

City Council

Notice of Motion

MM47.3	ACTION			Ward: 14
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Creating New Non-Profit Co-operative Homes at 685 Queen Street East - by Councillor Paula Fletcher, seconded by Councillor Ana Bailão

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Paula Fletcher, seconded by Councillor Ana Bailão, recommends that:

1. City Council authorize the Executive Director, Housing Secretariat to provide \$1,000,000.00 inclusive of Harmonized Sales Tax and disbursements, from the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to Riverdale Co-operative Homes to support the renovation of the property municipally known as 685 Queen Street East to create affordable co-operating homes, with such amount to be fully funded from the following:

- a. \$700,000.00 to be funded from the development 462 Eastern Avenue and 176 Logan Avenue, secured for the provision of affordable housing (Source Account: XR3026-3701089); and
- b. \$300,000.00 to be funded from the Development Charges Development Charges Reserve Fund for Subsidized Housing (XR-2116).

2. City Council increase the Approved 2022 Operating Budget for the Housing Secretariat by \$1,000,000.00 gross, to be payable to Riverdale Co-operative Homes, subject to the following conditions:

- a. the transfer of the designated funds referred to in Part 1.a. above from 462 Eastern Avenue and 176 Logan Avenue (XR3026-3701089) to the Capital Revolving Reserve Fund for Affordable Housing (XR1058);
- b. the transfer of the designated funds from the Development Charges Development Charges Reserve Fund for Subsidized Housing (XR-2116) referred to in Part 1.b. above; and
- c. Riverdale Co-operative Homes and the City of Toronto entering into an agreement referred to in Part 3 below, on terms and conditions satisfactory to the Chief Planner and Executive Director, City Planning and the Executive Director, Housing Secretariat.

3. City Council authorize the Executive Director, Housing Secretariat to negotiate and execute, on behalf of the City, an agreement to amend the existing Municipal Housing Facility Agreement ("Contribution Agreement"), to provide an additional cash contribution of \$1,000,000.00 referred to in Part 1 above, to ensure completion of 685 Queen Street East for future operation as affordable rental co-operative housing, with the agreement to amend to be in a form satisfactory to the City Solicitor; the agreement will include details respecting a payment schedule as follows:

- a. 30 percent of the contribution to be paid by the City within 45 days of signing the amending Contribution Agreement;
- b. 60 percent of the contribution to be paid by the City within 30 days of 50 percent completion of construction, as confirmed by a quantity surveyor; and
- c. 10 percent of the contribution to be paid by the City within 30 days of completion of construction.

Summary

Riverdale Co-operative is a non-profit corporation established in 1974 with the mandate of providing affordable housing for its members. One of the properties owned by Riverdale Cooperative Homes is 685 Queen Street East, and is in need of redevelopment to address major current capital repair needs as well as to increase the number of affordable and accessible rental homes onsite.

In January 2019, through Item 2019.PH11.8, City Council approved the provision of \$3,900,000 in Ontario Priorities Housing Initiative funding towards the redevelopment of 685 Queen Street East. In June 2019, through Item 2019.PH6.4, \$500,000 in financial assistance was also provided for pre-development feasibility assessment. In October, 2019, through Item 2019.PH8.3, City Council approved capital funding of \$640,000 from the City's Development Charges Reserve Fund for Subsidized Housing (XR2116), as well as an estimated \$1,369,303 in City fees and charges exemptions to support redevelopment of the site. In 2020, through Item 2020.PH15.12, Council approved a further \$4,846,556.00 in Section 37 funds to advance the project.

The redevelopment plans for 685 Queen Street East involves the renovation of nine units in the existing heritage structure, plus an addition of 17 units at the rear of the building, for a total of 26 units. The mix of units will include two studios, 13 one-bedrooms, 9 two-bedrooms and 2 three-bedroom units, of which 62 percent will be fully accessible. The unit types and accessibility will allow Riverdale Co-operative to meet the current and future needs of residents, and help them to age in place.

The rents for the 26 homes will be at or below 80 percent Average Market Rent and 25 percent will be allocated to clients in receipt of a housing benefits. These homes will also be operated as affordable housing for a minimum of 99 years.

Since 2019, Riverdale Co-operative Homes has worked closely with the Co-operative Housing Federation of Toronto and its private sector development partner, Streetcar Developments, to advance redevelopment of the site. As Streetcar Developments ("Streetcar") is already developing the adjacent site, Riverdale Co-operative will benefit from economies of scale in the construction process plus Streetcar's development expertise.

While work has continued since 2019, due to delays as a result of the COVID-19 pandemic and unanticipated market conditions such as construction cost escalations, supply chain issues and

interest rate increases, a further \$1,000,000 contribution from the City of Toronto is required to ensure completion of the project.

This Motion recommends City Council approval of a one-time \$1,000,000.00 contribution to be provided to Riverdale Co-operative Homes, fully funded by Section 37 (Planning Act Reserve Fund) community benefits received by the City for affordable housing purposes and the Development Charges Development Charges Reserve Fund for Subsidized Housing (XR-2116).

Approval of this Motion will ensure that 26 self-contained new co-operative affordable rental units can be created, including some deeply accessible homes, providing much-needed housing opportunities for seniors and families.

Background Information (City Council)

Member Motion MM47.3

(<https://www.toronto.ca/legdocs/mmis/2022/mm/bgrd/backgroundfile-228613.pdf>)