

Creating New Affordable Rental Homes at 3377 Bayview Avenue

Date: June 14, 2021
To: Planning and Housing Committee
From: Executive Director, Housing Secretariat
Wards: Ward 17 – Don Valley North

SUMMARY

This report recommends that City Council approve Open Door Program incentives for up to 752 affordable rental homes anticipated to be created as part of the upcoming Tyndale Green development proposal on the Tyndale University lands at 3377 Bayview Avenue. The project is proposed to be developed through a partnership between Tyndale University and Markee Developments, which aims to design, build, and operate affordable rental housing through partnerships with groups such as with municipalities, not-for-profits and universities. This project is currently in the initial planning stages, and as such, the details of the proposal as noted within this report, including the number of affordable rental homes, are subject to change and are also subject to planning application approvals.

Tyndale University and Markee Developments are proposing that 50% of the units to be built in the Tyndale Green development will be new affordable rental homes that will remain affordable for a minimum of 99 years. The initial development proposal is for 1,504 residential units to be built over four phases, of which approximately 752 would be provided as affordable rental homes. The affordable rental homes would be equally distributed across all phases. The project is also striving to be an energy efficient community and aims to include at least 15% fully accessible units.

The Open Door Program incentives recommended for Council approval include exemptions from payment of planning application, parkland dedication, and building permit fees, and development charges, to support delivery of the affordable housing in the proposed development. Should the required planning applications be approved and the development proceed, it would provide a significant number of affordable housing options to low-and-moderate-income households, including those from equity-deserving groups. Approval of this project will also contribute towards the delivery of the City's HousingTO 2020-2030 Action Plan which aims to approve 40,000 new affordable homes, including 18,000 supportive housing units by 2030.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council authorize up to 752 affordable rental units to be constructed on the lands known as 3377 Bayview Avenue to be eligible for waivers of applicable planning application, parkland dedication, and building permit fees, and an exemption of development charges.
2. City Council authorize an exemption from taxation for municipal and school purposes for 99 years for up to 752 affordable rental units to be constructed on the lands known as 3377 Bayview Avenue.
3. City Council authorize the Executive Director, Housing Secretariat to negotiate and enter into, on behalf of the City, a municipal housing project facility agreement (the "Contribution Agreement") with Tyndale University and Markee Developments for the development of the affordable housing to be constructed on the lands known as 3377 Bayview Avenue, to secure the financial assistance being provided and to set out the terms of the operation of the new affordable rental housing, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form approved by the City Solicitor.
4. City Council authorize the Controller to cancel or refund any taxes paid after the effective date the Contribution Agreement.
5. City Council authorize severally each of the Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration to execute, on behalf of the City, any security or financing documents required by Tyndale University and Markee Developments to secure construction and conventional financing and subsequent refinancing, including any postponement, tripartite, confirmation of status, discharge or consent documents of any City security documents where and when required during the term of the municipal housing facility agreement, as required by normal business practices, and provided that such documents do not give rise to financial obligations on the part of the City that have not been previously approved by Council.

FINANCIAL IMPACT

This report recommends the provision of an estimated \$56,019,403 in Open Door incentives to Tyndale University and Markee Developments to support the development of up to 752 affordable homes proposed to be developed at Tyndale Green on the Tyndale University lands at 3377 Bayview Avenue.

It is anticipated up to 752 affordable homes will be created. The number of potential affordable rental units is estimated at this point given that the necessary development application(s) have either not yet been filed or are currently under review by staff. 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 City incentives for the affordable rental homes recommended by this report are within the approved ten-year Open Door Program financial plan to support implementation of the overall HousingTO 2020 – 2030 Action Plan. The incentives include relief from: development charges; building permit and planning application fees; parkland dedication fees; and municipal property taxes for affordable units.

The estimated financial incentives recommended for Council approval (which reflect the outstanding fees and charges) are summarized in Table 1 below:

Table 1 - City Financial Incentives

Affordable Rental Homes	Estimated Affordability Period	Estimated Development Charges*	Estimated Planning Fees and Charges**	Estimated Net Present Value of Property Taxes	Estimated Total Value of Incentives
752	99	\$28,314,806	\$4,930,376	\$22,774,221	\$56,019,403

*calculated using November 2020 Rates and reflect estimated development charges applicable for 752 units

** Includes estimated 2021 building permit fees of \$671,579, 2021 planning fees of \$498,797, and parkland dedication fees of \$3,760,000.

The City's financial incentives include relief from planning application fees, development charges, parkland dedication fees, and building permit fees as anticipated to support the development process. The incentives also include relief from property taxes for municipal and school purposes for the 99 year affordability period.

The value of the annual property tax exemption is estimated at \$721,917 at 2021 rates. The net present value over the 99 year-term is estimated at \$22,774,221 as summarized in Table 2 below:

Table 2 - Property Tax Exemption

Property Tax	*Annual	Net Present Value (NPV): 99 Years
City	\$533,204	\$16,820,912
Education	\$180,771	\$5,702,750
City Building	\$7,942	\$250,559
Total:	\$721,917	\$22,774,221

*calculated using 2021 Rates

A tax exemption would have no net present impact to the City for the educational portion of taxes remitted to the Province.

In the event of default, the Contribution Agreement will provide that the by-law providing the property tax exemption be repealed.

It is anticipated that the new affordable rental units will be available for occupancy beginning in late 2024, subject to approval of all applications and project financing.

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

EQUITY IMPACT

The HousingTO 2020-2030 Action Plan ("HousingTO Plan") envisions a city in which all residents have equal opportunity to develop to their full potential. The HousingTO Plan is also centred on a human rights-based approach to housing. This 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 proposed development at 3377 Bayview Avenue would increase the opportunity for low-to-moderate income households including those from equity-deserving groups to access and maintain good quality, safe, affordable homes. The accessible homes to be created at this site will also help persons with disabilities and improve their housing and health outcomes.

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

This report addresses a new initiative.

COMMENTS

Background

Tyndale University is a Christian university in Toronto which has been operating for over 125 years, and offers a wide range of programs at the undergraduate, seminary & graduate levels. Markee Developments was created to design, build, and operate affordable rental housing through partnerships with groups such as with municipalities, not-for-profits and universities. Their goal is create developments with a significant amount of affordable rental housing.

In June 2021, Tyndale University and Markee Developments submitted a business case to City staff incorporating affordable rental homes in their proposed Tyndale Green development on the Tyndale University lands at 3377 Bayview Avenue. The proposed

development is in the initial planning stages, and planning applications to permit the development have not yet been submitted. As such, the proposed details of the development as noted within this report are subject to change and are also subject to planning application approvals.

The vision for the site is to create an inclusive, welcoming new affordable residential community integrated with the existing university use onsite. The development proposes to create a new, large scale, mixed-use community, with a significant affordable housing component, where people can live, work, study and play.

Tyndale University and Markee Developments are proposing that 50% of the units (752 units of 1,504 units) to be built in the Tyndale Green development will be new affordable rental homes that will remain affordable for a minimum of 99 years. Rents for the 752 affordable rental homes are proposed be set at 100% Average Market Rent over the 99-year affordability term. Deeper levels of affordability may be achieved through the layering of housing benefits for qualifying households, if available. The initial development proposal proposes four development phases. The affordable rental homes would be equally distributed across all phases.

Staff in the Housing Secretariat and the Shelter Support and Housing Administration (SSHA) divisions will work with the developer to refine the capital and operating budgets, and to develop an access plan. This access plan will ensure that priority groups identified in the HousingTO 2020-2030 plan are provided with access to the new affordable rental homes.

Status of Planning Application

The proposed development will require the submission of an Official Plan Amendment Application, Zoning By-Law Amendment Application, Draft Plan of Subdivision and a Site Plan application. The Official Plan Amendment Application, Zoning By-Law Amendment Applications, and Draft Plan of Subdivision are anticipated to be submitted to the City for review in the second quarter of 2021.

Subject to approval of all applications and project financing, construction is estimated to begin in October 2022 and be completed by the end of 2024.

Proposed Built-Form

The proposed development, referred to as Tyndale Green, is based on Markee Developments and Tyndale University's shared vision to create an inclusive, welcoming new affordable residential community. The development proposes to create a new, large scale, mixed-use community, with a significant affordable housing component, where people can live, work, study and play. The University will retain ownership of the lands as well as maintain the existing academic/ institutional use onsite.

Tyndale University and Markee Developments are proposing to redevelop the site with 15 buildings across four phases (Phases 1, 2, 3a and 3b). Most of the buildings are

proposed to range in height from 5 to 8 storeys, with three buildings to have heights ranging from 12 to 20 storeys. The residential portion of the site is proposed to contain 41,337 square metres of residential Gross Floor Area ("GFA") consisting of 1,504 residential units. A total of 1,385 square metres of new non-residential GFA is also proposed to be provided in the buildings in the Phase 1 area, including spaces for a daycare, café and flexible use spaces to be used by the University. A total of 1,165 parking spaces, including 233 electric vehicle parking spaces, located in five parking garages below grade and 1,517 bicycle parking spaces, is also proposed to be provided.

As part of the planning application review process, this site will be subject to the City's Official Plan large site policy, which requires affordable housing as the first priority community benefit. Typically the large site policy is met through one or more of the following, or equivalent, delivery mechanisms:

- The conveyance of land to the City sufficient to accommodate 20% of the residential gross floor area;
- The provision of 10% of the residential gross floor area as purpose built rental units with affordable rents secured for a period of no less than 15 years; and/or
- The conveyance to the City of 5% of the residential gross floor area as purpose-built rental units or affordable ownership units.

Where affordable housing is required to be provided through the Official Plan, Open Door incentives are only eligible where additional affordable housing benefits are provided beyond what is already required, such as additional units, deeper levels of affordability and/or a longer secured affordability period. Staff will work with the applicant through the planning process to ensure that the large site policy is met and the Open Door incentives are provided in addition to the policy requirements.

Building Amenities

The development proposed to include numerous shared amenities that are communal, inclusive spaces for shared use by all residents. Indoor and outdoor amenity areas are proposed to be provided at an average rate of approximately 3.05 square metres per unit across the development areas, for a total of 1,523 square metres of indoor amenity area and 3,061 square metres of outdoor amenity area.

New residents, University students and staff, neighbours from the surrounding community, and visitors will all be able to access a proposed extensive new system of pedestrian priority pathways throughout the site, green space and play areas, and an improved connection to the existing ravine pathway. Tyndale University and Markee Developments is also proposing to build a community recreation facility on the campus concurrent with the residential development, which will be accessible to residents of the residential community and the public; this will be considered through a separate planning process.

Accessibility and Design

The proposed project has been designed to meet the needs of future tenants, helping them to secure adequate, affordable homes in sustainable community.

The proposal includes various sustainable design elements to maximize energy and water efficiency, promote a healthy indoor air environment for occupants, and enhance the local environment. Some of the proposed energy efficient elements to be addressed at the site plan application stage include: green roofs and sustainable stormwater management; promotion of and provisioning for alternative modes of transportation; waste management; water conservation; construction waste management; bird-friendly design; and heat island mitigation. A minimum of 15% of all units will provide barrier-free access, and AODA guidelines have been taken into consideration in the development of the pedestrian pathways around the site.

Conclusion

The City's HousingTO Plan is focused on improving the lives of Toronto residents through increased access to good quality, safe, affordable homes. The Plan establishes a target of approving 40,000 new affordable rental homes, including 18,000 supportive housing units by 2030. New and enhanced partnerships across sectors, including partnerships with the academic and non-profit development sectors as proposed in this report, are a critical element to achieving this goal.

Council's approval of the Open Door incentives recommended in this report will provide increased financial certainty for the project, and also help the developer to secure funding and financing from other sources including through the federal National Housing Co-Investment Fund.

The estimated 752 new affordable rental homes proposed at Tyndale Green will provide much-needed affordable housing options for low-and-moderate-income households, from City-identified priority including Indigenous and racialized individuals, seniors, members of the LGBTQ2S+ community, women, and essential workers. Providing increased access to good quality, affordable homes is essential in supporting improved health and socio-economic outcomes for vulnerable and marginalized Torontonians, and building healthy, inclusive communities.

CONTACT

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SIGNATURE

Abigail Bond
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ATTACHMENTS

Attachment 1: Site Map showing 3377 Bayview Avenue

ATTACHMENT 1: SITE MAP SHOWING 3377 BAYVIEW AVENUE

