



## REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

### Firgrove-Grassways Revitalization – Initial Development Proposal

**Date:** January 29, 2020

**To:** Planning and Housing Committee

**From:** Deputy City Manager, Community and Social Services and the Deputy City Manager, Corporate Services

**Wards:** Ward 7 - Humber River-Black Creek

#### REASON FOR CONFIDENTIAL INFORMATION

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The attachment to this report contains financial information, supplied in confidence to the City of Toronto, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

#### SUMMARY

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At its meeting of July 16, 17, & 18, 2019, City Council adopted, with amendments, report PH7.4 – *A New Approvals Framework for Toronto Community Housing Corporation Revitalization Projects*. Council also directed staff to review the Initial Development Proposal for the revitalization of the Firgrove-Grassways community in line with the new approval framework (Attachment 4) and, if deemed satisfactory, recommend it to the Planning and Housing Committee for approval.

This report responds to Council's request and recommends that City Council endorse, in principle, TCHC's proposed plans to redevelop its ageing buildings in the Firgrove-Grassways community as outlined herein ("the Initial Development Proposal") as a general concept to begin the public consultation and the planning application submission processes.

The Initial Development Proposal envisions the replacement of 236 social housing units and the refurbishment of 152 other Toronto Community Housing ("TCHC") units onsite. In addition, it is proposed that up to 600 market rental and ownership units, approximately 10,000 square feet of retail/commercial space, and an additional 107 net new affordable rental units be added to the development. Other city-building objectives are also proposed to be achieved including: improved community amenities

(replacement of the existing community space and outdoor pool); an expanded City-operated child care facility; a new park and road network; and an overall built form and public realm that will promote community safety and social cohesion.

Although the Initial Development Proposal outlined in this report is being recommended to City Council for endorsement in principle, through the development review and community consultation processes, an appropriate site plan and built form will be identified, which will ultimately determine the final number of rental and ownership units and amount of retail/commercial space and amenities at the site.

Approval of the recommendations in this report will allow TCHC to proceed with submitting planning applications, to conduct a public procurement process to assess market interest and to identify the best timing to secure a development partner for the site. Approval of the recommendations in this report will also allow TCHC to refine cost estimates, proceed with demolition of vacant units as required, and to pursue funding from other orders of government to help support the revitalization project.

Future relocation of tenants and demolition of vacant units will take place once the appropriate approvals have been obtained, including a tenant relocation and assistance plan as part of the approval of a Rental Housing Demolition and Conversion application. Details of the recommended development partner for the site, proposed partnership arrangement, identification of third-party funding sources and overall financial implications will be reported to City Council in late 2020 or early 2021 as part of the Council approved process for approving TCHC revitalizations. All project details will be assessed by an interdivisional City, CreateTO and TCHC staff team prior to being recommended to Council.

This report was developed with input from the following City divisions, agencies and corporations: the Housing Secretariat; TCHC; City Planning; Shelter, Support and Housing Administration; Social Development, Finance and Administration; Corporate Real Estate Management; CreateTO; and the office of the Chief Financial Officer and Treasurer.

## **RECOMMENDATIONS**

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The Deputy City Manager, Community and Social Services and the Deputy City Manager, Corporate Services recommend that:

1. City Council, in its capacity:

a. as Shareholder of Toronto Community Housing Corporation ("TCHC"), pursuant to Section 7.4.1 (c) of the City's Shareholder Direction to TCHC, approve TCHC proceeding with the Initial Development Proposal outlined in this report as a general concept for the revitalization of TCHC's properties located at 3, 36 Marsh Grassway; 5, 10 and 40 Turf Grassway; 1, 2 and 8 Dune Grassway; 7 and 11 Blue Grassway; and 4 and 17 Cane Grassway ("Firgrove-Grassways");

b. as Service Manager under section 161(2) of the *Housing Services Act, 2011* ("HSA") consent to TCHC proceeding with the Initial Development Proposal outlined in this report as a general concept for the revitalization of Firgrove-Grassways;

c. as Shareholder of TCHC and subject to approval of this report, direct TCHC to submit a Rental Housing Demolition and Conversion application to demolish the existing vacant 134 social housing units located at 1, 2, 8 Dune Grassway and 3, 36 Marsh Grassway and 7, 11 Blue Grassway ("Phase One Demolition") and address replacement obligations and provide an acceptable Tenant Relocation and Assistance Implementation Plan;

d. as Shareholder of TCHC and subject to Council approval of the Zoning By-law Amendment and Draft Plan of Subdivision applications that are necessary to implement the Master Plan and pursuant to Section 7.4.1 (c) of the City's Shareholder Direction to TCHC, direct TCHC to submit a Rental Housing Demolition and Conversion application to demolish the remaining 102 rent-geared-to-income (RGI) units at 5, 10, 40 Turf Grassway and 4 and 17 Cane Grassway ("Phase Two Demolition") and address replacement obligations and provide an acceptable Tenant Relocation and Assistance Implementation Plan; and

e. as Service Manager under the *Housing Services Act, 2011* authorize the General Manager, Shelter, Support and Housing Administration, in consultation with the Executive Director, Housing Secretariat, to grant Service Manager consent, and grants shareholder consent pursuant to Section 7.4.1 (c) of the City's Shareholder Direction to TCHC to the closure of 102 units at 5, 10, 40 Turf Grassway and 4 and 17 Cane Grassway subject to: i) recommendation 1(d) above; and ii) TCHC providing a Tenant Relocation and Assistance Implementation Plan outlining how impacted tenants will be supported and TCHC's obligations during the relocation and return to a replacement unit process including providing tenants with a right to return post-construction, to the satisfaction of the General Manager, Shelter, Support and Housing Administration.

2. City Council authorize and request the Chief Planner and Executive Director, City Planning Division, to defer payment of all planning application fees, exclusive of base fees, until such time as TCHC submits a Site Plan Application and a Zoning By-law Amendment Application.

3. City Council authorize the Chief Planner and Executive Director, City Planning Division to enter into an agreement with Toronto Community Housing Corporation setting out the terms and conditions of the deferral, in a form acceptable to the City Solicitor.

4. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety until such time as TCHC agrees that the same may be disclosed to the public.

5. City Council direct the City Manager to forward this report to the Ontario Minister of Municipal Affairs and Housing to request program and financial support for the implementation of the Firgrove-Grassways revitalization project.

6. City Council direct the City Manager to forward this report to the Federal Minister of Families, Children and Social Development and Minister Responsible for Canada Mortgage and Housing Corporation, to request program and financial support for the implementation of the Firgrove-Grassways revitalization project.

7. City Council authorize staff from TCHC, the City and CreateTO to submit an application for funding and financing consideration under the National Housing Strategy Co-Investment Fund and report to City Council on the progress prior to the 2021 budget process.

## **FINANCIAL IMPACT**

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### **2020 Financial Impact**

There will be no financial impact to the City in 2020 as a result of approving the recommendations in this report.

Any costs incurred in 2020 will be fully funded through TCHC's 2020 capital and/or operating budgets.

### **Future Financial Impact to the City**

The Firgrove-Grassways revitalization project is necessary to address ageing buildings beyond economical repair. Some of these units have already been vacated and boarded up due to health and safety and community safety concerns.

It is estimated that Firgrove-Grassways revitalization project will require approximately \$150 million gross and net in funding over a seven year period beginning in 2021, and:

- Average annual capital funding of about \$21 million from 2021 to 2027 will cover the cost of the replacement of 236 TCHC units, construction of a comprehensive road network, the addition of approximately 107 affordable rental units, and an expanded 30,000 square feet community space.
- Through the revitalization, TCHC will also realize cost avoidance of approximately \$41 million over a 10 year period.

The cost estimates will be adjusted to reflect the final built form determined through the planning and community consultation processes and will be offset by the projected profits from the market development blocks. At each stage of the planning process, cost estimates will need to be refined to reflect detailed construction documents and projected market profits.

These activities could result in changes to the estimated costs noted above, and City staff will report to Council in late 2020 with further details and more specific financial implications once determined. Subject to Council approval of this report, staff will also pursue third-party sources of funds including funding and financing from other orders of government to support the project.

Financial impacts in 2021 and beyond will be included in TCHC's Development Capital Budget submission to the City and funding will be determined through the City's annual budget process.

The Firgrove-Grassways revitalization will be considered with other City priorities and evaluated with all new and enhanced requests with identification of a funding source.

### **Third-party Funding and Financing Options**

Staff will explore non-City funding and financing options to support the revitalization efforts and to add net new affordable rental units. Such options include funding and financing through the National Housing Strategy.

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program for review as part of the City's longer term planning and future budget process.

## **EQUITY IMPACT**

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The revitalization of the Firgrove-Grassways community aligns with the City's and TCHC's objectives of creating good quality, well-maintained homes for a range of individuals within vibrant, safe and inclusive communities.

Redeveloping existing social housing and adding net new affordable rental units will increase the opportunity for low-and-moderate-income residents, including individuals and families from priority groups, to access safe, healthy and adequate housing. This will also assist in improving Toronto's economic and social well-being and easing health, justice and social costs.

In addition, the new homes proposed through the Firgrove-Grassways revitalization plan will provide a range of housing opportunities for a range of Toronto residents within a mixed-income, mixed-use and well-integrated community.

## **DECISION HISTORY**

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At its meeting held on July 16, 17 and 18, 2019, City Council adopted PH7.4 - A New Approvals Framework for Toronto Community Housing Corporation Revitalization Projects. Through this report, the Planning and Housing Committee also directed the Deputy City Manager, Community and Social Services, to report to the September 17, 2019 meeting of the Planning and Housing Committee on an Initial Development

Proposal for the revitalization of the Firgrove-Grassways community. This report responds to that direction.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH7.4>

At its meeting held on May 14 and 15, 2019, City Council adopted AU2.1 - Moving Forward Together: Opportunities to Address Broader City Priorities in Toronto Community Housing Corporation Revitalizations, requesting the Executive Director, Housing Secretariat, in consultation with CreateTO, to report to the July 3, 2019 meeting of the Planning and Housing Committee on any options for city-building objectives that may be included in revitalizations that have yet to obtain planning approvals.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.AU2.1>

At its meeting held on January 30 and 31, 2019, City Council adopted EX1.1- Implementing the "Housing Now" Initiative, directing the Deputy City Manager, Community and Social Services to report to Planning and Housing Committee by the second quarter of 2019 on a framework that provides that TCHC include net new affordable rental units as part of all new development projects on its lands.

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

At its meeting held on April 26, 27 and 28, 2017, City Council adopted EX24.8 - Closure of Toronto Community Housing Corporation Units at Firgrove Crescent: Dune Grassway and Blue Grassway-Marsh Grassway, approving the closure of 134 units in the Firgrove Crescent community due to unsafe conditions and requested the City Manager to ensure that City Council receives ongoing updates on Toronto Community Housing Corporation's ongoing revitalization efforts for the Firgrove site.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX24.8>

## **COMMENTS**

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### **Site Context and Background**

The Firgrove-Grassways community consists of two adjoining land parcels owned by TCHC (Attachment 1) as outlined below:

1. Firgrove Crescent (also known as Grassways)- The Firgrove Crescent lands include two large blocks of two-storey and four-storey apartments with a total of 236 units built in 1971. These units are proposed to be demolished in two phases and re-built as part of the revitalization plan; and
2. Jane/Firgrove - The Jane/Firgrove lands include a twelve-storey residential apartment tower with 137 apartment units, and 15 adjacent two-storey townhouses built in 1975. These units are proposed to be repaired and renewed as part of the revitalization plan.

Both parcels are on a combined 13.5 acres of land located near the intersection of Jane Street and Finch Avenue West. There is also a community space, an outdoor pool and a City-run child care centre in the Firgrove-Grassways community.

## **Capital Repair Issues and Health and Safety Concerns**

In 2016, through TCHC's 10-Year Capital Repair Program, it was determined that 134 of the 236 units within Firgrove Crescent had to be vacated and closed as they were no longer safe for occupancy by tenants.

The remaining 102 units require significant capital investment to avoid continued deterioration. As such, it is being recommended that all 236 units within the Firgrove Crescent lands be demolished and rebuilt as part of the revitalization.

Subject to Council approval of this report, following consultation with tenants, TCHC staff may proceed with submitting Rental Housing Demolition and Conversion Applications under Chapter 667 of the Toronto Municipal Code in order to proceed with the Phase One Demolition on an expedited basis.

## **Summary of the Initial Development Proposal**

Initiated in June 2018, TCHC completed an eight month master planning process with tenants to envision a revitalized Firgrove-Grassways community. A master plan ("Master Plan") was developed reflecting tenant and stakeholder input and is also necessary for TCHC to obtain a permit to demolish the existing 236 units at Firgrove Crescent under Section 111 of the City of Toronto Act, 2006.

The Master Plan for the Firgrove-Grassways community (Attachment 2) was developed in consultation with: TCHC tenants and staff; City of Toronto staff from various divisions including City Planning and the Housing Secretariat; and external stakeholders. The proposed Master Plan establishes a clear framework for future redevelopment, including the creation of five residential development blocks, a central park, a functional network of public and private driveways, open spaces, replacement of the existing community space and outdoor pool, an expanded City-run daycare facility and an overall design that will promote community safety and social cohesion.

In addition to the 236 replacement TCHC units at Firgrove Crescent and the refurbishment of 152 TCHC units at Jane/Firgrove, the proposed Master Plan envisions adding up to 600 market rental and ownership units, approximately 10,000 square feet of retail/commercial uses, and an additional 107 new affordable rental units. The Master Plan also seeks to improve community amenities through the following:

- Replacement of the existing 5,000 square foot community space and potential for expansion of up to 30,000 square feet of community space.
- Replacement of the existing outdoor pool.
- Replacement and expansion of a City of Toronto-run child care facility (from 46 to 62 child care spaces).
- Development of a central park (1.04 acres), green space for community use and landscaped linkages to the adjacent Firgrove Public School and Firgrove Park.

## **Density and Built Form**

The Initial Development Proposal being recommended to City Council for endorsement through this report contemplates full build out of the site which would accommodate

approximately 107 net new affordable rental units, 600 net new market rental and ownership units, as well as a community space of up to 30,000 square feet. This would be in addition to the replacement of the 236 social housing units.

Table 1 below outlines the assumed key site statistics:

**Table 1- Site Statistics**

	<b>Existing Units to be Demolished</b>	<b>Initial Development/ Revitalization Proposal</b>	<b>Variance</b>
<b>TCHC Buildings Statistics</b>			
Number of TCHC Buildings	2	2	n/a
Number of TCHC RGI Units	236	236	n/a
Number of Net New Affordable Rental Units	0	107	107
Gross Floor Area (sf)	370,604	488,024	117,420
<b>Market Buildings (Rental and Ownership) Statistics</b>			
Market Buildings	0	4	4
Market Units	0	600	600
Gross Floor Area (sf)	0	665,872	665,872
Total Units (TCHC and Market)	236	943	707
<b>Community Space Statistics</b>			
Ground Floor Area (sf)	5,000	30,000	25,000

Through the development review, which includes a community consultation process and ongoing dialogues with the ward Councillor, an appropriate built form will be identified, which will ultimately determine the final number of rental and ownership units, retail/commercial space and amenities on the site.



## **Engagement to-Date by TCHC**

Since July 2018, TCHC has held four community workshops pertaining to the Master Plan. These workshops included a number of design charrettes and activities which informed the final Master Plan design, which was presented to tenants in January, 2019. Since then, TCHC held a community update meeting to provide tenants with an update on the revitalization in July 2019. In September 2019, TCHC also held a community roundtable discussion with the Ward Councillor to discuss the plan.

In addition to the community workshops, a tenant advisory committee (Firgrove Focus Table) was established in August, 2018. The group meets on a monthly basis, and has met twelve times to date. Further, TCHC has held youth-specific meetings to discuss safety, and has engaged tenants on topic-specific meetings, such as on the Social Development Plan.

TCHC has also held three meetings with an external stakeholders group consisting of community interest groups and agencies with current involvement in the Firgrove community. TCHC has also met with a number of the adjacent private and public land owners.

## **Community and Councillor Engagement**

As part of the revitalization plan, a robust community engagement plan and communications strategy will be developed. *Staff in the Housing Secretariat, Tenants First Project Team, TCHC and City Planning* will also engage with the local City Councillor to discuss site-specific details and proposed plans. Councillor and community engagement will be facilitated on a regular basis, including at various stages of the development and planning approval processes. The Ward Councillor and/or his staff have participated in all community meetings facilitated by TCHC to date.

## **Planning Application Review**

The development proposal will require an application to amend the Zoning By-law and a Draft Plan of Subdivision application to implement the Master Plan. Once the planning applications are submitted, City Planning staff will review the proposal, circulate the application to other commenting partners and conduct community consultation to obtain community input into the planning review.

Although the Initial Development Proposal outlined in this report is recommended to be endorsed by City Council, through the development review and community consultation processes, an appropriate site plan and built form will be identified for the site. Staff will work with Create TO, TCHC and its future selected development partner to incorporate revisions in a way that satisfies the intent of the Official Plan and achieves the Guiding Principles for TCHC Revitalizations (as outlined in Attachment 3).

Rental Housing Demolition and Conversion Applications under Chapter 667 of the Toronto Municipal Code will also be required to be submitted to demolish the existing 134 units within Firgrove Crescent that had to be vacated as they were no longer safe for occupancy by tenants, as well as the remaining 102 units that continue to deteriorate.

Conditions of approval of the Rental Housing Demolition and Conversion Applications will include full replacement of all demolished units and the provision of an acceptable Tenant Relocation and Assistance Implementation Plan to existing tenants.

### **Required City Approvals**

Under the Shareholder Direction to TCHC, without the approval of the Shareholder, TCHC cannot proceed with revitalization projects, or material changes in the number or distribution of rent-geared-to-income units, including changes to targeting plans, without prior approval of the City as Shareholder and Service Manager.

Under the Housing Services Act, 2011 a housing provider may develop or redevelop a designated housing project or the land where it is located only with the written consent of the service manager.

### **City Building Opportunities**

Staff from TCHC, CreateTO and the City will continue to review the Master Plan and identify additional city-building opportunities presented through the Revitalization. This review is an essential part of the visioning process and will ensure the final plan is founded on a co-ordinated understanding of the project within the context broader City goals.

Through the joint City-CreateTO Strategic Program Management Committee, CreateTO has identified a number of opportunities for consideration in the next stages of planning including potential program co-location and reconfiguration of public land holdings in the area. These opportunities will be further investigated by CreateTO, TCHC and City staff and reported to Council in early 2021.

### **Conclusion**

It is recommended that City Council endorse the Initial Development Proposal outlined in this report as a general concept for TCHC to begin the public consultation, procurement and planning application submission processes. Approval of this report will also allow City and TCHC staff to pursue funding from third-party sources to support the Firgrove-Grassways project, including funding and financing from other orders of government.

The Initial Development Proposal proposed in this report provides an opportunity for the City and TCHC to improve the quality of housing and amenities in an underserve area of the city that is in need of revitalization.

Through a collaborative city-building approach, the City, TCHC and CreateTO will address the capital repair needs of existing buildings, achieve a range of housing opportunities including net new affordable rental and market units and increase residents' access to amenities and services.

## **CONTACT**

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## **SIGNATURE**

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Josie Scioli  
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## **ATTACHMENTS**

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Attachment 1- Existing Context Plan

Attachment 2 - Firgrove Revitalization Master Plan

Attachment 3 - Guiding Principles for TCHC Revitalizations - Assessment of Firgrove-Grassways Initial Development Proposal

Attachment 4 - Re-cap of New Approvals Framework Stage Gate Process

Confidential Attachment 1 - Business Case Summary and Cash Flow Projection