

## **Creating New Non-Profit Co-operative Homes at 685 Queen Street East**

**Date:** June 26, 2020

**To:** Planning and Housing Committee

**From:** Executive Director, Housing Secretariat

**Wards:** Ward 14 - Toronto Danforth

### **SUMMARY**

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This report recommends City Council approval of \$4,846,556 in Section 37 funds to be provided to Riverdale Co-operative Homes Inc. ("Riverdale Co-operative") for the redevelopment of 685 Queen Street East in Ward 14. The report also provides an update on pre-development work completed to-date.

City Council, at its meeting of June 18 and 19, 2019, authorized the Executive Director, Housing Secretariat, to provide \$500,000 in funding to Riverdale Co-operative to be used for pre-development work at 685 Queen Street East. Council also directed the Housing Secretariat to report to the Planning and Housing Committee on the results of the pre-development work, including any capital and operating funding required to undertake the redevelopment project.

Riverdale Co-operative is a non-profit corporation that provides affordable housing for its members. The Co-operative owns the 685 Queen Street East property, which is in need of substantial capital repairs. The redevelopment plans for 685 Queen Street East involves the renovation of nine units in the existing heritage structure, plus an addition of 17 units at the rear of the building, for a total of 26 units.

Riverdale Co-operative has partnered with Streetcar Developments ("Streetcar"), a well-established private sector developer, who is developing the adjacent site, to deliver this project on their behalf. This partnership will leverage Streetcar's development expertise plus take advantage of economies of scale due to their active development project next to the building. With Streetcar's help, the pre-development work has now advanced to the point where Site Plan Control and Minor Variance applications will be submitted to the City shortly.

By securing the \$4,846,556 City contribution recommended in this report, the Co-operative will be able to proceed with the redevelopment and intensification of the existing building. Advancing this project will help preserve the existing supply of co-operative housing and create additional affordable homes for low-and-moderate-income residents in the city. The redevelopment of the site will also increase accessibility for residents and improve the energy efficiency of the building.

## **RECOMMENDATIONS**

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The Executive Director, Housing Secretariat recommends that:

1. City Council authorize the transfer of \$4,846,556.00 from Section 37 (Planning Act Reserve Fund - Source Account Number XR3026-3700879) to the Capital Revolving Reserve Fund for Affordable Housing (XR1058) for the purpose of developing, non-profit co-operative, affordable housing at 685 Queen Street East.
2. City Council increase the 2020 Approved Operating Budget for Shelter, Support and Housing Administration by \$4,846,556.00 gross, \$0 net, fully funded from the Capital Revolving Reserve Fund for Affordable Housing (XR1058), for transfer to Riverdale Co-operative Homes Inc. to support the redevelopment of 685 Queen Street East, from the developments at 77-79 East Don Roadway and 661-677 Queen Street East.
3. City Council authorize the Executive Director, Housing Secretariat to provide \$4,846,556.00 in funding from the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to Riverdale Co-operative Houses, Inc. subject to the following conditions:
  - a) the transfer of the designated funds from XR3026 to XR1058; and
  - b) fulfillment of all applicable conditions governing the release of the designated funds set out in the City's executed Contribution Agreement with Riverdale Co-operative Houses Inc.

## **FINANCIAL IMPACT**

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This report recommends the provision of \$4,846,556 in funding to Riverdale Co-operative Homes Inc. to support the redevelopment of the property located at 685 Queen 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.

To facilitate the disbursement of funds to Riverdale Co-operative Homes Inc., the 2020 Approved Operating Budget of Shelter, Support and Housing Administration will be increased by \$4,846,556 gross, \$0 net, fully funded from the Capital Revolving Reserve Fund for Affordable Housing (XR1058) from the transfer of the Section 37 funds indicated above to the Capital Revolving Reserve Fund for Affordable Housing XR1058.

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

## **EQUITY IMPACT**

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The HousingTO 2020-2030 Action Plan envisions a city in which all residents have equal opportunity to develop to their full potential. The HousingTO 2020-2030 Action Plan is also centred on a human rights based approach to housing. This human rights based approach recognizes that housing is essential to the inherent dignity and well-being of a person and to building inclusive, healthy, sustainable and liveable communities.

The redevelopment of 685 Queen Street East will increase the opportunity for lower income individuals and families to access affordable, safe, and well-maintained homes. In addition, this initiative will create new housing opportunities for low-income and vulnerable individuals, as well as those from equity-seeking groups, including Indigenous and Black communities, to access safe, healthy and adequate homes.

Access to good quality, safe, affordable housing is an important determinant of health and also improves the social and economic status of an individual. Good quality, affordable housing is also the cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

## **DECISION HISTORY**

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At its meeting of December 9 and 10, 2015, City Council, 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).

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

At its meeting held on June 18 and 19, 2019, through report PH6.4, "Providing New Affordable Rental Housing at 685 Queen Street East", City Council approved the provision of \$500,000 in financial assistance for pre-development activities to be undertaken to support the affordable housing development on property owned by Riverdale Co-operative Houses Inc. located at 685 Queen Street East. City Council also directed the Executive Director, Housing Secretariat to report to the Planning and Housing Committee on the results of the pre-development work, including any capital or operating funding required to complete the redevelopment of 685 Queen Street East.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH6.4>

At its meeting on October 2, 2019, through PH8.3, "Open Door Program Call for Applications 2019: Support for 651 New Affordable Rental Homes", City Council approved capital funding of \$640,000 from the City's Development Charges Reserve Fund for Subsidized Housing (XR2116), as well as an estimated \$1,369,303 in City fees and charges exemptions for 685 Queen Street East.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH8.3>

At its meeting on December 17 and 18, 2019, through PH11.8, "Increasing Non Profit Housing Opportunities: Results of the Ontario Priorities Housing Initiative Request for Proposal", City Council authorized the Executive Director, Housing Secretariat, to negotiate and enter into, on behalf of the City, a municipal housing facility agreement (the City's Contribution Agreement) with the Riverdale Co-operative for 685 Queen Street East. The group was awarded \$3,900,000 in Ontario Priorities Housing Initiative funding following its successful Request for Proposals submission.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.8>

## COMMENTS

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### Background

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. Riverdale Co-operative provides homes to a mix of families, singles and seniors.

In December 2015, following the zoning approval for the 77-79 East Don Roadway and 661-677 Queen Street East development by City Council, the local Councillor was made aware that the adjacent Riverdale Co-operative building at 685 Queen Street East was in need of substantial repairs. Through further site investigations, it was determined that the existing property is also inadequate to address the accessibility needs of current and future residents. A complete renovation to the existing building and increasing the number of affordable units was determined to be the optimal solution.

In June 2019, after working with the Co-operative to establish a financially viable funding model for the redevelopment, including the use of Section 37 funds, the Housing Secretariat, in consultation with the local Councillor, brought a report to Council for approval to activate the project. As the pre-development work has advanced successfully, staff are now recommending Council approval for additional section 37 funds to help funding to be used towards the full redevelopment.

## **Creating New Affordable Housing**

The renovated and modernized building as proposed, will incorporate the existing 3-storey heritage building fronting Queen Street East and an adjoining 5-storey addition to the rear.

The mix of units will include two studios, 13 one-bedrooms, 9 two-bedrooms and 2 three-bedroom units, of which 62% will be fully accessible. The unit types and accessibility will allow Riverdale Co-operative to meet the current and future needs of residents, and help them to age in place.

The rents for the 26 homes will be at or below 80% Average Market Rent and 25% will be allocated to clients in receipt of a housing benefits. These homes will also be operated as affordable housing for a minimum of 99 years.

## **Advancing the Redevelopment of 685 Queen Street East**

The redevelopment of 685 Queen Street East will require a Site Plan Control application and Minor Variance application for relief from various zoning by-law matters. This application is expected to be submitted in July 2020, with construction beginning mid-2021 and occupancy occurring in 2022.

Pre-development work completed to-date includes architectural drawings, all required environmental studies, and completion of capital and operating budgets required to complete the development. Based on the project pro forma and operating budgets, no additional capital or operating funding is anticipated to be required from the City beyond the amounts recommended in this report. The Co-operative is also pursuing funding through the National Housing Strategy's Co-Investment Fund.

The release of the funds which are the subject of this report will occur in accordance with development schedule milestones set out in the Contribution Agreement executed between Riverdale Co-operative Houses Inc. and the City, subject to the satisfaction of the applicable conditions.

## **Tenant Relocation and Implementation Plan**

As part of the planning approval process, Riverdale Co-operative is required to develop a Tenant Relocation and Assistance Implementation Plan (TRAIP) for the nine existing households that need to be relocated. This Plan will include proposed alternative accommodation at similar rents, as well as moving supports for affected households. As a condition of its planning approvals, 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.

## **Conclusion and Next Steps**

The City's HousingTO 2020-2030 Action Plan is focused on improving the lives of Toronto residents through increased access to safe, affordable, accessible and good quality homes. In addition to various initiatives to maintain existing affordable housing stock across the city, the HousingTO 2020-2030 Action Plan establishes a target of approving 40,000 new affordable rental homes 2030. This target can only be achieved through partnerships and investments by the public, private and the non-profit housing, including co-operative housing sector.

The proposed redevelopment of 685 Queen Street aligns with the objectives in the City's HousingTO 2020-2030 Action Plan. This project will preserve the existing supply of co-operative housing plus create new affordable and accessible homes for low-income households including seniors. These homes will also be secured as affordable housing in perpetuity. Additionally, Riverdale Co-operative has partnered with Streetcar developments as their development partner, which is a good example of how strong partnerships across sectors and through leveraging opportunities, are necessary to preserve and increase the city's affordable housing stock.

## **CONTACT**

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## **SIGNATURE**

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Abigail Bond  
Executive Director, Housing Secretariat

## **ATTACHMENTS**

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Attachment 1: Location Map