



REPORT FOR ACTION

Expanding Housing Options in Neighbourhoods – Beaches-East York Pilot Project

Date: January 5, 2021

To: Planning and Housing Committee

From: Chief Planner and Executive Director, City Planning

Ward: Beaches-East York

SUMMARY

The City of Toronto is working on a range of initiatives to facilitate more housing in residential neighbourhoods through the Expanding Housing Options in Neighbourhoods (EHON) initiative. The City is working to expand opportunities for “missing middle” housing forms in Toronto, ranging from duplexes to low-rise walk-up apartments. This initiative builds on recent work in support of secondary and laneway suites, Inclusionary Zoning and dwelling room protections. Enabling more options for housing that can be built in the city’s neighbourhoods is one part of the Housing Action Plan to increase housing choice and access for current and future residents of Toronto.

The Beaches-East York Pilot Project is one element of the Expanding Housing Options in Neighbourhoods (EHON) work program. The Pilot Project will review appropriate City-owned sites in Beaches-East York and work with the community and development industry to build “missing middle” demonstration projects that could be used as models for missing middle projects on other sites, both publicly and privately owned, within the City.

The Beaches-East York Pilot Project will assess the feasibility of building missing middle, ranging from duplexes to low-rise walk-up apartments, on selected City-owned sites that are designated *Neighbourhoods* in the City's Official Plan.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning recommends that Planning and Housing Committee:

1. Endorse the contents of this report as the basis for consultation with the public, development industry, and other stakeholders;
2. Request that the Chief Planner and Executive Director, City Planning work with Real Estate Services, CreateTO, and the Housing Secretariat, in consultation with the local Councillor, to facilitate, through an appropriate development procurement process, the

design and construction of demonstration projects, as part of the Beaches-East York Pilot Project.

FINANCIAL IMPACT

The recommendations in this report have no financial impact.

RELEVANT DECISION HISTORY

On July 28, 2020, City Council endorsed the Expanding Housing Options in Neighbourhoods (EHON) Work Plan Report and endorsed City Planning proceeding with several priority initiatives in 2020-2021, including exploring opportunities to pilot missing middle developments in Ward 19 – Beaches-East York.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH15.6>

On October 2, 2019, City Council adopted a Member Motion to declare a Climate Emergency and endorsed a net zero greenhouse gas emissions target to strengthen the City's goal of becoming net zero before 2050.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM10.3>

PROPOSAL

The Beaches-East York Pilot Project is part of the larger Expanding Housing Options in Neighbourhoods (EHON) work program. The Pilot Project will consider the feasibility of building missing middle type buildings, ranging from duplexes to low-rise walk-up apartments, on selected City-owned sites that are designated Neighbourhoods in the City's Official Plan. As part of this Pilot Project, City Staff will, in consultation with the local Councillor and CreateTO, identify City-owned sites in which to build missing middle housing.

The Pilot aims to deliver feasible missing middle demonstration projects that can be used as a model for other sites, beyond City-owned properties, while ensuring a focus on affordability, accessibility, resiliency, and sustainability. These demonstration projects will model how additional new housing options can be accommodated within the existing physical character of the City's neighbourhoods. Through consultation with the local community and the development industry, the Pilot may also help to identify regulatory, process, and financial opportunities and barriers that can help or impede missing middle initiatives.

Staff are currently reviewing site options in the Beaches-East York area of the City. This review includes undertaking site due diligence to understand the feasibility of potential sites to support a range of possible development options.

A number of other city-wide EHON initiatives, including reviews of Official Plan and Zoning By-law permissions to allow Garden Suites, additional low-rise housing options on Major Streets, and housing units in forms such as multiplexes in various residential

zones, are taking place simultaneously with the Beaches East-York Pilot Project. Staff will identify opportunities to test potential new development permissions being considered under these other initiatives through this Pilot.

BEACHES-EAST YORK CONTEXT

Beaches-East York covers a large and diverse area that is bounded by the East Don River and Sunrise Avenue to the north, Coxwell Avenue to the west, Victoria Park Avenue to the east, and Lake Ontario to the south. There are a number of major streets that cross the Ward, including Woodbine Avenue, Main Street, Gerrard Street, Queen Street, Kingston Road and Danforth Avenue. The area is served by active transportation infrastructure, such as the Woodbine Bike Lanes, and three subway stations on Line 2 Bloor-Danforth (Coxwell, Woodbine, Main Street) and a GO Transit Station (Danforth).

Based on structural type, single-detached dwellings is the prevailing building type within Beaches-East York (28%), followed by apartment buildings that are five or more storeys in height (25%), according to the 2016 Census. There is a lower proportion of missing middle typologies throughout the Ward, with the exception of apartment buildings less than 5 storeys (23%): semi-detached (14.5%), row houses (3.8%), and duplexes (4.7%).

Overall, 62% of the area within Beaches-East York is designated Neighbourhoods in the City's Official Plan, which is substantially more than any other designation with the Ward (Natural Areas (11%), Parks (9%), Mixed Use Areas (7%), Core Employment Areas (5%), Apartment Neighbourhoods (4%), General Employment Areas (1%), and Utility Corridors (1%)). Areas designated as Neighbourhoods in the Official Plan generally permit a range of residential uses within lower scale buildings to a maximum height of four storeys, as well as parks, schools, local institutions and small-scale stores and shops serving the needs of area residents. The Official Plan policies also intend the provision of a full range of housing, varied in tenure and affordability, will be provided across the City and within Neighbourhoods, to meet the current and future needs of residents.

Generally, 32% of the area within Beaches-East York is zoned Residential (R) with the City's Zoning By-law 569-2013, followed by Residential-Detached (RD), which encompasses 31% of the land in the Ward. The remainder of the Ward is made up of lands zoned as Open Space Natural (7.8%), Commercial Residential (6.6%) along some major streets, Open Space Recreation (5.7%), and Residential Semi Detached (4.3%), amongst others.

The Residential (R) zone permits all types of residential building types, ranging from detached houses, townhouses, triplexes to low-rise apartments. In contrast, the Residential-Detached (RD) zone only permits detached houses. As a large proportion of the Beaches-East York area permits the large range of missing middle typologies, there are a number of opportunities to facilitate the increase in housing supply through these gentle density projects.

On March 7, 2020, City Planning staff, with support from the local Councillor, conducted a door-to-door engagement survey to collect feedback from residents on housing and related issues of affordability, availability, and building form. The survey was conducted on residential streets in the area bounded by Danforth Avenue, Woodbine Avenue, Lumsden Avenue, and Dawes Road, near Main Street and Woodbine subway stations. The survey covered residents living in Neighbourhoods designated areas with detached-only (RD) and more flexible (R) zone. This targeted engagement found that many residents in the Beaches-East York area view affordability and housing availability as major issues in their community, and are supportive of increasing housing options and permissions within the Neighbourhoods designation.

Given the large area within the Ward designated as Neighbourhoods, city-wide policies prioritizing expanding housing options near transit and active transportation infrastructure, and community support for building additional housing and expanding missing middle opportunities, Beaches-East York was chosen as the Pilot Project area.

COMMENTS

City Staff, in consultation with the Councillor, Real Estate Services, CreateTO, and the Housing Secretariat, will identify City-owned Neighbourhood designated sites and undertake focused engagement with the local community to establish criteria for the design of the Pilot Project. In addition, City Staff will work with the development industry to design and build missing middle demonstration projects: these models can then be applied across the City.

Key Issues and Questions:

Staff will explore and address the following key issues, questions, and considerations to help facilitate the development of accessible and sustainable demonstration projects in Beaches-East York, while exploring opportunities to address affordability that can be implemented City-wide:

What are the key criteria that should be used to select appropriate sites for the Pilot Project?

Staff are reviewing City-owned sites identified by CreateTO to shortlist viable sites based on criteria, including:

- Current Land use designation and zoning permissions;
- Lot size, configuration, and grading;
- Proximity to public transit and cycling infrastructure;
- Surrounding built and planned context
- Existing use

Should the Pilot proceed with one site or a variety of City-owned sites?

City Staff will review multiple City-owned sites within Beaches-East York, and will endeavour to proceed with pilot projects on several appropriate and viable City-owned sites.

What are the goals and key objectives of the Beaches-East York Pilot Project?

The goal of the Pilot Project is to deliver a feasible demonstration of missing middle projects that can be used as a model for development on privately-owned and other City-owned properties across the City. The Pilot will attempt to deliver accessible and sustainable missing middle projects on City-owned property, while exploring opportunities to help address affordability. It will also identify regulatory, process, and financial opportunities and barriers that can help or impede missing middle initiatives. Depending on the timing of work undertaken by the other EHON teams, the Pilot Project may also be utilized to test the development of new missing middle permissions (e.g., Garden Suites) in Beaches-East York.

What kinds of approvals will be necessary to deliver the Pilot Project?

The types of approval required to facilitate the development of the Pilot Project will depend on the scale of the proposals and the sites on which they are proposed. Staff will develop a range of options on each site to implement the Pilot Project objectives through both as-of-right development, and through development that may require relief from the Zoning By-law standards via an application to the Committee of Adjustment. Based on staff's preliminary analysis of several potential sites, it is likely that the proposals will require Committee of Adjustment approvals or zoning amendments, and may require accompanying Site Plan Control applications.

How can the Beaches-East York Pilot Project help address housing affordability in Toronto?

One of the primary objectives of the Expanding Housing Opportunities in Neighbourhoods Work Plan is to help incrementally improve housing options both by increasing the overall number and variety of housing units in the City by permitting additional housing in different missing middle forms, and by exploring and incorporating programs and other opportunities to deliver affordable housing within the Pilot Project. This is one initiative among a suite of coordinated actions needed across the full housing spectrum to address Toronto's housing needs.

How will the Beaches-East York Pilot Project ensure sustainability?

Pursuing resilient, low carbon development is one of the Pilot Project priorities. City Staff will pursue all opportunities to meet and exceed the highest tiers of the Toronto Green Standard, or equivalent, in keeping with Council's declaration of a climate emergency and endorsement of a net zero emissions target. Staff will explore opportunities to eliminate vehicle parking requirements to encourage active and public transportation use, to reduce automobile emissions, and to avoid yard paving and prevent tree cover loss.

How will the Beaches-East York Pilot Project address accessibility and diversity?

Accessibility and diversity of unit types will be considered in design options for the Pilot Project. Focus will be placed design innovation to ensure that the site

layout and the proposed missing middle project can be designed to accommodate a variety of unit types for people of all ages, abilities and family structures. Staff will explore opportunities to support accessible design and the implementation.

How will the Beaches-East York Pilot Project coordinate with the larger EHON work program?

Several EHON initiatives, including reviews of Official Plan and Zoning By-law amendments for Garden Suites, Major Street Neighbourhoods, and Multiplexes, are being undertaken simultaneously with the Beaches East-York Pilot Project. Staff will identify opportunities to pilot potential new development permissions being considered under these other initiatives through this Pilot.

Identifying Pilot Sites and Building Pilot Projects

The following process is proposed to identify selected City-owned sites for the Pilot Project, undertake an engagement process with the local community and the development industry, and design and build the missing middle demonstration projects:

- Site due diligence and selection:
 - City Planning Staff will work with CreateTO to undertake a thorough site due diligence of shortlisted City-owned sites to determine the best properties to pilot the missing middle projects in Beaches-East York. Staff will also undertake preliminary massing analysis to understand the built-form typologies that are feasible on the shortlisted sites, based on a review of applicable zoning requirements.
- Consultation with building industry representatives and request for pre-qualifications (RFPQ):
 - Consultation with developers, architects, and planners currently working on missing middle housing is essential to understand their business models (rental vs. ownership), the constraints of missing middle development, how affordability may be factored into their projects, how higher sustainability targets can be achieved, etc.
 - Input will be used to develop criteria for the RFPQ, the purpose of which is to establish the short-list of proponents for the Request for Proposal (RFP). The RFPQ will help City Staff understand the interest from the development industry in undertaking missing middle projects as part of the Pilot, and their key considerations to deliver a feasible project that achieves the Pilot's key considerations (e.g., affordability, sustainability, replicability).
- Consultation with the local Councillor and community on RFP criteria and selected sites:
 - The design criteria to be included as part of the RFP to select the design/builder(s) to partner with will be developed collaboratively with the local community, informed by City priorities related to mobility, resilience,

affordability, and investment in people and neighbourhoods.

- The selected sites for the Pilot Project will be presented to the community.
- Issue RFP and choose design/builder for selected sites
 - The City will issue an RFP to evaluate missing middle proposals for chosen Pilot sites based on proposed design, financial viability, ability to achieve the key objectives of the Pilot (e.g., affordability, sustainability, replicability), amongst other criteria.
 - The design criteria to be developed with the local community will inform the evaluation of responses to the RFP and help determine which design/builder(s) the City will work with on the Pilot.
 - Amongst other factors, the design/builder(s) will be chosen based on the feasibility and replicability of their proposals.
- Design/builder(s) to submit necessary applications (e.g., site plan, minor variance, consent, building permit) to facilitate the development of missing middle housing
 - Depending on the scope of the proposed missing middle development and the as-of-right permissions for the selected City-owned sites, different planning applications may be required to facilitate development, in addition to obtaining a building permit.
 - City Staff will engage other City divisions to explore efficiencies in processing these priority applications.

If required, City Staff, in consultation with the local Councillor, will undertake a separate procurement for an affordable housing operator.

Consultation Strategy:

City Staff will engage with the development industry to understand the regulatory and financial opportunities and barriers for their missing middle projects and how these projects can be designed to achieve deeper levels of affordability, amongst other matters. This information will help inform the feasibility of missing middle development proposals. Conversations have begun with industry professionals.

The Pilot Project will be informed by the comments obtained through the “Ward 19 Door-to-Door Engagement” undertaken on March 7, 2020 to support the EHON Work Plan. Through this targeted engagement it was demonstrated that many residents in the Beaches-East York area view affordability and housing availability as major issues in their community, and are supportive of increasing housing options.

Public engagement with the local community, in consultation with the local Councillor, will contribute to definition of design criteria for the evaluation of Pilot Project proposals, and will be included in the RFP. These design criteria will inform the evaluation of the

RFP responses to help determine which design/builders the City will work with on the Pilot. Engagement with local community members will also provide valuable information about the current barriers to knowledge and resource gaps that contribute or limit local residents' ability to undertake their own missing middle projects (e.g., building a second unit or laneway suite, etc.). This will help inform any education and training efforts the larger EHON initiative may undertake to support the implementation of missing middle projects. This engagement is anticipated to begin in Spring 2021.

At this time, engagement for the Pilot is anticipated to be in the form of virtual meetings, round table discussions, and web content. An equity lens will be applied to the planning and undertaking of engagement activities to ensure broad, and inclusive representation from different backgrounds and perspectives and to leverage local knowledge.

NEXT STEPS

The Beaches-East York Pilot Project staff will continue to evaluate City-owned properties for the Pilot Project and undertake site due diligence to determine the forms of missing middle developments that are feasible. Engagement of the development industry will continue into early 2021 to inform the RFPQ process. Engagement with the local community, in consultation with the local Councillor, is anticipated in Spring 2021 to present the local community with the Pilot sites and inform the drafting of the RFP design criteria.

As part of the larger Expanding Housing Options in Neighbourhoods (EHON) initiative, the Beaches-East York Pilot Project aims to facilitate the design and construction of a missing middle demonstration project that can be used as models for missing middle projects on other City- and privately-owned sites within the Neighbourhoods. The Pilot seeks to demonstrate how missing middle projects can be built to provide additional housing options for households at different ages and stages of life, while aiming to meet the City's affordability and sustainability objectives. In addition, the Pilot will also help identify any policy and/or process improvements that are necessary to increase the viability of missing middle projects and their uptake.

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