



MEMORANDUM

TO: Board of Directors, Housing York Inc.

FROM: Adelina Urbanski, General Manager, Housing York Inc.

DATE: May 1, 2014

RE: **Transfer of Affordable Housing Units through Section 37 Agreements in the Town of Richmond Hill**

Housing York Inc. is receiving five affordable housing units in the Town of Richmond Hill from private developers through Section 37 Agreements

This memo provides an update on the status of the agreements required to transfer five condominium units from two private developers in the Town of Richmond Hill to Housing York Inc. (Housing York).

On January 18, 2012, and June 19, 2013, through the adoption of the private reports *Opportunity to Acquire New Housing Units in the Town of Richmond Hill* and *Acquisition of New Affordable Housing Unit in the Town of Richmond Hill*, Housing York authorized the General Manager to enter into agreements to facilitate the transfer of five units from Great Land (16th) Inc. and Torview Properties Inc.

Great Land (16th) Inc. and Torview Properties Inc. have both entered into Section 37 Agreements with the Town of Richmond Hill to transfer four units and one unit respectively to Housing York. The mechanism by which this transfer will take place is through a Section 37 Agreement that allows private developers to exchange additional building height and density for community benefits. This agreement is made between the developer and the Town. Housing York will in turn execute a purchase and sale agreement with the developers to complete the transfer of units.

Purchase and sale agreements with developers are being drafted by Legal Services

Legal Services has completed its review of the purchase and sale agreements for the four units to be transferred from Great Land (16th) Inc. and has been contacted by Torview Properties Inc. with respect to the transfer of one unit. The purchase and sale agreements are expected to be finalized by the end of 2014. The estimated completion for the Great Land (16th) Inc. development is late 2016 and the Torview development is estimated to be completed in late 2015.

Section 37 Agreements have been modified to enable units to be returned to the Town if they are no longer used for affordable housing

At the time of the January 18, 2012 report, there was no restriction contemplated on Housing York's ability to sell the units at market rates should program conditions require it at any time. In August 2013, the Town of Richmond Hill added details clarifying the conditions surrounding the transfer of affordable housing units to Housing York.

The modified Section 37 Agreement that has now been executed and registered by the Town of Richmond Hill states that Housing York will use the units for affordable housing, but, if at any time in the first 20 years following the conveyance, Housing York no longer uses or intends to use the units, the Town of Richmond Hill will have the first right to purchase the units for a nominal consideration of two dollars (\$2.00). Under the executed agreement, Housing York is no longer able to sell the units at market rates and reinvest the proceeds into future development of housing, as was originally communicated by the Board.

The Town of Richmond Hill has also incorporated similar details in the Section 37 Agreement with Torview Properties Inc. which is expected to be executed by the Town of Richmond Hill by June 2014.

The Region is developing a framework with local municipalities to acquire Section 37 units

Housing and Long Term-Care Branch is working with Long Range Planning, Legal Services and Housing York to establish a framework for local municipalities interested in using Section 37 of the Planning Act to secure affordable housing units for Housing York. This framework will provide guidance to the acquisition of affordable housing units to meet the requirements of both the municipality and Housing York.

The five units from Great Land (16th) Inc. and Torview Properties Inc. will be transferred to Housing York with the current provisions from the Town of Richmond Hill. Moving forward, the Section 37 framework will be used to outline guidelines for acquisitions.

Adelina Urbanski
General Manager, Housing York Inc.

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