

Toronto Community Housing



## Regent Park 175 Oak Street (16N) City of Toronto Contribution Agreement

Item 7

January 27, 2023

Building Investment, Finance and Audit Committee

**Report: BIFAC:2023-12****To:** Building Investment, Finance and Audit Committee (“BIFAC”)**From:** Acting Chief Development Officer**Date:** January 3, 2023

### **PURPOSE:**

The purpose of this report is to seek the Building Investment, Finance and Audit Committee’s (“BIFAC”) approval for staff to enter into a Contribution Agreement for incentives through the Open Door Program with the City of Toronto.

### **RECOMENDATIONS:**

It is recommended that BIFAC approve and recommend to the Board of Directors the following recommendations:

1. Authorize staff to finalize the terms of a Contribution Agreement with the City of Toronto requiring TCHC to maintain 55 social housing units, 24 of which are affordable rental units, located at 175 Oak Street in Regent Park (16N) for a period of 99 years, in exchange for City incentives valued at \$3,059,879 including relief from development charges, building permit fees, Toronto District School levies, and property tax relief; and
2. Authorize the Acting Chief Development Officer or the Chief Financial Officer (or designate) to take the necessary actions, including

execution of the Contribution Agreement and Promissory Note in favour of the City as may be required by the terms of the Contribution Agreement and to give effect to the above recommendation.

## **REASONS FOR RECOMENDATIONS:**

### **Background**

In 2014, the City of Toronto provided a fee exemption waiver for the proposed 614 rent-geared-to-income (“RGI”) and affordable rental housing units across Phase 3 of Regent Park. Due to incremental design changes throughout the four TCHC rental blocks in Phase 3, the total RGI and affordable rental units now totals 669, an increase of 55 units from the 2014 fee exemption waiver.

City Council, at its December 15, 16 and 17, 2021 meeting ([2021.PH29.20](#)), authorized the 55 additional new RGI and new affordable units to be constructed in Phase 3 of the Regent Park Revitalization to be eligible for fee waivers.

24 of the 55 unit increase is due to the recent addition of two floors (24 affordable rental units) at 175 Oak Street, which was approved at the City’s Committee of Adjustment meeting in October 2021.

In exchange for TCHC’s contractual commitment to maintain 55 social housing units in Regent Park, inclusive of the 24 affordable rental units, at 175 Oak Street (the “55 Units”) for 99 years (the “Affordability Period”), the City agrees to:

- exempt the 55 Units from payment of development charges;
- waive all building permit fees;
- waive all Toronto District School Board levies; and
- exempt the 55 Units from property tax for municipal and school purposes for the duration of the Affordability Period (collectively the “City Incentives”).

### **Promissory Note**

The City Incentives have an estimated value of \$3.05 million. As security for its obligations, TCHC is required to provide the City with a promissory note equal to the value of the City Incentives. The promissory note is forgiven at the rate of 1% per year until it is completely forgiven at the end of the Affordability Period.

**IMPLICATIONS AND RISK:**

New affordable rental housing is part of the Business Plan for Regent Park. If the Board decides not to proceed with the Contribution Agreement, it represents a divergence from the current Business Plan and revitalization strategy for Regent Park.

The ability to mix rental incomes within TCHC buildings is an important strategy for delivering sustainable, healthy communities.

**SIGNATURE:**

*“Jessica Hawes”*

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