

## City Council

### Notice of Motion

MM28.43	ACTION			Ward: 14
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### **Co-operative Housing Approval to Lease and Operate Thirty-Two New Affordable Rental Homes - by Councillor Paula Fletcher, seconded by Mayor Olivia Chow**

*\* Notice of this Motion has been given.*

*\* This Motion is subject to referral to the Planning and Housing Committee. A two-thirds vote is required to waive referral.*

**Confidential Attachment - A proposed or pending acquisition or disposition of land by the City of Toronto.**

### **Recommendations**

Councillor Paula Fletcher, seconded by Mayor Olivia Chow, recommends that:

1. City Council authorize the Executive Director, Housing Secretariat, to negotiate, enter into, and execute on behalf of the City, a municipal facility agreement (the “Contribution Agreement”), with Naismith Non-Profit Housing Co-operative to set out the terms of the operation of 32 new affordable rental housing units located at 1555-1575 Queen Street East, on terms and conditions satisfactory to the Executive Director, Housing Secretariat, in a form approved by the City Solicitor.
2. City Council authorize the Executive Director, Housing Secretariat, to enter into a funding agreement with the Co-operative Housing Federation of Toronto to provide up to \$150,000 in funding to support eligible legal, administrative and other costs incurred by Co-operative Housing Federation of Toronto in undertaking this transaction, on the terms and conditions set out in Attachment 1 in a form satisfactory to the City Solicitor.
3. City Council authorize the Executive Director, Corporate Real Estate Management, or designate, in consultation with the Executive Director, Housing Secretariat, to negotiate, approve and execute, on behalf of the City, a long-term lease for the 32 city-owned units at 1555-1575 Queen Street East, and related agreements with the Naismith Non-Profit Housing Co-operative substantially on the major terms and conditions set out in Confidential Attachment 1 to this Motion and such other terms as deemed appropriate by the Executive Director, Corporate Real Estate Management and the Chief Procurement Officer, and such other terms as deemed appropriate by the Executive Director, Corporate Real Estate Management, in consultation with Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor.
4. City Council consider the lease referenced in Part 3 above to be in the interests of the City.

5. City Council direct that Confidential Attachment 1 to this motion remain confidential as it pertains to a proposed or pending acquisition or disposition of land by the City of Toronto.

6. City Council authorize the public release of Confidential Attachment 1 to this motion following the completion of the transactions contemplated in this motion, at the discretion of the Executive Director, Corporate Real Estate Management.

## **Summary**

In July 2020 City Council approved the Official Plan and Zoning Amendment that paved the way for the revitalization of Toronto Community Housing Corporation's Don Summerville project located at 1555-1575 Queen Street East.

The revitalization of the Don Summerville project set a new standard for public housing revitalization and the integration of mixed-income, mixed tenure housing in Toronto.

The program includes the intensification of the existing 120 rent-geared-to-income homes through a rebuilding program consisting of a total of 766 residential units with 120 replacement rent-geared-to-income units, 100 affordable rental units, 188 market rental units, and 363 market condominium units.

In June 2021 City Council approved funding in the amount of \$6 million to support the acquisition of the 32 units to be owned by the City and directed the appropriate City Officials to undertake a competitive process for the selection of a non-profit co-operative housing provider to operate affordable rental housing post-construction. The City will retain ownership of the units and enter into a long-term lease agreement with the non-profit co-operative provider who will operate the housing with a focus on housing qualified and eligible members of Toronto's arts and culture industries. City Council has also authorized the negotiation and execution of agreements, including shared facilities and contribution agreements, and the required financing documents to facilitate the development of the project.

After five years of construction the Don Summerville project is near completion and the 32 units will be ready in April/May to be transferred to the City. As a result, it is imperative that the City urgently select a capable and experienced non-profit co-operative housing organization to rent-up and operate these new affordable homes.

This motion recommends that City Council approve leasing the 32 affordable rental homes to the Naismith Non-Profit Housing Co-operative, which is one of four land trusts operated in Toronto by the Co-operative Housing Federation of Toronto. And furthermore, the motion recommends up to \$150,000 be made available to the Co-operative Housing Federation to support eligible legal, administrative and other costs incurred in finalizing this transaction. This startup money is required due to the pilot nature of the arrangement and the need to ensure that the units are operational, and therefore occupied, as soon as possible following handover. This funding is included in the City's 2025-2034 Capital Budget and Plan and has been approved by City Council through the City's 2025 budget process.

## **Background Information (City Council)**

Member Motion MM28.43

Attachment 1 - Grant Funding Terms

<https://www.toronto.ca/legdocs/mmis/2025/mm/bgrd/backgroundfile-253660.pdf>

Confidential Attachment 1 - Lease Terms