



REPORT FOR ACTION

Creating 303 New Affordable Rental Homes with Support Services for Seniors at 1250 Markham Road

Date: August 28, 2020

To: Planning and Housing Committee

From: Executive Director Housing Secretariat

Wards: Ward 24 - Scarborough Guildwood

SUMMARY

This report recommends that City Council approve Open Door incentives for up to 303 affordable rental homes for seniors to be created at 1250 Markham Road. The project is proposed to be developed by Global Kingdom Ministries Inc. (Global Kingdom Ministries), a 65 year old charitable, federal corporation, affiliated with the Pentecostal Assemblies of Canada, which operates a broad range of services for seniors in the Scarborough area.

The new affordable rental homes to be developed at 1250 Markham Road will remain affordable for a minimum of 50 years and will be part of a larger mixed-income, mixed-use development. The project has been designed to be energy efficient and will include a significant number of fully accessible units. Global Kingdom Ministries will also partner with various community organizations and health care providers to deliver a combination of housing and clinical and non-clinical support services onsite which promote "aging in place". In addition to the 303 affordable rental homes, 302 market rental homes are proposed to be developed at the site.

The Open Door incentives recommended for Council approval will assist the Global Kingdom Ministries in providing affordable housing options to low-and-moderate-income seniors, including women, persons with disabilities and those from equity-seeking groups. Approval of this project will also contribute towards the delivery of the City's HousingTO 2020-2030 Action Plan which includes targets to increase the supply of affordable, accessible and good quality homes for seniors.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council authorize up to 303 affordable rental units to be constructed on the lands known as 1250 Markham Road be eligible for waivers of planning application, building permit and parkland dedication fees, and development charge exemptions.
2. City Council authorize an exemption from taxation for municipal and school purposes for 50 years, for the 303 affordable rental units to be constructed on the lands known as 1250 Markham Road.
3. City Council authorize the Executive Director, Housing Secretariat to negotiate and enter into, on behalf of the City, a municipal housing facility agreement (the "Contribution Agreement") with Global Kingdom Ministries for the development of the affordable housing to be constructed on the lands known as 1250 Markham Road, to secure the financial assistance being provided and to set out the terms of the operation of the new affordable rental housing, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form approved by the City Solicitor.
4. City Council authorize City staff to cancel or refund any taxes paid after the effective date of the municipal capital facility agreement.
5. City Council authorize severally each of the Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration to execute, on behalf of the City, any security or financing documents required by Global Kingdom Ministries to secure construction and conventional financing and subsequent refinancing, including any postponement, tripartite, confirmation of status, discharge or consent documents where and when required during the term of the municipal housing facility agreement, as required by normal business practices, and provided that such documents do not give rise to financial obligations on the part of the City that have not been previously approved by Council.
6. City Council authorize the City Solicitor to execute, postpone, confirm the status of, and discharge any City security documents registered as required by normal business practices.

FINANCIAL IMPACT

This report recommends the provision of an estimated \$8,807,560 in incentives to Global Kingdom Ministries to support the development of the 303 affordable homes.

Since this project is in the final planning approval stage, some of the applicable fees and charges have already been paid by the developer including a portion of the development charges.

The financial incentives recommended for Council approval (which reflect the outstanding fees and charges) are summarized in Table 1 below:

Table 1 - City Financial Incentives

| Affordable Rental Homes | Estimated Affordability Period | Estimated Development Charges* | Estimated Planning Fees and Charges** | Estimated Net Present Value of Property Taxes | Estimated Total Value of Incentives |
|--------------------------------|---------------------------------------|---------------------------------------|--|--|--|
| 303 | 50 | \$613,120 | \$1,756,704 | \$6,437,736 | \$8,807,560 |

*calculated using August 2020 Rates and reflect estimated development charges applicable for 20 units (development charges on 283 units already paid).

**includes estimated 2020 building permit fees of \$241,704 and Parkland Dedication fees of \$1,515,000.

The City's financial incentives include relief from the outstanding building permit fees, parkland dedication fees and development charges as anticipated to support the development process resulting from the proposed Minor Variance, which will enable the increase in affordable homes. The incentives also include relief from property taxes for municipal and school purposes for the 50 year affordability period.

The value of the annual property tax exemption is estimated at \$250,206 at 2020 rates. The net present value over the 50 year-term is estimated at \$6,437,736 as summarized in Table 2 below:

Table 2 - Property Tax Exemption

| Property Tax | *Annual | Net Present Value (NPV): 50 Years |
|---------------------|------------------|--|
| City | \$183,601 | \$4,724,005 |
| Education | \$ 63,901 | \$1,644,160 |
| City Building | \$ 2,704 | \$ 69,571 |
| Total: | \$250,206 | \$6,437,736 |

*calculated using 2020 Rates

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

In the event of default, the Contribution Agreement will provide that the by-law providing the property tax exemption be repealed.

The Chief Financial Officer and Treasurer have reviewed this report and agree with the financial impact information provided.

EQUITY IMPACT

The HousingTO 2020-2030 Action Plan envisions a city in which all residents have equal opportunity to develop to their full potential. The HousingTO 2020-2030 Action Plan is also centred on a human rights-based approach to housing. This human rights-based approach recognizes that housing is essential to the inherent dignity and well-being of a person and to building inclusive, healthy, sustainable and liveable communities.

The redevelopment of 1250 Markham Road will increase the opportunity for lower income seniors, including women, persons with disabilities, and those from equity-seeking groups to access good quality, safe, affordable homes. The large number of accessible homes to be created at this site will also help seniors to age in place and improve their housing and health outcomes.

Access to good quality, safe, affordable housing is an important determinant of health and also improves the social and economic status of an individual. Good quality, affordable housing is also the cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

DECISION HISTORY

At its meeting of December 16, 17 and 18, 2013, City Council, through report PG28.2, "Official Plan and Municipal Comprehensive Reviews: Amendments to the Official Plan for Economic Health and Employment Lands Policies and Designations and Recommendations on Conversion Requests", adopted OPA 231, with amendments, establishing updated policies for economic health, employment lands and designations. At the same meeting, Council also considered a number of requests to convert various employment lands throughout the City. For 1250 Markham Road in particular, City Council adopted Planning staff's recommendations regarding the conversion request by re-designating the lands on the northerly half of the subject site to Mixed Use Areas and by adding Site and Area Specific Policy (SASP) Number 450.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PG28.2>

OPA 231 was approved by the Minister of Municipal Affairs and Housing in July 2014 and that decision was subsequently appealed to the Ontario Municipal Board (OMB).

On June 22, 2015, the OMB issued an order partially approving OPA 231.

As a result of this order, the subject lands were no longer under appeal and the Mixed Use Areas designation for the northern portion of the property and SASP 450 were both deemed to be in full force and effect.

At its meeting on November 10, 2015, City Council, through report SC10.14, "1250 Markham Road - Zoning Amendment Applications - Preliminary Report, directed Planning staff to undertake a City-Initiated Official Plan Amendment to re-designate adjacent lands previously conveyed by the Global Kingdom Ministries to the Toronto

Region Conservation Authority, from Employment Areas to Parks and Open Space Areas - Natural Areas. This permitted the submission of a zoning by-law amendment to redevelop the north portion of 1250 Markham Road with two seniors 'life lease' residential buildings, then contemplating 448 residential units, along with at-grade commercial units, amenity areas and an above ground parking structure.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.SC10.14>

The re-zoning and site plan applications submitted for the site proposed two seniors 'life-lease' residential towers connected by a podium containing a total of 565 residential units, along with 552 square metres of at-grade commercial space, a 5-level parking structure to provide replacement parking for the existing place of worship, and additions to the existing place of worship. The applicant appealed the Zoning By-law Amendment and Site Plan applications to the Local Planning Appeal Tribunal due to Council's failure to make a decision on them within the time prescribed by the Planning Act.

At its meeting on May 22, 23 and 24, 2018, City Council, through report SC30.4, "1250 Markham Road - Zoning Amendment and Site Plan Applications - Request for Direction Report", authorized City staff to attend the Local Planning Appeal Tribunal hearings in support of a settlement to the appeal of the Zoning By-law Amendment for 1250 Markham Road.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.SC30.4>

The zoning by-law amendment was approved by the Local Planning Appeal Tribunal on August 17, 2018.

In September 2018, a Section 37 Agreement was registered to secure approximately \$1.1 million in funds for Community Benefits from the development at 1250 Markham Road.

In May 2019, the Global Kingdom Ministries obtained Conditional Consent to sever the 1250 Markham Rd. property into two lots and create new rights-of-way over the shared driveway on site. The clearing of the outstanding conditions is currently in progress within updated Covid-19 timelines.

In August of 2020, the Global Kingdom Ministries submitted a Minor Variance application to the Committee of Adjustment to permit a 40 unit increase at the site, which would result in 605 total residential units and a change in tenure from life lease to rental, including 303 affordable rental units and 302 market rental units plus an additional estimated 2,000 square meters of gross floor area. The Minor Variance application is under review at the time of the writing of this report.

COMMENTS

Background

The Global Kingdom Ministries is a 65 year old charitable, federal corporation, affiliated with the Pentecostal Assemblies of Canada, which operates a broad range of services

for seniors in the Scarborough area. It will oversee the 1250 Markham Road development under the operating name, "Trinity Ravine Community".

In May 2020, the Global Kingdom Ministries submitted a business case to City staff which proposed the inclusion of affordable rental homes in their proposed development which is in its final planning approval stages. Both parties have worked together and have agreed that the project will include up to 303 affordable rental units, to be kept affordable for a minimum of 50 years. Staff in the Housing Secretariat and Financial Planning divisions have also reviewed and are satisfied with proposed development and operating budgets for the project.

Rents for the 303 affordable rental homes are proposed be set at about 80% Average Market Rent.

Proposed Built-Form

The approved 1250 Markham Road development will be comprised of 2 residential towers at 29 and 31 storeys plus a 4-storey podium connecting both towers. Subject to approval of a proposed Minor Variance application, the complex will contain a total of 605 residential homes for seniors (including 303 long term affordable rental 302 market rental homes); a variety of amenity spaces in the 4-storey podium; associated underground parking and at-grade commercial uses. In total, the development will contain an estimated gross residential area of 584,216 square feet.

Building Amenities

The development has been designed to include numerous shared amenities and support services in the 4-storey podium connecting the residential towers. The amenities are proposed to include quiet reflection spaces, games rooms, a fitness area, a theatre room, a common dining room and multipurpose space for tenants to receive additional services and supports including mental health services, physiotherapy, and dentistry. These amenity spaces will be available to all tenants in the complex and designed to facilitate barrier-free access throughout. Retail space will also be developed at the site, fronting onto Markham Road, and future uses will cater to the large seniors population living in this community.

Accessibility and Design

The proposed project has been designed to meet the needs of future tenants, helping them to secure adequate, accessible homes and age in place. The barrier-free design will exceed the Ontario Building Code minimum requirements since approximately 272 units or 45% of the units are sized to allow for wheelchair accessibility in the kitchens, bedrooms and bathrooms. Accessible units will also be located on each floor of the complex.

Living and dining areas in the units will be spacious to allow flexibility of furniture layouts. Each accessible unit will include details such as lever door handles and faucets, non-slip floor finishes, natural light with views to the exterior and balconies that permit unobstructed exterior views. Some units will also be built as open concept, and

feature large kitchen/dining/living spaces and interior bedrooms generously sized with storage and windows.

The building will include durable flooring in the living spaces and the bathrooms, and will incorporate a high level of energy efficient design and specifications that include low flow plumbing fixtures, LED lighting, programmable thermostats, timers where appropriate, and window coverings.

Status of Planning Application

In August, 2020, a Minor Variance related to revisions to the proposed gross floor area, unit count, and related items was submitted to the City. Subject to approval of all applications and project financing, construction is estimated to begin in 2021 and be completed in 2023.

The Open Door incentives which are the subject of this report will apply to building and other permit applications/requirements, as identified through the planning approval process.

Conclusion

The HousingTO 2020-2030 Action Plan is focused on improving the lives of Toronto residents through increased access to safe, affordable, accessible and good quality homes. As outlined in the HousingTO 2020-2030 Action Plan, over the next decade the city will experience an unprecedented growth in the number of seniors 65 years of age and older. As such, providing a full range of housing options with supports services for this growing and diverse group which, by 2030, will increase by 59% or some 700,000 seniors, is a key priority for the City.

While the need to increase the supply and condition of housing for seniors was already a priority pre-COVID-19, the pandemic has highlighted the acute vulnerability of this group. To-date, in Canada over 80% of fatalities resulting from the virus have been seniors in long-term care settings with lack of space to accommodate physical distancing. While systemic and structural changes in the way long-term care services are delivered are urgently needed, it is equally important that investments be directed at helping seniors age in place with supports.

Helping to reduce and delay the flow of seniors into long-term care homes, through appropriate housing, health and community supports are priorities for the City and outlined in both the HousingTO 2020-2030 Action Plan and the Toronto Seniors Strategy. The new affordable rental housing for seniors proposed at 1250 Markham Road will provide much-needed affordable housing options for seniors within a well-designed complex. The built-form combined with the range of support services onsite will enhance social connections and play an important role in healthy aging. The project will also contribute to the City's target of approving 40,000 new affordable rental homes 2030.

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SIGNATURE

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