

# Allen East District Plan

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## Affordable Housing Strategy

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# Introduction and Purpose of the Report

CreateTO is responsible for the comprehensive planning and future development of the City-owned lands located within the Downsview Area Secondary Plan Area. Brought into force in 2011, the Downsview Area Secondary Plan (OPA 111) provides policies to structure development. The City-owned lands are known as the Allen East District and comprised of the lands bounded by Sheppard Avenue West to the north, Allen Road to the west, Wilson Heights Boulevard to the east and the existing Allen Road ramp to the south. The lands approved for transfer to CreateTO amount to approximately 23 hectares (57 acres).<sup>\*</sup> Together with the Canada Lands Company's land holdings on the west side of Allen Road, these lands are known as the "Allen District," one of seven identified "districts" within the Downsview Area Secondary Plan.

CreateTO is committed to working with development partners in order to create value for the City-owned land holdings and, in doing so, create a vibrant, mixed-use community in the Allen East District with a full range of housing types, including a variety of housing forms and both affordable rental and affordable ownership units.

The Downsview Area Secondary Plan (the "Secondary Plan") policies require that for each district an Affordable Housing Strategy be prepared as a mechanism for ensuring a range of housing affordability within the District. An Affordable Housing Strategy is one of the identified required studies at the District Plan stage as per Policy 7.1.4 of the Secondary Plan.

This report has been prepared in fulfillment of Policy 7.1.4 and in support of the Allen East District Plan. The Allen East District Plan has been prepared by CreateTO. The Affordable Housing Strategy is limited to the lands on the east side of Allen Road under the management and control of CreateTO (the Affordable Housing requirements within the Secondary Plan are set out by landowner as opposed to district).

<sup>\*</sup> Lands approved for transfer to CreateTO amount to 57.4 acres (23.2 hectares). The Sheppard West Station (8.89 acres / 3.6 hectares) is being comprehensively planned as part of the Allen East District, however it has not been approved for transfer to CreateTO. The existing Banting Park (5.68 acres / 2.3 hectares) will remain in the City of Toronto's ownership.

# The Planning and Development Process

The Allen East District Plan was first submitted to the City in 2013. Since that time it has gone through extensive staff review and public consultation. The revised Allen East District Plan for the lands east of Allen Road will be going to Council for endorsement. CreateTO will submit a draft Plan of Subdivision application to divide the site into development blocks consistent with the endorsed District Plan. Development partners will be brought in over time to implement the Plan. The number of development partners and timing of that process is still to be determined. The development partners will be responsible for delivering the affordable housing units in a manner consistent with the Affordable Housing Strategy and subsequent applications.

Each development phase will need to undergo rezoning, and at that point development specifics for that phase will be further defined and a Section 37 Agreement will be entered into to secure specific public benefits, including affordable housing. The District Plan, including the Affordable Housing Strategy, will serve as a bridge between the Secondary Plan and future rezoning. It will serve as the basis for applications prepared by future development partners, will inform future Section 37 agreements and will be used by City staff to review and evaluate applications as they are submitted.

This report is structured in four main sections:

**Section 1** provides an overview of the Allen East District Plan as a whole, including a map of the district structure.

**Section 2** describes the affordable housing policies contained in both the City of Toronto Official Plan and the Downsview Area Secondary Plan.

**Section 3** provides an overview of how the affordable housing requirement in the Allen East District will be achieved and describes the general location and type of units. This section includes a strategy for the provision of the affordable housing units.

**Section 4** offers a discussion on the potential mechanisms that may be used in order to secure the development of affordable housing in the Allen East District.



# 01 District Plan Overview

The Secondary Plan envisions the Allen East District to be developed as a compact and walkable mixed-use district that includes a range of uses enhanced and supported by access to public transit, a well-defined street network and proximity to an array of community facilities and amenities.

The Allen East District includes three character areas: the Neighbourhood character area, the Apartment Neighbourhood character area and the Mixed Use character area. The Neighbourhood character area, located just east of Street A and over to Wilson Heights Boulevard, will include a range of residential units (semi-detached dwellings, townhouse dwellings and stacked townhouse dwellings) that range from 2.5 to 4 storeys. The Apartment Neighbourhood character area, located between the eastern edge of Allen Road and just east of Street A, will be residential in character and will predominantly include tall buildings with integrated podiums. On the east side of Street A there will also be low to mid-rise apartment buildings and townhouses which will provide a transition to the Neighbourhood character area. The Mixed Use character area, located along the northern portion of Allen Road and including the subway station, will include tall buildings for office, retail and residential uses.

Figure 2 shows the structure and proposed land use designations of the Allen East District. At this time CreateTO has identified that the likely first phase of development would be the Neighbourhood character area. The land uses shown on Figure 2 correspond to the Allen East District precinct boundaries shown in the Downsview Area Secondary Plan.

The Allen East District is consistent with the Secondary Plan by contributing to the availability of parks and open spaces. In addition to the existing Banting Park, a new neighbourhood park which will be the focus of the Neighbourhood and Apartment Neighbourhood character areas is proposed and a landscaped greenway will link the parks and open spaces in the north to the future stormwater management facility in the south.

The Secondary Plan requires that a high quality public realm be established in the Downsview Area to create an urban and park-like character. Streets in the Allen East District will be designed to become vibrant and attractive public spaces, respect the local context, promote healthy and active living, connect to the surrounding neighbourhoods, provide multiple travel options for users and give people choices and connected networks.





## Official Plan Requirements and Definitions

Both the Toronto Official Plan and the Downsview Area Secondary Plan contain policies intended to secure the development of affordable housing. The policies contained in the Official Plan speak broadly about the need for the creation and preservation of affordable rental and affordable ownership housing throughout the City, whereas the Secondary Plan describes a more targeted approach to housing throughout the Downsview study area.

The Toronto Official Plan places significant emphasis on the provision of adequate and accessible housing for everyone. The Official Plan identifies the need for a range of housing types, tenure and levels of affordability, and articulates that specific policies may be needed to help direct development if the market does not provide an adequate range.

In order to achieve a mix of housing, the Official Plan directs that on sites larger than 5 hectares in size, a minimum of 30% of new housing is to be provided in forms other than single-detached and semi-detached houses (Policy 3.2.1.9(a)). The housing development proposed in the District Plan will meet this policy objective.

The Official Plan defines affordable rental housing as housing where the total monthly shelter cost is at or below the average City of Toronto market rent by unit type. The definition of affordable ownership housing is essentially the same, assuming that shelter costs in this case comprise mortgage, principle and interest and any mandatory costs associated with purchasing the unit. The average market rent in Toronto is \$1,148 for a bachelor unit, \$1,374 for a one-bedroom unit, \$1,591 for a two-bedroom unit, and \$1,776 for a three-bedroom unit (City of Toronto, Open Door Affordable Housing Program Guidelines, September 2020).

The definition of affordable ownership housing at the time of each zoning approval will be used for the provision of affordable ownership units in the Allen East District.

# Secondary Plan Requirements

The Secondary Plan applies to the entire Downsview area. It acknowledges that due to the size of the area and the amount of land to be developed for new housing, opportunities for affordable housing will be contained in a number of new neighbourhoods. The policies contained in Section 3.5 of the Secondary Plan are intended to direct the provision of affordable housing throughout the Secondary Plan area.

Of all new housing created in each District, a minimum of 30% must be in forms other than single-detached houses and should include housing with three or more bedrooms (Policy 3.5.2). With respect to affordable housing, the proportion of affordable housing should reflect the proportion and mix of housing throughout the district (Policy 3.5.8), although a higher number of two or more bedroom units are to be encouraged. Affordable housing is to be distributed proportionally throughout the district (Policy 3.5.3).

Based on the residential permissions contained in the Secondary Plan, on CreateTO lands which permit residential development, the affordable housing requirement is a minimum of 300 housing units (Policy 3.5.4(b)), of which at least 50% are to be affordable rental units (Policy 3.5.9). At its discretion, the City may permit a variation on the proportion of housing provided within a district, provided that the overall requirement within the Secondary Plan Area is met (Policy 3.5.6). This required amount of affordable housing is to be re-evaluated should there be additional residential development beyond the amount permitted amount in the Secondary Plan (Policy 3.5.5).

The Secondary Plan requires that affordable housing be provided as a part of a community benefit under Section 37 of the Planning Act (Policy 3.5.3) however the required amount of affordable housing may also be achieved through the conveyance of land to the City, at the City's discretion (Policy 3.5.7).

Each District Plan must contain an affordable housing strategy (Policy 3.5.10) that will identify the target unit numbers and types by development parcel or phase and describe how the affordable housing will be delivered in order to ensure it is developed prior to, or at the same rate as, development of the market housing units (Policy 3.5.11 (a),(b)). Affordable housing strategies are also to include any proposals to meet affordable housing requirements through the conveyance of land to the City (Policy 3.5.11 (c)).

## Summary

As previously stated, the Secondary Plan requires that 300 units of affordable housing be provided on CreateTO lands. Of these units, at least 50% must be affordable rental units. CreateTO is committed to ensuring that this requirement for affordable housing is met within its land holdings in the Allen East District. The provision of both affordable ownership and rental housing will contribute to a healthy mix of housing throughout the district.

## Units by Neighbourhood, Tenure and Type

The following targets will be used to guide the geographic distribution of the affordable housing units throughout the Allen East District:

- A target of approximately 25 affordable housing units will be provided in the Neighbourhood character area in low-rise form. This is based on a unit count of approximately 450 units in the Neighbourhood character area; should the number of units in the Neighbourhood character area be reduced in revisions to the master concept plan, this target will be lowered accordingly and the remaining units will be made up in the Apartment Neighbourhood and/or Mixed Use character areas.
- A target of 100 affordable housing units will be provided in the Mixed Use character area. Should it be determined, due to the nature of the proposed commercial development or other site planning issues related to the Mixed Use character area, that the Apartment Neighbourhood character area provides better locational choices for affordable housing, then these units may be transferred to the Apartment Neighbourhood character area. This will be determined at the time of rezoning applications in the Mixed Use character area. CreateTO is targeting at least 75 of these units to be affordable rental housing.

- A target of 175 affordable housing units will be provided in the Apartment Neighbourhood character area. This number may be higher should some of the units from the Neighbourhood character area or Mixed Use character area be transferred over. CreateTO is targeting 75 of these units to be affordable rental housing.

These numbers are all suggested targets and final unit counts regardless of ownership and rental will be able to be shifted between neighbourhoods. The location of the affordable housing units by block/building will be determined at the time of the rezoning applications within each neighbourhood. The mix of affordable unit types will be reflective of the unit mix of the market units within the development at the time the development application is being reviewed and Section 37 benefits (securing mechanism) are negotiated. Unit types may include townhouses, stacked townhouses, apartments and condominiums provided within the Allen East District.

In order to contribute to the creation of healthy, vibrant and mixed use neighbourhoods in the Allen East District, at least 10% of the 300 affordable units will have three or more bedrooms, ensuring that families with children can find suitable housing in the district.



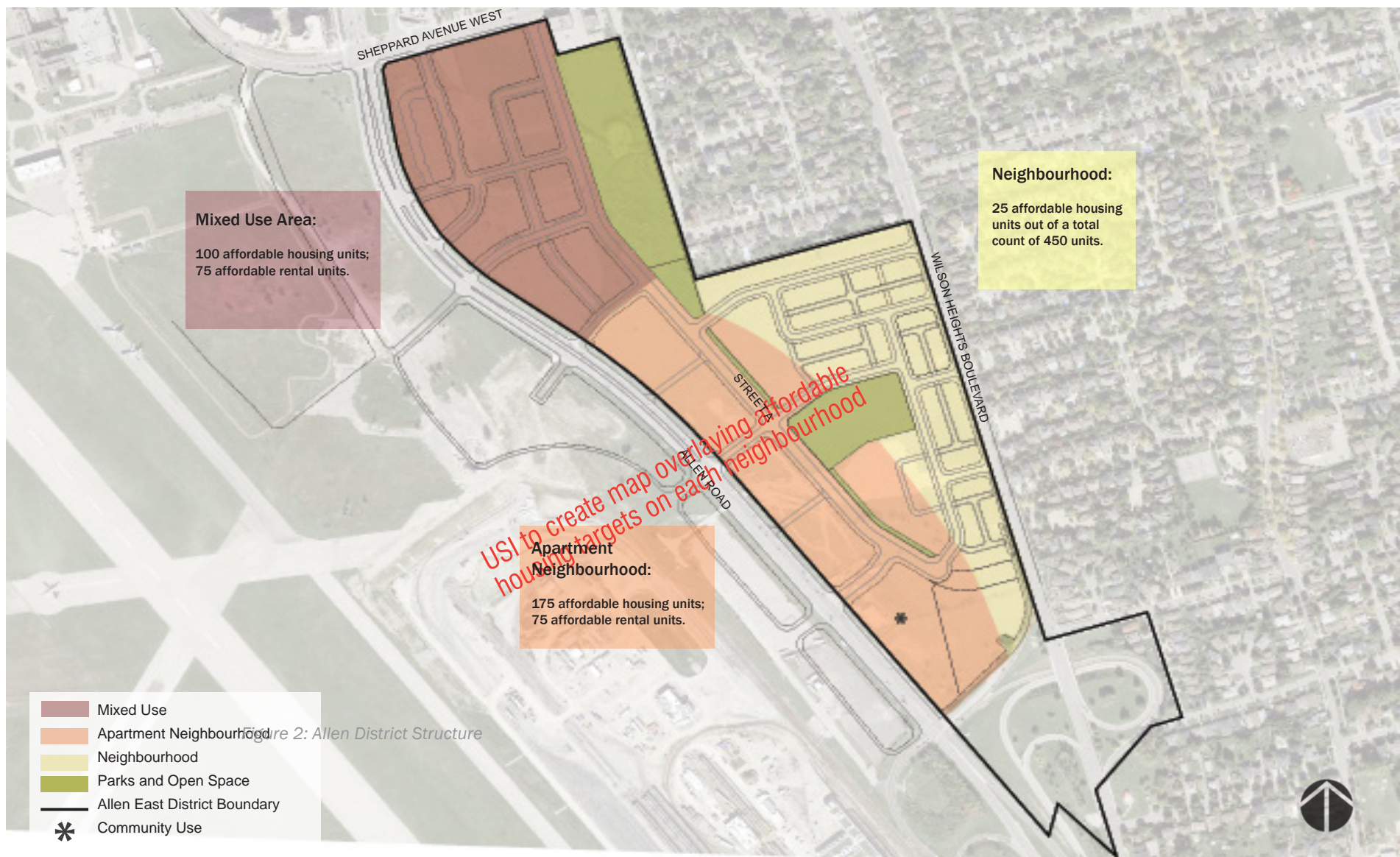


Figure 3: Affordable housing unit targets by neighbourhood. The minimum number of affordable housing units (300) and minimum percentage of affordable rental units (50%) are fixed by the Secondary Plan, but the numbers within each neighbourhood may shift.

## Timing of Affordable Units

To ensure the affordable units are developed in phases similar to the market units, building permits will be required to be issued for 50% of the required affordable units in each neighbourhood before building permits can be issued for more than 50% of the total market units in that neighbourhood. The proposed timing will be finalized with the Housing Secretariat and Planning Policy staff prior to the approval of development applications within each neighbourhood.

## Length of Term of Affordability

The term of affordability for both rental and ownership units will be a minimum of 20 years. Definitions of affordable ownership by unit type and resale models for these units will be determined at the development application stage based on the City's definitions and standard practice in place at that point.

## Zoning By-law Amendment Applications

At the time of the Zoning By-law Amendment application for each phase, an updated Housing Issues Report will be submitted that details the unit mix, delivery method, and timing for delivery of the affordable housing units in that phase. The affordable housing details will be required to be finalized prior to the approval of the Zoning By-law Amendment and secured through a Section 37 agreement. The City may require certain conditions to be implemented as part of the approval to ensure the timely provision of the affordable housing units, such as holding provisions.





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## Affordable Housing Delivery Options

CreateTO will leverage its land holdings in the Allen East District to meet the affordable housing objectives and requirements for the Allen East District. This report is the beginning of an ongoing process and collaboration between City of Toronto staff and CreateTO. As CreateTO moves forward in the development of the Allen East District, it anticipates working with City of Toronto staff, the Housing Secretariat and future development partners to determine the most effective delivery method. Although there are many ways to deliver affordable housing, this strategy presents the following four options:

### **Option 1: Development Partnership**

CreateTO will work directly with future development partners to have them build the affordable component of the development. A commitment to build affordable units would be written into a Request for Proposal (RFP) for a development parcel, and subsequently in a Development Agreement which is registered on title at closing. For example, the RFP could stipulate that in the neighbourhood area, of the 450 units, 25 are to be affordable ownership housing. The development partner could either build the required number of housing units themselves, or partner with a third-party affordable housing provider.

The benefit of this option is that it secures the building of affordable housing by the private sector.

### **Option 2: Work with Third-Party Affordable Housing Providers**

Rather than placing the obligation to build affordable housing onto future development partners, CreateTO would set aside sufficient land for the provision of a specific number of affordable housing units and, with the assistance of the Housing Secretariat, seek third-party affordable housing providers to develop affordable housing units. This option would rely on third-party affordable housing providers (e.g. non-profits) securing housing subsidies, likely through the Housing Secretariat.

### **Option 3: Third-Party Housing Provider**

If adequate funding cannot be made available through the Housing Secretariat, CreateTO could, in conjunction with its development partners, through a Section 37 agreement, provide affordable rental units distributed through various market condominium buildings and identify a third party housing provider to maintain the affordable rental housing within market development.

### **Option 4: Conveyance to the City**

A fourth alternative is to simply set aside sufficient fully serviced and remediated land for the provision of affordable housing and provide this directly to the City of Toronto. The City could then either seek a third-party affordable housing provider (similar to Option 2) or could work with other levels of government to secure affordable housing.



# Conclusion

This report has been prepared in fulfillment of Policy 7.1.4 of the Secondary Plan and in support of the Allen East District Plan. The report presents an affordable housing framework and strategy for the geographic distribution and timing of delivery of the 300 affordable housing units, as well as potential delivery mechanisms required to achieve the timely delivery of the units in the Allen East District. At least 50% of the affordable housing units will be affordable rental units.

CreateTO has identified four options to secure affordable housing development.

- 1) The first option proposes that as part of a developer selection process, CreateTO require a private developer to build affordable housing units. The developer's obligation to provide the affordable housing units will be secured through a development agreement with CreateTO which is registrable on title.
- 2) The second option would have CreateTO work with City of Toronto staff and the Housing Secretariat to secure a third-party affordable housing provider and the requisite funding to build affordable units.
- 3) The third option involves CreateTO providing affordable rental housing as individual units within market buildings. A third-party property management company would oversee the maintenance of each unit.
- 4) The final option requires conveying sufficient remediated and serviced land to the City of Toronto for the purposes of building affordable housing.

Each of these options has its own advantages and CreateTO will work with its development partners, the Housing Secretariat and City of Toronto staff to find the most appropriate method for delivering affordable housing in the Allen East District at each stage of overall housing development, ensuring an appropriate mix of tenure and type throughout the district.



