



## STAFF REPORT ACTION REQUIRED

### Development of Affordable Housing by the Toronto Christian Resource Centre at 40 Oak Street

<b>Date:</b>	Wednesday April 7, 2008
<b>To:</b>	Affordable Housing Committee
<b>From:</b>	Deputy City Manager Sue Corke
<b>Ward:</b>	28
<b>Reference Number:</b>	P:\2007\Cluster A\AHO\AFS6984

#### **SUMMARY**

---

This report seeks authority to provide funding and other incentives to assist in the development of 87 units of affordable housing at 40 Oak Street in Regent Park, by the Toronto Christian Resource Centre (“CRC”). This housing initiative is in the first phase of the Regent Park redevelopment being undertaken by the Toronto Community Housing Corporation. The development is supportive of and complementary to the redevelopment of Regent Park and will provide homes affordable to low-income tenants on Ontario Works and the Ontario Disability Support Plan.

In August of 2007 the initiative was allocated \$4 million in Canada-Ontario Affordable Housing Program (“AHP” or “the Program”) – Residual Rental and Supportive Component funding by the provincial Ministry of Municipal Affairs and Housing (MMAH) directly. Further funding has now become available from the Province through the conversion of under-utilized Housing Allowance/Rent Supplement (HARS) funding. This report recommends the allocation of \$2.09 million in additional AHP funding and \$1.41 million in Mayor’s Homelessness Initiative Reserve Fund monies.

Proceeding with this proposal will contribute toward Council’s goal of supporting the creation of 1,000 new affordable homes annually. This initiative is one of the last Toronto developments to be funded under the AHP as the Program’s funding has now been fully committed. Council is currently seeking a renewal of the AHP and other housing programs by the federal and provincial governments.

## **RECOMMENDATIONS**

---

The Deputy City Manager recommends that:

1. City Council approve the Toronto Christian Resource Centre as the proponent for the affordable housing development at 40 Oak Street;
2. authority be granted to provide capital funding in the sums of:
  - a. \$1,410,000 from the Mayor's Homelessness Initiative Reserve Fund;
  - b. \$3,775,800 from the Provincial portion of the Canada-Ontario Affordable Housing Program – Rental and Supportive Component (“the Program” or “AHP”);
  - c. \$2,314,200 from the Federal portion of the AHP Program;
- to Toronto Christian Resource Centre to assist in the construction of the above-mentioned development, on terms and conditions satisfactory to the Deputy City Manager and which terms and conditions may be varied, from time to time, as the development progresses and circumstances change;
3. authority be granted to exempt the development from taxation for municipal and school purposes for the term of the municipal capital facility agreement;
4. authority be granted to waive all fees and charges payable under the Development Charges Act applicable to the development;
5. authority be granted to designate the development as one that qualifies as social housing allowing all or part of the development relief from normal parking standards;
6. authority be granted to enter into a municipal capital facility agreement and such other agreements, licences, security and documents, with Toronto Christian Resource Centre, or to another entity associated and controlled by it and acceptable to the Director, Affordable Housing Office, to provide for the development and operation of affordable housing, on such terms and conditions as the Director considers appropriate and in a form approved by the City Solicitor;
7. the Director, Affordable Housing Office be authorized and directed, on behalf of the City, to execute a municipal capital facility agreement and such other agreements and documents deemed necessary, and to approve any changes to the project during its development that the Director deems to be in the best interest of the City and/or the project, on terms and conditions satisfactory to the Director and in a form approved by the City Solicitor.

## **Financial Impact**

This report recommends the allocation of \$1,410,000 from the Mayor's Homelessness Initiative Reserve Fund (XR1104) through a grant to the Toronto Christian Resource Centre for the development of Affordable Housing at 40 Oak Street. After this draw, the uncommitted balance in this fund will be \$719,900.

The total capital cost for the construction of the 87-unit residential component of the building is approximately \$13,202,000 plus the waived Development Charges and Fees. The capital funding as outlined in the chart below is recommended from the Canada-Ontario Affordable Housing Program, City sources, CRC and TCHC equity, and financing.

The Municipal Property Taxes waived over 25 years are estimated to have a net present value of \$776,694. The waived planning fees and development charges are valued at approximately \$596,000.

\$2.09 million of the Federal-Provincial funding under the Canada-Ontario Affordable Housing Program – Rental and Supportive Component for this development is available to the City through the conversion of funding previously allocated to the City and approved by Council under the AHP Housing Allowance/Rent Supplement (HARS) envelope.

Total Federal-Provincial AHP funding is \$6.09 million. This is comprised of Provincial funding of \$3,775,800 (62% of the total) and Federal funding of \$2,314,200 (38% of the total). The Provincial funding is provided by way of a 20 year affordability payment.

Capital Funding and Contributions	
Canada-Ontario AHP Funding Provincial portion*	\$3,775,800
Canada-Ontario AHP Funding Federal portion	\$2,314,200
City funds from the Mayor's Homelessness Initiative Reserve Fund	\$1,410,000
Toronto Christian Resource Centre equity and financing (approx.)	\$4,802,000
Toronto Community Housing Corporation equity	\$900,000
Capital Funding	\$13,202,000
Contributions: Waived City Development Charges and Fees (approx.)	\$596,000
Total Funding and Contributions	\$13,798,000

\* Note: Provincial funding equal to 62% of the total AHP funding is provided by way of a 20 year affordability payment.

Other City Contributions	
25 year NPV of Property Tax Exemption (approx.)	\$776,694

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

## DECISION HISTORY

At its meeting in July 2007 Toronto City Council received a report from Executive Committee titled *Affordable Housing Funding Allocations for 2007-2008*, confirming a commitment to fund the Toronto Christian Resource Centre development, subject to the funding becoming available and to staff reporting back on the allocation of any such funding. The Decision Document from this meeting is available at:

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

At its meeting December 11, 12 and 13, 2007 Toronto City Council received a report from Executive Committee titled *Canada-Ontario Affordable Housing Program: Revised Program Allocations*. This report confirmed that approximately \$7,630,000 in AHP funding was available from the Ministry of Municipal Affairs and Housing for allocation to capital funding for rental and supportive housing development. Council approved this conversion. The Decision Document from this meeting is available at:

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-12-11-cc15-dd.pdf>

## **ISSUE BACKGROUND**

The CRC proposal is for 87 units in a five-storey apartment building at 40 Oak Street in Regent Park on land donated by the Toronto United Church Council. The site is in the first phase of the Regent Park redevelopment being undertaken by the Toronto Community Housing Corporation (TCHC). TCHC will provide \$900,000 in equity for the development as well as rent supplements for 40 units for Regent Park tenants in the building.

The CRC previously submitted their proposal to the City in January 2007 in response to Request for Proposals No. 9155-06-7380 for the Development of Affordable Housing. The RFP offered \$70,000 per unit in AHP funding, as well as City benefits in the form of tax, planning fees and development charges waivers. The CRC's proposal was allocated \$4 million in AHP funding by MMAH in August of 2007. Further funding is now available through the AHP.

## **COMMENTS**

The CRC has been serving the needs of marginalized, homeless, and very low income people in downtown Toronto and Regent Park for over 40 years. This development will continue that tradition by providing homes affordable to low-income tenants with rents at the shelter component levels of Ontario Works and the Ontario Disability Support Plan. The building's rents at occupancy are estimated to average 43% of CMHC's Average Market Rent (AMR):

- Housing affordability for 40 units would be assured through a contribution of 40 Rent Supplements from TCHC;

- Twenty bachelor units would be rented at the shelter component of Ontario Works (\$349); and
- the remaining 27 bachelor and one-bedroom units would be rented at the shelter component of the Ontario Disability Support Plan (\$445).

As an equity contribution to the building, the CRC has secured the land donation valued at \$1.5m from the Toronto United Church Council. Construction is anticipated to start in the spring of 2009 and is estimated to be completed within one year. This development will include a residential fire sprinkler system.

The proposed development includes community use and CRC worship space that will be a significant benefit to building tenants and the new Regent Park community. This space will replace the CRC's existing building and provide a new home for the social and community services operating there. These include:

- a Drop-in Centre that provides hot meals and a community base for up to 200 people daily throughout the year;
- a Food Access and Co-op Program, and Community Gardens, which make nutritional essentials such as fresh fruit and vegetables accessible and affordable to low-income people and operates a service delivering produce to local agencies;
- Community Development and Community Economic Development and Employment Initiatives such as:
  - Toronto Women's Neighbourhood Link, which provides services for immigrant women;
  - the CRC Workers' Co-operative, which makes available skilled and unskilled work opportunities;
  - the Sunshine Multicultural Catering Company, a catering service which employs ten people; and
  - the Step-up project, which supports people to move from transitional housing to market housing as well as back into the work force.

In combination with the direct support services planned for tenants of the building, these agencies and services will also contribute to helping lower-income tenants out of poverty.

## **CONCLUSION**

An independent financial consultant has reviewed the proposal's development and operating budgets, and Affordable Housing Office staff have consulted with the CRC's development team, and it has been confirmed that the initiative is viable with the level of funding set out in this report. The development is seen as an important component of the Regent Park redevelopment and making funding available now allows it to be developed in conjunction with the construction currently being undertaken by TCHC.

## **CONTACT**

Sean Gadon  
Director  
Affordable Housing Office  
Phone: 416-338-1143  
Fax: 416-392-4219  
E-mail: [sgadon@toronto.ca](mailto:sgadon@toronto.ca)

## **SIGNATURE**

---

Sue Corke  
Deputy City Manager