

Open Door Program 2021 Call for Applications Results: Supporting 919 Affordable Rental and Supportive Homes

Date: May 16, 2022

To: Planning and Housing Committee

From: Executive Director, Housing Secretariat

Wards: All

SUMMARY

The Open Door Affordable Rental Housing ("Open Door") program is a key program under the HousingTO 2020-2030 Action Plan ("HousingTO Plan") and offers capital grants and financial incentives to encourage non-profit and private sector housing developers to create new affordable rental housing for low-and-moderate-income households. These new homes are critical to help the City to meet its target of approving 40,000 affordable rental homes (including 18,000 supportive homes), by 2030.

On November 24, 2021, the Housing Secretariat launched the annual Open Door Affordable Rental Housing Call for Applications process. The Call for Applications closed on February 3, 2022. To support the City of Toronto's commitments to Indigenous Peoples, 20% of the funding allocated under the 2021 Call was dedicated to projects led by Indigenous housing organizations for Indigenous residents.

This report outlines the results of the 2021 Open Door Call for Applications and recommends City Council approval of 17 projects, representing a total of 919 affordable rental homes, for capital funding and/or Open Door financial incentives. Thirteen of the recommended affordable rental housing projects will be developed by non-profit housing providers, and of these, two will be Indigenous-led, and three will create new supportive housing.

The report recommends that the City invests a total of \$10,049,900 in capital funding, and \$64,979,296 in Open Door incentives in the form of waived development charges, building permits, parkland levies, and property taxes to support the 17 projects. Approximately 29% of the capital funding proposed will be dedicated to supporting the two Indigenous projects, exceeding the City's commitment to Indigenous Peoples.

In addition, six non-profit applications, representing a total of 483 homes, are recommended for pre-development funding of \$50,000 each, to advance these projects that are in the early stages of development and create a pipeline of future affordable homes. All homes to be created through this program will remain affordable for a minimum of 40 years, and in many cases, in perpetuity.

Further, this report recommends City incentives for 25 additional affordable rental homes to be created at 155-65 Elm Ridge Drive by Reena, a non-profit organization that provides housing with a range of supports for people with disabilities. The project was initially approved for incentives in 2021 through Item PH21.4 to support 81 affordable rental homes, and with the additional 25 homes, a total of 106 affordable rental homes will be created. Additionally, the report recommends that \$3,600,000 in Ward 10 Section 37 funds be committed to the affordable housing component of the redevelopment of the Palace Arms Hotel at 938-950 King Street West, as previously directed by Council through Item TE23.12.

City Council's approval of the recommendations in this report will support the creation of a range of new affordable rental homes, for a range of people and incomes, all across the city. These much-needed homes will help address the needs of current and future residents, plus create more mixed-income, inclusive and livable communities where people have opportunity to thrive.

RECOMMENDATIONS

The Executive Director, Housing Secretariat, recommends that:

1. City Council authorize the Executive Director, Housing Secretariat, to provide capital funding from the Development Charges Reserve Fund for Subsidized Housing (XR2116) in the amounts and for the developments described in Chart A in the Financial Impact section of this Report and in an amount not to exceed \$10,049,900.00 to facilitate the creation of up to 919 affordable rental homes through the Open Door Affordable Rental Housing Program.
2. City Council authorize the Executive Director, Housing Secretariat, to provide capital funding from the Development Charges Reserve Fund for Subsidized Housing (XR2116), in the amounts and for the developments described in Chart C in the Financial Impact section of this Report and in an amount not to exceed \$300,000.00 for the purpose of conducting pre-development activities including addressing issues identified by City staff to facilitate the creation of affordable rental homes through a future Open Door Affordable Rental Housing Program application.
3. City Council authorize the affordable rental homes located within the developments described in rows 4 to 17 of Chart A and all of Chart D in the Financial Impact section of this Report to be eligible for waivers of fees for planning application, building permit, parkland dedication and development charges exemptions, unless already paid.

4. City Council authorize an exemption from taxation for municipal and school purposes under the terms of the Open Door Affordable Rental Housing Program for the affordable rental homes located within the developments and for the periods of time described in rows 4 to 17 of Chart B and all of Chart E in the Financial Impact section of this Report.
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 as set out in the applicable municipal housing facility agreement (the City's Contribution Agreement).
6. City Council authorize the Executive Director, Housing Secretariat, to negotiate and execute, on behalf of the City, a municipal housing facility agreement (the City's "Contribution Agreement"), or amendments to existing Contribution Agreements, where applicable, with the appropriate legal entities for the developments listed in Chart A and D in the Financial Impact section of this Report, or related entities, to secure the financial assistance and to set out the terms of the development and operation of the new affordable rental housing, on terms and conditions satisfactory to the Executive Director, Housing Secretariat, in consultation with the Chief Financial Officer & Treasurer, in a form approved by the City Solicitor.
7. City Council authorize the Executive Director, Housing Secretariat, to negotiate and enter into, on behalf of the City, a pre-development agreement with the appropriate legal entities for the developments listed in Chart C in the Financial Impact section of this Report from the Executive Director, Housing Secretariat, or related entities, to secure the financial assistance, on terms and conditions satisfactory to the Executive Director, Housing Secretariat, in consultation with the Chief Financial Officer and Treasurer, in a form approved by the City Solicitor.
8. City Council authorize the Executive Director, Housing Secretariat, on behalf of the City, to execute any security or financing documents, or any other documents required to facilitate the funding process, including any documents required by the developers of the developments described in Chart A and D in the Financial Impact section of this Report, or their related corporations, to complete pre-development activities, construction and secure conventional financing, where required, 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.
9. City Council authorize the Executive Director, Housing Secretariat, to make any necessary future budget adjustments to accommodate the funds approved in this report from the Development Charges Reserve Fund for Subsidized Housing (XR2116).
10. City Council authorize the transfer of \$3,600,000.00 from the under listed Section 37 (Planning Act Reserve Fund) community benefits collected accounts to the Capital

Revolving Reserve Fund for Affordable Housing (XR1058), for the purpose of creating new affordable rental housing at 938-950 King Street West:

- a. 220 and 234 Simcoe Street and 121 St. Patrick Street, secured for the provision of new affordable housing in Ward 10, in the amount of \$317,278.99 (XR3026-3701129);
- b. 23 Spadina Avenue, secured for the provision of new affordable housing in Ward 10, in the amount of \$796,105.25 (XR3026- 3701140);
- c. 99 Blue Jays Way secured for the provision of new affordable housing units and community services and facilities in Ward 10, in the amount of \$678,947.37 (XR3028-4500234);
- d. 102 -118 Peter Street and 350-354 Adelaide Street West, secured for Toronto Community Housing Corporation repairs but given the funds have not been used for the intended purpose within three (3) years of the by-law coming into full force and effect, the by-law permits the cash contribution to be redirected for the provision of new affordable housing, in the amount of \$353,346.49 (XR3026-3701121);
- e. 156-174 Front Street West and 43-51 Simcoe Street, secured for Toronto Community Housing Corporation facilities but given the funds have not been used for the intended purpose within three (3) years of the by-law coming into full force and effect, the by-law permits the cash contribution to be redirected for the provision of new affordable housing, in the amount of \$477,656.23 (XR3026-3701063);
- f. 40-58 Widmer Street, secured for capital repairs to Toronto Community Housing Corporation facilities but given the funds have not been used for the intended purpose within three (3) years of the by-law coming into full force and effect, the by-law permits the cash contribution to be redirected for the provision of new affordable housing, in the amount of \$175,190.16 (XR3026- 3701106); and
- g. 165 East Liberty Street, secured for community service and/or facilities, in the amount of \$801,475.517.00 (XR3026-3701057).

FINANCIAL IMPACT

As outlined in the charts below, this report recommends that City Council authorize funding from various sources as well as approve the use of financial incentives through the Open Door Affordable Housing Program. This report recommends that City Council allocate up to \$10,049,900.00 in City funding in the form of forgivable capital grants as summarized in Chart A below, and \$300,000.00 City grant funding in pre-development assistance, as summarized in Chart C below, funded from the Development Charges

Reserve Fund for Subsidized Housing (XR2116) (the "DCRF"). These capital costs were included and approved in the 2022 budget, although some of the project costs may not be incurred in 2022.

Open Door Capital Funding

The DCRF is an important funding source to support new affordable rental homes. The City's capital funding contributions will supplement equity contributions from the applicants. The capital contributions specified above will flow through the Housing Secretariat's operating budget and support delivery of the HousingTO 2020-2030 Housing Action Plan.

In addition, this report recommends approximately \$64,979,296.00 in financial incentives under the terms of the Open Door Affordable Rental Housing Program. The capital funding and incentives are recommended to support the creation of up to 919 affordable rental homes in seventeen housing developments, as summarized in Chart A below. Two of the developments, at 2217 Kingston Road and 502-508 Spadina Avenue, are recommended for capital funding but not financial incentives as the provision of financial incentives for those two developments were previously approved by Council through the Open Door Call for Applications results reports of 2019 and 2021.

In response to the 2021 Call for Applications, five applications (numbers 9-13 in Chart A) that achieved passing scores, requested capital grants for which DCRF funding is not available. However, in order to support these projects, City incentives are recommended by way of fee waivers, so that the projects can move along the planning review and approval processes, and potentially reapply in future years, or look for alternative funding.

The number of homes and incentive amounts in this report are based on best available data at this time. Built-form and the final number of affordable rental homes to be created will be determined through the development review and approval processes, as well as financial commitments from the federal government through the National Housing Strategy programs such as the Rental Construction Financing Initiative (RFCI) and Co-Investment Fund.

The report also contains a recommendation to approve incentives for 25 additional affordable rental homes at 155-165 Elm Ridge Road by Reena, a non-profit group that was approved for 81 homes under the 2020 Open Door Call for Applications.

In addition, this report recommends a \$3,600,000.00 capital contribution be paid from Section 37 funds received from seven developments in Ward 10 to facilitate the provision of an additional 650 square metres of affordable housing (an additional 13 homes for a total of 35 affordable rental homes) at 938-950 King Street West, in line with Council previous approval on March 10, 2021 through Item TE23.12. This report recommends Open Door incentives for 50 years for the additional 13 homes and an additional 10 years for the 22 homes already approved by Council in Item TE23.12.

The Housing Secretariat will report to Council on a per project basis should the estimated value of incentives exceed the amounts approved by Council through this report.

Chart A: Summary of Financial Details for Recommended Developments

	Organization/ Company Name	Project Address	Ward	Affordable Homes	Capital Funding Proposed	Estimated Fees & Charges Exemptions	Estimated Net Present Value of Property Tax Exemption
1)	Thunder Woman Healing Lodge Society (incentives approved 2019)	2217 Kingston Road	20	24	\$2,000,000	-	-
2)	The Scott Mission (incentives approved 2021)	502-508 Spadina Avenue	11	109	\$3,270,000	-	-
3)	950 King Street West Holdings Inc. (partial incentives approved 2021)	938-950 King Street West and 95-99 Strachan Avenue	10	13	\$3,600,000 Section 37 Funds	\$151,868	\$488,133
4)	Operation Springboard	976 College Street	9	10	\$350,000	\$483,066	\$188,956
5)	Gabriel Dumont Non-Profit Homes (Metro Toronto) Inc.	4201&4203 Kingston Road	24	19	\$950,000	\$1,036,933	\$455,500
6)	Jean Tweed Treatment Centre	450 Palmerston Blvd.	11	8	\$480,000	\$402,949	\$151,165
7)	Houselink and Mainstay Community Housing	140 the Queensway	3	34	\$1,700,000	\$2,219,379	\$1,034,996
8)	Brenyon Way Charitable Foundation	25 Sewells Road Phase 2	25	117	\$1,299,900	\$6,071,153	\$3,919,043
9)	The Yonge Street Mission	306-310 Gerrard Street E	13	96	-	\$5,216,513	\$2,382,635

	Organization/ Company Name	Project Address	Ward	Affordable Homes	Capital Funding Proposed	Estimated Fees & Charges Exemptions	Estimated Net Present Value of Property Tax Exemption
10)	St. Christopher House (operating as West Neighbourhood House)	248 Ossington Avenue	9	76	-	\$4,107,391	\$2,548,648
11)	Parkdale Queen West Community Health Centre	1229 Queen Street West	4	56	-	\$2,521,481	\$1,682,952
12)	Good Shepherd Refuge Social Ministries	1731 Lawrence Avenue East	21	76	-	\$3,734,504	\$2,258,890
13)	WoodGreen Community Housing Inc.	835-841 Queen Street East	14	96	-	\$6,158,670	\$2,842,531
14)	YMCA of Greater Toronto	7 Vanauley Street	10	31	-	\$1,393,559	\$799,446
15)	TAS 299CA Corp. and 6965083 Canada Inc.	299 Campbell Avenue	9	10	-	\$573,591	\$232,084
16)	OMERS Realty Holdings (STC Two) Inc. and ARI STC GP Inc./ARI STC Investments LP	25 Borough Drive	21	64	-	\$3,366,986	\$1,559,527
17)	30 Gilder GP Inc.	30 Gilder Drive	21	58	-	\$3,258,883	\$1,436,374
Total				919	\$10,049,900 DCRF + \$3,600,000 Section 37	\$42,268,336	\$22,710,960
Total City Investments					\$13,649,900 in capital funding	\$64,979,295 in Open Door Incentives	

Open Door Financial Incentives

City financial incentives offered through the Open Door Program include relief from development charges, building permit and planning application fees, parkland levies, and relief from municipal property taxes for the affordability period.

This report recommends financial incentives for 786 of the total 919 affordable rental homes to be created through 2021 Open Door Program Call for Applications. Thunder Woman Healing Lodge and Scott Mission developments were previously approved for incentives in 2019 and 2021 respectively, resulting in a net new total of 15 projects with 786 affordable rental homes. As a result of previously approved incentives, these projects were able to advance through the design and planning approval process, and are now in a better position to proceed. Hence, capital funding is being proposed to activate these former early stage sites

The average Open Door incentives recommended for the 786 net new affordable rental homes is \$82,670.86 per home, for a total of approximately \$64,979,295.00. These incentives are not a direct capital payment from the City but rather foregone revenues that the City waives or forgives. Values are based on 2022 tax rates, 2022 AMR rates, November 2021 development charge rates, 2022 building permit fees and 2022 planning fees.

Municipal property tax relief is recommended for the affordability term of the rental homes. The value of annual property tax exemptions associated with these projects is estimated at \$838,914.00 at current 2022 rates. The net present value over the various agreement terms of the developments (from 40 years to 99 years), included in Chart B below, is estimated at \$22,710,960.00.

Ongoing municipal property tax exemption is conditional on successful proponents' compliance with the terms and conditions of the City's Contribution Agreement over the affordability period.

Chart B: Annual and Net Present Value of Property Taxes for Recommended Projects

	Organization/ Company Name	Affordability Period (years)	Property Tax	City	Education	City Building	Total
	Thunder Woman Healing Lodge Society	99	Previously approved by Council through the 2019 Open Door Call for Applications				
	The Scott Mission	50	Previously approved by Council through the 2020 Open Door Call for Applications				
	950 King Street West Holdings Inc.*	50	Annual	\$23,594	\$7,646	\$343	\$31,584
			NPV	\$364,633	\$118,184	\$5,316	\$488,133
	Operation Springboard	40	Annual	\$6,106	\$1,979	\$89	\$8,174
			NPV	\$141,150	\$45,749	\$2,058	\$188,956
		40	Annual	\$14,720	\$4,771	\$215	\$19,706

	Organization/ Company Name	Affordability Period (years)	Property Tax	City	Education	City Building	Total
	Gabriel Dumont Non-Profit Homes (Metro Toronto) Inc.		NPV	\$340,257	\$110,283	\$4,960	\$455,500
	Jean Tweed Treatment Centre	40	Annual	\$4,885	\$1,583	\$71	\$6,540
			NPV	\$112,920	\$36,599	\$1,646	\$151,165
	Houselink and Mainstay Community Housing	99	Annual	\$24,508	\$7,943	\$357	\$32,808
			NPV	\$773,138	\$250,587	\$11,270	\$1,034,996
	Brenyon Way Charitable Foundation	99	Annual	\$92,799	\$30,078	\$1,353	\$124,229
			NPV	\$2,927,513	\$948,856	\$42,674	\$3,919,043
	The Yonge Street Mission	40	Annual	\$76,999	\$24,957	\$1,122	\$103,078
			NPV	\$1,779,821	\$576,870	\$25,944	\$2,382,635
	The St. Christopher House (operating as West Neighbourhood House)	99	Annual	\$60,349	\$19,560	\$880	\$80,789
			NPV	\$1,903,832	\$617,064	\$27,752	\$2,548,648
	Parkdale Queen West Community Health Centre	99	Annual	\$39,851	\$12,916	\$581	\$53,348
			NPV	\$1,257,160	\$407,467	\$18,325	\$1,682,952
	Good Shepherd Refuge Social Ministries	99	Annual	\$53,488	\$17,336	\$780	\$71,604
			NPV	\$1,687,384	\$546,909	\$24,597	\$2,258,890
	WoodGreen Community Housing Inc.	50	Annual	\$82,526	\$26,748	\$1,203	\$110,476
			NPV	\$2,123,362	\$688,217	\$30,952	\$2,842,531
	YMCA of Greater Toronto	99	Annual	\$18,930	\$6,136	\$276	\$25,342
			NPV	\$597,184	\$193,557	\$8,705	\$799,446
	TAS 299CA Corp. and 6965083 Canada Inc.	40	Annual	\$7,500	\$2,431	\$109	\$10,041
			NPV	\$173,366	\$56,191	\$2,527	\$232,084
	OMERS Realty Holdings (STC Two) Inc., ARI STC GP Inc./ARI STC Investments LP	40	Annual	\$50,399	\$16,335	\$735	\$67,469
			NPV	\$1,164,962	\$377,584	\$16,980	\$1,559,526

	Organization/ Company Name	Affordability Period (years)	Property Tax	City	Education	City Building	Total
	30 Gilder GP Inc.	40	Annual	\$46,419	\$15,045	\$677	\$62,141
			NPV	\$1,072,967	\$347,767	\$15,640	\$1,436,374
Totals			Annual	\$626,667	\$203,112	\$9,135	\$838,914
			NPV	\$16,965,016	\$5,498,647	\$247,297	\$22,710,960

* The site at 938-950 King Street West and 95-99 Strachan Avenue (the Palace Arms) was previously approved by Council through TE23.12 for incentives for 22 affordable rental homes with a 40 year affordability term. This report recommends 13 additional homes for all incentives with a 50 year term, and an extension of the property tax exemption for the initial 22 homes to 50 years.

Pre-Development Funding

As mentioned above, six non-profit applicants are recommended to receive up to \$50,000.00 each in pre-development funding from the DCRF, for a total of \$300,000.00. Four of these applicants are recommended for Open Door Affordable Rental Housing Program incentives as well. This financial support from the City will enable the groups to continue to advance their proposals and resolve issues identified by staff during the review and evaluation process. These six non-profit organizations and project addresses are included in Chart C.

Chart C: Projects Recommended for Pre-Development Funding

Organization Name	Project Address	Proposed Affordable Homes	Pre-development Funding
The Yonge Street Mission	306-310 Gerrard St. E.	96	\$50,000
Parkdale Queen West Community Health Centre	1229 Queen St. W.	56	\$50,000
The St. Christopher House (operating as West Neighbourhood House)	248 Ossington Ave.	76	\$50,000
Good Shepherd Refuge Social Ministries	1731 Lawrence Ave. E.	76	\$50,000
The Learning Enrichment Foundation	1240, 1246, 1250 Weston Rd.	132	\$50,000
East Scarborough Boys and Girls Club	62 Orchard Park Dr.	47	\$50,000
Total		483	\$300,000

The DCRF is sufficiently funded to accommodate the transactions proposed in this report. Future year operating budget submissions will include the necessary transfers from the DCRF to support these developments to align with implementation and construction timelines.

Reena – Additional City Incentives

This report recommends incentives under the terms of the Open Door Affordable Rental Housing Program of \$2,676,388.00 for 25 additional affordable rental homes at 155-165 Elm Ridge Road being developed by Reena as shown in Charts D & E below. Through the 2020 Open Door Call for Applications, the development was approved for incentives for 81 homes. With City Planning's support, Reena is in the process of increasing the number of homes in their building through a rezoning to 106 homes.

Chart D: Summary of Financial Details for 155-165 Elm Ridge Road

Organization/ Company Name	Project Address	Ward	Affordable Homes	Capital Funding Recom- mended	Estimated Fees & Charges Exemptions	Estimated Net Present Value of Property Tax Exemption
Reena	155-165 Elm Ridge Road	8	25	-	\$1,686,086	\$990,302

Chart E: Annual and Net Present Value for 155-165 Elm Ridge Road

Organization/ Company Name	Agreement Term (yrs)	Property Tax	City	Education	City Building	Total
Reena	40	Annual	\$23,449	\$7,600	\$342	\$32,391
		NPV	\$739,753	\$239,766	\$10,783	\$990,302

938-950 King Street West – Allocation of Section 37 Funds

Council at its meeting of March 10, 2021, through item TE23.12, authorized Open Door Affordable Rental Housing Program incentives to support 22 affordable rental homes at 938-950 King Street West, also known as the Palace Arms and requested that the Executive Director, Housing Secretariat report back to the City on the availability of further funding and incentives for an additional 650 square metres of affordable rental homes. This report recommends that \$3,600,000.00 Section 37 funds paid to the City from seven developments in Ward 10 and City incentives be allocated to facilitate the provision of an additional 650 square metres of affordable housing (an additional 13 homes for a total of 35 affordable rental homes) at 938-950 King Street West. The funding contributions to 938-950 King Street West are included in Chart A and B above.

Capital investments in new affordable housing have an operational impact on Housing Secretariat administration and oversight of the funding agreements. Future operational staffing requirements will be addressed as part of the Housing Secretariat's annual budget process.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

EQUITY IMPACT STATEMENT

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

The new development projects recommended in this report will increase access to new affordable and supportive housing opportunities for people from equity-deserving groups including, Indigenous Peoples, Black and other racialized, people experiencing homelessness, people with mental and physical disabilities, seniors, 2SLGBTQIA+ persons. These new homes will provide safe, secure and affordable housing for a range of people with a range of incomes in neighbourhood all across Toronto.

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

DECISION HISTORY

City Council on December 9 and 10, 2015, adopted EX10.18 "Affordable Housing Open Door Program", with amendments, which detailed land, planning and financial actions to enhance the City's ability to deliver affordable housing and achieve its housing targets. Council adopted actions to better utilize surplus public lands and provide financial contributions for new affordable housing from the City's Development Charges Reserve Fund for Subsidized Housing (XR2116).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.18>

City Council on July 12, 13, 14 and 15, 2016, adopted with amendments EX16.26 "Implementing the Open Door Affordable Housing Program" which provided financial and implementation details regarding the Program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.26>

City Council on December 17 and 18, 2019, adopted 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>

City Council has approved the following previous Open Door Program annual Call for Applications reports:

- 1) March 10, 2021, PH21.4 "Open Door Program 2020 Call for Applications Results: Support for 971 New Affordable Rental Homes".
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH21.4>
- 2) October 2 and 3, 2019, PH8.3 "Open Door Program Call for Applications 2019: Support for 651 New Affordable Rental Homes".
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH8.3>
- 3) July 23, 24, 25, 26, 27 and 30, 2018, EX36.27 "Creating 606 Affordable and 422 Mid-Range Rental Homes in Toronto - Results of the 2018 Open Door Call for Applications"
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.27>
- 4) October 2, 3 and 4, 2017, EX27.14 "Creating 298 Affordable Rental Homes in Toronto - Results of the 2017 Open Door Call for Applications".
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX27.14>

City Council on March 10, 2021, through report TE23.12 "938 - 950 King Street West and 95 - 99 Strachan Avenue - Zoning By-law Amendment Application - Final Report" and its amendments, required the property owner to provide 22 affordable rental housing units through a Section 37 Agreement for 938-950 King Street West at rents at 90% Average Market Rent for a minimum of 20 years, or if an Open Door Affordable Rental Housing Program application is approved by the Executive Director, Housing Secretariat, a minimum of 40 years. The report also required that the property owner provide an additional 650 square meters (7,000 square feet) for the purpose of affordable rental dwelling units if at a later date Council were to approve \$3,600,000 in funding on the same terms and conditions applicable to the other 22 affordable rental dwelling units.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.TE23.12>

COMMENTS

HousingTO 2020-2030 Action Plan

The City's HousingTO 2020-2030 Action Plan proposes a number of actions to address critical needs across the full housing continuum - from homelessness to rental and ownership housing. The HousingTO 2020-2030 Action Plan also sets a target of approving 40,000 new affordable rental homes by 2030, including 18,000 supportive homes for vulnerable and marginalized residents.

The Open Door Program is a key program to help the City meet its targets under the HousingTO 2020-2030 Action Plan. In addition, and as part of the City's commitment to

truth, reconciliation and justice with Indigenous Peoples, the 2021 Open Door Application Call stipulated that a minimum of 20% of the available grant funding would be dedicated for qualifying Indigenous projects.

Open Door Affordable Housing Program

The Open Door Program was approved by City Council in December 2015. The program is designed to scale up City of Toronto efforts by incentivizing the creation of new affordable homes to assist in achieving Toronto's housing targets.

Since the launch of the Open Door annual Call for Applications process in 2017, a total 2,526 affordable rental homes have been approved. The additional affordable rental homes recommended for Council approval through this report will bring the total to 3,312 new homes.

2021 Open Door Program Call for Applications

Summary of Assessment Criteria and Applications Received

In total, 31 applications were submitted to the City through the 2021 Call for Applications, of which one was deemed ineligible for failing to meet program guidelines.

The remaining 30 applications were evaluated by a review committee of staff from the Housing Secretariat's Development and Housing Stability Services teams, with input from City Planning.

Applications were assessed on the basis of criteria outlined in the Call for Applications, including: affordability details (including length of affordability; rent levels/depth of affordability; size and mix of units; proponents' development and management qualifications and plans; built-form/housing design and development schedules; corporate financial viability of proponents; and capital and operating budgets.

Summary of Recommended Projects

A total of 919 affordable rental homes recommended across 17 projects are recommended for Council's approval in this report. Of this, two Indigenous projects with 43 affordable rental homes total are recommended for approval. The grant funding proposed for these projects represents 29% of the overall \$10,049,900 in capital funding recommended for Council approval. An additional 52 homes across three non-profit projects are intended to create new supportive housing.

Additionally, of the total 17 projects recommended:

- 13 are non-profit-led and 4 are private sector-led;
- 8 are recommended for both capital funding and incentives; and
- 9 are recommended for incentives only.

Available capital funding is being recommended to the top scoring applications. Five applications with passing scores requested funding but are being recommended for incentives only, due to limited funds. The City's fees and charges waivers will assist groups in advancing their projects through the planning review and approvals process, so that they may apply for funding in the future.

Additionally, applications that requested incentives only and did not achieve a passing score will be assisted by staff to advance their applications, and encouraged to reapply under the upcoming continuous application process for incentives.

Moreover, although approval under the Open Door Program provides City financial support for the development of the proposed housing, all applications are subject to the applicable planning and/or building permit approval processes.

Details of the seventeen recommended projects including unit mix, target groups and estimated construction start dates can be found in Appendix 1.

Deepening Affordability and Creating New Rent-Geared-to-Income Homes

The rental homes recommended in this report will be affordable to a range of households with varying incomes and sizes. This includes homes with rents between 60% and 100% Average Market Rent (AMR). This means that studio units will be affordable for households with incomes ranging from \$35,280 to \$58,800; one-bedroom units will be affordable for households with incomes between \$41,645 and \$69,408; two-bedroom units will be affordable for households with incomes from \$49,046 to \$81,744; and three-bedroom units will be affordable for households with incomes from \$56,477 to \$94,128.

A minimum of 20% of the homes will be targeted towards lower income households in receipt of City housing benefits to further reduce rents and deepen affordability. Subject to Council approval through the annual budget process, the Housing Secretariat's 2023 budget will include funding for an estimated 157 housing benefits to meet the 2021 Open Door minimum 20% housing benefit requirement. In addition, affordability for tenants will be increased through the direct provision of rent supplements by several of the recommended applicants. This means that, subject to Council approval, 20% of the new homes will be rent-geared-to-income.

Recommended Incentives for Additional Units – 155-165 Elm Ridge Road

Through the 2020 Open Door Call for Applications the Reena development at 155-165 Elm Ridge Road was approved for incentives for 81 affordable rental homes. Reena is a non-profit agency that creates housing and provides programs and supports for adults with developmental disabilities. With City Planning's Support, Reena is in the process of increasing the homes in their building through a rezoning to 106 affordable rental homes. This report recommends Open Door Program incentives for the additional 25 homes.

Allocation of Ward 10 Section 37 Funds for Affordable Rental Housing at 938-950 King Street West (Palace Arms Hotel)

In March 2021, City Council approved the rezoning of 938-950 King Street West for market rental housing at the site of the Palace Arms Hotel. The resulting Section 37 arrangements provide for the provision of 22 affordable rental homes for 40 years, with Open Door Incentives and an additional 650 square metres of affordable housing on the same terms, provided Council approves a capital contribution of \$3,600,000 in City funding.

The Ward 10 Councillor's Office has confirmed the availability of \$3,600,000 in Section 37 funds to support the new affordable homes and this report recommends the transfer of those funds to the Capital Revolving Fund for Affordable Housing so they may be advanced under the terms of the Open Door Program.

CONCLUSION

Since the launch of the Open Door Program in 2016, the City has significantly scaled up the delivery of new affordable rental homes on land owned by the non-profit and private sectors, and in neighbourhoods all across Toronto. As noted above, with Council's approval of the new homes recommended in this report, a total of 3,312 new affordable rental homes would have been approved through annual application calls since inception of the program.

In addition to the Open Door Program, the City is making significant additional financial investments through the Housing Now, Modular Supportive Housing and Emergency Housing Initiatives. Currently, there are 91 active affordable rental housing development projects in the City's pipeline representing 20,932 homes. Subject to approval of this report by Council, the total number of affordable rental homes approved for City incentives will be 21,718 across the city.

In the context of Toronto's challenging housing market, these homes will help lower-income households, including Indigenous peoples, Black and other racialized groups, persons with mental and physical disabilities, seniors, and essential workers to access safe, secure and affordable housing. These new projects will also help create more inclusive, mixed-income communities in neighbourhoods across the city as envisioned in Toronto's HousingTO Plan.

CONTACT

Valesa Faria, Director, Housing Policy & Strategy, Housing Secretariat,
Tel: 416-392-0602 Email: Valesa.Faria@toronto.ca

Erik Hunter, Manager, Housing Development and Improvement, Housing Secretariat
Tel: 416-397-4251 Email: Erik.Hunter@toronto.ca

Sarah Power, Housing Development Officer, Housing Secretariat, Tel: 416-338-1133
Email: Sarah.Power@toronto.ca

SIGNATURE

Abigail Bond
Executive Director, Housing Secretariat

ATTACHMENTS

Appendix 1 – Profiles of Recommended Developments

APPENDIX 1 – PROFILES OF RECOMMENDED DEVELOPMENTS

1. Thunder Woman Healing Lodge Society – 2217 Kingston Road (Ward 20)

This proposed development is a six-storey building which will create a new Indigenous-led, community-based Healing Lodge for First Nations (Status and Non-Status), Métis, and Inuit 2SLGBTQIA+ women exiting correctional institutions on parole, probation, and bail.

The building will contain 12 rooms with congregate living spaces with 24/7 supports and 12 self-contained, fully furnished transitional apartments which include four studio, seven 1 bedroom, and one 2 bedroom homes. The ground floor will have amenity space as well as programming space for education and livelihoods programming.

Open Door Program incentives and \$997,344 in funding were approved by City Council in 2020. As construction costs have escalated due to Covid-19 material shortages and labour cost increases, Thunder Woman has request \$2,000,000 in additional funding in order to complete the project.

All planning approvals are in place and the project is ready to start construction pending approval of this funding request. Occupancy is scheduled for December 2023.

2. The Scott Mission – 502-508 Spadina Avenue (Ward 11)

The Scott Mission has been operating a shelter for men and community services at 502 Spadina Avenue for many decades and is now proposing to redevelop the property with an eight storey building. The new building is proposed to have 109 homes, primarily for men and women leaving the shelter system, as well as programming space for counselling, recovery and case management for residents as well as the broader community. The units are to be a mix of 94 studios, 5 one-bedroom apartments and 5 two-bedrooms.

The development was previously approved for pre-development funding and Open Door incentives, and is being recommended for capital funding of \$3,270,000 in this report.

A Zoning By-law Amendment is being recommended at this June's City Council meeting and a Site Plan Control Application is in process. Construction is expected to start in early 2023 with completion in the fall of 2024.

3. 950 King Street West Holdings Inc. - 938-950 King Street West and 95-99 Strachan Avenue (Ward 10)

Greenwin Corp, an experienced housing developer and property management company, and Intentional Capital, a commercial real estate developer, are jointly redeveloping this historic property into a mixed-use development at the site of the Palace Arms Hotel.

The affordable portion of the development will consist of 35 apartments; 16 studio, 18 one-bedroom, and 1 two-bedroom homes, with 2 homes being fully barrier free.

This project is being recommended for \$3,600,000 in Ward 10 Section 37 funds and \$1,125,933 in Open Door Program incentives.

A Site Plan Control application is in progress. The projected construction start date is December 2022, with scheduled completion in September 2025.

4. Operation Springboard – 976 College Street (Ward 9)

The applicant is a supportive housing provider and is proposing to redevelop their offices at 976 College Street into a four-storey apartment building with 10 affordable studio apartments and 3 market one bedroom homes. The affordable rental homes will be dedicated to people living with developmental disabilities.

The development is being recommended for \$350,000 in capital funding and \$672,022 in City incentives. Variances are being sought from the Committee of Adjustment to proceed with construction, starting in early 2023 with completion by mid-2024.

5. Gabriel Dumont Non-Profit Homes (Metro Toronto) Inc. - 4201 & 4203 Kingston Road (Ward 24)

The applicant is a non-profit Indigenous housing provider and is proposing to develop 19 new affordable rental homes on this property. The site presently has 80 existing 3- and 4-bedroom affordable rental housing homes which will be retained.

The new homes will consist of one-bedroom and two-bedroom units. The intent is to house Indigenous Elders, seniors, singles and single parents with one child.

The project is being recommended for \$950,000 in Open Door Program funding and \$1,492,433 in incentives.

Approval of a Zoning By-law Amendment and Site Plan Control application will be required. The projected construction start date is early 2024 with completion anticipated in the spring of 2025.

6. Jean Tweed Treatment Centre – 450 Palmerston Boulevard (Ward 11)

The applicant is a non-profit housing operator that proposes to redevelop their existing property to provide 8 additional supportive, transitional housing rooms for women and their children. Currently the house has seven rooms for women with substance use, gambling and mental health concerns. The redesign will add an extra five bedrooms on the second floor, an accessible room on the ground floor, plus a garden suite with two bedrooms.

The Centre is being recommended for \$480,000 in capital funding and \$544,114 in City incentives.

Approval of minor variances from the Committee of Adjustment are required and construction is expected to start by the end of 2022 and be complete in October 2023.

7. Houselink and Mainstay Community Housing – 140 the Queensway (Ward 3)

The applicant is a supportive housing provider and is proposing to develop a new building with 34 homes for individuals experiencing homelessness, as well as those dealing with mental health and/or addiction issues. The building is proposed to consist of 34 one-bedroom homes with 19 homes being fully barrier free.

The development is being recommended for \$1,700,000 in Open Door Program funding and \$3,254,375 in incentives.

Approval of a Zoning By-law Amendment and Site Plan Control application will be required. The projected construction start date is November 2023 with occupancy in mid-2025.

8. Brenyon Way Charitable Foundation - 25 Sewells Road Phase 2 (Ward 25)

The applicant is a non-profit housing operator proposing to develop a nine-storey building consisting of 117 affordable rental homes for low and moderate income households. This proposal is the second phase of infill development on the site.

The new building is proposed to consist of 68 one-bedroom, 32 two-bedroom and 17 three-bedroom homes (12 homes being fully barrier free). This project is being recommended for \$1,299,901 in capital funding and an estimated \$9,990,195 in incentives.

A Zoning By-law Amendment and Site Plan Control application are underway in conjunction with phase 1 of the site. The projected construction start date is September 2022 with scheduled completed in September 2024 for both phases.

9. The Yonge Street Mission - 306-310 Gerrard Street East (Ward 13)

The applicant is a non-profit housing operator proposing to redevelop their existing property into a ten-storey building consisting of 191 homes of mixed-income housing, including 96 affordable rental homes.

The affordable portion will consist of 13 studios, 30 one-bedroom, 34 two-bedroom and 19 three-bedroom homes (19 homes being fully barrier free). All the existing uses, including a thrift store, community services and administrative offices, will be replaced on the first and second floors of the new building.

This project is being recommended for \$50,000 in pre-development funds and \$7,599,148 in incentives.

Approval of a Zoning By-law Amendment and Site Plan Control application will be required. The projected construction start date is July 2023, with completion scheduled for June 2026.

10. The St. Christopher House (operating as West Neighbourhood House) – 248 Ossington Avenue (Ward 9)

The applicant is a registered charity proposing to redevelop their property into a multi-use site including 76 apartments for low and moderate income households and the replacement of the existing on-site community services.

The affordable rental housing portion will consist of 3 studio, 37 one-bedroom, 26 two-bedroom and 10 three-bedroom homes with 15 homes being fully barrier free.

This project is being recommended for \$50,000 in pre-development funds and \$6,656,039 in Open Door Program incentives.

Approval of a Zoning By-law Amendment and Site Plan Control application will be required. The projected construction start date is March 2024 with scheduled completion in October 2025.

11. Parkdale Queen West Community Health Centre - 1229 Queen Street West (Ward 4)

The applicant is a registered charity that proposes to develop their property into a multi-use site consisting of 56 deeply affordable housing units for low income households, while providing supports.

The affordable portion will consist of 7 studios, 47 one-bedrooms, and 2 two-bedroom homes with 12 homes being fully barrier free.

This development is being recommended for \$50,000 in pre-development funds and an estimated \$4,204,433 in City incentives.

Approval of a Zoning By-law Amendment and Site Plan Control application will be required. The projected construction start date is July 2024 with scheduled completion in April 2026.

12. Good Shepherd Refuge Social Ministries - 1731 Lawrence Avenue East Road (Ward 21)

The applicant is a registered charity that proposes to redevelop the property into a 76 affordable rental homes for older adults (55+) with a history of chronic homelessness, and others exiting homelessness that need case management and occasional supports.

The current design is for 49 studios, 5 one-bedroom, 12 two-bedroom and 10 three-bedroom homes, with 30 homes being fully barrier free.