

Housing Now Progress Update

Date: February 22, 2021

To: Board of Directors, CreateTO

From: Vice President, Development

Wards: All

SUMMARY

On January 30, 2019, City Council approved a signature affordable housing program, the "Housing Now Initiative," to leverage City-owned land for the purpose of creating new, mixed-use, mixed-income communities near transit. Through the Initiative, 11 properties were initially identified for development, with the potential to create a total of 10,000 new residential units.

On May 28, 2020, Council approved the addition of six more sites to the Housing Now Initiative with the potential to create 1,455 to 1,700 additional residential units. The Housing Now Initiative is coordinated through a Steering Committee composed of senior staff from the Housing Secretariat, City Planning and CreateTO.

The purpose of this report is to provide the CreateTO Board of Directors with a broad status update on the progress made to-date on activating the 17 properties.

RECOMMENDATIONS

The Vice President, Development recommends that the Board of Directors of CreateTO receive this report for information.

FINANCIAL IMPACT

There is no additional financial impact to CreateTO arising from the recommendations in this report. Resources required to support this initiative are being allocated from the current staffing complement and are part of the approved operating budget.

Due diligence, marketing and human resource costs are being recovered by CreateTO from the Housing Secretariat in line with current City approved budgets.

EQUITY IMPACT STATEMENT

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 approach recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, inclusive and sustainable communities.

The Housing Now Initiative is a key program under the HousingTO 2020-2030 Action Plan aimed at creating new affordable rental housing within mixed-income, transit rich, complete communities. Creating new affordable housing through the Housing Now Initiative will increase the opportunity for structurally vulnerable and marginalized individuals, including Indigenous Peoples, Black people, people of colour, seniors, women, and members of the LGBTQ2S+ community to access safe, healthy and adequate homes. More housing opportunities for essential workers and families will also be created through the Housing Now Initiative.

Safe, secure, affordable housing is an important social determinant of health. It improves the social and economic status of individuals, families and communities. 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

On December 13, 2018, City Council adopted the Housing Now Initiative by approving the activation of 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 30, 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 January 27, 2020, the CreateTO Board of Directors adopted CreateTO staff recommendations to authorize Management's recommendations authorizing negotiations of land leases and purchase and sale agreements with the preferred proponents for 50 Wilson Heights Boulevard and 777 Victoria Park Avenue.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA10.2>

On May 28, 2020, Council approved the creation of new affordable housing opportunities through Phase Two of the Housing Now Initiative.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC21.3>

On June 29, 2020 Council received the Housing Now Initiative- Annual Progress Report. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH14.3>

COMMENTS

HousingTO 2020-2030 Action Plan

Advancing the individual Housing Now projects will support the City's HousingTO 2020-2030 Action Plan targets. It will provide a range of new housing, including much-needed affordable and supportive housing, some within new complete communities.

Progress since the December 4th, 2020 Board Meeting

Since the December 4, 2020, Board meeting, progress has been made to advance the Housing Now Initiative, as outlined on Attachments 1 and 2. Attachment 1 is the 'Milestone Report' including all properties from both Phase 1 and Phase 2. The Milestone report identifies key metrics for each property including the number of affordable units, target dates for the market offering, and estimated dates for start of construction, by project. Attachment 2 is the 'Unit Tracker' for both Phase 1 and 2. This tracker outlines estimated unit count per property, including a sum of how many units are at specific stages of the development cycle. Additional detail on each site is provided in the subsequent section of this report.

Phase One - 11 Properties

Below is a summary of the status of each of the Phase One sites:

50 Wilson Heights Boulevard

The Executive Director, Housing Secretariat, the Deputy City Manager, Corporate Services, the Chief Financial Officer and Treasurer and CreateTO Board have provided authority to enter into the land Lease with the developer proponent. Final legal agreements are currently being settled and being prepared for execution. An announcement of the successful proponent is being co-ordinated between the Housing Secretariat and CreateTO.

777 Victoria Park Avenue

The selection of the preferred bidder 777 Victoria Park Avenue has been approved by the Executive Director, Housing Secretariat, the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer. The site's Zoning by-law was approved by Council at its November 29, 2019 meeting and is in force. Final documents are being finalized with the proponent. Due diligence periods are underway. The preferred proponent is actively pursuing financing. Final Transaction terms are with the CreateTO board for consideration at this meeting.

705 Warden Avenue

A revised Zoning By-law and draft plan of subdivision conditions were approved by City Council June 28, 2020. The Zoning By-law is in force. The business and marketing plan was approved by the Executive Director, Housing Secretariat, the Deputy City Manager, Corporate Services and the Chief Financial Officer. The site was released to market on August 10, 2020, and bids were received on October 7, 2020. A preferred proponent has been selected and the Term Sheet has been negotiated, and approved by the CreateTO Board, the Deputy City Manager, Corporate Services and the Chief Financial Officer. Legal agreements are being finalized with the Proponent. Final Transaction terms are with the CreateTO board for consideration at this meeting.

140 Merton Street

The site's Zoning by-law was approved by Council at its December 17, 2019 meeting and is in force. The property's business and marketing plan has been approved. The project was awaiting City Council approval of the Housing Secretariat's 2021 Capital Budget which was recently approved on February 18, 2021. With budget approvals now in place, CreateTO and Housing Secretariat staff will work expeditiously to offer this property to the non-profit development sector over the upcoming weeks.

Bloor-Islington and Bloor-Kipling

In the fall of 2019, work began on the preparation of a Block Context Plan for the 17-acre site at Bloor-Kipling and the 3.8-acre site at Bloor-Islington. To-date two public meetings have been held jointly on each proposal. A conceptual site plan for the relocated TTC bus terminal at Bloor Islington is nearing completion. Following collaboration with the TTC and City Planning, the northern boundary for the Housing Now development blocks have been established and details regarding the design of the intersection of the new public road, TTC driveway and Islington Avenue are being finalized. CreateTO and City Planning have finalized Block Context Plans for both Bloor-Kipling and Bloor-Islington. These projects were presented to the City's Design Review Panel (DRP) on October 8, 2020. CreateTO and City Planning are finalizing the approach for an expedited work program for technical review of the zoning package, and are targeting the re-zoning and plan of subdivision submission for the Bloor-Kipling site in Q1 2021 and the Bloor-Islington site in Q2 2021.

805 Don Mills Road

The Ontario Line is proposed to be elevated above ground on Don Mills Road, having a significant impact on the size of the development block. Metrolinx's current proposed alignment for the Ontario Line encroaches into the western portion of the property, right at the intersection of Don Mills Road and Eglinton Avenue East. CreateTO is currently working closely with Metrolinx and the architect team to update the preliminary development concept to consider how the proposed above grade infrastructure impact on the site. Once these plans are complete, City Planning and CreateTO will work closely to coordinate a re-zoning and draft plan of subdivision submission, currently anticipated for the end of Q2 2021. In the interim, CreateTO is working with City Planning and other Divisions to finalize elements of the future subdivision at 805 Don Mills Road to facilitate the construction of new roads, which are required to realize the development opportunity at this location.

770 Don Mills Road

The development concept for 770 Don Mills Road is subject to a Land Exchange with the Toronto District School Board as considered by General Government and Licensing Committee on June 14, 2019 and adopted by City Council on July 16, 2019 (GL6.17). One requirement of the Land Exchange is for the City of Toronto to provide 54,000 square feet of stratified fee simple interest on part of 770 Don Mills Road to support a new TDSB elementary school. In order for the City to provide the necessary design components of the future TDSB elementary school, a portion of the parking lot used by the Ontario Science Centre (on land owned by the City), is required. Discussions are currently underway with the Ministry of Heritage, Sport, Tourism, and Culture Industries with respect to the additional lands. CreateTO is also considering a plan that contains the TDBS elementary school onsite without the need for additional lands.

251 Esther Shiner Boulevard (Oriole Yards)

The Oriole Yards Study has identified a plan for relocating existing City uses from the site to free the lands for development. The development of the Block Context plan is currently under way and is expected to be complete by Q2 2021, with a rezoning submission planned for Q3 2021.

1250 Eglinton Avenue West, 3933 Keele Street

The property at 3933 Keele Street will be brought to market on the completion of the Finch West Light Rail Transit (LRT), expected in 2023/24. The property at 1250 Eglinton Avenue West will be available for marketing following completion of the Eglinton Crosstown, which is expected in 2022.

Phase Two: 6 Properties

405 Sherbourne Street

Real property due diligence and concept planning is currently underway. A re-zoning submission is being prepared with targeted submission in early March. A second community consultation meeting has been planned for April 1st, 2021. The Final Planning report and zoning by-law are planned to be brought forward for a statutory public meeting at the June 2021 Planning and Housing Committee.

1631 Queen Street East

Real property due diligence and concept planning is currently underway. The first community consultation will take place on December 7, 2020, and presentation to the Design Review Panel will take place on December 10, 2020. Plans are currently under revision to consider feedback obtained through the above two meetings. A re-zoning submission is targeted for Q2 2021.

150 Queen's Wharf Road

Real property due diligence is currently underway. CreateTO's architectural and consultant team have prepared a development concept in collaboration with City Planning, which visited design review panel on Feb 11th, 2021. A community meeting has been scheduled to take place on March 8, 2021.

2444 Eglinton Avenue East

Real property due diligence is currently underway. CreateTO has selected an architecture firm and work is underway in close consultation with City Planning on a reference concept plan which will be before design review panel on March 11th, 2021. This site has been selected by the Housing Secretariat, City Planning and CreateTO as the pilot to go to market in advance of a zoning submission. Before the pilot is launched in the market, consultation will be held with the Ward Councillor and community. The pilot will be used to assess if this approach shortens the overall timelines for the ultimate delivery of constructed and occupied affordable housing units. Through the pilot, CreateTO will also try to assess the following:

- Regulatory Risks: what is the impact on market interest on Housing Now sites when the developer, and not City/CreateTO, will carry the risk of an appeal of the zoning by-law?
- Financing: how is access to CMHC financing affected by a developer-led, rather than City-lead re-zoning process, when financing is contingent on zoned sites?
- Financial savings: does the approach set up through the pilot result in any financial savings to the City?
- Quality: is the quality of the application equal with re-zoning that would be prepared and reviewed collaboratively with CreateTO and City Planning?

A separate report on Business Case Approval for the pilot is in front of the CreateTO Board for consideration at this meeting.

158 Borough Drive

Real property due diligence is currently underway. CreateTO is working closely with City Planning on a development concept that will be before design review panel on March 11th, 2021.

1627 & 1675 Danforth Avenue

Due Diligence is underway building on the Council-approved framework established by Danforth Garage Master Plan. The consultant team has been on boarded and refinement of uses, unit counts and a phasing plan are underway. Stakeholder engagement to begin end of March with TPL, TTC and Children Services to prepare functional programs to inform massing, built form and adaptive reuse of the historic Danforth Garage

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Phase 1 Housing Now Milestone Report
Attachment 2 - Housing Now Unit Tracker