

Supplementary Report on Affordable Rental Housing Opportunity at 838 Broadview Avenue

Date: December 16, 2019
To: City Council
From: Executive Director, Housing Secretariat
Wards: 14 - Toronto-Danforth

SUMMARY

This report is supplementary to item PH11.9 - *Affordable Rental Housing Opportunity at 838 Broadview Avenue*, adopted with amendments at the December 10, 2019 meeting of the Planning and Housing Committee. In adopting PH11.9, the Planning and Housing Committee requested the Executive Director, Housing Secretariat, in consultation with the Chief Executive Officer, CreateTO, to report directly to City Council at its meeting on December 17 and 18, 2019 on how to maximize the number of affordable housing units at 838 Broadview Avenue. This supplementary report responds to the Committee's request.

PH11.9 seeks City Council authority for: 1) the City's acquisition of up to 16 new condominium dwelling units which will be operated as permanently affordable rental housing; and 2) to provide funding and incentives through the Open Door Affordable Housing Program for the 16 affordable units. The new affordable rental housing is enabled by the sale and redevelopment of the City-owned property at 838 Broadview Avenue, alongside the redevelopment of the larger adjoining privately-owned properties between 840 and 844 Broadview Avenue.

Staff from CreateTO, the Toronto Parking Authority, the Housing Secretariat, and the Corporate Real Estate Management Division negotiated the new affordable housing as part of the proposed sale and redevelopment of 838 Broadview Avenue. The redevelopment plan proposes an eight-storey mixed-use condominium building. The affordable housing will be constructed in the new building and then transferred to the City upon completion.

The 16 affordable units represent approximately 19% of the total proposed number of residential units. Through the development review and community consultation processes, an appropriate site plan and built form will be identified, which will ultimately determine the final number of residential units and amount of retail/commercial space at the site.

The proposed transaction includes City financial contributions to support the affordable housing in the form of a portion of: the proceeds from the sale of 838 Broadview Avenue; funding from the Development Charges Reserve Fund for Subsidized Housing (XR2116); and Open Door Program incentives (planning fees, development charges and tax relief). Details are provided in Confidential Attachment 1 to item PH11.9.

Given the moderate scale of the development, and the proposed value of the City's financial contributions to the affordable housing, there are no additional affordable housing units achievable at 838 Broadview Avenue. In securing the 16 affordable units, the City has maximized resources available at this time for investment in this site.

In addition, the transaction as proposed in PH11.9 leverages city-building opportunities to create a range of housing opportunities for Toronto residents. The new housing will be developed within an integrated, mixed-income, mixed-use development that is close to existing public transit.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

There are no financial implications arising from this report. The Chief Financial Officer and Treasurer has been provided with the report for review as part of the 2020 budget process.

DECISION HISTORY

At its meeting of December 10, 2019, the Planning and Housing Committee adopted, with amendments, item PH11.9 *Affordable Rental Housing Opportunity at 838 Broadview Avenue*. The report seeks City Council authority to enter into an agreement of purchase and sale for the City's acquisition of up to 16 new affordable rental homes, as well as provide Open Door Program funding and incentives for the affordable homes. The new affordable housing is being made available through the sale and redevelopment of the City-owned property at 838 Broadview Avenue, alongside the mixed-use redevelopment of the adjoining privately-owned properties at 840 to 844 Broadview Avenue. The Planning and Housing Committee directed the Executive Director, Housing Secretariat, in consultation with the Chief Executive Officer, CreateTO, to report directly to City Council at its meeting on December 17 and 18, 2019 on how to maximize the number of affordable housing units at 838 Broadview Avenue. The decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.9>

At its meeting of March 31 and April 1, 2016, City Council adopted GM10.9 - *Acquisition of 838 Broadview Avenue*. The TPA has continued to operate a municipal parking facility at this location along with adjacent commercial units fronting Broadview Avenue. As a part of this authorization, City Council also directed that when the site could be redeveloped, such development would be in keeping with the Broadview Avenue Planning Study. The decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM10.9>

At its meeting of December 9 and 10, 2015, City Council adopted EX10.18 - *Affordable Housing Open Door Program* with amendments, which detailed land, planning and financial actions to enhance the City's ability to deliver affordable housing and achieve its approved housing targets. Council adopted actions to better utilize surplus public lands and provide financial contributions for new affordable housing from the City's Development Charges Reserve Fund for Subsidized Housing (XR2116). The City Council Decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.18>

COMMENTS

During 2019, staff from CreateTO, the Toronto Parking Authority, the Housing Secretariat, and Corporate Real Estate Management negotiated the inclusion of affordable housing at the site with the proposed purchaser of the City-owned site at 838 Broadview Avenue. The proposed purchaser is also the owner of the adjoining properties at 840 - 844 Broadview Avenue.

The redevelopment plan for the properties includes an eight-storey, 85-unit condominium building with commercial uses at grade. The 16 affordable units proposed within the condominium building represent approximately 19% of the total proposed number of units. The affordable units will be constructed by the owner and the City will acquire the units upon completion of construction.

The transaction proposed in report PH11.9 - *Affordable Rental Housing Opportunity* includes City financial contributions to support the affordable housing development by way of: a portion of the proceeds from the sale of 838 Broadview Avenue; funding from the Development Charges Reserve Fund for Subsidized Housing (XR2116); and Open Door Program incentives (planning fees, development charges and tax relief). The transaction details are outlined in Confidential Attachment 1 to item PH11.9.

In negotiating the 16 affordable rental units, the City has maximized the number of affordable housing units achievable in the new development. The proposed City financial contributions represent the maximum City resources available for investment. As such, there are no additional affordable housing units achievable at 838 Broadview Avenue.

The proposed transaction, which includes the sale of underutilized land and then re-purchase of new residential units by the City, will increase the number of much-needed affordable rental units in the city. The proposed transaction will also ensure perpetual affordability of the affordable rental housing through public ownership.

CONTACT

Valesa Faria, Director (A), Housing Secretariat, Phone: 416-392-0602,
Email: Valesa.Faria@toronto.ca

SIGNATURE

Sean Gadon
Executive Director (I), Housing Secretariat