



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Housing Now – Recommendation of Developers for 50 Wilson Heights Blvd, 705 Warden Ave. and 777 Victoria Park Ave. – Supplementary Report

Date: January 24, 2020
To: The Board of Directors of CreateTO
From: Chief Executive Officer
Wards: Wards 6, 12 and 20

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains financial information supplied in confidence to the Board of Directors of CreateTO which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a number of organizations and about a position and plan to be applied to negotiations carried on by or on behalf of the Board of Directors of CreateTO.

SUMMARY

This report provides an update on the results of the market offering process for the City-owned sites identified as 50 Wilson Heights Boulevard, 705 Warden Ave and 777 Victoria Park Avenue. These sites are being offered as part of the Housing Now Initiative aimed at creating affordable housing within mixed-income, mixed-use and transit-oriented communities.

The shortlisted bidders made their second round submissions on January 22, 2020. After reviewing and scoring the bids, the Selection Committee has selected the preferred proponents for each of the three sites and is recommending approval of the final list of proponents in order to proceed with finalizing the transaction, including securing required City approvals.

RECOMMENDATIONS

The Chief Executive Officer recommends that the Board of Directors of CreateTO:

1. approve the recommended proponents identified in Confidential Attachment 1, for the development of Housing Now projects at each of 50 Wilson Heights Boulevard, 705 Warden Ave and 777 Victoria Park Avenue and direct the Chief Executive Officer, CreateTO to forward to the City's Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer for consideration and to approve any lease, transfer and other property transactions with the selected proponent;
2. direct the Chief Executive Officer, once the above City approvals have been obtained, to negotiate in conjunction with the City Solicitor, the final documents for this transaction with each proponent and report back to the Board of Directors when management has reached an agreement;
3. direct the Chief Executive Officer, CreateTO to work with the Chief Financial Officer and Treasurer, to establish a reserve fund into which net contributions received from the selected proponents will be deposited and from which any required City contributions will be paid in order to complete the above transactions;
4. direct that the final selected proponent for each property be made public after the agreements required for the transaction are executed and at the discretion of the Chief Executive Officer; and
5. direct that the remainder of Confidential Attachment 1 remain confidential in its entirety, as it contains financial information supplied in confidence to the Board of Directors of CreateTO which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a number of organizations, and about a position and plan to be applied to negotiations carried on or to be carried on by or on behalf of the Board of Directors of CreateTO.

FINANCIAL IMPACT

There is no additional financial impact on CreateTO. CreateTO's program administration is being performed through existing CreateTO resources. Due diligence, marketing and partial human resource costs are being recovered by CreateTO from the City's Housing Secretariat.

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>

On July 9, 2019, the CreateTO Board directed the Chief Executive Officer, CreateTO to include the following as part of the Housing Now business case:

- a. a summary of the results of the community consultation, with local councillor input;
- b. the planning context;
- c. context on City Building initiatives;
- d. a breakdown of levels of affordability and proposed terms of the transaction; and
- e. how the business case addresses maximum attainability of affordable units.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.RA7.4>

On September 24, 2019, the CreateTO Board of Directors adopted RA 8.2 "Housing Now Business Cases for 140 Merton Street, 50 Wilson Heights Boulevard, 705 Warden Avenue and 777 Victoria Park Avenue", which presented business cases and a recommended approach to the market offering process for the first four Housing Now properties.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.RA8.2>

On November 25, 2019, the CreateTO Board received RA9.5 for information.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.RA9.5>

COMMENTS

50 Wilson Heights, 705 Warden and 777 Victoria Park

Offering Process

The short listed proponents submitted their second round bid modifications and clarifications on January 22, 2020. A Selection Committee consisting of CreateTO staff and staff from the City's Housing Secretariat then formally scored each of the proposals using an evaluation scoring matrix, which reflected Council approved objectives for the Housing Now Initiative. To ensure transparency, the evaluation matrix was provided to all proponents outlining the weighted criteria. The Selection Committee has now completed its review of bids and the preferred proponents for each property are being recommended for approval.

Additionally, throughout the entire assessment process, including from the closing of bids on December 10, 2019 to present, an independent, third-party fairness monitor has attended all meetings, approved all communications with the bidders and supervised the scoring process. At the conclusion of the process, a report will be provided by the fairness monitor describing the process and confirming the adherence to the principles of openness, fairness and transparency.

The Round 2 scoring matrix and a summary of the bids and the resulting selected proponent for each of the sites are provided in Confidential Attachment 1.

Next Steps

Subject to Board approval of the recommendations in this report, CreateTO staff will work with the City's Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer to secure the required City approvals for the business terms related to the proposed transactions.

Staff will also work with the City Solicitor to negotiate and finalize documents with each proponent and will report back to the Board once management has reached an agreement.

CONTACT

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SIGNATURE

Brian Johnston
Chief Executive Officer

ATTACHMENTS

Confidential Attachment 1 – Recommended Proponents, Summary of Bids and Scoring Matrix