

Housing Now Initiative

Date: June 25, 2019

To: Board of Directors, CreateTO

From: Chief Executive Officer

Wards: All

SUMMARY

This report provides an update on the implementation of the Housing Now Initiative including the development of project concepts and business cases for individual properties.

Following the retention of multi-disciplinary consultants for each site, CreateTO has been supporting City Planning in expediting the City-initiated rezoning process. CreateTO and City staff, in collaboration with local councillors, have completed the first round of public engagement on the first four properties (140 Merton St., 777 Victoria Park Ave, 705 Warden Ave., and 50 Wilson Heights Blvd).

Additionally through ongoing discussions with Canada Mortgage and Housing Corporation (CMHC), CreateTO staff are developing business cases for the four priority sites which along with the proposed marketing programs will be submitted to the Board for approval in September 2019.

In November and December 2019, City staff will present development concepts and recommendations related to the zoning and policy frameworks for each of the four sites.

CreateTO is in the process of retaining a broker of record in July 2019 to support the marketing of the first four sites starting in parallel with the planning reports.

Additional information on the consultation, reporting and marketing schedule for the four properties is included in Attachment 2. The seven remaining sites will be marketed in 2020 as shown in Attachment 1.

The Housing Now steering committee will continue to work with local councillors, communities and the Board to ensure the implementation process remains on track and additional sites are advanced to rezoning and marketing in the coming months.

City and CreateTO staff will report to the CreateTO Board at two key milestones for each property:

- Prior to the market offering process, CreateTO Board will review for approval the business case and the proposed market offering process; and
- Prior to finalizing sale/lease agreement, CreateTO Board will review for approval the terms and conditions for the proposed agreements with the successful proponents.

RECOMMENDATIONS

The Chief Executive Officer recommends that the Board of Directors receive this report for information.

FINANCIAL IMPACT

Land Values

Through a residual value analysis we will determine the funding (e.g. Open Door Program, CMHC funding and financing initiatives, land value and other sources) required to achieve the affordable housing targets and other City building priorities on each site.

DECISION HISTORY

On December 13, 2018, City Council adopted the Housing Now Initiative by approving the activation of the 11 sites for the development of affordable housing as part of creating mixed-income, mixed-use and transit oriented communities.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.3>

On January 31, 2019, Council approved an action plan, resources and program requirements for the Housing Now initiative.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX1.1>

COMMENTS

Property due diligence

CreateTO has engaged architects, landscape architects, environmental/geotechnical consultants and traffic and civil engineers to work on the four priority sites as well as the 805 and 770 Don Mills sites. . We are now in the process of an RFP for consultants on Bloor/Islington and Westwood to work on a master plan and information to support a rezoning/draft plan of subdivision

The environmental, servicing, grading and transportation analysis and numerous meetings with City staff over the last few months have informed the preparation of preliminary development concepts for public consultation. Over the course of July, CreateTO staff and the consultant teams will finalize all drawings and reports required to be submitted to City staff for their circulation and detailed review.

On sites such as 770 Don Mills Road, the Westwood Theatre Lands and Bloor/Islington, a comprehensive environmental risk assessment is required but this work is not expected to impact the construction start dates.

The market research prepared by Urbanation for the first four sites provides details about absorption rates, sales prices and rental rates along with the appropriate unit mix. Cushman and Wakefield have also been retained to conduct appraisals on these sites using the residual value analysis to ensure the most up to date values.

Planning Amendments Progress

To aid in the preparation of City-initiated zoning by-laws and the market offering, dedicated teams of CreateTO staff, City staff and consultants have prepared preliminary development concepts for the four priority properties.

The preliminary concepts, presented for feedback at community meetings in June, identify a mix of uses and scale of development that are contextually appropriate to each site. The concepts also set out key features of redevelopment, such as new street networks, the location of new public parkland, proposed community facilities and transportation improvements, such as pedestrian connections and new signalized intersections.

Informed by the feedback received through consultation, the teams have revised the concepts for submission to City staff in July along with technical reports. The submitted drawings and reports align with a comprehensive checklist of background information required to evaluate the development concepts. City staff have committed to an expedited review of the submission packages and will provide comments in preparation for additional public consultation in September.

Site planning work is ongoing on the properties at 770 and 805 Don Mills Road. Subject to an application by CreateTO in 2018, the proposed plans have been refined to align with Housing Now objectives through numerous meetings with staff from City Planning, Transportation Services, Toronto Region Conservation Authority and others. The revised plans are being prepared for a community consultation meeting and resubmission to City staff for their review.

Preliminary planning and due diligence work are underway on the remaining properties, with consultation planned to launch in Q4 2019 and market offering in 2020. CreateTO is in the process of retaining consultant teams for these sites at present.

Public Engagement

Over the course of June, CreateTO and City staff led community meetings for the four priority sites. The community meetings functioned as open houses with presentations and question-and-answer sessions partway through the meeting. Staff presented and sought feedback on the preliminary development concept as well as the overall Housing Now Initiative. The timing, location and number of attendees for each meeting are identified below:

Project Address	Meeting Date	Meeting Location	Number of Attendees
777 Victoria Park Ave.	June 10, 2019	Seicho-No-Ie Toronto Centre, 662 Victoria Park Ave.	125
50 Wilson Heights Blvd.	June 12, 2019	Beth David B'nai Israel Beth Am, 55 Yeomans Road	65
705 Warden Ave.	June 13, 2019	Warden Hilltop Community Centre, 25 Mendelssohn St.	160
140 Merton St.	June 20, 2019	North Toronto Memorial Community Centre, 200 Eglinton Ave. W.	60

Staff advertised the meetings by mail to addresses within at least 500 metres of the property (between 4,000-7,000 addresses per site), through Councillor email lists, on social media and on the CreateTO website. Staff also distributed postcard notices at subway stations adjacent to each site.

Meeting materials are available on the CreateTO website. CreateTO's consultant team will provide a summary of all feedback received by the end of July, which will be provided to participants and posted online.

Business Case Preparation

CreateTO staff will prepare business cases for all four priority sites by August 2019 based on the development concepts, unit yields and city building initiatives reviewed and commented on by City staff.

The business case will demonstrate affordable and market rental rates and, where appropriate, sale prices expected to be achieved through the market offering process and sources and amounts of funding required. These cases will be submitted to the City's Senior Leadership Team and then to the CreateTO Board in September for approval.

Federal Rental Housing Funding and Financing

Discussions with CMHC are underway with respect to the timing and availability of funding and financing, including through National Co-Investment Fund and the Rental

Construction Financing programs. These programs provide long-term, low-cost financing at interest rates and terms well below those available in the market. The federal funding and financing programs are very important in supporting the affordable and market rental housing created as part of the Housing Now Initiative.

It will be the responsibility of the selected proponents to apply and qualify for federal housing programs. CMHC also provides for pre-development seed funding to support proponents in applying for federal housing programs.

Development Issues

Through site planning, business case development and consultation to date, staff have identified a series of potential issues that may impact and/or delay project approvals and development. These issues include working with Metrolinx and Toronto Transit Commission on transit construction, addressing the commuter parking impacts on specific sites, and providing for the relocation of SPRINT Senior Care including the funding for the community space at 140 Merton Street.

Business Sounding

The City has a strong commitment to supporting non-profit organizations in participating in the Housing Now Initiative. In addition to offering the 140 Merton Street site exclusively to a non-profit organization(s), the City will require a non-profit partner be included on the remaining three sites.

The Housing Secretariat will continue working with the non-profit sector and in collaboration with CMHC to provide financial support to non-profit organizations interested in submitting offers on the Housing Now sites.

The Housing Secretariat will also retain a consultant in Fall 2019 to work with the City and CreateTO throughout the market offering and evaluation processes to ensure the successful proposals include considerations for creating successful mixed-income and socially inclusive communities.

Next Steps

Work on the four priority sites will proceed with consultation in September, business cases presented in late September, staff reports to Council at the end of 2019 and marketing initiated in parallel. Staff will launch a similarly scoped work program of planning, consultation, approvals and marketing for the remaining properties over the coming months.

The scale and timing for the 11 properties is shown on the attached Housing Now Summary Property Table.

In addition, staff are identifying additional City-owned sites that will be proposed for the Housing Now program in the fall of this year.

CONTACT

Don Logie, Senior Vice President, Development, (416) 981-2896, dlogie@createto.ca

Sean Gadon, Executive Director, Housing Secretariat, City of Toronto, (416) 338-1143, sean.gadon@toronto.ca

Kerry Voumvakis, Director, Strategic Initiatives, Policy & Analysis, City Planning, 416-392-8148, kerri.voumvakis@toronto.ca

SIGNATURE

Brian Johnston
Chief Executive Officer

ATTACHMENTS

Attachment 1: Housing Now Property Summary Table

Attachment 2: 2019 Four Priority Sites Timeline

Attachment 1: Housing Now Property Summary Table

Address	Targets			Timeline				
	Total Units	Total Rental (% of total units)	Afford. Rental (% of total units)	Business Case	Market Offering	Zoning Approvals	Construction Start	First Occupancy
777 Victoria Park*	450	450 (100%)	225 (50%)	Q3 2019	Q4 2019	Q4 2019	2020	2023
50 Wilson Heights	1,150	771 (67%)	385 (33%)	Q3 2019	Q4 2019	Q4 2019	2020	2023
Bloor/ Kipling (Block 1)* [1]	2,300	1,541 (67%)	771 (34%)	Q1 2020	Q2 2020	Q2 2020	2021	2024
140 Merton Street*	150	150 (100%)	75 (50%)	Q3 2019	Q4 2019	Q4 2019	2020	2023
705 Warden	450	450 (100%)	225 (50%)	Q3 2019	Q4 2019	Q4 2019	2020	2023
1250 Eglinton Ave W*	70	70 (100%)	35 (50%)	Q2 2020	Q3 2020	Q3 2020	2021	2024
805 Don Mills	988	662 (67%)	331 (34%)	Q4 2019	Q1 2020	Q2 2020	2021	2024
770 Don Mills	1,389	931 (67%)	465 (33%)	Q4 2019	Q1 2020	Q2 2020	2021	2024

Address	Targets			Timeline				
	Total Units	Total Rental (% of total units)	Afford. Rental (% of total units)	Business Case	Market Offering	Zoning Approvals	Construction Start	First Occupancy
Bloor/ Islington	1,250	838 (67%)	419 (34%)	Q1 2020	Q2 2020	Q2 2020	2021	2024
251 Esther Shiner**	1,800	1,206 (67%)	603 (34%)	Q2 2020	2021	Q3 2020	2021	2024
3933 Keele Street**	190	190 (100%)	95 (50%)	Q2 2020	2021	Q3 2020	2023	2026
TOTAL	10,187	7,258 (71%)	3,629 (36%)					

*Declared surplus for Turnover

**Surplus process pending or in progress

[1] Additional blocks to be completed with construction start in 2026 and completion in 2028