

Pre-Development Support for Three Open Door Program Affordable Housing Sites

Date: March 8, 2017

To: Affordable Housing Committee

From: Director, Affordable Housing Office

Wards: Ward 14 Parkdale-High Park, Ward 18 Davenport, Ward 19 Trinity-Spadina

SUMMARY

This report seeks approval for pre-development funding for new affordable housing at three surplus public properties from the Capital Revolving Fund for Affordable Housing (XR1058). Up to \$450,000 is recommended to pay for due diligence activities, including environmental and planning services, to advance the development of affordable housing on the following sites:

1. 150 Harrison Street and 50 Lakeview Avenue - a former Toronto Police Services site (Ward 19 Trinity-Spadina).
2. 11 Brock Avenue - a former Liquor Control Board of Ontario site (Ward 14 Parkdale-High Park).
3. 640 Lansdowne Avenue - a surplus Toronto Transit Commission property (Ward 18 Davenport).

These three properties are being put forward for affordable housing development under the City's new Open Door Program which provides surplus public lands, City incentives, and expedited planning approvals for new affordable housing. The three sites are among 25 properties under the jurisdiction of various City Agencies and Divisions that are included in the City's Open Door lands inventory.

It is anticipated that the affordable housing components of the three sites will be made available through separate competitive proposal calls to non-profit and private sector development organizations in 2017 and 2018. To provide the capital support required, and maximize the affordability of the future homes, the proposal calls will be co-ordinated with City, federal and provincial affordable housing program funds and resources. The environmental and planning services recommended by this report will help prepare the sites for the proposal call process. The Affordable Housing Office (AHO) will report to City Council on the results of the proposal calls, including funding and incentive allocations. Subject to regular City Planning processes, the three sites are expected to result in the creation of some 100-120 affordable rental and ownership homes.

The AHO will work with local Councillors and communities, the relevant City agencies, Real Estate Services and other divisions and, once approved, the environmental and planning agencies and the affordable housing groups, to move the sites forward through the planning and development process.

RECOMMENDATIONS

The Director, Affordable Housing Office recommends that:

1. City Council authorize the Director, Affordable Housing Office, to negotiate, enter into and execute, on behalf of the City, agreements or other documents with such environmental, planning and financial or other consultants, community agencies, professionals, private entities and/or individuals deemed necessary to conduct the pre-development investigations and due diligence considered necessary to ensure successful affordable housing proposal calls on terms and conditions satisfactory to the Director, Affordable Housing Office, and in a form satisfactory to the City Solicitor, with respect to the following properties:
 - a) 150 Harrison Street and 50 Lakeview Avenue;
 - b) 11 Brock Avenue, and;
 - c) 640 Lansdowne Avenue.
2. City Council authorize the Director, Affordable Housing Office to pay for the services obtained through Recommendation 1 from the Capital Revolving Fund for Affordable Housing (XR1058), to a maximum of \$450,000.00 inclusive of HST and disbursements, and;
3. City Council direct the General Manager, Shelter, Support and Housing Administration, and the Director, Affordable Housing Office, to report to Budget Committee any impacts on the Operating Budgets for Shelter, Support and Housing Administration and the Affordable Housing Office, once funding details have been identified.

FINANCIAL IMPACT

This report recommends up to \$450,000.00 in pre-development funding inclusive of HST and disbursements, from the Capital Revolving Fund for Affordable Housing (XR1058) to advance the development of three City-owned properties as affordable housing. Costs will be shared with partner City ABCD's as appropriate. The current uncommitted balance of XR1058 is sufficient to support this report's recommendations.

Under the Open Door Program any future housing development on these sites may be eligible for City funding and/or fee waivers in amounts to be determined and reported at a later date.

EQUITY IMPACT STATEMENT

Access to safe, secure, affordable housing in all parts of Toronto is a fundamental goal of the City's 10-year Housing Opportunities Toronto Action Plan 2010-2020. The provision of new affordable housing is also a goal of the City's Poverty Reduction Strategy.

Activating public land for affordable housing development will provide new affordable homes for lower-income people, improving their economic and social well-being.

DECISION HISTORY

On August 5 and 6, 2009, City Council adopted EX33.47 Housing Opportunities Toronto: An Affordable Housing Action Plan 2010-2020 as the plan to address Toronto's affordable housing challenges over 10 years. The City Council Decision is available here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX33.47>

City Council on September 30, October 1 and 2, 2015, adopted EX8.21 Results of the Request for Proposals to Develop and Operate Affordable Rental Housing at 200 Madison Avenue. 200 Madison Avenue was the first pilot project on a parcel of surplus City land under the Open Door Program and was provided federal/provincial and City funding and City incentives for 82 affordable rental homes. The City Council Decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX8.21>

City Council on December 9 and 10, 2015 adopted EX10.18 Affordable Housing Open Door Program with amendments which detailed land, planning and financial actions aimed at enhancing 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>

City Council on July 12, 13, 14 and 15, 2016, adopted EX16.27 Results of the Request for Proposals for Affordable Rental Housing at Queen's Wharf Road in City Place (Block 36 North Railway Lands) authorized affordable rental housing funding, incentives and a 50-year lease to Dominus Capital Corporation under the Open Door Program for the development and operation of affordable rental housing on Block 36 North in the Railway Lands. Block 36 North is the second pilot project on a parcel of surplus City land under the Open Door Program and the City Council Decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.27>

City Council on July 12, 13, 14 and 15, 2016, adopted with amendments EX16.26 Implementing the Open Door Affordable Housing Program which provided financial and implementation details regarding the City's new initiative. The Open Door Program

aims to scale-up affordable housing development to better meet Council's annual targets of 1,000 new affordable rental homes and 400 new affordable ownership homes. Implementation matters addressed in the report include:

- a multi-year affordable housing investment plan to meet targets;
- a streamlined affordable housing incentives application process, and;
- expanded planning supports through the new Open Door Planning Service development application review process.

The City Council Decision is available here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.26>

COMMENTS

The three surplus public properties that are the subject of this report are part of an inventory of properties that have been identified by City Council as affordable housing development sites under the City's new Open Door Program. The Open Door Program was approved by Council to increase new affordable housing development in the City and help meet City affordable housing targets. Open Door provides access to surplus public lands, City incentives in the form of fees, charges and tax relief, and expedited planning approvals for new affordable housing. To date, development proposal calls have been completed for two surplus City sites; a call for applications has been released for City incentives and capital funding, and; a number of Build Toronto properties have been approved through the Open Door Program by City Council.

The three properties addressed in this report require various pre-development due-diligence activities to prepare them for affordable housing development, including preliminary planning work and professional environmental site analysis. This report seeks approval to spend up to \$450,000 from the Capital Revolving Fund for Affordable Housing (XR1058) to support this work and recommends the Director, Affordable Housing Office, be authorized to hire or purchase the services of appropriate professionals and consultants. Pre-development costs will be shared with partner City ABCD's as appropriate.

In its proposal calls for affordable housing development on public lands the City seeks to provide detailed, up-to-date information on the status of the property, particularly with respect to environmental conditions and planning requirements. The funding and pre-development activities recommended by this report will provide important information to prepare the three sites for the competitive proposal call process. In 2017 and 2018 the sites will be made available through separate proposal calls to non-profit and private sector development organizations. During the course of the pre-development work options will be reviewed regarding the built form of the developments, the number of homes to be built, and the tenure of the homes (rental or ownership).

To move the sites forward through the planning and development process the Affordable Housing Office will work with local Councillors and communities, the relevant City Agencies and Divisions and, once approved, the environmental and planning agencies and the affordable housing groups.

The pre-development work will be guided by the following principles:

- Strong community engagement;
- Consistency with local planning frameworks;
- Leveraging federal/provincial program funding opportunities, and;
- Maximizing the length of affordability and level of affordability in the future affordable housing developments.

150 Harrison Street and 50 Lakeview Avenue

150 Harrison Street and 50 Lakeview Avenue are the former site of Toronto Police Services' 14 Division headquarters, which has relocated nearby to 350 Dovercourt Road. The properties include the vacant former police station and the related surface parking lot.

The AHO, Parks, Forestry and Recreation Division (PF&R) and the Toronto Parking Authority (TPA) have developed a preliminary site plan in consultation with City Planning's Urban Design department and the local Councillor. Approximately 13 affordable town homes, a small park and an expansion to the adjacent public parking lot at 146 Harrison Street (Carpark #168) are planned for the site. On an interim basis, the TPA plans to incorporate parts of the former police station surface parking lot with Carpark #168. This interim use will require some minor capital work prior to the broader redevelopment.

The AHO, PF&R and TPA will hire a planning services firm to undertake community consultations with the City in 2017 and prepare the site for an affordable housing development proposal call before the end of 2017. The vacant former police station will be demolished prior to the site's redevelopment.

150 Harrison Street and 50 Lakeview Avenue are north east of the intersection of Dundas Street West and Dovercourt Street in Ward 19 Trinity-Spadina.

11 Brock Avenue

11 Brock Avenue is a surplus Liquor Control Board of Ontario site which is being acquired by the TPA that includes a vacant former liquor store and adjacent surface parking lot. The AHO and TPA intend to redevelop the site with new affordable housing and public parking. To this end, the site must be re-zoned for residential use and the vacant former liquor store will be demolished.

Neighbourhood support for affordable housing is high, with a local community group recently holding an Affordable Housing Visioning Workshop. In consultation with the local Councillor and community, the AHO will work with the TPA to hire any required planning or environmental consulting firms to advise on and advance the most appropriate development approach for the future uses.

11 Brock Avenue is north-east of the intersection of Queen Street West and Brock Avenue in Ward 14 Parkdale-High Park.

640 Lansdowne Avenue

640 Lansdowne Avenue is a vacant site, approximately four acres in size, which is owned by the Toronto Transit Commission (TTC). A portion of the property is zoned as employment lands, providing an opportunity for a mix of residential and employment uses. A number of community meetings have been held to discuss the status and future of the site and the community has expressed a strong interest in appropriately-scaled affordable housing for seniors, a park and seniors' and/or artists' spaces in the non-residential component.

Environmental contamination of the property was the subject of legal proceedings between the TTC and General Electric, a former neighbouring property owner. General Electric and the TTC reached a settlement in 2015.

The AHO will work with the TTC, PF&R, the local Councillor and community, and environmental and planning professionals to determine the most appropriate approach to the redevelopment of the site.

640 Lansdowne Avenue is on the west side of Lansdowne Avenue between Bloor Street West and Dupont Street in Ward 18 Davenport.

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SIGNATURE

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