

City Council**Motion without Notice**

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| MM42.39 | ACTION | | | Ward: 11 |
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Protecting Existing Housing and Creating Permanently Affordable Homes with Supports for Youth at 556 Bathurst Street - by Councillor Mike Layton, seconded by Mayor John Tory

** 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

Councillor Mike Layton, seconded by Mayor John Tory, recommends that:

1. City Council authorize the Executive Director, Housing Secretariat, subject to Part 2 below, to provide \$3 million inclusive of Harmonized Sales Tax and disbursements, from the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to Youth Without Shelter Terra House North Toronto Emergency and Referral Agency, the Kensington Market Community Land Trust and/or a related corporation under the Multi-Unit Residential Acquisition Program to acquire, renovate and operate the property municipally known as 556 Bathurst Street as affordable rental housing for a minimum of 99 years, and fully funded from \$3 million in Section 37 (Planning Act Reserve Fund) community benefits for this purpose, received by the City from the following developments:

a. 68 and 70 Charles Street East and 628, 634, 636 and 638 Church Street, secured for new or existing affordable housing facilities, in the amount of \$385,225 (Source Account: XR3026-3701165);

b. 826-834 Yonge Street and 2-8 Cumberland Street, secured for affordable housing in the amount of \$130,038 (Source Account: XR3026-3701083); and

c. 11-25 Yorkville Avenue and 16-18 Cumberland Street, secured for capital improvements for new or existing Toronto Community Housing and/or affordable housing in the amount of \$2,484,737 (Source Account: 220096).

2. City Council increase the Approved 2022 Operating Budget for the Housing Secretariat by \$3 million gross, to be payable to Youth Without Shelter Terra House North Toronto Emergency and Referral Agency, the Kensington Market Community Land Trust and/or a related corporation, subject to the following conditions:

a. the transfer of the designated funds from XR3026-3701165, XR3026-3701083, and 220096 to the Capital Revolving Reserve Fund for Affordable Housing (XR1058);

b. the successful acquisition of the property by Youth Without Shelter Terra House North Toronto Emergency and Referral Agency, the Kensington Market Community Land Trust and/or a related corporation by no later than July 31, 2022 or such other date as is acceptable to the Executive Director;

c. approval of a business case for the property outlining the management plan, management qualifications and financial viability of the project, satisfactory to the Executive Director, Housing Secretariat; and

d. Youth Without Shelter Terra House North Toronto Emergency and Referral Agency, the Kensington Market Community Land Trust and/or a related corporation entering into a municipal housing facility agreement (the "Contribution Agreement") with the City, on terms and conditions satisfactory to the Executive Director, Housing Secretariat.

3. City Council authorize the Executive Director, Housing Secretariat to negotiate and enter into a municipal housing facility agreement (the "Contribution Agreement") with Youth Without Shelter Terra House North Toronto Emergency and Referral Agency, the Kensington Market Community Land Trust and/or a related corporation, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form acceptable to the City Solicitor, to secure the property as affordable rental housing for a 99 year term, subject to Part 2 above.

4. City Council exempt the 24 affordable rental units at 556 Bathurst Street from taxation for municipal and school purposes for the term of the City's Contribution Agreement with Youth Without Shelter, Terra House North Toronto Emergency and Referral Agency and/or the Kensington Market Community Land Trust, which will be 99 years.

5. City Council authorize the Controller to cancel or refund any taxes paid after the effective date of the exemption from taxation for municipal and school purposes.

6. City Council authorize the Executive Director, Housing Secretariat to provide a waiver of all building permit fees for the 24 affordable rental housing units at 556 Bathurst Street.

7. City Council authorize the Executive Director, Housing Secretariat, or such person's delegates to execute, on behalf of the City, any security or financing documents required by the non-profit housing provider, 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, subject to Part 2 above.

Summary

In Toronto's competitive real estate market, affordable multi-unit properties are being rapidly lost due to sale and/or redevelopment. As such, there is an urgent need to permanently preserve the supply of existing affordable homes across the City. Protecting the existing supply of homes also presents the opportunity create permanently affordable housing options for lower-income residents, including those experiencing homelessness or housing precarity. Partnerships with the non-profit housing sector, including community land trusts, are key to achieving these objectives.

There is an immediate opportunity to support Youth Without Shelter Terra House North Toronto Emergency and Referral Agency ("Youth Without Shelter") for the non-profit organization to purchase the multi-tenant property at 556 Bathurst Street. Youth Without

Shelter has been operating for over 35 years and provides housing and wraparound supports for young people aged 16 to 24 years, who face a unique set of situational challenges.

This existing residential property at 556 Bathurst Street has a total of 24 residential units. Of the 24 residential units, currently 6 are vacant and 18 are occupied and rented at affordable levels. Youth Without Shelter has signed a conditional Agreement of Purchase and Sale with the owners for the property and is in the process of completing due diligence. The transaction is anticipated to close before the end of May 2022, subject to the organization securing financial support from the City of Toronto and other funders. Youth Without Shelter may also potentially partner with the Kensington Market Community Land Trust to support the acquisition, renovation and/or future operation of the property.

While the City has recently launched a Request for Proposals for the new Multi-Unit Residential Acquisition program to protect at-risk affordable rental housing such as 556 Bathurst Street, due to the Request for Proposals closing date and anticipated review and selection process timelines, Youth Without Shelter would not be able to meet the property closing timeline.

All existing tenancies will be protected and maintained through this acquisition. However, current and future vacant units will be dedicated to providing permanent affordable housing for youth. Dedicated affordable housing for youth is much-needed in Toronto as youth represent about 11 percent of people experiencing homelessness in our City. Through the proposed partnership, a range of support services will also be provided onsite to help young people improve their health and socio-economic outcomes long term.

This Motion recommends that City Council direct the Executive Director, Housing Secretariat to provide \$3 million in funding to Youth Without Shelter, the Kensington Market Community Land Trust and/or a related corporation under the Multi-Unit Residential Acquisition Program to acquire, renovate, and operate the property municipally known as 556 Bathurst Street in Toronto, fully funded by Ward 11, University-Rosedale Section 37 funds with funding provided by the various developments in the ward, subject to Youth Without Shelter, the Kensington Market Community Land Trust and/or a related corporation successfully acquiring the property by no later than July 31, 2022, or such other date determined by the Executive Director, Housing Secretariat. This Motion also recommends that the 24 dwelling rooms be exempt from the payment of property taxes for 99 years to ensure long term viability of the project and to secure the units as affordable rental housing in perpetuity, and that building permit fees be waived.

Background Information (City Council)

Member Motion MM42.39

<https://www.toronto.ca/legdocs/mmis/2022/mm/bgrd/backgroundfile-224190.pdf>