TORONTO

REPORT FOR ACTION

Concept 2 Keys (C2K) Dashboard: April 2023 Priority Development Applications Status Update

Date: April 13, 2023

To: Planning and Housing Committee

From: A/Deputy City Manager

Wards: All

SUMMARY

Concept 2 Keys (C2K) is an innovative program that is changing how Planning and Development applications are reviewed at the City of Toronto. C2K is creating new application review teams comprised of staff from across City divisions to help create a more collaborative and coordinated relationship between applicants and the City. The goal is to improve the experience of applicants submitting development proposals and the processes used by City staff across divisions reviewing these applications.

At its meeting of February 28, 2023, the Planning and Housing Committee adopted, with amendments, Item PH2.4 "Concept 2 Keys (C2K) Dashboard: February 2023 Priority Development Applications Status Update". The committee amendments requested that the Acting Deputy City Manager bring forward the Concept 2 Keys Dashboard report to every second Planning and Housing Committee meeting for the remainder of the 2022-2026 term of Council, commencing with the April 27, 2023, committee.

The purpose of this report is to provide Planning and Housing Committee with the April 2023 updated C2K Dashboard for each priority development application currently being reviewed through C2K's Priority Development Review Stream (PDRS) for the period from February 4, 2023, to March 24, 2023. Since the February 2023 Dashboard report, the number of approvals has increased from 8 to 10 and the total number of approved affordable rental units has increased from 495 to 595. In addition, several applications have advanced through the development review process based on the stages within the dashboard

RECOMMENDATIONS

The A/Deputy City Manager recommends that:

1. The Planning and Housing Committee receive this report for information.

FINANCIAL IMPACT

There are no financial impacts arising from this report. The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications.

DECISION HISTORY

At its meeting of February 28, 2023, the Planning and Housing Committee adopted Item PH2.4 "Concept 2 Keys(C2K) Dashboard: February 2023 Priority Development Applications Status Update" to request the Acting Deputy City Manager to bring forward the Concept 2 Keys Dashboard report to every second meeting of Planning and Housing Committee for the remainder of the 2022-2026 term of Council, commencing from the Planning and Housing Committee meeting of April 27, 2023. https://secure.toronto.ca/council/agenda-item.do?item=2023.PH2.4

At its meeting of January 19, 2023, the Planning and Housing Committee adopted Item PH1.2 "Concept 2 Keys(C2K) Dashboard: January 2023 Priority Development Applications Status Update" to request the Chief of Staff, City Manager's Office to include in subsequent reports on the Dashboard to Planning and Housing Committee, both the original date the application was submitted and the original construction target date for each project as part of the Concept 2 Keys Dashboard for the 2022-2026 term of Council.

https://secure.toronto.ca/council/agenda-item.do?item=2023.PH1.2

At its meeting of July 5, 2022, the Planning and Housing Committee adopted Item PH35.6 "Concept 2 Keys (C2K) Dashboard: Status of Priority Development Applications" to request the Chief of Staff, City Manager's Office to continue to report to each of the Planning and Housing Committee meetings in next term of Council with a Concept 2 Keys Dashboard which lists all of the current Concept 2 Keys projects and their project status.

http://app.toronto.ca/tmmis/viewAgendaltemHistory.do?item=2022.PH35.6

COMMENTS

The City supports affordable housing projects in many ways, through programs such as: Modular Housing, Rapid Housing Initiative, Open Door, and Housing Now, along with the leadership support of the Housing Secretariat, City Planning, CreateTO and others. Many of the development applications assigned to the Priority Development Review Stream (PDRS) come through these programs. The City's Housing Secretariat has developed a set of clear, quantifiable criteria to determine a priority score that is used to rank priority applications which are then streamed to the PDRS for review by the dedicated review team. The PDRS is supported by a dedicated inter-divisional review team that focuses on prioritizing and expediting approvals of affordable housing projects city-wide. The intent of this review stream is to support one of the City's key strategic priorities of maintaining and creating housing that is affordable, as well as supporting the implementation of the HousingTO 2020-2030 Action plan which targets 40,000 new affordable rental homes by 2030.

The C2K Dashboard is a collaborative effort between C2K, the Housing Secretariat and CreateTO and represents the priority projects streamed to PDRS across the four planning districts of the City. The status of an application represents the progress since the last dashboard at the specific point in time.

Currently, the PDRS has 31 development applications under review. Together, these affordable housing applications propose 2,164 affordable rental units. Since the last dashboard, two applications have reached the approval stage with a total of 95 affordable rental units. In addition, there have been two pre-application consultation meetings held since the February Dashboard report. Details of these applications are provided in Attachment 1 - C2K Priority Development Review Stream Program Dashboard - April 2023 Update.

As a result of ongoing consultations with councillors, the following changes have been made to the Dashboard since the February 28, 2023, Planning and Housing Committee meeting:

- Total Affordable Units Approved to Date: A new summary statistic has been added to the first page of the Dashboard to provide a running total of the affordable rental housing units approved since the beginning of Phase 1 of Concept 2 Keys in January 2021;
- Affordable Housing Units Approved for this Period: The title of this summary statistic
 on the first page of the Dashboard has been modified to denote the affordable rental
 units on the Dashboard approved through the reporting period. The revision is
 intended to clarify the difference between that statistic and the number of units noted
 for the total affordable rental units approved to date as discussed above;
- Complete Application: Under the "Stage of Approvals" section, in the column entitled "Complete Application", the information has been updated to include the date the application was deemed complete in accordance with the requirements of the Planning Act; and
- Detailed Status Update: The information provided in the detailed status update
 reflects a technical benchmark in the review process related to the specific type of
 application under review. For those applications that have progressed to Notice of
 Approval Conditions (NOAC), the status information has been enhanced to include
 the date the NOAC was issued. For those applications that have had a zoning bylaw approved, the information has been updated to be more specific as to the status
 of the approval.

All of the above noted updates have been included in the current Dashboard attached to this report (Attachment 1).

Since the February 2023 Dashboard report, the number of approvals has increased from 8 to 10 and the total number of approved affordable rental units has increased from 495 to 595. In addition, several applications have advanced through the development review process based on the stages within the dashboard.

It should also be noted that projects in the PDRS are only a subset of the Housing Secretariat's affordable rental development pipeline. Additionally, projects that are part of the Housing Now Initiative with planning applications shown as "on hold" are still active from a program perspective and will advance once financing details are finalized. The PDRS was launched as a pilot in January 2021 to focus on prioritizing and expediting approvals of affordable rental housing projects. Through the evolution of PDRS, there has been the opportunity to identify and learn more about the various influences with respect to moving affordable housing projects from the vision to construction and occupancy. Two main factors that have continued to evolve, especially this past year, include the funding of projects and the improvements to the development review process.

The Housing Secretariat manages the delivery of program funding and incentives for affordable housing solutions. The availability and timing of project funding confirmation can often represent a risk to development timelines. This is particularly true of affordable rental housing projects that are highly dependent on incentives, grants and access to low-cost financing and other supports from government in order for the project to be feasible. For instance, recent changes in programs at the federal and provincial levels have reduced the availability of funding significantly. At the provincial level, for instance, recent legislative changes have eliminated municipal housing service charges that had previously funded programs and grants for non-profits and others building affordable and rental housing. At the federal level, there was a recent cap placed on grant funding through Canada Mortgage and Housing Corporation's (CMHC) Housing Co-Investment fund. Combined with construction inflation and supply chain issues, we are seeing more projects stalling mid-stream as they struggle to remain financially viable.

The timing of project financing can also put development timelines at risk. CMHC financing for instance, is typically not finalized until later in the pre-construction process, which can add to financial uncertainty for prospective developers creating a hesitancy to incur other development or application costs, without having fully secured financing. The value and early timing requirements of developer equity that are stipulated through federal financing programs such as CMHC's Co-Investment Program and the Rental Construction Financing Initiative, can also add to development risk. City staff are supporting projects going through these processes and are providing feedback to CMHC staff on issues as they arise.

In addition to funding of projects, we are continually learning how to improve the development review process, including managing impacts from legislation changes. Since the launch of PDRS, the City has recognized that the development review process can be made more efficient by using a team based approach to work with the applicants prior to the application being submitted. Once the application is submitted, the team is assigned in order to foster a relationship of collaboration and transparency through regular meetings and addressing comments and concerns identified through the review process. This approach also enables the expeditious escalation on applications as needed to provide direction from senior leadership to discuss creative solutions cross divisionally at the Issues Resolution Table (IRT). In putting the team based approach into practice, the development review process has become more

collaborative by fostering communication through the teams and across divisions. This has enabled internal response time to move from the eight-week STAR timeline to an average of five weeks for PDRS files.

Along with the efficiencies that have been achieved, staff continue to identify opportunities for further improvement. As we continue to progress on priority applications, other opportunities for improvement may be identified. Together, the learnings will continue to evolve and be applied iteratively and incrementally to streamline the process and reduce the timelines on delivering affordable housing. Staff will continue to provide updates on opportunities for improvements to expediting affordable housing.

CONTACT

Noah Slater, Director, Housing Secretariat, Housing Development, Renewal and Improvement 416-397-4165

Noah.Slater@toronto.ca

Sarah Henstock, Project Director, Priority Development Review Stream (C2K) 416-394-2610

Sarah.henstock@toronto.ca

Ankita Verma, A/Director, Development Process & Performance Concept 2 Keys (C2K) 416-392-4411

Ankita.Verma@toronto.ca

SIGNATURE

Will Johnston
A/ Deputy City Manager
416-338-6181
Will.Johnston@toronto.ca

ATTACHMENTS

Attachment 1- C2K Priority Development Review Stream Program Dashboard - April 2023 Update.