

**EX36.28****Decision Letter****Affordable Housing Committee**

<b>Meeting No.</b>	10	<b>Contact</b>	Dela Ting, Committee Administrator
<b>Meeting Date</b>	Monday, June 25, 2018	<b>Phone</b>	416-396-7287
<b>Start Time</b>	9:30 AM	<b>E-mail</b>	ah@toronto.ca
<b>Location</b>	Committee Room 1, City Hall	<b>Chair</b>	Councillor Ana Bailão

AH10.3	ACTION	Adopted		Ward:28
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**Creating New Purpose-Built Affordable Rental Homes in R6 Bayside Waterfront District****Committee Decision**

The Affordable Housing Committee recommends to Executive Committee that:

1. City Council authorize the Director, Affordable Housing Office, in consultation with Waterfront Toronto, to offer the City-owned lands, known as R6 Bayside, the second affordable housing site in the East Bayfront district, for lease for a 99 year term, at below-market rent, through a competitive proposal call in order to stimulate purpose-built rental housing, including approximately 215 new affordable rental homes at the site to be operated by a non-profit housing provider.
2. City Council authorize the Director, Affordable Housing Office to offer the incentives to build affordable rental housing that are offered through the Open Door Program to the Proponents responding to the competitive proposal call to be issued pursuant to recommendation #1, for approximately 215 new affordable rental housing units.
3. City Council approve the transfer of \$6,901,768.40 in capital funding from Section 37 funds account (XR-2026-3700759) to the Capital Revolving Fund for Affordable Housing (XR 1058) to be invested in the development of approximately 215 affordable rental homes on the R6 site.
4. Upon Council approval of the transfer of the \$6,901,768.40 in Section 37 funds, to the Capital Revolving Fund for Affordable Housing (XR 1058), City Council authorize the Director, Affordable Housing Office to use up to a maximum of \$1,000,000 exclusive of HST and disbursements, for pre-development work including but not limited to negotiating and entering into contracts to retain the services of architects, development consultants, cost consultants, appraisers, and such other professionals deemed appropriate to inform the City's decisions with respect to development on the site, on terms and conditions satisfactory to the Director, Affordable Housing Office and in a form approved by the City Solicitor.
5. City Council request the Director, Affordable Housing Office to report to City Council in 2019 on the results of negotiations with respect to the development of the affordable rental in R6.

**Origin**

(June 11, 2018) Report from the Director, Affordable Housing Office and Deputy City Manager, Internal Corporate Services

## **Summary**

There is an interest in planning the second affordable rental housing site in the East Bayfront district in an effort to expedite development and to ensure the inclusion of a mix of housing opportunities for low-and-moderate income residents.

This report recommends that City Council approve proceeding with an opportunity to work with Waterfront Toronto as part of the development of the second affordable housing site identified as R6 in the Bayside neighbourhood (shown in Attachment 1). The development of R6 will provide approximately 215 much-needed purpose-built affordable rental homes in Toronto's Waterfront community.

Bayside is one of the first new neighbourhoods developed in the East Bayfront. It is comprised of public lands in which Waterfront Toronto has the lead in revitalizing. The Central Waterfront Secondary Plan, the East Bayfront Precinct Plan and the East Bayfront zoning by-law require that 20% of all residential units be affordable rental housing.

In 2010, City Council granted authority for the City, as owner of the Bayside Lands, to enter into a Land Development Agreement (LDA) with the Hines Canada Management Company II ULC (Hines) for the development of the Bayside Lands. The LDA set out the terms and conditions under which the City and Hines were to work together in ensuring the development of affordable rental housing in Bayside. Under the agreement, Hines has a right of first refusal to develop R6, and if exercised, the City has the discretion to accept or reject any offer. This report seeks authority to pursue a competitive proposal call process in collaboration with Waterfront Toronto for the affordable housing on R6, and in accordance with the terms and conditions of the LDA.

Building on the success of phase one of the Bayside affordable housing development, as well as the recently implemented Provincial Lands Program model which facilitated affordable housing development through reduced land value, this report recommends that Council authorize the Director, Affordable Housing, in collaboration with Waterfront Toronto, to issue a competitive proposal call for development of the City-owned site under a 99-year lease arrangement at below-market value. The reduced land value lease will assist in realizing the development of approximately 215 affordable rental units which will be operated by a non-profit housing provider over the term of the lease.

Further to the above, this report also recommends that Council pre-approve the Open Door Program's financial incentives for the new affordable rental housing units. Council approval of the recommendations in this report will allow staff to move ahead with the next steps towards the development of R6.

## **Background Information**

(June 11, 2018) Report and Attachment 1 from the Director, Affordable Housing Office and the Deputy City Manager, Internal Corporate Services - Creating New Purpose-Built Affordable Rental Homes in R6 Bayside Waterfront District

<http://www.toronto.ca/legdocs/mmis/2018/ah/bgrd/backgroundfile-116408.pdf>