

Housing Now Progress Update

Date: August 27, 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>

On July 23, 2020 the CreateTO Board of Directors endorsed the revisions to the business case for 705 Warden Ave and directed management to market 705 Warden.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA14.5>

On December 4, 2020 the CreateTO Board of Directors adopted CreateTO staff recommendations to direct management to negotiate the land lease and other legal agreements with the preferred proponents for 705 Warden Ave.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA19.6>

On Dec 4, 2020 the CreateTO Board of Directors approved the negotiated agreements for 50 Wilson Heights Boulevard.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA19.7>

On February 2, 2021 Council adopted the Community Benefits Frameworks applicable to Housing Now.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX20.7#>

On March 8th, 2021 the CreateTO Board of Directors approved the negotiated agreements for 777 Victoria Park Avenue.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.RA21.4>

On March 8th, 2021 the CreateTO Board of Directors approved the negotiated agreements for 705 Warden Avenue.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.RA21.5>

On March 8th, 2021 the CreateTO Board of Directors approved the business case for 2444 Eglinton Ave E and directed management to release the property to market and retain the services of a fairness monitor and broker.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.RA21.6>

On May 11th, 2021 The CreateTO Board of Directors approved the business case for 405 Sherbourne Street and Block One Bloor Kipling and directed management to release the properties to market.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.RA22.11>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.RA22.12>

On July 14, 2021 City Council requested CreateTO to require the application of the Toronto Green Standard Version 4, Tier 2 for all development agreements, including the Housing Now Initiative.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH25.17>

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 July 7, 2021 Board Meeting

Since the July 7, 2021, 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 the 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.

In addition to the property specific updates below work is advancing to bring forward an additional batch properties that would form Phase Three of the Housing Now Portfolio. The proposed Phase Three properties would be brought forward for Council endorsement during the October 2021 City Council Cycle.

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 continue to be settled. An announcement of the successful proponent continues to be co-ordinated between the Housing Secretariat and CreateTO.

777 Victoria Park Avenue

Approval has been sought from the Executive Director, Housing Secretariat, the Deputy City Manager, Corporate Services, the Chief Financial Officer and Treasurer and CreateTO Board for authority to enter into the Land Lease with the developer proponent. Final legal agreements continue to be settled. An announcement of the successful proponent continues to be co-ordinated between the Housing Secretariat and CreateTO. The successful proponent continues to work thru underwriting and financing with CMHC.

705 Warden Avenue

Approval has been sought from the Executive Director, Housing Secretariat, the Deputy City Manager, Corporate Services, the Chief Financial Officer and Treasurer and CreateTO Board for authority to enter into the Land Lease with the developer proponent. Final legal agreements continue to be settled. An announcement of the successful proponent continues to be co-ordinated between the Housing Secretariat and CreateTO.

140 Merton Street

The property's business and marketing plan has been approved. An RFP detailing the non-profit market offering, was launched on June 2nd and will close on August 27th, 2021.

Etobicoke Centre - 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 three public meetings have been held jointly on each proposal, concluding the Block Context Plan design and consultation process. The Block Context Plans will provide the foundation for ongoing planning approvals at these two locations.

Bloor Kipling

A re-zoning application was submitted for Blocks 1, 2, 5 on March 31, 2021 and was approved by City Council on July 14, 2021. These blocks represent 107,000 square metres of development and two new public parks. Bills are expected to be enacted at the September meeting of City Council. The business case for Block 1 at Bloor Kipling was approved by the Board at its May 11, 2021 meeting and has been approved by the Deputy City Manager, Corporate Services and Chief Financial Officer. Work is currently under way to prepare for a Block 1 market launch in Q4 2021.

Bloor Islington

A site plan application for the relocated TTC bus terminal at Bloor Islington has been submitted by TTC. 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. The re-zoning and subdivision application are timed for Q4 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 on the western portion of the property, 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 will impact the site. CreateTO is also working closely with City Planning to coordinate a re-zoning and draft plan of subdivision submission, currently anticipated for the end of Q3 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. A community consultation meeting and a presentation of the proposed development concept to the Design Review Panel have been scheduled for September 14 and September 16, 2021 respectively.

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 Licencing 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. CreateTO is considering a plan that contains the TDSB elementary school on site without the need for additional lands. City Planning and CreateTO are working to coordinate a re-zoning and draft plan of subdivision submission, currently anticipated for the end of Q3 2021. A community consultation meeting and a presentation of the proposed development concept to the Design Review Panel have been scheduled for September 14 and September 16 2021, together with the 805 Don Mills Road site.

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, with a rezoning submission and plan of subdivision submission planned for Q1 2022. A term sheet with North York General Hospital for the inclusion of new long-term care beds within the development is currently under negotiation.

1250 Eglinton Avenue West, 3933 Keele Street

Given the size and substantial development constraints to the 3933 Keele Street site by the Metrolinx entrance building, additional opportunities for this site are being explored. Feasibility of the 1250 Eglinton Ave West within the Housing Now business model is currently being tested. 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

A re-zoning application was submitted on March 10, 2021 and was approved by City Council on July 14, 2021. On June 16, 2021, the Toronto Preservation Board approved the recommendations to alter the property at 405 Sherbourne Street, which is designated under Part V of the *Ontario Heritage Act*. Bills are expected to be enacted following the resolution of servicing matters involving a third party. The business case was approved by the Board at its May 11, 2021 meeting, and has also been approved by the Deputy City Manager, Corporate Services and Chief Financial Officer. Timing for release of non-profit market offering is under review.

1631 Queen Street East

Real property due diligence and concept planning has been completed. The first community consultation took place on December 7, 2020, and presentation to the Design Review Panel took place on December 10, 2020. A re-zoning submission was made on May 31, 2021, *and* a second community meeting was held June 10, 2021. Community and treaty rights holders meetings continue on the Indigenous Place Keeping component of the project. Preparation for a second rezoning submission is under way and anticipated in Q4, 2021.

150 Queen's Wharf Road

Real property due diligence has been completed. CreateTO's architectural and consultant team have prepared a development concept in collaboration with City Planning, which visited Design Review Panel on February 11, 2021. A community meeting took place on March 8, 2021. A re-zoning submission was made on June 4, 2021. A second public meeting was held on July 12, 2021. *A second re-zoning submission was made on July 19. The final rezoning report and statutory meeting is planned for Planning and Housing Committee's October 18, 2021 meeting.*

2444 Eglinton Avenue East

The CreateTO Board endorsed the business case for this project on March 8, 2021. This site was selected to proceed as a pilot to test going to market prior to zoning. CreateTO continues to work with City Planning on a reference concept plan which was before Design Review Panel on March 11, 2021. A first community meeting was held on April 12, 2021. A follow up community working group meeting was requested to be held prior to market offering by the Ward Councillor. The community working group meeting was held on June 28, 2021. Work is currently under way to prepare for a market launch in Q4 2021.

158 Borough Drive

Real property due diligence is currently under way. CreateTO is working with City Planning on a development concept that was before Design Review Panel on March 11, 2021. A first public meeting was held on April 19, 2021. An Official Plan Amendment and Re-zoning submission was made on June 25, 2021. A second public meeting was held on July 26, 2021. Preparation for a second rezoning submission is under way.

1627 & 1675 Danforth Avenue

Due Diligence is under way based on the Council-approved framework established by the Danforth Garage Master Plan. The consultant team has been on-boarded and refinement of uses, unit counts and a phasing plan are under way. Stakeholder engagement has begun with Toronto Public Library, Toronto Transit Commission and Children Services to prepare functional programs to inform massing, built form and adaptive reuse of the historic Danforth Garage.

Phase Three: Site Selection

Work is under way to identify appropriate sites to form part of Phase 3 for Housing Now. A report detailing the Phase 3 sites is expected at Planning and Housing Committee in October 2021.

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SIGNATURE

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ATTACHMENTS

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