

## Housing Now Progress Update

Date: May 3, 2022

To: Board of Directors, CreateTO

From: Chief Executive Officer

Wards: All

### REASON FOR CONFIDENTIAL INFORMATION

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The Confidential Attachment to this report deal with a proposed or pending disposition of land by the Board of Directors of CreateTO and the City of Toronto; contains financial information supplied in confidence to the CreateTO Board 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 relates to a position, plan or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the Board of Directors of CreateTO and the City.

### SUMMARY

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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.

On October 28, 2021 Planning and Housing Committee endorsed four Phase Three sites which were endorsed by Council on November 9th and 10th. These sites are estimated to add between 1,150 and 1,400 net new homes, including between 450 to 600 affordable rental homes. 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 21 properties.

## **RECOMMENDATIONS**

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

1. Direct that Confidential Attachment 1 remain confidential as it relates to a proposed or pending disposition of land by the Board of Directors of CreateTO and the City, contains financial information supplied in confidence to the CreateTO Board 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 relates to a position, plan or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the Board of Directors of CreateTO and the City.

## **FINANCIAL IMPACT**

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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**

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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

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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>

On Oct 28, 2021 Planning and Housing Committee received the Housing Now Initiative-Annual Progress Report  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH28.2>

## COMMENTS

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### **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 March 7, 2022 Board Meeting**

Since the March 7, 2022, 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 Phase One and Phase Two. 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 Phase One and Two. 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 report.

Trackers for the Phase Three sites will be created when concept development for each of the four projects progresses.

### **Phase One Status Update - 11 Properties**

#### *50 Wilson Heights Boulevard*

Final legal agreements have been settled, and the announcement of the successful developer proponent was made in October 2021. Tridel Builders Inc. and Greenwin Holdings Inc. have been selected to lead the development. This Housing Now site will lead to 1,484 new residential homes, including 520 affordable rental homes, 520 market rental homes, and 444 market condominium homes, as well as a new child care centre, commercial space, and a community space for non-profit organizations. A Site Plan application was filed in December 2021. Construction is planned to begin by the third quarter of 2022. Current risks to the project include sanitary capacity issues, confirmation of acceptable CMHC financing and the rapid movement in construction price escalation and interest rates.

#### *777 Victoria Park Avenue*

Final legal agreements have been executed, and the announcement of the successful developer proponent was made in November 2021. Alterra Group of Companies and Mahogany Management have been selected to lead this development. This site will lead to the delivery of a minimum of 508 residential homes, including 254 affordable rental homes and 254 market rental homes. The development will also deliver a new child care centre, retail and community space, and new publicly accessible open space and improvements to the public realm. Site Plan applications for 777 & 781 Victoria Park Ave are being prepared and will be submitted imminently. Current risks to the project include confirmation of acceptable CMHC financing and the rapid movement in construction price escalation and interest rates.

#### *705 Warden Avenue*

Final legal agreements have been executed and the announcement of the successful developer proponent was made on October 19, 2021. Greenwin Holdings Inc. and KingSett Affordable Housing LP have been selected to lead the development. This site will lead to 250 affordable rental homes and over 350 market rental homes, as well as the expansion of Warden Hilltop Park, a new child care centre, and additional retail space. A Site Plan application was filed in December 2021. Construction is planned to begin in Q4 2022. Current risks to the project include coordination of drainage over the adjacent TTC corridor, coordination with adjacent TRCA lands, confirmation of acceptable CMHC financing and the rapid movement in construction price escalation and interest rates.

### *140 Merton Street*

A Request for Proposals (RFP) for this site was issued to the non-profit sector on June 2, 2021 and closed on August 27, 2021. Proposals have been reviewed by an interdivisional team of City and CreateTO staff. A proponent selection has been made and approved by the delegated authorities at the City of Toronto. Negotiations with the selected non-profit developer partner have commenced. Current risks to the project include confirmation of acceptable CMHC financing and the rapid movement in construction price escalation and interest rates.

### *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*

On July 14 2021, Council adopted the Block Context Plan for Bloor-Kipling and the Zoning By-law Amendment for Blocks 1, 2, and 5. These blocks represent 107,000 square meters of development and two new public parks. Block 1 was released to market on October 14th, 2021 and bids were received on December 14, 2021. Bids have been evaluated by an interdivisional team of City and CreateTO staff under the watch of a fairness monitor. A term sheet has been negotiated with the preferred proponent and was approved by the CreateTO Board at the April 2022 cycle. The Lease, Project Agreement and Contribution Agreement have been negotiated with the successful proponent and are before the CreateTO Board for approval. Current risks to the project include the outstanding negotiations and legal agreements with the District Energy provider, confirmation of acceptable CMHC financing and the rapid movement in construction price escalation and interest rates.

### *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 finalized. The re-zoning and subdivision application were submitted in December 2021. A final zoning report is being planned for the July 2022 Planning and Housing Committee (PHC) meeting. The largest risk to the project is the required acquisition of lands required for the plan of subdivision from the Hydro One.

### *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. The proposed development concept of 770 & 805 Don Mills Rd was presented at a community consultation meeting held on September 14, 2021, and consideration by the Design Review Panel on September 16, 2021. A re-zoning and plan of subdivision submission was made for the

805 Don Mills site on October 19, 2021 with a second submission made in January 2022. A final zoning report is being planned for the May 2022 Planning and Housing Committee (PHC) meeting. The largest risk to the project is the required acquisition of lands required for the plan of subdivision from the church lands to the south.

#### *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. A community consultation meeting and a presentation of the proposed development concept to the Design Review Panel were held respectively on September 14 and September 16, 2021, together with the 805 Don Mills Road site. A re-zoning and plan of subdivision was made for the 805 Don Mills site on October 19, 2021 with a second submission made in January 2022. A final zoning report is being planned for the May 2022 Planning and Housing Committee (PHC) meeting. The largest risk to the project is the completion of the land exchange agreement with the Toronto Lands Corporation.

#### *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 complete and appeared before Design Review Panel on February 17, 2022. Timing for an upcoming community consultation session is being coordinated with the local councillor. The largest risk to the project is the required relocations of the current works yard uses.

#### *1250 Eglinton Avenue West, 3933 Keele Street*

Given the size and substantial development constraints to the 3933 Keele Street site by the Metrolinx station 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 and is anticipated to be complete in Q2 2022. The property at 1250 Eglinton Avenue West will be available for marketing following completion of the Eglinton Crosstown transit line, which is expected in 2022.

### **Phase Two Status Update - Six Properties**

#### *405 Sherbourne Street*

City Council approved the Zoning By-law Amendment for this site 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 by Q2 2022 following the resolution of servicing matters involving a third party. The business case has been approved by the CreateTO Board and by the Deputy City Manager, Corporate Services and Chief Financial Officer. This site will be released through an RFP process to be led by the Housing Secretariat to select a non-profit partner to develop and operate this site, with the non-profit market offering to launch in second quarter of 2022. Current risks to the

project include the availability of CMHC financing and the rapid movement in construction price escalation and interest rates.

#### *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 re-zoning submission is under way. The largest two risks to the project are the required relocations of the existing site uses (childcare and Toronto Employment & Social Services) as well as the local community opposition to the 18 storey building fronting Eastern Ave.

#### *150 Queens Wharf Road*

The final rezoning report and statutory public meeting for this site were considered by Planning and Housing Committee on October 18, 2021 and were adopted by City Council on November 9-10, 2021. The Zoning By-law will be submitted as a Bill to be brought forward to Council once the servicing matters are resolved per recommendation 3 in the Housing Now 150 Queens Wharf Road Zoning Amendment Final Report. This site will be released through an RFP process to be led by the Housing Secretariat to select a non-profit partner to develop and operate this site, with the non-profit market offering to launch in the second quarter of 2022. Current risks to the project include the above-mentioned sanitary capacity issues, confirmation of acceptable CMHC financing and the rapid movement in construction price escalation and interest rates.

#### *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. A community meeting for the site was held on April 12, 2021 and a community working group meeting was held on June 28, 2021. The site was released to market on October 14th 2021 and bids were received on December 14, 2021. Bids were evaluated by an interdivisional team of City and CreateTO staff under the watch of a fairness monitor. An update on the proponent selection approval is provided in Confidential Attachment 1 to this report. Current risks to the project include the rapidly increasing construction costs given the extended timeline to construction with the proponent carrying out the rezoning application directly, all within an already constrained proforma.

#### *158 Borough Drive*

Real property due diligence is complete. The 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, and a second submission in Q4 2021. A final rezoning report was approved by City Council in April 2022. The business case for this project was approved by the CreateTO Board at its meeting in April 2022. The market offering is currently planned for a launch at the end of May 2022. Current risks to the project include the availability of CMHC financing in addition to the rapid movement in construction price escalation and interest rates.

### *1627 & 1675 Danforth Avenue*

Due diligence is underway based on the Council-approved framework established by the Danforth Garage Master Plan. 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. Housing Now is one element of a complex interconnected redevelopment of the site. Work is underway to confirm the ability to advance the Housing Now block independent from the detailed design and stakeholder work being developed for the entirety of the site- giving consideration for an integrated design.

### **Phase Three Status Update - Four Properties**

On November 9 and 10, 2021 City Council endorsed the below Phase Three sites.

- 40 Bushby Drive
- 2700 Eglinton Avenue West
- 4040 Lawrence Avenue East
- East Bayfront (also known as Block R6)

These sites are estimated to add between 1,150 and 1,400 net new homes, including between 450 to 600 affordable rental homes. The total number of affordable homes will be determined based on the results of the market offering process, selection of successful proponents, and the planning review and approval process.

CreateTO has issued a request for architectural proposals for the sites above which closed at the end of February. Successful architects are being on boarded and concept drawings have begun on some files. CreateTO is continuing to procure consultant services to complete the requisite due diligence. Timelines for the upcoming community consultations and rezoning submissions will be taken in the context of the 2022 municipal election.

### **Future Sites**

In addition to the Phase Three sites, Council has approved a pipeline of five sites which, subject to feasibility analysis, can be added to future phases of the Housing Now Initiative. Creating a pipeline of sites will enable CreateTO to undertake early due diligence work to ensure sites can move more quickly through the planning approval and development stages, as well as receive future federal and provincial funding opportunities, if they become available, to support the development of new housing.

The six sites identified as potential future sites include:

- Block 7 (Christie's Secondary Plan)
- Parkdale Hub
- Allen District (Downsview)
- 101 Coxwell Avenue
- 5151 Yonge Street
- 20 Shortt Street

CreateTO has issued a request for architectural proposals for the sites above which closed at the end of February. Successful architects are being on-boarded and concept drawings have begun on some files. CreateTO is continuing to procure additional

consultant services. Report back timing for the results of each respective feasibility analysis will be determined as consultant work is undertaken.

## **Community Engagement**

CreateTO is actively working with our partners in the Housing Secretariat and City Planning to assess and evaluate the community engagement process for Housing Now and will report back on a revised engagement approach prior to advancing consultation on the Phase Three sites.

## **Portfolio Wide Risk Factors**

CreateTO continues to monitor key risk factors that could significantly impact the ability to implement the Housing Now Initiative as currently structured. These risk factors include:

- Availability, timing of funds and appropriate loan to cost ratios of the CMHC Rental Construction Financing Initiative;
- Upward trending interest rates;
- Rapid escalation in construction pricing;
- Large scale equity requirements on projects designated for Non-profits particularly;
- Community objection to redevelopment of sites often based on intensification or rental tenure.

CreateTO, the Housing Secretariat and City Planning are working together to move the program as expeditiously as possible to help mitigate the above risk factors as well as exploring supplemental granting and financing programs that maybe brought forward to support future phases of Housing Now. CreateTO, the Housing Secretariat and City Planning also continue to work with various teams within the City to understand and mitigate the impact of Council Approved policy direction such as the new definition of Affordable Housing, Inclusionary Zoning and anticipated increases to Development Charges on delivery of Housing Now projects.

## **CONTACT**

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## **SIGNATURE**

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Vic Gupta  
Chief Executive Officer  
CreateTO

## **ATTACHMENTS**

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

Confidential Attachment 1 - 2444 Eglinton Ave E Proponent Selection Update