



Opportunity made here.

June 11th, 2024

Attention: Chair & Members of the City Planning & Housing Cttee.

**Re: Deputation to the Planning and Housing Committee on Reports:
PH13.8 - Launching the Rental Housing Supply Program
PH13.9 - Community Housing Sector Modernization and Growth Strategy**

Hello, my name is Mwarigha, and I am the Vice President for Housing Growth, Development & Asset Sustainability. In the last several years WoodGreen has engaged in very productive discussions with the City's Housing Secretariat staff on ways to strengthen the non-profit housing sector in scaling and accelerating the development of new and the preservation of existing affordable housing in the rental market. Recently, WoodGreen's Board of Directors set an ambitious goal to grow to 5,000 units by 2030 through three strategic approaches: acquisition, new development as sole developer or in partnership with aligned private sector purpose-built-rental developers. To date, WoodGreen's portfolio consists of proven models of each of these approaches. We have a pipeline of over 3,000 units currently in the process of negotiation or with completed agreements and in the process of rolling out.

We therefore highlight and welcome the following initiatives in the two reports:

- The new package of direct financial capital contribution of up to \$260 per door, and new pre-development funding plus an improved range of incentives will immensely improve the financial viability of our project/business cases/proformas.
- The push to improve the current Concept to Key C2K development approval process and removal of municipal impediments to construction starts for non-profit developers.
- The proposed changes to the acquisition program and in particular increasing the overall 3-year funding allocation to \$101M and the number of acquisition units to 100 per/year based on a max of 12M per provider from the rental and near-complete units in the condominium market.
- The proposed Sustainable Toronto Housing Affordability Fund. With Toronto Dominion (TD) funding we have embarked on developing a similar equity fund to support the non-profit sector and look forward to working with the City Housing Secretariat staff to advance this important model.

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To strengthen the impact and efficacy of the two programs in accelerating the development and acquisition of long-term affordable housing in Toronto's stressed housing supply market, and in expanding the role of WoodGreen and other non-profits market leadership position, we are making the following additional recommendations to the City's Planning & Housing Committee:

- The Rental Housing Supply Program roll-out should include changes to the current City/CreateTo procurement process for Housing Now & City sites. The current competitive process that requires non-profits to repeatedly invest in applying to Create RFPs is an expensive, speculative and risky process for non-profits, not to mention the negative financial hit by all the unsuccessful bidders. WoodGreen recommends that instead CreateTo should pre-qualify non-profits through a preferred vendor selection process that leads to negotiation in tranche's rather than on a site-by-site basis.
- The Rental Housing Supply Program leverage opportunities to provide more affordable housing in all CreateTo Housing Now proposals. WoodGreen calls for improvements to the City of Toronto's overall process of releasing larger surplus sites through CreateTO. We recommend that prior to approving proposals, the city should require private developers to enter into a partnership agreement and provide a set aside minimum of 30% of the proposals residential units to be owned and or operated by a non-profit partner.
- The Rental Housing Supply Program alludes to the intent to provide land at nominal rates. We recommend that the Housing Secretariat work with CreateTo to provide land at minimal lease or ownership cost including in cases of a non-profit & private developer joint partnership/venture model. This is in addition to discounts and incentives already provided through City & Provincial directions. Alternatively, in cases where developers make land or units available in a joint partnership with non-profits, we suggest an affordable housing ratio-indexed Development Charges incentive be provided and attributed as the non-profit partner's equity in the project's proforma. We also recommend exemption of Toronto's land transfer tax for these projects. These incentives should apply specifically to joint projects with at least a minimum of 30% affordable units and new affordable rent levels set by the City.
- CMHC already recognises the eligibility of joint ventures between non-profits and private developers. We are currently in negotiations to extend both grants and repayable loans for partnership projects through the Apartment Construction Loan Program and/or Affordable Housing Fund. We ask that the City recognise joint venture partnerships and provide the full slate of incentives to increase the number of and range of suppliers engaged in addressing the City's large rental housing deficit.

To sum up, current housing development is too concentrated and biased to the downtown and high real-estate value areas of the city. It is imperative that the City incentivize the application of the full breath of the markets' development capacity - including private and non-profit



partnerships - in building healthy mixed-income affordable housing in all areas, up to and including in racialized low and middle-income neighbourhoods. Finally, cross-sector partnerships leverage private developers' capacity garnered over the last decade as non-profits regain their important role in a market that the sector has been mostly absent from since the 90s.

Yours,

**Mwarigha,
Vice President,
Housing Growth Development & Asset Sustainability
WoodGreen Community Services**