

Mimico-by-the-Lake Secondary Plan - City Actions to Support Revitalization

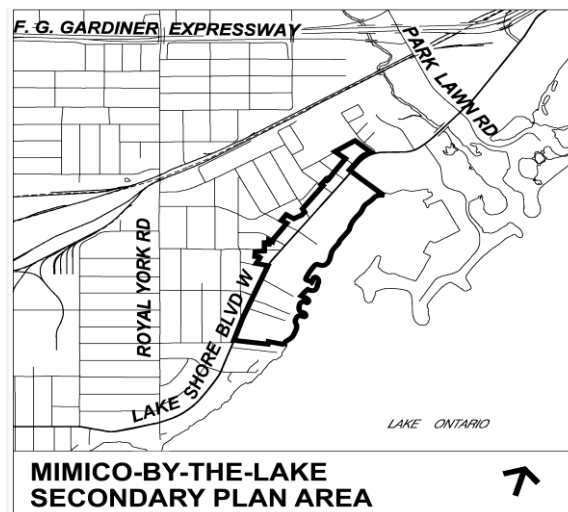
Date:	August 6, 2014
To:	Executive Committee
From:	Deputy City Manager, Cluster A Deputy City Manager, Cluster B Deputy City Manager and Chief Financial Officer
Ward:	Ward 6 – Etobicoke Lakeshore
Reference Number:	EX14005

SUMMARY

This report identifies options and actions the City could undertake to support the implementation of the new planning framework for the Mimico 20/20 Revitalization Study. The new planning framework is the Council adopted Mimico-by-the-Lake Secondary Plan area.

The Council adopted Mimico-by-the-Lake Secondary Plan provides the policy framework for revitalization and change within this community over the next twenty years. Taking advantage of its unique lakeside setting, the Secondary Plan envisions an inclusive, mixed use community that is well integrated with the surrounding neighbourhood. The Secondary Plan provides for choice in terms of mobility, work, shopping and recreational opportunities as well as housing in terms of built form, tenure and affordability. A new public street structure is proposed to create new development blocks and to increase physical and visual access to Lake Ontario.

To implement the goal of revitalizing the Mimico-by-the-Lake Secondary Plan area, strategic investments must be made by the City. There are five broad categories of



actions the City could undertake to support the implementation of the new planning framework including: Financial Incentives; Tower Renewal; Housing; Parks and Open Space; and Section 37 of the *Planning Act*.

RECOMMENDATIONS

The Deputy City Manager, Cluster A; Deputy City Manager, Cluster B; and the Deputy City Manager and Chief Financial Officer recommend that Executive Committee direct:

1. The City Divisions responsible for Parks, Forestry and Recreation; Affordable Housing; Transportation; Transit; Water; Culture; Health; and Social Development give consideration to identifying and including coordinated capital investments, within the 10 year Capital Plan, in the Mimico-by-the-Lake Secondary Plan area that will act as a catalyst to attract private investment into the Secondary Plan area.
2. Staff from the Affordable Housing Office be directed to conduct a pilot project in the context of the City's affordable housing funding incentives and to further the pilot initiative, City staff host a charrette with local housing stakeholders in 2015 to explore rental replacement housing development opportunities and new affordable housing within the Secondary Plan area.
3. City Planning staff, in conjunction with the Ward Councillor, be directed, as redevelopment occurs in the Mimico-by-the-Lake Secondary Plan area, to secure the provision of community benefits in accordance with the community benefit priorities outlined in the Secondary Plan including: securing long term rental housing and affordable rental housing; tenant relocation provisions; expansions to public parks; new or expanded community services including library, day care facilities and community service space; and public art.
4. The Deputy City Manager and Chief Financial Officer be requested to report back in 2015 on the feasibility of deferring development charges for any new purpose built rental units, as part of the development charges review currently underway.

Financial Impact

The recommendations in this report have no immediate financial impact. Strategic capital investments by the City will be identified for consideration during the City's usual Capital Budgeting process.

DECISION HISTORY

A Mimico revitalization initiative was commenced by Councillor Grimes in 2005 together with the Mimico Planning Action Council to examine the future of the local waterfront area, the physical condition of rental housing and the composition of the

Mimico-by-the-Lake business district. Several meetings were held, and a half day visioning session attended by the Ward Councillor, City staff, landowners, residents, the BIA executive and development interests resulted in "Mimico-by-the-Lake: Project 20/20 A Perfect Vision for our Community". This document identified opportunities, challenges and potential implementation mechanisms for revitalization of the community, and was intended to initiate a formal community revitalization process that included broad community participation.

In 2007 the City initiated the "Mimico 20/20 Revitalization Study" and in 2009 hired a consultant team to assist with this work. The Study proceeded on a three phased approach. Phase 1 included visioning and priority setting which occurred from 2007 to 2008. Phase 2 resulted in the creation of the Revitalization Action Plan which took place from 2009 to 2010. The last phase was conducted from 2011 to 2012 and resulted in the development of the Secondary Plan. The last phase led to the completion of the land use study and resultant staff report that was considered by Etobicoke York Community Council in April 2013.

City Council on July 16-19, 2013, adopted the new Mimico-by-the-Lake Secondary Plan that provides the policy framework for revitalization and change within this community. This report can be accessed at the following link:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EY25.15>

The Secondary Plan was appealed in its entirety to the Ontario Municipal Board by five parties, one of which has since withdrawn. A Pre-Hearing Conference was held on April 22, 2014 where a number of local residents in support of the Secondary Plan registered as parties/participants. A further Pre-Hearing Conference is scheduled for September 22, 2014 with a full three week Hearing scheduled to commence February 23, 2015.

At its July 2013 meeting, City Council also directed the Deputy City Manager of Cluster B, in conjunction with the Deputy City Manager of Cluster A and the Deputy City Manager and Chief Financial Officer, to explore options and actions the City could undertake to support the implementation of this new planning framework, and report back within eight months to the appropriate Standing Committee.

The Deputy City Manager of Cluster B held a number of meetings with staff representing numerous Divisions across City Clusters to explore options and actions the City could undertake to support the approved Secondary Plan. Staff from Corporate Finance, Social Development, City Planning, Parks, Forestry and Recreation and Affordable Housing were involved in the preparation of this report. The results of these discussions are reflected in the comments provided below.

COMMENTS

The Mimico area has not experienced any significant development in the last few decades. The area is characterized by an older housing stock consisting of low and mid-rise apartment buildings that were built in the late 1950's and early 1960's. There are

approximately 2,600 rental units in the area with the majority of these units in the affordable to mid-range market rents.

Some flexibility in respect of replacement rental housing has been introduced by the Council adopted polices of the Secondary Plan. This flexibility includes less stringent unit size requirements for replacement units and identifying a broader geographic area for potential off-site replacement.

The Secondary Plan provides a building height regime and built form policies that allow for increased development potential in the area. Planning staff in collaboration with the consultant undertook a built form analysis based on the existing and planned context when developing the vision for Mimico to be a vibrant mixed-use community. The proposed Secondary Plan reflects this approach and the background analysis indicates there is potential for an additional 1,100 to 2,570 dwelling units in the Secondary Plan area.

Section 4 of the Secondary Plan, Shaping the Community, includes polices on the public realm, cycling and pedestrian network, as well as community services and facilities. These elements provide opportunities to further enhance the Mimico area.

Section 5.3.3 of the Official Plan, Strategic Investment, recognizes there are opportunities for strategic public investment to help unlock the tremendous city-building potential represented by various former industrial and brownfield sites. While Mimico is not considered one of these areas, the Plan further notes that some priorities will emerge from specific area studies such as Secondary Plans which are intended to encourage growth and redevelopment of a specific area. Additionally, the Plan anticipates and supports the development of innovative funding mechanisms as needs are identified.

City staff reviewed a number of actions the City could undertake to support this new planning framework. Included in this was an assessment of the appropriateness of implementing a Community Improvement Plan (CIP) in the Secondary Plan area. A CIP is a planning tool enabled by Section 28 of the *Planning Act* to promote the maintenance, rehabilitation revitalization and/or conservation of lands, buildings or communities facing challenges of transition, deficiency or deterioration and other social, environmental or economic challenges. CIPs are often concerned with areas having deficient or deteriorated public infrastructure and vacant or underutilized land or buildings requiring improvement and are typically used in brownfield situations. In order to support the improvement of the area, they may also be used by the City to provide grants or loans to landowners or tenants, and to acquire land and dispose of it at below market value. As the residential lands in the Secondary Plan area are not vacant, underutilized or in need of environmental rehabilitation, staff were of the opinion this tool was not appropriate in this area.

Staff from the Affordable Housing Office also reviewed a range of government incentives to repair existing residential rental properties, and to build new affordable rental and ownership housing. Existing government affordable housing programs may have

a role in a rental housing replacement/tenant relocation strategy and could also contribute to new affordable rental housing within the Mimico-by-the-Lake Secondary Plan.

However, in situations where replacement rental units are required by the City, property owners are currently mandated to provide the new units at rent levels similar to those units that were demolished without any public funding. For affordable housing funding to be made available in instances governed by the City's replacement requirements, there would need to be a documented and demonstrated additional affordable housing benefit resulting from such funds.

There are, however, five broad categories of actions the City could undertake to support the Mimico by-the-Lake Secondary Plan. These are discussed individually below.

Financial Incentives

There are a number of financial incentives and tools the City has available for owners of land that encourage redevelopment and reinvestment. These incentives and tools can be readily implemented in the Mimico area, as they are intended to be applied city-wide.

New Multi-Residential Property Tax Class

To assist the redevelopment of purpose built rental properties, City Council has adopted a policy to tax new purpose-built residential rental buildings having 7 units or more at the Residential Rate (currently 0.52%) rather than the Multi-Residential Rate (currently 1.6%) for a period of 35 years following construction. As an example, for \$10 million of new development, this represents a savings to the property owner of \$108,000 annually, or an estimated \$3.8 million over 35 years.

Development Charges

To assist new employment development, City Council has adopted a policy to exempt commercial development (above ground floor) and industrial development from Development Charges (currently \$160.62/ m²). As an example, for \$10 million of new four storey commercial development (2,300 m²), this represents a one time savings to the property owner of \$280,000 at the building permit issuance stage.

The City also exempts affordable housing from Development Charges, representing a one-time savings of between \$11,903 to \$27,774 per dwelling unit at current rates, depending on type of unit. In respect of market rental apartments, City staff have also previously been directed to review the possibility of payment by installments or other staged deferral payment of development charges to encourage the development of purpose-built rental housing, which is expected to be completed in 2015.

IMIT (Tax Increment Equivalent Grants) for Employment Lands

To assist new employment development, City Council has adopted a policy to grant-back taxes to eligible development, equivalent to 60% of the municipal taxes paid over 10

years. Eligible development includes offices, convergence centres, high-tech, digital, manufacturing, studios, tourism and transformative projects. Non-eligible development includes residential, retail, noxious manufacturing, professional services and financial and business services (except in office development). As an example, for \$10 million of new development, this represents a savings to the property owner of approximately \$1.0 million over 10 years.

Enhancing Toronto's Business Climate - Reduced Longer Term Municipal Business Tax Rates

To assist existing businesses in remaining competitive, City Council has adopted a policy to reduce business tax rates to 2.5-times the residential rate by 2020. An accelerated reduction to 2.5-times residential by 2015 is available for small businesses. In the absence of this policy, the business ratio would be 4.0 times the residential rate. Fully implemented (2020), for \$10 million of existing property value, this represents a savings to existing business property owners of \$80,000 annually.

New Construction Lower Tax Rates

The Province provides a lower education tax rate for new commercial and industrial development. For 2014, the new construction education tax rate has been set at a rate 6% lower for the education commercial rate and 9% lower than the education industrial rate. For \$10 million of new development, this represents a savings to the property owner of \$7,000 annually if commercial or \$11,000 annually if industrial.

Municipal Capital Facilities Designation

City Council can declare facilities that are for City purposes and public use as a Municipal Capital Facility (MCF). Such facilities include those that act as community centres, or cultural, recreation or tourist facilities. The City can provide MCF's with grants and loans, land and property, services of City employees, and property tax and development charge relief.

Municipal Housing Facility By-Law

This By-law allows the City to enter into agreements with not-for-profit entities or private providers for the provision of affordable housing, and a potential exemption from taxation for municipal and school purposes for the term of the agreement. The agreement may also provide for the provision of grants and loans, land and property, and development charges and fees relief.

Heritage Grant and Heritage Tax Rebate

A designated heritage building or portion thereof, for which the property owner enters into a heritage easement agreement, is eligible for the Heritage Tax Rebate Program which provides for a rebate of 40% of the total property taxes payable up to \$500,000

annually. The heritage building may also be eligible for a \$25,000 one time grant under the Commercial Partnership Investment Program.

Charity Tax Rebate

A registered charity occupying commercial or industrial space they do not own is eligible for a rebate of 40% of the total property taxes in each year.

Vacancy Tax Rebate

A commercial or industrial property which experiences vacancy for all or a portion of the property for a period of 90 or more consecutive days can apply for a vacancy property tax rebate equivalent to 30% and 35%, for commercial and industrial uses respectively, of the total taxes paid.

Better Buildings Partnership ("BBP")

The BBP provides financial incentives for existing buildings on which energy retrofits are carried out. Up to 40% of the total cost of retrofits that save electricity could be covered by the incentive. The amount of the incentive depends on the amount of electricity saved.

Better Buildings New Construction Program ("BBNCP")

The BBNCP is a program similar to the BBP for buildings that are newly designed and constructed. An additional feature of the BBNCP is that assistance is provided at the design stages to make the building more energy efficient.

High-Rise Retrofit Improvement Support Program (Tower Renewal)

The Hi-RIS is three year pilot program to provide low cost loans to individual private property owners to undertake eligible energy and water efficiency and conservation improvements. The property owner can repay the loan over a period of up to 20 years, which is secured as a Local Improvement Charge with a priority lien on the property.

Targeted City Investment Through the Capital Budget

The City has invested in capital infrastructure to attract private investment in the following areas:

- Parks and recreation; community facilities; open spaces
- Affordable housing
- Roads and transit improvements
- Water and sewers
- Health, child care and education

Strategic capital investment opportunities will be explored as new redevelopment occurs in the Mimico-by-the-Lake Secondary Plan area. Accordingly, Recommendation 1 proposes that the City Divisions responsible for Parks, Forestry and Recreation; Affordable Housing; Transportation; Transit; Water; Culture; Health; and Social Development be directed to give consideration to identifying and including coordinated capital investments in the Mimico-by-the-Lake Secondary Plan area that will act as a catalyst to attract private investment into the Secondary Plan area.

Tower Renewal

Tower Renewal staff reviewed most of the apartment sites in the Secondary Plan area and gathered information on the general attributes of the buildings and immediate surroundings, at the time the Mimico-by-the-Lake Secondary Plan was being developed. Building walk through assessments as well as benchmarking of energy, water and waste utility performance were undertaken for several of these sites. This information was provided to the property owners.

Tower Renewal activities available to apartment buildings, including those in the Secondary Plan area, include the opportunity to participate in utility benchmarking and to be provided with an assessment of opportunities for building improvements that contribute to lowering operating costs and improving the quality of the housing for residents. The assessment is complemented with tools available to undertake the improvements. Details of the assessment are available at:

<http://www1.toronto.ca/wps/portal/contentonly?vnextoid=d1e5778b34481410VgnVCM1000071d60f89RCRD>

As noted previously, a significant tool that Tower Renewal has available offers financing for energy and water efficiency retrofits under the High-Rise Retrofit Improvement Support Program (Hi-RIS). Details of the financing criteria are available at:

<http://www1.toronto.ca/wps/portal/contentonly?vnextoid=ab3147e94c5b3410VgnVCM1000071d60f89RCRD&vnextfmt=default>

The March 2013 Planning staff report identified Mimico as a built area of the City and recognized that some buildings in the area may not redevelop. The Secondary Plan contains policies to encourage housing renewal and energy conservation on existing low to mid rise buildings to improve the quality of the housing. Renovation and retrofitting are encouraged and owners are encouraged to utilize financial programs offered by the City's Tower Renewal office to extend the life of buildings. The Secondary Plan also requires infill development on sites where existing buildings will remain to contribute to the reduction of energy and water consumption in the existing building(s).

Housing

To support the implementation of the rental housing replacement policies of the Mimico-by-the-Lake Secondary Plan, the City's Affordable Housing Office will work with local private and non-profit rental housing stakeholders to assess the feasibility of a private /

non-profit affordable rental housing pilot project to kick-start the rental housing revitalization.

The opportunity for a pilot project will be pursued in the context of the City's affordable housing funding incentives and the Mimico-by-the-Lake Secondary Plan policies, which include flexibility for the provision of off-site rental replacement housing and cash-in-lieu (as noted below).

To further the pilot initiative, City staff will host a charrette with local housing stakeholders in 2015 to explore rental replacement housing development opportunities and new affordable housing within the Secondary Plan area.

The March 2013 Planning staff report identified that the rental housing policies in Chapter 3 of the Official Plan were appropriate and would continue to apply to infill and redevelopment within the Secondary Plan area. The Secondary Plan includes policies that provide greater flexibility in the implementation of rental replacement housing. Specifically:

- Where the number of existing units are predominantly a certain unit type, consideration may be given to the provision of a variety of replacement unit types where the total floor area or bedroom totals remain the same or increases;
- Where the size of the existing units to be replaced are determined by the City to be unusually large, consideration may be given to their replacement with a variety of unit sizes;
- Off-site replacement of rental housing may be considered provided it is located elsewhere in the Secondary Plan area; and
- Opportunity for replacement outside the Secondary Plan area or cash-in-lieu payments may be considered for up to 20% of the existing rental units which is at the discretion of the City and determined through the development application review process. The Secondary Plan identifies an area within which these units could be located. This area is presented as Attachment 1 to this report.

The Secondary Plan also contains policies to secure appropriate tenant relocation assistance during construction. Current eligible tenants relocated to alternative housing during redevelopment must be allowed to return within a reasonable period to new units of the same type, size and rents as the original units.

Parks and Open Space

The area's waterfront parks are part of a waterfront-wide and regionally-significant network of parks, open spaces and trails. Waterfront Toronto, the Toronto and Region Conservation Authority and the City created the Mimico Linear Waterfront Park and Trail between 2008 and 2012, approximately 1.1 km of shoreline park space between

Norris Crescent Parkette and Humber Bay Park West. The park provides shoreline protection and wildlife habitat, as well as waterfront access and connectivity. Future projects by Waterfront Toronto, the TRCA and the City could enhance what has been accomplished to-date.

The vision for the Secondary Plan area is to continue to create a system of high quality, useable, linked public parks and accessible open spaces that will contribute to the extension of the Mimico Linear Waterfront Park and Trail, assist in creating visual and physical connections to and from the waterfront.

Overall, the Mimico-by-the-Lake Secondary Plan area is not parkland deficient. However, the smaller portions of the Secondary Plan area west of Lake Shore Boulevard West are in Local Parkland Assessment areas (LPAC areas) that have lower levels of parkland provision per capita than the average across the City. These areas also lack recreation facilities that are common to local parks (playgrounds, for example). The City should look for opportunities to acquire additional land for local parks and also look for opportunities to locate playgrounds and other neighbourhood recreation facilities within the larger regional parks within the study area. If there are targeted opportunities to acquire suitable parkland that would stimulate re-investment, Parks, Forestry and Recreation staff will pursue those opportunities on a case-by-case basis, wherever and whenever they arise.

Revitalization presents an opportunity to increase the amount of parkland and improve the quality of parkland within the Secondary Plan area. All development will be subject to the provisions of the City Wide Alternative Rate Parkland Dedication By-law 1020-2010. For sites that are undergoing revitalization, the "on-site and off-site" dedication of land for park purposes will be prioritized over payment of cash-in-lieu of parkland.

Section 37 of the *Planning Act*

In addition to the overall Official Plan policies regarding the use of Section 37 of the *Planning Act*, the Mimico-by-the-Lake Secondary Plan includes additional policies for securing community benefits in exchange for increases in building heights or densities. The provision of community benefits will be in accordance with the community benefits priorities listed in the Secondary Plan, including: securing long term rental housing and affordable rental housing; tenant relocation provisions; expansions to public parks; new or expanded community services including library, day care facilities and community service space; and public art. The specific benefits to be obtained, and their timing, will be identified as redevelopment occurs and secured through individual Section 37 Agreements.

CONCLUSIONS

The Council adopted Mimico-by-the-Lake Secondary Plan provides the policy framework for revitalization and change within this community over the next twenty

years. The Secondary Plan provides for choice in terms of mobility, work, shopping and recreational opportunities as well as housing. To implement the goal of revitalizing the Mimico-by-the-Lake Secondary Plan area, strategic investments must be made by the City.

As discussed in this report, there are five broad categories of actions the City could undertake to support the implementation of the new planning framework including: Financial Incentives; Tower Renewal; Housing; Parks and Open Space; and Section 37 of the *Planning Act*. These actions coupled with the policy objectives of the Secondary Plan provide the City with the ability to achieve the vision for the Mimico area.

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SIGNATURE

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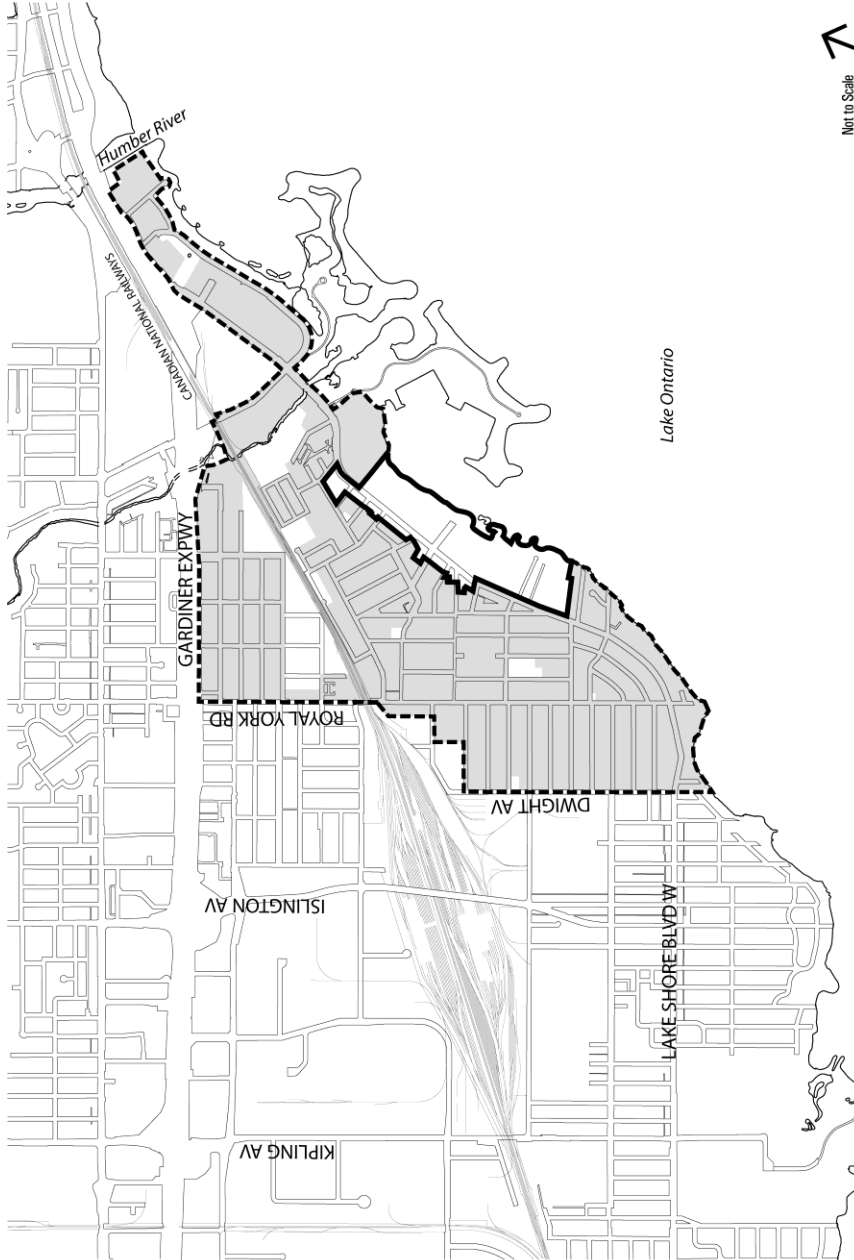
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ATTACHMENTS

Attachment 1: Map of Potential Rental Replacement Locations Outside the Mimico-by-the-Lake Secondary Plan

Attachment 1: Map of Potential Rental Replacement Outside the Mimico-by-the-Lake Secondary Plan



Not to Scale



Mimico by-the-Lake Secondary Plan

MAP 33-8 Potential Limited Off-site Rental Replacement Outside Secondary Plan Area

-  Secondary Plan Boundary
- Potential Limited Off-site Rental Replacement Outside Secondary Plan Area Boundary

DRAFT May 29, 2013