibility	At least 20% of all units at each site must meet or exceed the Canada Mortgage and Housing Corporation accessibility standards and all common areas must be fully barrier-free.
City Incentives	<p>MBDC-funded non-profit sites will be eligible for a waiver of planning application fees, building permit fees, parkland dedication fees and an exemption from development charges for the affordable rental portion of each Indigenous housing project.</p> <p>Residential property taxes will be waived for affordable rental units only for the 99 year term, subject to future approval by City Council.</p>