



REPORT FOR ACTION

Providing New Affordable Rental Housing at 685 Queen Street East

Date: May 13, 2019
To: Planning and Housing Committee
From: Executive Director, Housing Secretariat
Wards: Ward 14 Toronto Danforth

SUMMARY

City Council, at its meeting of December 9 and 10, 2015, through report TE12.7, "*Final Report - 77-79 East Don Roadway and 661-677 Queen Street East - Zoning Amendment Applications*", directed that the community benefits to be secured as part of the development approvals for the mixed-use project at 77-79 East Don Roadway and 661-677 Queen Street East be a cash payment and be used towards the provision of affordable housing in Ward 14 (formerly Ward 30).

This report recommends that the City enter into a pre-development agreement with Riverdale Co-operative Houses Inc. ("Riverdale Co-operative") to provide up to \$500,000 in section 37 funds to conduct pre-development activities for the purpose of redeveloping Riverdale Co-operative's property located at 685 Queen Street East, adjacent to the 77-79 East Don Roadway and 661-677 Queen Street East site. The intent of the redevelopment is to revitalize the existing nine units and add up to 23 additional, accessible affordable rental units. Through the development review process and community consultation, an appropriate built form will be reached, which will ultimately determine the final number of affordable units.

The pre-development activities will include but not be limited to securing consultants to undertake design development, tenant relocation activities, determining capital and operating cost requirements, and obtaining engineering and other reports needed to inform the redevelopment of 685 Queen Street East.

Following the completion of pre-development activities, staff will report back to the Planning and Housing Committee before the end of 2019 on the capital cost and operating requirements needed to redevelop the property and ensure its long-term operating viability.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council authorize the Executive Director, Housing Secretariat to provide \$500,000 in funding, inclusive of HST and disbursements, from the Capital Revolving Reserve Fund (XR1058) to Riverdale Co-operative Homes Inc. for the purpose of conducting predevelopment activities related to the redevelopment of 685 Queen Street East in Ward 14, fully funded from the Section 37 (Planning Act Reserve Fund) community benefits from 77-79 East Don Roadway and 661-677 Queen Street East (Source Account Number XR3026-3700879), subject to the transfer of the designated funds from account XR3026-3700879 to account XR1058;
2. City Council approve an increase to the 2019 Approved Operating Budget for Shelter, Support and Housing Administration, in coordination with the Executive Director, Housing Secretariat, of \$500,000 gross, \$0 net for affordable housing at 685 Queen Street East funded from the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to support pre-development activities pursuant to the redevelopment of 685 Queen Street East;
3. City Council authorize the Executive Director, Housing Secretariat to negotiate and enter into on behalf of the City, an agreement and any other documents deemed necessary, with Riverdale Co-operative Homes Inc. to fund the pre-development work necessary to inform the decisions to be made with respect to the redevelopment of 685 Queen Street East, on terms and conditions satisfactory to the Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor; and
4. City Council direct the Executive Director, Housing Secretariat to report to the Planning and Housing Committee no later than the end of 2019 on the results of the pre-development work, including the capital and operating funding required to complete the redevelopment of 685 Queen Street East including the creation of net new affordable rental homes.

FINANCIAL IMPACT

This report recommends the provision of up to \$500,000 in pre-development funding, inclusive of HST and disbursements, to Riverdale Co-operative Homes Inc. to support pre-development work, including tenant relocation activities, necessary for the redevelopment of 685 Queens Street East, fully funded from Section 37 (Planning Act Reserve Fund) community benefits from the 77-79 East Don Roadway and 661-677 Queen Street East project, which has been designated for the provision of affordable housing in Ward 14.

The funding of \$500,000 will be transferred from Section 37 Reserve account XR3026-3700879 to the Capital Revolving Reserve Fund for Affordable Housing (XR1058).

To facilitate the disbursement of funds to Riverdale Co-Operative Inc., a budget adjustment to increase the 2019 Approved Operating Budget for Shelter, Support and Housing Administration by \$0.500 million gross, \$0 net is required. Future financial impacts from the detailed work proposed in this report will be identified and reported at a later date.

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

EQUITY IMPACT

Access to safe, secure, affordable housing in all parts of Toronto is a fundamental goal of the City's Housing Opportunities Toronto Action Plan 2010-2020 and the Housing Stability Service Planning Framework. Providing new affordable housing is also a goal of the City's Poverty Reduction Strategy.

The redevelopment of 685 Queen Street East will increase the opportunity for lower-income individuals and families to access safe, well-maintained and adequate homes. This will also assist in improving Toronto's economic and social well-being and easing health, justice and social costs.

DECISION HISTORY

At its meeting on December 9 and 10, 2015, City Council adopted TE12.7 "Final Report – 77-79 East Don Roadway and 661-677 Queen Street East – Zoning Amendment Applications" which required Streetcar to enter in to a Section 37 Agreement and to provide a community benefit of \$5 million towards the provision of affordable rental housing. The report can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.TE12.7>

COMMENTS

Section 37 Agreement

The Official Plan contains policies pertaining to the provision of community benefits for increases in height and/or density for a use pursuant to Section 37 of the Planning Act. The City and Streetcar Developments Inc. ("Streetcar") concluded negotiations and entered into a Section 37 Agreement on May 17, 2018. As part of the community benefits agreed to, prior to the issuance of the first above-grade building permit, Streetcar was required to pay the sum of \$5 million (indexed upwardly in accordance

with the Statistics Canada Non-Residential Construction Price Index for Toronto until the date of payment) as a contribution towards the provision of affordable rental housing on-site, adjacent to the site or within the local ward. At the time of submission of funds to the City, the amount paid by Streetcar was \$5,323,399.

Proposed Affordable Housing Project

Following the zoning approval for the 77-79 East Don Roadway and 661-677 Queen Street East development by City Council on December 9 and 10, 2015, the local Councillor was made aware that the Riverdale Co-operative building at 685 Queen Street East, adjacent to the Streetcar development, was in need of substantial repair.

Riverdale Co-operative is a non-profit corporation established in 1974 with the mandate of providing affordable housing for its members. Its current portfolio is made up of houses, townhouses and apartments scattered throughout the Riverdale/Leslieville area and currently has 124 units in 28 properties in the area bounded by Danforth Avenue to the north, Queen Street East to the south, Broadview Avenue to the west and Coxwell Avenue to the east. It is home to a mix of families, singles and seniors.

In early 2016, at the request of the local Councillor, staff in the Affordable Housing Office met with the Riverdale Co-operative to assess its interest in redeveloping the 685 Queen Street East property to address the current capital repair needs as well as increase the number of affordable rental homes onsite. At the meeting it was determined that there was interest in proceeding as the existing property is inadequate to address the accessibility needs of current and future residents. The Co-operative is also in need of net new additional affordable rental homes for its members.

The discussions between Riverdale Co-operative and the Affordable Housing Office resulted in the Co-operative members passing a special resolution on June 28, 2017 authorizing the Co-operative to proceed with the redevelopment of their property subject to securing the necessary funding and financing to fund the project.

Tenant Relocation Plan

As part of the pre-development work, Riverdale Co-operative will be required to develop a Tenant Relocation and Assistance Plan for the nine existing households. This Plan will include proposed alternative accommodation at similar rents, as well as moving supports for affected households.

Prior to any public or resident meeting related to the proposed redevelopment, Riverdale Co-operative will work with staff in City Planning and the Housing Secretariat to develop the Plan. The ward Councillor will also be consulted.

COMMENTS

This report recommends that City Council approve up to \$500,000 in funding, inclusive of HST and disbursements, to be provided to Riverdale Co-operative to undertake pre-

development work related to the redevelopment of 685 Queen Street East. The pre-development work will include but not be limited to developing a tenant relocation plan satisfactory to the City and ward Councillor, as well as detailed design drawings, developing capital and operating budgets and identifying sources of funds to undertake the redevelopment of the site and ensure its long-term operating viability.

The Executive Director, Housing Secretariat will report to the Planning and Housing Committee before the end of 2019 on the results of pre-development work.

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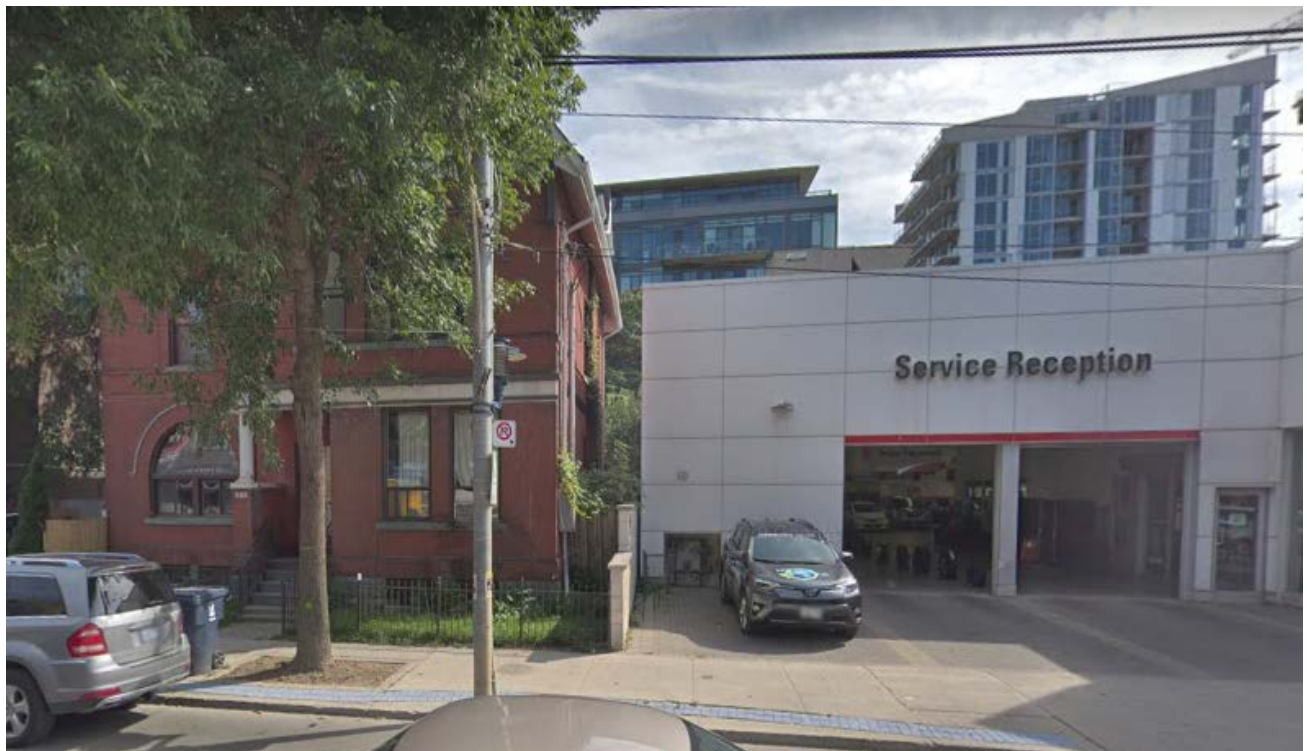
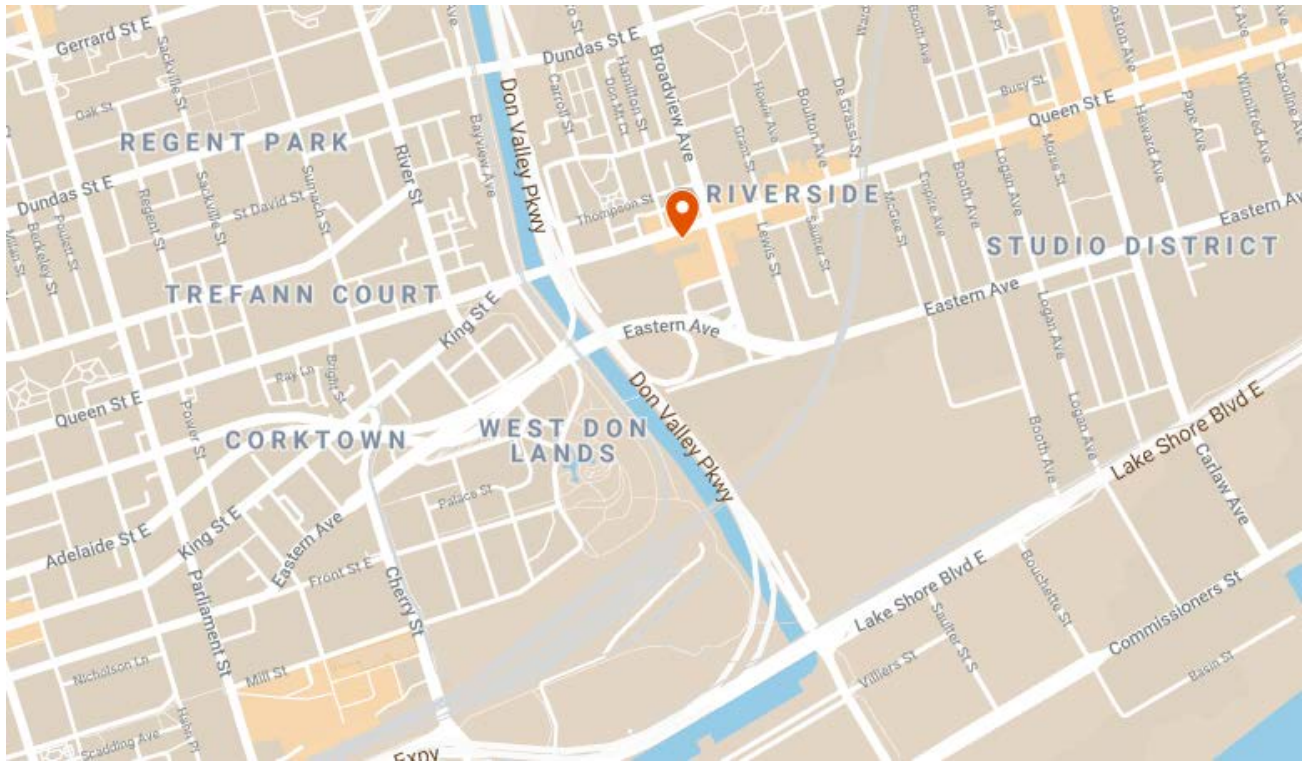
SIGNATURE

Sean Gadon
Executive Director (Interim), Housing Secretariat

ATTACHMENTS

Appendix 1: Location Map

Appendix 1
Location Map and Street View of 685 Queen Street East



Source: Google Maps