

City Council**Motion without Notice**

MM19.37	ACTION			Ward: 4
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Authorization to provide property tax relief for community non-profit affordable rental housing at 26 Maynard Avenue - by Councillor Gord Perks, seconded by Deputy Mayor Ausma Malik

** 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 Gord Perks, seconded by Deputy Mayor Ausma Malik, recommends that:

1. City Council authorize the Executive Director, Housing Secretariat, to negotiate and enter into a municipal capital facility agreement between the City and the Neighbourhood Land Trust in respect of the property at 26 Maynard Avenue for the provision of a tax exemption for municipal and school purposes to secure the property as affordable rental housing for the remaining 94 years of the 99 year affordability term as set out in the Existing Funding Agreement (the "Municipal Capital Facility Agreement") with the Neighbourhood Land Trust, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form acceptable to the City Solicitor.
2. City Council enact a site specific by-law amending the criteria for "Affordable Housing" in the Municipal Housing Facility By-law 183-2022 or its successor by-law, to exempt the 15 affordable rental housing units at 26 Maynard Avenue to be operated by the Neighbourhood Land Trust from the restriction that affordable rental housing units be "new" to meet the definition of "Affordable Housing" in Municipal Housing Facility By-law 183-2022 or its successor by-law.
3. City Council, conditional on the enacting of the site-specific by-law amendment referred to in Part 2 above, exempt the 15 affordable rental units at 26 Maynard Avenue from taxation for municipal and school purposes for the remaining 94 years of the 99 year affordability term set out in the Existing Funding Agreement.
4. City Council authorize the Controller to cancel or refund any taxes paid after the effective date set out in the Municipal Capital Facility Agreement.
5. City Council authorize the City Solicitor to introduce the necessary bills to give effect to City Council's decision.
6. City Council authorize the Executive Director, Housing Secretariat to execute, on behalf of the City, any security or financing documents required by the Neighbourhood Land Trust,

including any postponement, confirmation of status, discharge or consent documents where and when required during the term of the Municipal Capital 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.

Summary

This Motion seeks authority to provide property tax relief for the fifteen-unit affordable rental housing building at 26 Maynard Avenue owned by the non-profit community housing provider, the Neighbourhood Land Trust (NLT).

In 2019, City Council approved the provision of financial assistance and benefits to the Neighbourhood Land Trust for the acquisition, renovation and operation of the property as affordable rental housing and approved the City entering into a Toronto Renovates and Rooming House Acquisition Funding Agreement with the Neighbourhood Land Trust. Based in part on the success of The Neighbourhood Land Trust's acquisition of 26 Maynard Avenue under the City pilot project, the City launched the Multi-Unit Residential Acquisition Program (MURA) in 2021. The Multi-Unit Residential Acquisition Program provides funding and incentives, including property tax relief, for non-profit groups to acquire existing rental housing.

As the City's 2019 financial contribution to the Neighbourhood Land Trust's acquisition of 26 Maynard Avenue did not include the property tax relief now provided by the Multi-Unit Residential Acquisition Program, the Neighbourhood Land Trust has requested tax relief from the City to support the operation and affordability of the property.

Under the terms of an existing 2019 funding agreement between the City and the Neighbourhood Land Trust (the "Existing Funding Agreement"), the Neighbourhood Land Trust has committed to providing affordable homes at 26 Maynard Avenue for 99 years. The property tax exemption proposed by this Motion would contribute to the financial viability of the property as long-term affordable housing. The proposed annual tax savings would offset rising operating expenses and assist in maintaining the building in a good state of repair.

The City's 2024 property tax for 26 Maynard Avenue is \$12,389 and the net present value of the proposed tax relief for the remaining 94 years of the 99-year affordability term, as set out in the Existing Funding Agreement, is an estimated \$387,303.

Reason for Urgency:

The Neighbourhood Land Trust operates the project with deeply affordable rent levels for lower-income residents.

The property tax relief recommended by this motion will contribute to the financial stability of the project by alleviating these operating pressures, while maintaining service levels for residents and ensuring the building can be maintained in a good state of repair.

Background Information (City Council)

Member Motion MM19.37