

Support for up to 72 New Affordable Rental Homes at CreateTO's 4620 Eglinton Avenue West and 250 Wincott Drive

Date: June 11, 2018
To: Affordable Housing Committee
From: Director, Affordable Housing Office
Wards: Ward 4 - Etobicoke Centre

SUMMARY

This report recommends City funding and incentives through the Open Door Affordable Housing Program for 72 new affordable rental homes at 4620 Eglinton Avenue West and 250 Wincott Drive (Richview Square Redevelopment) in Ward 4 Etobicoke Centre.

The affordable housing plan for this site is the result of a collaboration between CreateTO, the City's Affordable Housing Office and the owner of 250 Wincott Drive, Trinity Development Group Inc. (developing the site as Montrin Richview GP Inc.). Trinity Development Group Inc. acquired 4620 Eglinton Avenue West, a surplus City of Toronto site adjacent to 250 Wincott Drive, from CreateTO. The properties are located at the northwest corner of Eglinton Avenue West and Wincott Drive, east of Kipling Avenue.

RECOMMENDATIONS

The Director, Affordable Housing Office recommends that:

1. City Council authorize the Director, Affordable Housing Office, to provide capital funding to Montrin Richview GP Inc., or a related corporation, in the amount of up to \$648,000 from the Development Charges Reserve Fund for Subsidized Housing (XR2116) through the Open Door Affordable Housing Program, to secure up to 72 affordable rental housing dwelling units to be developed on the lands currently known as 4620 Eglinton Avenue West and 250 Wincott Drive.
2. City Council authorize up to 72 affordable rental housing dwelling units to be developed on the lands currently known as 4620 Eglinton Avenue West and 250

Wincott Drive be exempt from the payment of development charges, building, planning and parkland dedication fees.

3. City Council authorize the Director, Affordable Housing Office, to negotiate and enter into, on behalf of the City, all affordable housing funding and, municipal housing facility agreements and any security, financing or other documents required with CreateTO, Montrin Richview GP Inc., the affordable housing provider to be chosen, and any other party deemed necessary to facilitate the funding detailed in this report, on terms and conditions satisfactory to the Director, Affordable Housing Office and in a form approved by the City Solicitor.

4. City Council authorize the City Solicitor, to execute, on behalf of the City, any security or financing documents or any other documents required to facilitate the funding process, including any documents required by Montrin Richview GP Inc., or a related corporation or its mortgagee(s) to complete construction and conventional financing and subsequent refinancing, where and when required during the term of the municipal housing facility agreement.

5. City Council exempt up to 72 new affordable rental units to be developed on lands currently known as 4620 Eglinton Avenue West and 250 Wincott Drive from taxation for municipal and school purposes for the 25-year term of the municipal capital facility agreement.

6. City Council authorize the City Solicitor to execute, postpone, confirm the status of and discharge any City security documents registered with respect to the municipal capital facility agreement, as required by normal business practices.

7. City Council authorize staff to cancel or refund any taxes paid from the by-law exempting the property from taxation.

8. City Council authorize the Director, Affordable Housing Office to work with the General Manager, Shelter Support and Housing Administration, to secure a minimum of seven housing benefits (for 10% of the affordable rental housing), subject to available funding.

FINANCIAL IMPACT

As outlined in the table below, City capital contributions and incentives through the Open Door Program will make rents more affordable, including funding of up to \$648,000 from the Development Charges Reserve Fund (DCRF) for Subsidized Housing (XR2116) through the Open Door Program. City incentives include relief from development charges, planning and buildings fees and property taxes for 25 years.

A minimum of 10% of the project's affordable units shall be made available to households receiving housing benefits referred from the City's Housing Access System.

Affordable Rental Homes
4620 Eglinton Avenue West and 250 Wincott Drive
(Richview Square Redevelopment)
CreateTO/ Montrin Richview GP Inc.

	Value Per Unit	Total Support (72 Units)
City DCRF (XR2116)	\$9,000	\$648,000
City Incentives (Development Charges, Planning and Building Permit Fees, Tax Exemption)	\$44,575	\$3,209,414
CreateTO Contribution	\$27,000	\$1,944,000
Total*	\$80,575	\$5,801,414

*City incentives are estimates and, in the event that fewer than 72 are secured, these sums will decrease proportionately.

In keeping with City policy to achieve affordable rents, this report also recommends City Council exempt the up to 72 affordable rental units of the lands at 4620 Eglinton Avenue West and 250 Wincott Drive from property taxes for 25 years.

The value of the annual property tax exemption is estimated at \$59,463 at current 2018 rates. The net present value (NPV) over the 25 year- term is estimated at \$1,035,445 as summarized below:

Property Tax	Annual	NPV: 25 Years
City	\$ 43,344	\$ 754,763
Education	\$ 15,907	\$ 276,985
City Building	\$ 212	\$ 3,696
Total:	\$ 59,463	\$ 1,035,445

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

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

EQUITY IMPACT STATEMENT

Lack of access to safe, secure, affordable housing in complete communities is a barrier to low-income residents in Toronto. The Richview Square Redevelopment is located in proximity to retail outlets, amenities, and education and recreation facilities. The

location and accessibility increases the importance of securing new affordable housing at this location.

The provision of new affordable housing serves equity-seeking groups such as lower income residents, women, seniors, persons with disabilities, Aboriginal people, individuals with mental health issues and other vulnerable groups. This will also contribute toward achieving the City's Housing Opportunities Toronto 10-year targets for new affordable rental and ownership homes and supports the City's poverty reduction strategy.

DECISION HISTORY

City Council on July 12, 13, 14 and 15, 2016 adopted EX16.26 Implementing the Open Door Affordable Housing Program, adopted with amendments, provided financial and implementation details regarding the City's new Open Door Program. The 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; 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 can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.26>

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). City Council Decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.18>

City Council on May 17, 18 and 19, 2011 adopted GM3.21 Transfer of Properties to Build Toronto and Declaration of Surplus- Second Quarter 2011 which recommends a number of City properties, including 4620 Eglinton Avenue West be declared surplus for the purposes of transfer to Build Toronto. The Council decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.GM3.21>

COMMENTS

The surplus City property at 4620 Eglinton Avenue West was transferred to Build Toronto (now known as CreateTO) in 2011. Build Toronto has sold this property to Trinity Development Group Inc. (developing the site as Montrin Richview GP Inc.) who own the adjoining land at 250 Wincott Drive, currently the site of the Richview Square retail plaza. Collectively, the two parcels of land form the Richview Square redevelopment site.

The proposed development consists of three mixed-use retail and residential buildings with a total of 671 one to three bedrooms homes. Half of the proposed units will be two and three bedroom homes suitable for larger households. The existing one-storey commercial plaza on the site will be largely retained and renovated.

The final number of affordable homes will depend on the planning process, but a maximum of 72 affordable homes is anticipated. The affordable rental homes will be rented to eligible lower-income families and individuals at no more than the City's average market rent for a 20-year affordability term, plus a five-year phase-out period. This will be achieved through capital contributions from CreateTO and the City, and City incentives. Should the full 72 homes be realised, the City's Open Door Affordable Housing Program will provide \$648,000 in capital funding from the Development Charges Reserve Fund for Subsidized Housing as well as incentives including development charges and fee waivers, and a 25-year property tax exemption. In addition, CreateTO will provide a capital contribution of up to \$1,944,000 for the homes.

This affordable housing program is the result of a collaboration between Montrin Richview GP Inc., CreateTO and the City's Affordable Housing Office. Montrin Richview GP Inc. will build, own and operate the affordable rental housing, providing new housing opportunities for the local community.

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SIGNATURE

Sean Gadon
Director, Affordable Housing Office

ATTACHMENTS

Attachment 1: Location Map - 4620 Eglinton Avenue West and 250 Wincott Drive

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