

# Affordable Housing: Christie Lands

*Final Presentation*

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6	Considerations & Next Steps



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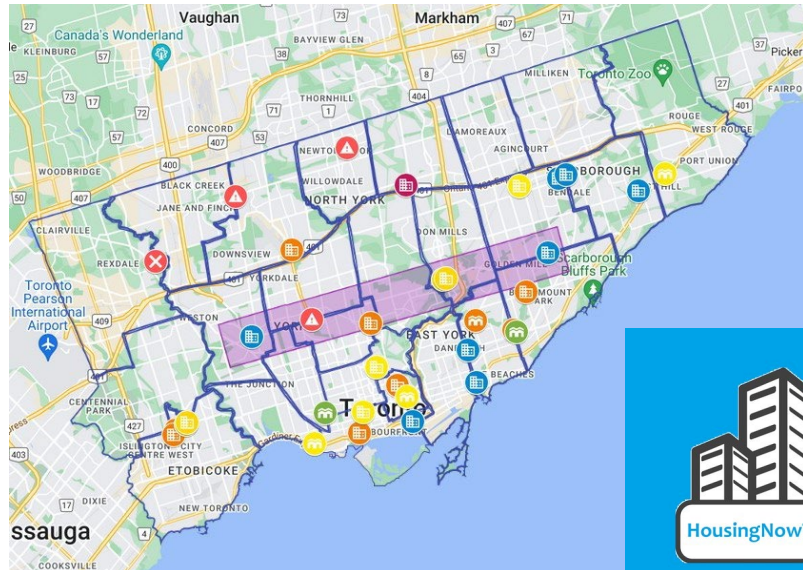


# Site Overview



Housing Now is a City of Toronto initiative that invests in **City-owned land to build affordable housing** in transit-oriented neighbourhoods.

Housing Now encourages developments with at least **1/3 affordable rental units**, at **80% average market rate** (AMR) for **99 years**.



Sites Tracked by HousingNowTO



HousingNowTO was **created in response** to the City of Toronto's Housing Now initiative.

It is a **civic tech project** that uses an **open data model** to ensure that the City is maximizing its resources and meeting its housing unit creation goals.

# Humber Bay Shores Context

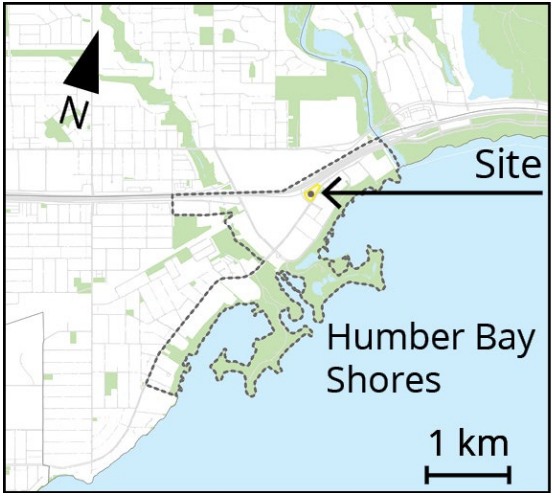
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- A 2-acre, triangular-shaped Site, that is bordered by **Lake Shore Boulevard West** to the east, the **Gardiner Expressway** to the northwest, and the Gardiner Expressway **access ramp** to the south
- The surrounding area is **characterized primarily by high-rise residential buildings with 2-4 storey podiums**
- **Direct proximity to parks, senior living and other community amenities**



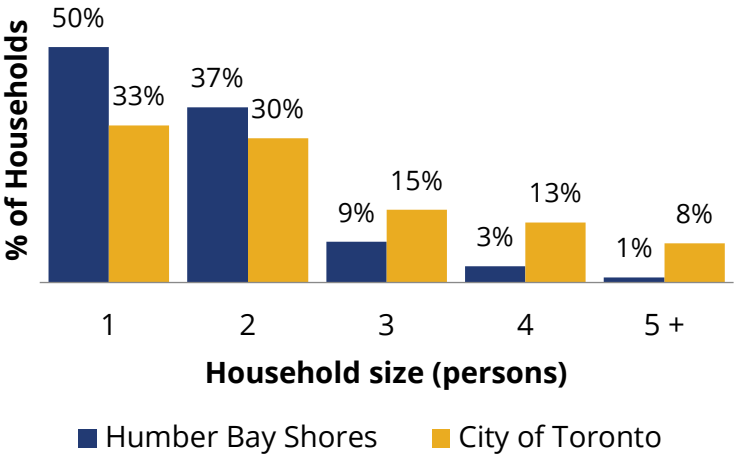
Site Context Map

# Humber Bay Shores Key Statistics



Neighbourhood Map

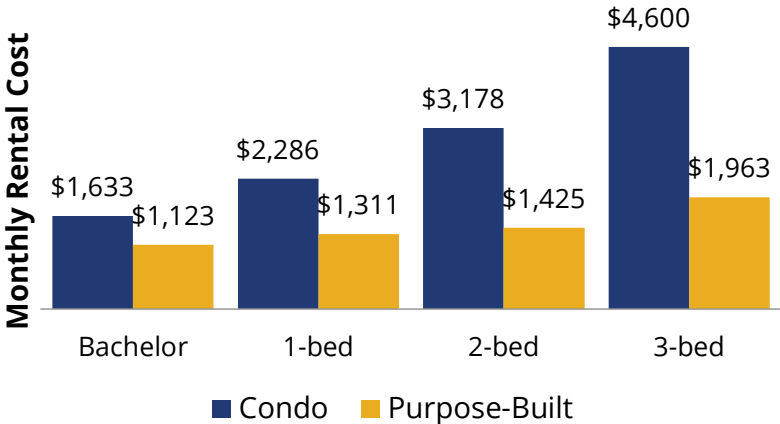
## Household Size Distribution



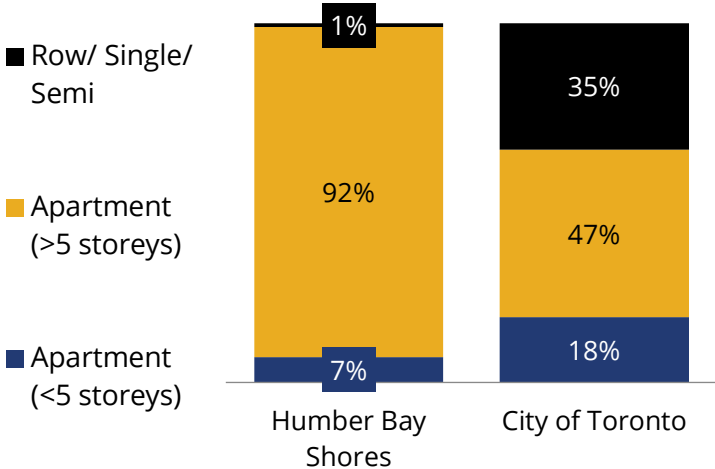
## Summary Statistics

	Humber Bay Shores	City of Toronto
Population Growth (2016 to 2021)	33%	2%
Visible Minority Population	44%	56%
Unaffordable Households	42%	32%
Average Household Size	1.7	2.4

## Monthly Rental Costs



## Dwelling Types



# 2150 Lake Shore West + Park Lawn GO Station

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- 2150 Lake Shore is a **28-acre development** adjacent to the Site and includes the new **Park Lawn GO Station**
- The plan includes **15 towers** with over **7,100 residential units**, offices, retail and various community amenities
- The development includes **six phases**



2150 Lake Shore Development

- A new **Park Lawn GO Station** is planned as part of the 2150 Lake Shore development
- The station is planned to be completed in the **first phase** of the development
- A site plan application was submitted on October 6, 2022



Proposed Park Lawn GO Station

# Site Constraints

There are numerous site constraints that could limit future development opportunities:

- **Enbridge Gas Pipelines**
- **Stormwater Infrastructure**
- **Gardiner Expressway Retaining Hill**
- **Civic Utilities**



**Gardiner Expressway Retaining Hill**



**Utilities Boxes**



- Site Boundary
- Retaining Hill
- - - Potential Developable Area
- Underground Gas Pipelines
- Above-Grade Utility Boxes and Fence
- Storm Sewer Access Points

\* Distance defined by Enbridge as N/NCL (North of North Curb Line)

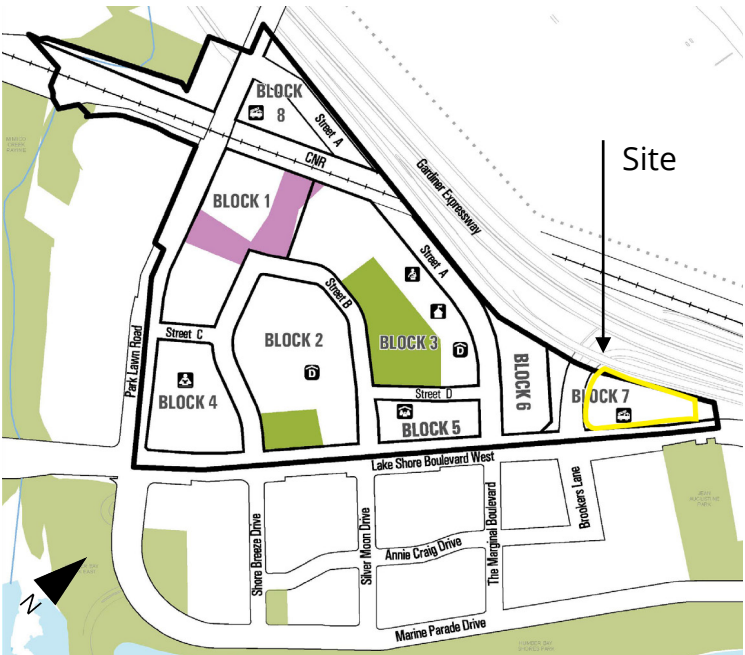
Toronto Official Plan



Land Use Designations

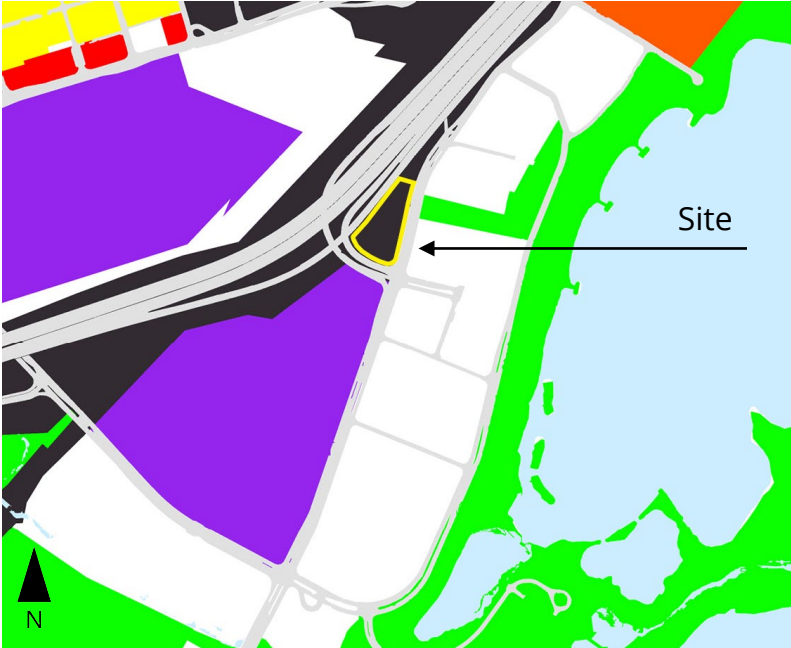
- |                          |                          |
|--------------------------|--------------------------|
| Neighbourhoods           | Institutional Areas      |
| Apartment Neighbourhoods | Regeneration Areas       |
| Mixed Use Areas          | General Employment Areas |
| Natural Areas            | Core Employment Areas    |
| Parks                    | Utility Corridors        |

Christie's Secondary Plan



- |                         |         |                             |
|-------------------------|---------|-----------------------------|
| Secondary Plan Boundary | Schools | Community Recreation Centre |
| Existing Parks          | Daycare | First Responders            |
| Proposed Public Parks   | Library | Community Agency Space      |
| POPS (Conceptual)       |         |                             |

Zoning Bylaw



- |                            |                       |
|----------------------------|-----------------------|
| Residential                | Commercial            |
| Residential Apartment      | Employment Industrial |
| Commercial Residential     | Open Space            |
| Utility and Transportation |                       |

The Site does **not appear to have a land use designation** in the Official Plan. It is included in the Christie's Secondary Plan as **Block 7**. It is zoned as *Utility and Transportation* in Zoning By-Law 569-2013.



# Development Principles

## Strengths

**City-owned** site

**Proximity to downtown**, amenities and green spaces

**No existing building on-site**

## Weaknesses

**Constrained irregular site** on high water table land

Existing **utilities and city infrastructure** on site

Currently **under-zoned**

## Opportunities

Included in **Christie Secondary Plan** and **Park Lawn MTSA**

**Reclaim additional land** from the Gardiner access ramp realignment

In a future **Transit Oriented Community**

**High-density** community and **under-utilized** site

## Threats

**Rising interest rates, construction costs and labour** shortages

**Economic uncertainty**

Multiple parties and **stakeholders involved**

Shifting policies and **affordability definitions**



Support **social equity and inclusion**



**Diversify the local housing stock** to provide housing stability



**Optimize the use of land and infrastructure** to achieve City of Toronto objectives



Provide **community infrastructure** and connectivity to **public realm**



Create **financially viable** affordable housing



Provide **100% of the units as rental** (market or affordable) housing



Meet **Toronto Green Standards (TGS) Tier 2**



Create an **accessible** building



Provide an **EMS Station** to the community



**Maximize** the amount of **affordable housing**



**Maximize** the number of family sized/ **liveable units**



Make sure project is **financially viable**

## Site Area

1. Existing Site Area
2. With Gardiner Ramp Realignment

## Unit Sizes

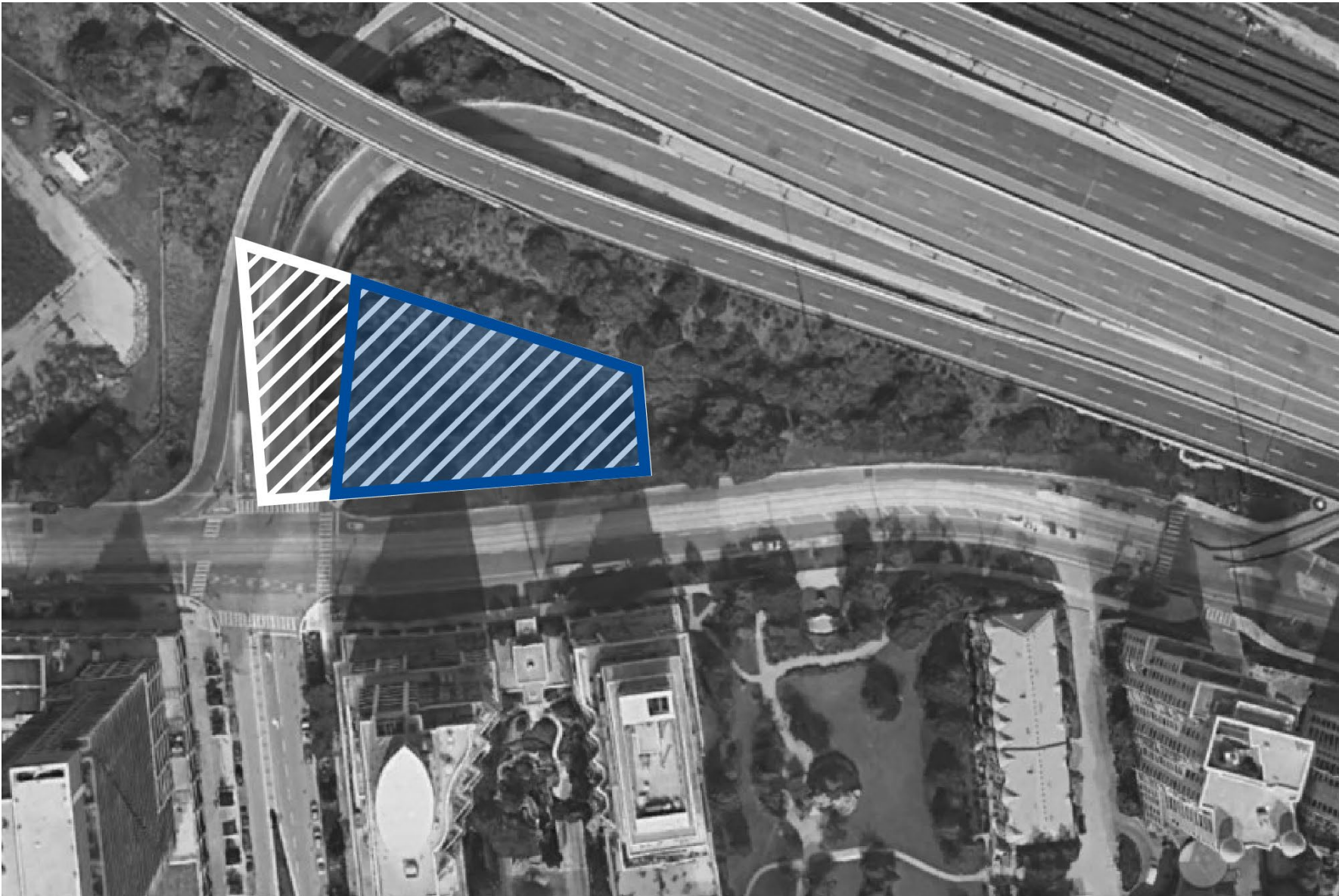
1. Growing Up Guidelines
2. Affordable Housing Guidelines
3. Stakeholder suggested sizes

## Unit Mix

1. Growing Up Guidelines
2. Affordable Housing Guidelines
3. Maximize 2- and 3- bedroom units

## Floor Plate

1. 750 m<sup>2</sup> floor plate (Tall Building Guidelines)
2. Larger floor plate

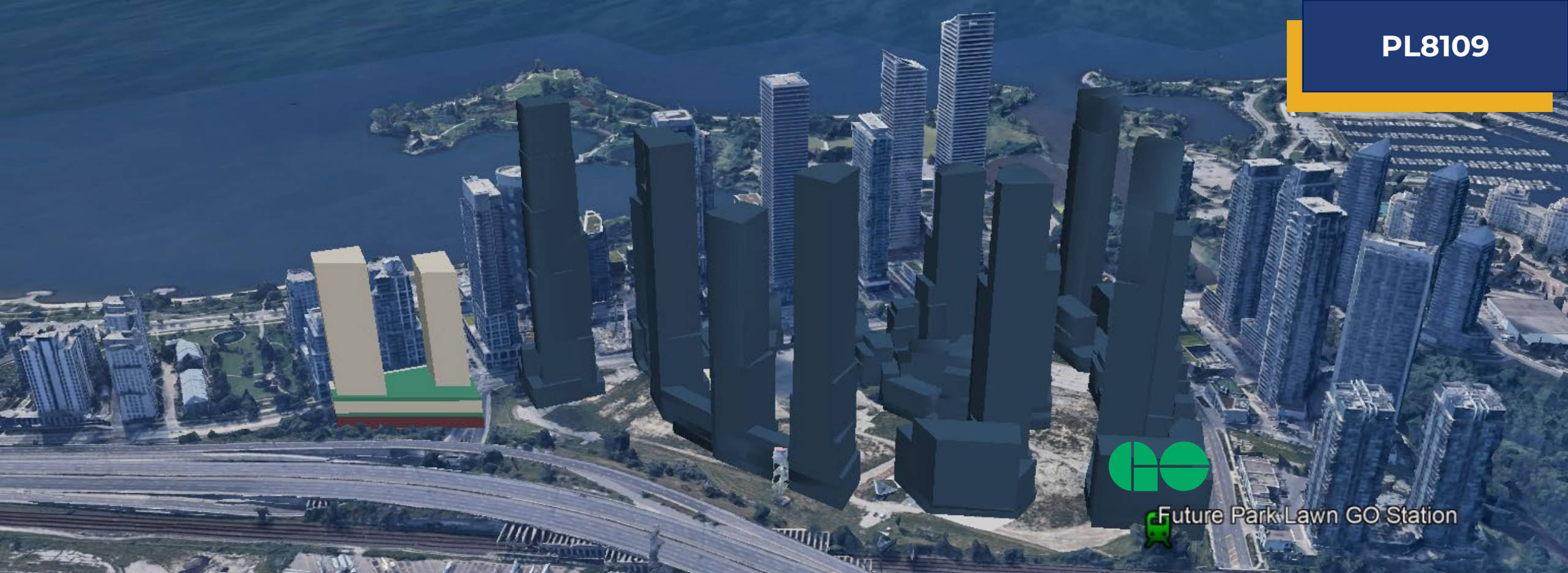


## Buildable Area

Ramp Realignment = **4,097 m<sup>2</sup>**

Existing Site (no ramp  
realignment) = **2,779 m<sup>2</sup>**

An additional 1,318 m<sup>2</sup> is added to  
the total developable area through  
the Gardiner Expressway access ramp  
realignment

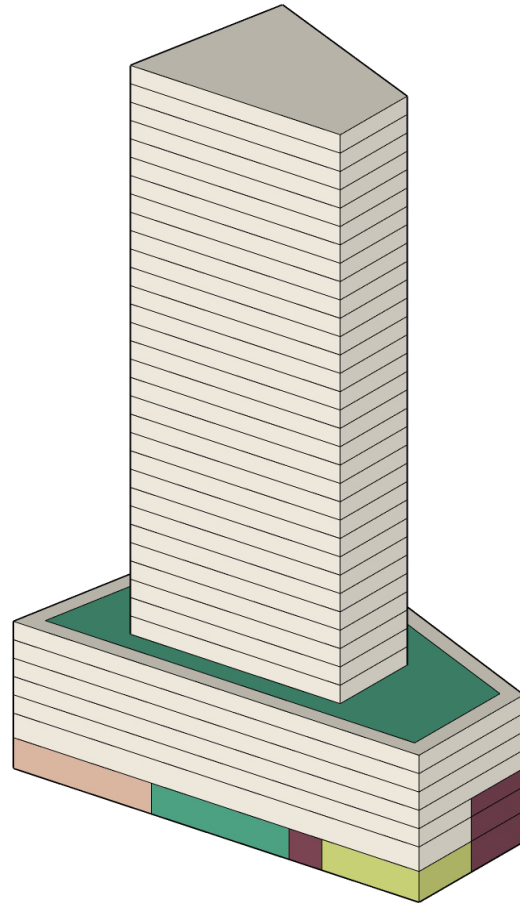


Future Park Lawn GO Station

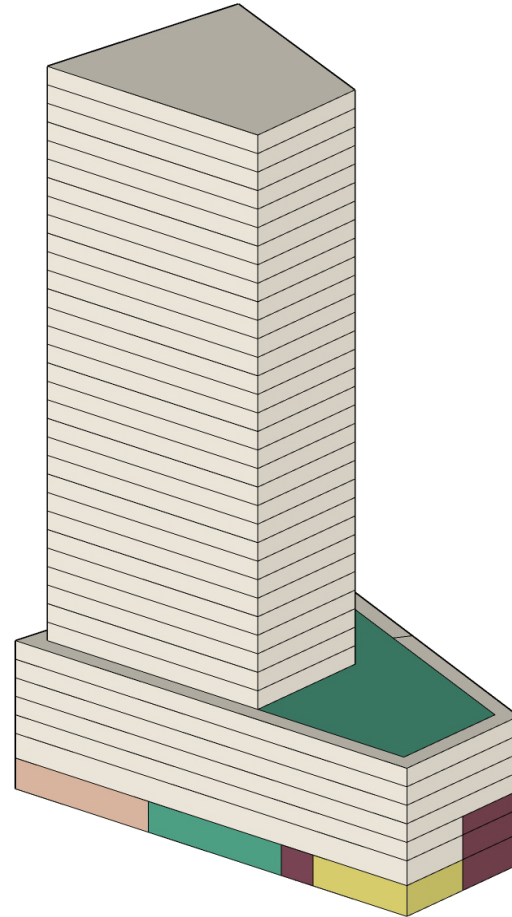
# Development Options

- **Five development concepts** were developed with three different massing models
- Scenarios 1A and 1B utilize the **existing Site area**
- Scenarios 2A, 2B, and 2C utilize additional land reclaimed from the proposed **Gardiner access ramp realignment**
- Each scenario varies in terms of **unit mix** and **unit sizes**

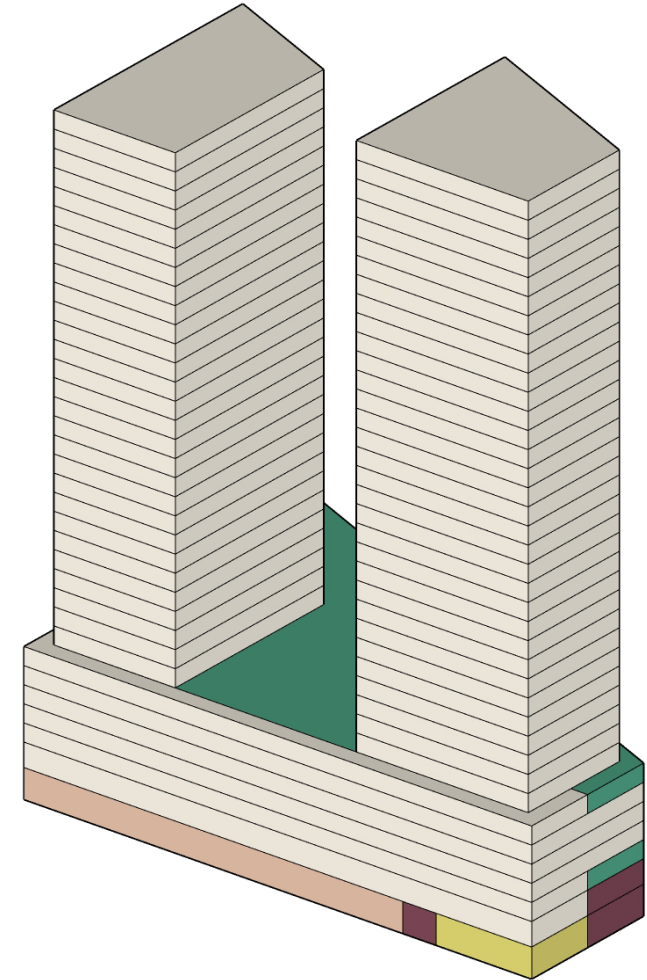
Scenario 1A



Scenario 1B



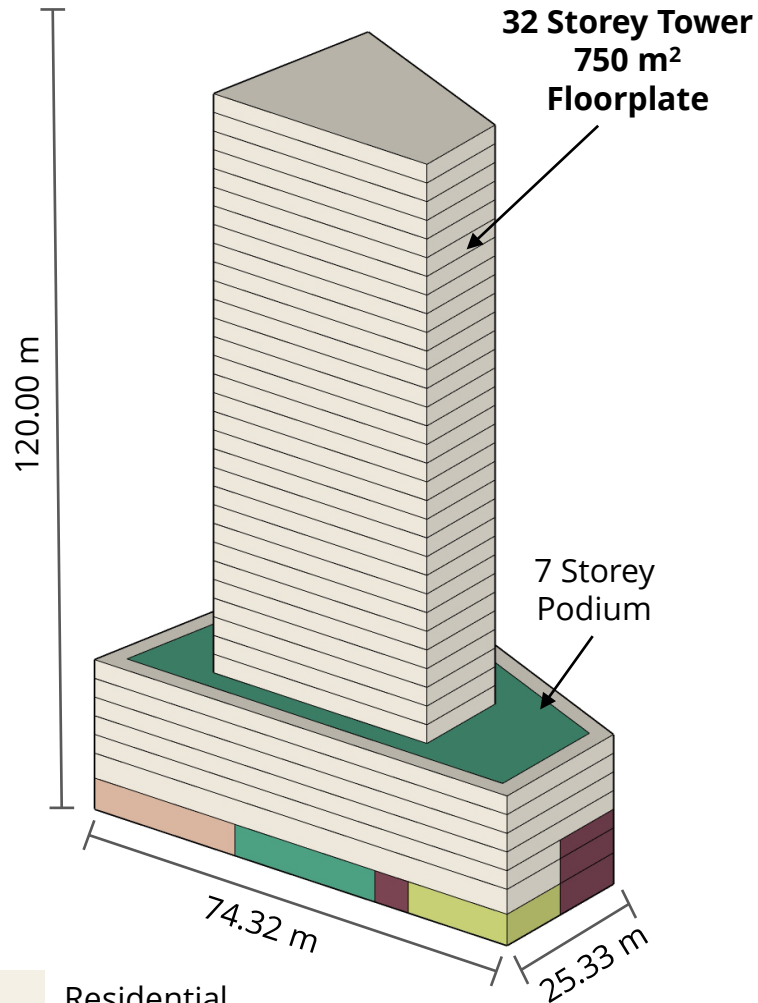
Scenarios 2A, 2B, & 2C



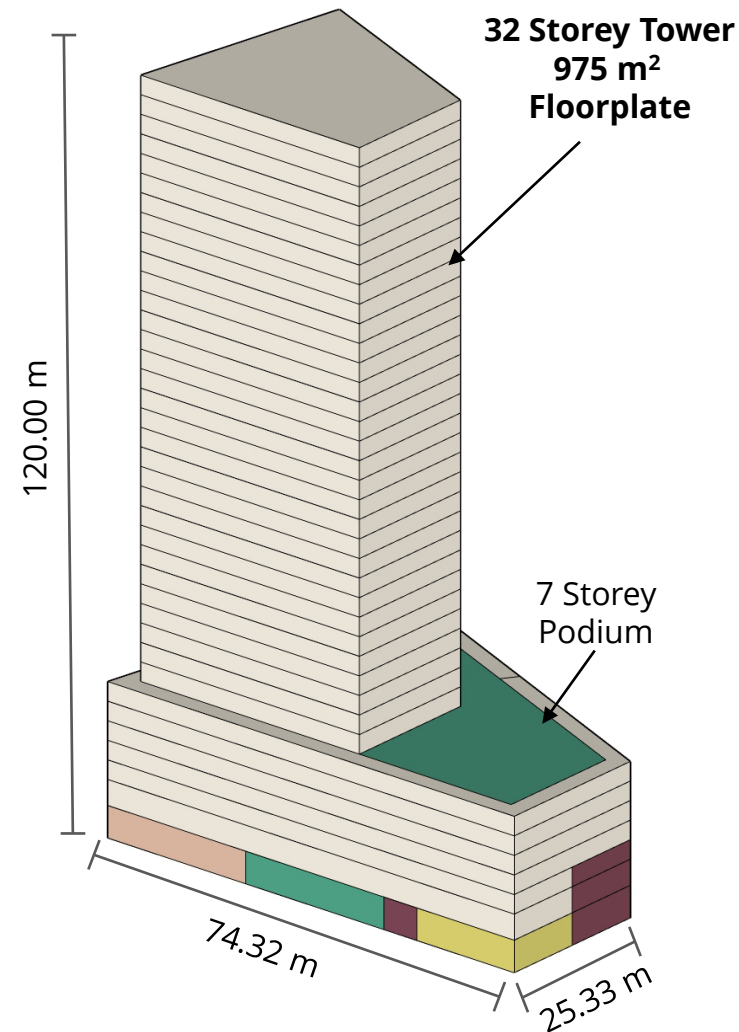
# No Ramp Realignment – Scenarios 1A & 1B

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Scenario 1A



Scenario 1B



## Scenario 1A:

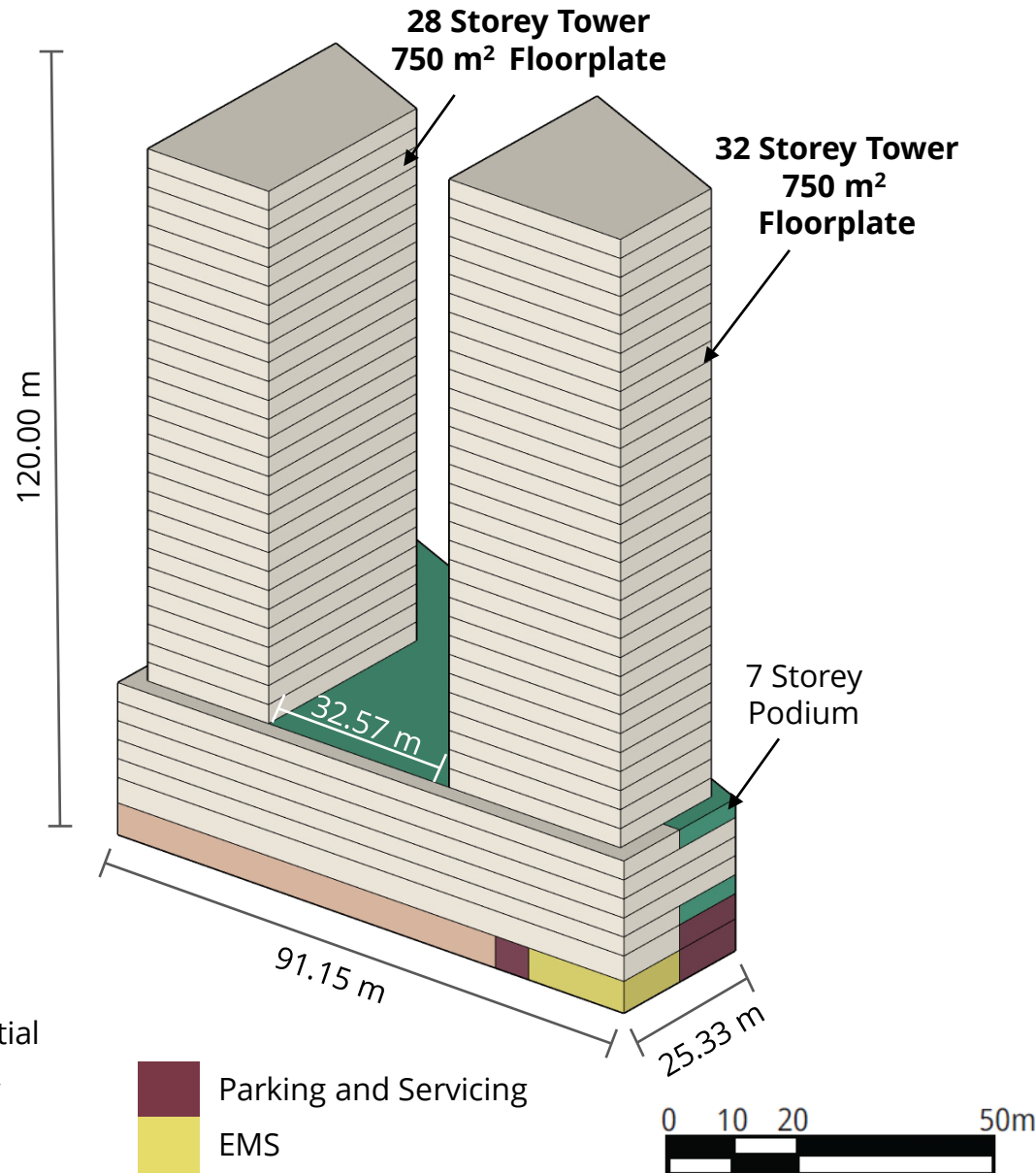
- Follows the Growing Up Guidelines and Tall Building Guidelines
- Prioritizes larger, family sized units

## Scenario 1B:

- Follows guidance from stakeholders and advisors
- Prioritizes maximizing the total number of affordable units

# Ramp Realignment – Scenarios 2A, 2B & 2C

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All scenarios follow the Tall Building Guidelines and have the same massing

## Scenario 2A:

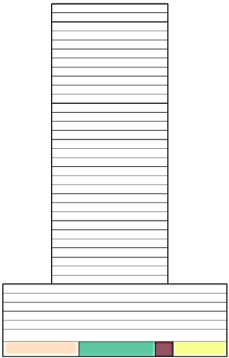
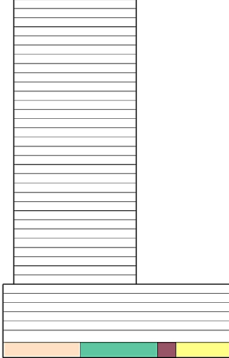
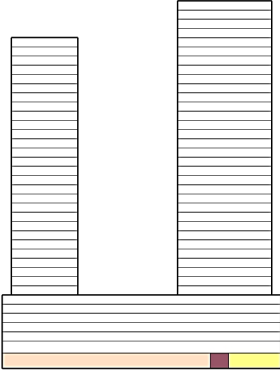
- Follows the Growing Up Guidelines
- Prioritizes larger, family sized units

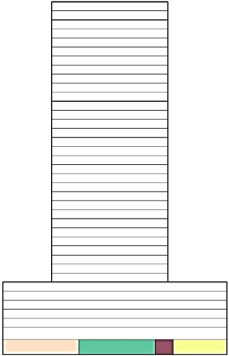
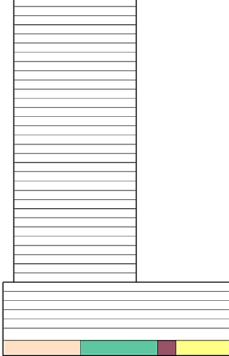
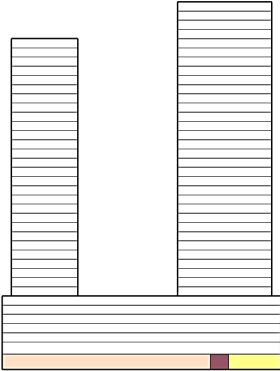
## Scenario 2B:

- Follows the Toronto Affordable Housing Guidelines
- Prioritizes total number of bedrooms

## Scenario 2C:

- Follows guidance from stakeholders and advisors
- Prioritizes maximizing total number of affordable units

	Existing Site		Larger Site with Gardiner Ramp Realignment		
	Scenario 1A	Scenario 1B	Scenario 2A	Scenario 2B	Scenario 2C
Tower Model					
Number of Towers	1	1	2	2	2
Tower Floor Plate	750 m²	975 m²	750 m²	750 m²	750 m²
Unit Sizes Source	Growing Up Guidelines	Stakeholder Guidance	Growing Up Guidelines	Affordable Guidelines	Stakeholder Guidance
Total Units	420	654	732	773	943
Affordable Units	140	218	244	258	314
Affordable Bedrooms	238	316	415	465	445

	Existing Site		Larger Site with Gardiner Ramp Realignment		
	Scenario 1A	Scenario 1B	Scenario 2A	Scenario 2B	Scenario 2C
Tower Model					
Total Residential GFA	35,255 m²	42,455 m²	61,436 m²	61,436 m²	61,436 m²
Indoor Amenity	1,224 m²	1,224 m²	4,097 m²	4,097 m²	4,097 m²
Outdoor Amenity	1,496 m²	1,076 m²	1,670 m²	1,670 m²	1,670 m²
Parking Spaces	66	66	96	96	96

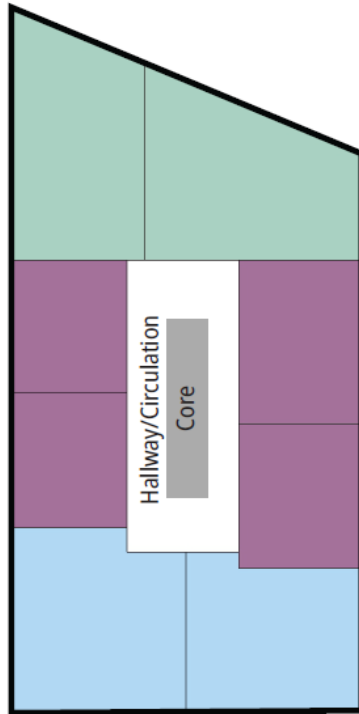
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# Contrasting Standards – Example Floor Plans

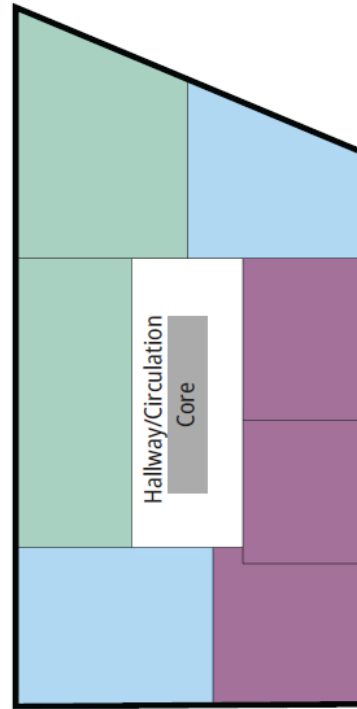
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## Growing Up Guidelines



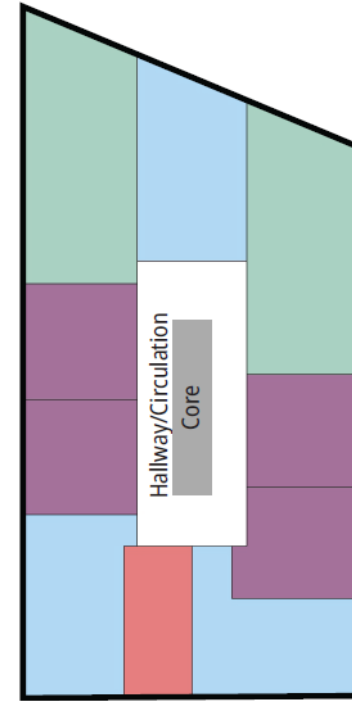
Scenario 2A\*  
750 m<sup>2</sup> Floor Plate  
Yields 7 Units

## Affordable Housing Guidelines

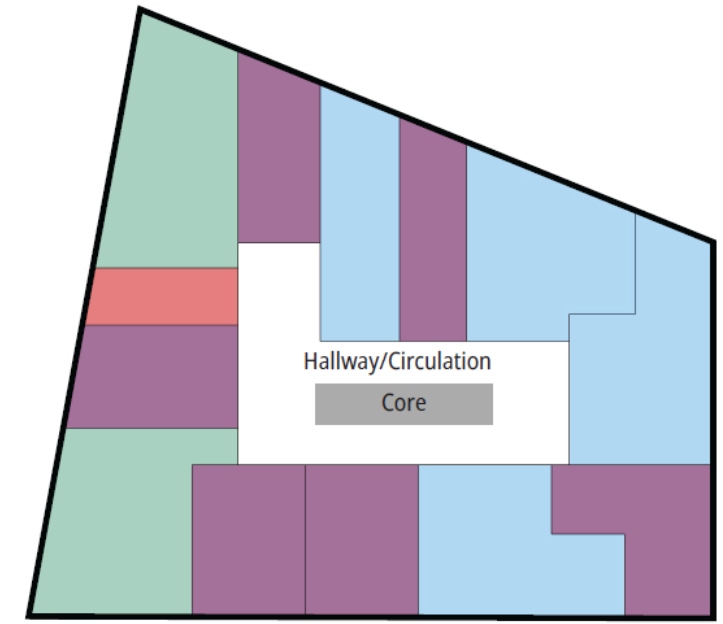


Scenario 2B  
750 m<sup>2</sup> Floor Plate  
Yields 8 Units

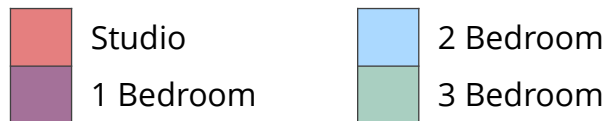
## Stakeholder Guidance



Scenario 2C  
750 m<sup>2</sup> Floor Plate  
Yields 10 Units



Scenario 1B  
975 m<sup>2</sup> Floor Plate  
Yields 13 Units



\* Scenario 1A would follow a similar floor plan to 2A, but with a different overall shape

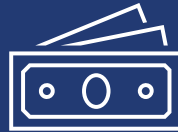


# Pro Forma

To assess the **potential financial viability** of the proposed development scenarios, we conducted **Discounted Cash Flow (DCF)** analyses



Accounts for the  
**Time Value of Money**



Incorporates all  
**revenues and costs**  
over a projection period



Compares the  
**Present Value** of Future  
Cash Flows to the  
**Initial Investment**



A DCF analysis provides useful analysis at a **particular point in time** and is helpful for **initial viability discussions**. Changing economic conditions will impact **pro forma inputs and results**.

# Discounted Cash Flow Components

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A DCF analysis entails a calculation of **development costs**, **cash flows from operations**, and **proceeds from the hypothetical sale** of the building in the future






























Development Costs and Financing		
	Hard Costs	Construction, labour, materials
+	Soft Costs	Professional services, permit costs, etc.
+	Contingency	Potential risks, delays, etc.
+	Development Charges	City of Toronto DC By-Law
-	Exemptions	Affordable Housing DC Exemption + TGS DC Refund
-	CMHC Grants	Forgivable Loan + Seed Funding Contribution
=	<b>Total Development Costs</b>	
x	Loan to Cost Ratio	
=	<b>Construction Loan</b>	

Operations		
	Potential Gross Revenue (PGR)	Market rental + Affordable rental + Parking revenue
-	Vacancy and Bad Debt	Tenant turnover + Rent non-payment
=	<b>Effective Gross Revenue (EGR)</b>	
-	Operating Expenses	Maintenance and repairs, utilities, management, property taxes, etc.
=	<b>Net Operating Income (NOI)</b>	
-	Debt Service	Payments for construction and permanent loan
=	<b>Before Tax Cash Flow</b>	

Building Sale		
	Year 10 NOI	
÷	Capitalization Rate	Real estate valuation measure used to compare real estate investments
=	<b>Sale Price</b>	
-	Debt Retirement	Retirement of outstanding permanent loan at the time of sale
=	<b>Building Sale Proceeds</b>	

# DCF: Net Present Value Calculation

Net Present Value (NPV) is calculated by discounting three main cash flows: the **equity investment** during construction, **yearly before tax cash flows** during operations, and the **building sale proceeds**

NPV Calculation													
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
	Construction			Operations									
Yearly Cash Flows	Equity Investment			Yearly Before Tax Cash Flows									
Building Sale													Building Sale Proceeds
Cash Flow	       												           

# Key Assumptions

The following key assumptions were used to develop the pro formas for five development scenarios

- Assumptions were sourced from market research and stakeholder conversations
- This project would be eligible for financing through the NHCIF and RCFI programs

Timeline	
Construction Start	Occupancy
2026	2029

Unit Breakdown	
Affordable Rental	Market Rate Rental
1/3	2/3

Construction Assumptions	
Hard Costs (per ft²)	<i>Altus Guide</i>
Residential	\$345
EMS	\$685
Above-Grade Parking	\$150
Lobby and Amenity Space	\$285
Soft Costs (% of Hard Costs)	30%
Contingency (% of Hard Costs)	5%
Construction Cost Escalation	7.7%

Discounted Cash Flow Assumptions	
Land Cost	\$0.00
Capitalization Rate	3.75%
Discount Rate	10%
Building Sale Timeline	End of Year 9 of Operations




Other Assumptions	
Residential Efficiency	85%
GFA to GCA	0.9

Construction Loan and Permanent Loan		
	Affordable	Market Rate
Financing Source	NHCIF*	RCFI^
Loan to Cost Ratio	92.5%	75.0%
Interest Rate	4.1%	5.1%
Permanent Loan Duration (Years)	30	30
* National Housing Co-Investment Fund		
^ Rental Construction Financing Initiative		

Operating Assumptions		
	Affordable	Market Rate
Rental Price Calculation	80% of citywide AMR	Price/ ft² for each unit type
Vacancy/ Bad Debt	4%	4%
Operating Expenses (% of EGR)	30%*	35%
Yearly Rental Price Escalation	2.0%	4.5%
* Operating expenses for affordable units calculated as % of market rate price, not actual affordable price		

A Discounted Cash Flow (DCF) analysis was conducted for five scenarios

- Scenario 2C has the **highest projected Net Present Value (NPV)** at **\$6.5 million**
- The scenarios that conform to the minimum unit sizes from the **Growing Up Guidelines** have the **lowest NPV**
- Equity required** for each scenario ranges from **\$55 to \$96 million**

	Existing Site		Larger Site with Gardiner Ramp Realignment		
	Scenario 1A	Scenario 1B	Scenario 2A	Scenario 2B	Scenario 2C
					
Scenario Variables					
Number of Towers	1	1	2	2	2
Tower Floor Plate	750 m²	975 m²	750 m²	750 m²	750 m²
Unit Sizes Source	Growing Up Guidelines	Stakeholder Guidance	Growing Up Guidelines	Affordable Guidelines	Stakeholder Guidance
Total Units	420	654	732	773	943
Affordable Units	140	218	244	258	314
Key Financial Metrics					
NPV	-\$7,767,801	\$5,324,707	-\$9,150,631	-\$7,593,152	\$6,462,145
IRR	8.6%	10.8%	9.0%	9.2%	10.6%
Net Construction Costs	\$272,173,768	\$328,003,188	\$467,655,288	\$471,421,134	\$475,394,889
Total Equity Required	\$54,885,695	\$66,427,166	\$94,331,115	\$95,278,555	\$96,262,124
Year 1 NOI	\$9,839,165	\$12,818,460	\$17,158,350	\$17,446,818	\$18,503,354

Given current construction costs and rising interest rates, **removing land cost from the equation is not enough** to make an affordable housing project viable. **Trade-offs** or **additional government funding** are required.



# Recommendations

The goal was to determine an **economically viable** development option that met TGS Tier-2 and developed an accessible building based on:

- Buildable area
- Floor plate
- Unit sizes and unit mix

## Factors in determining the best option:



The **maximum** number of units



The **maximum** number of affordable units

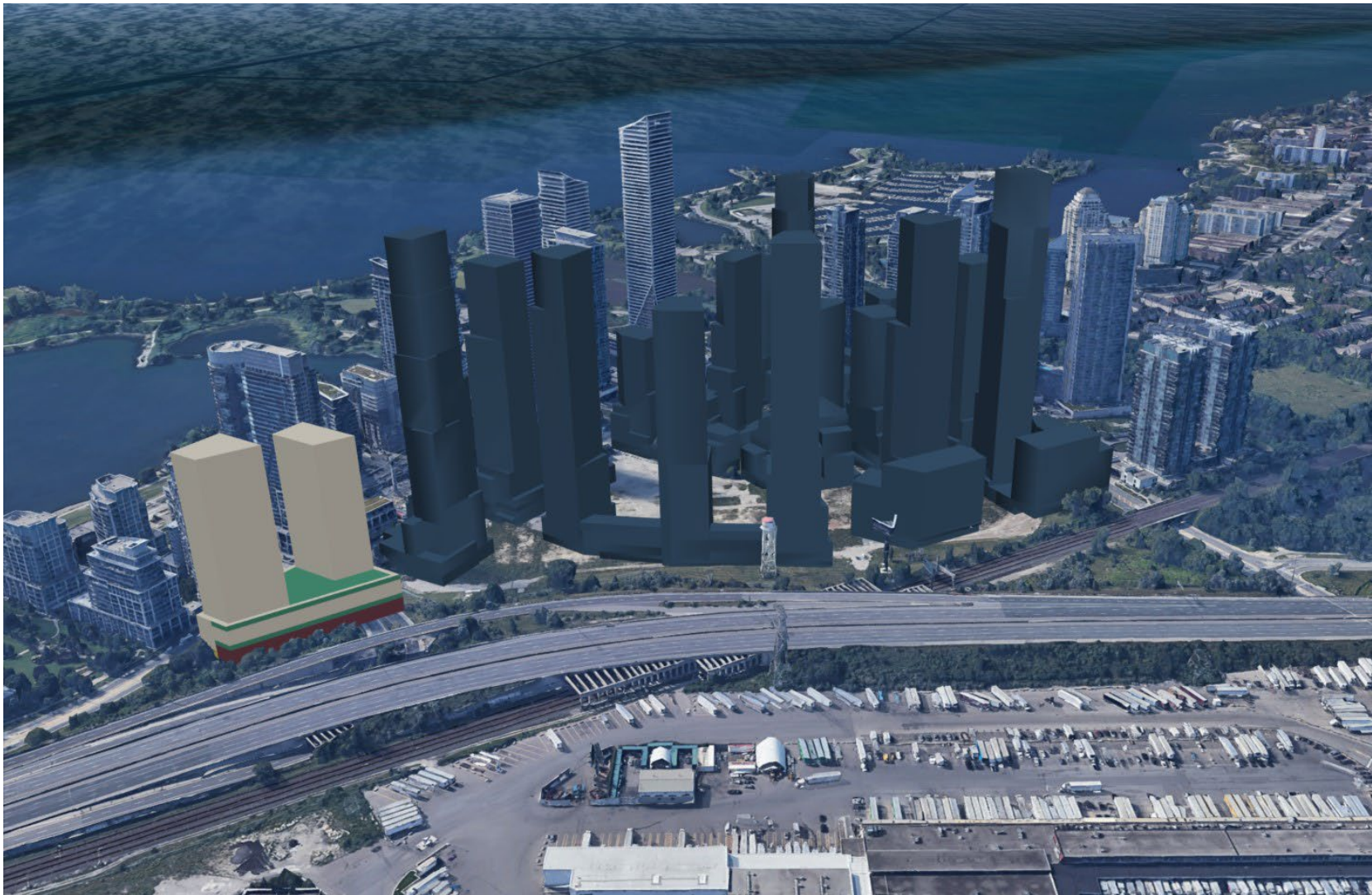


Economic **viability**



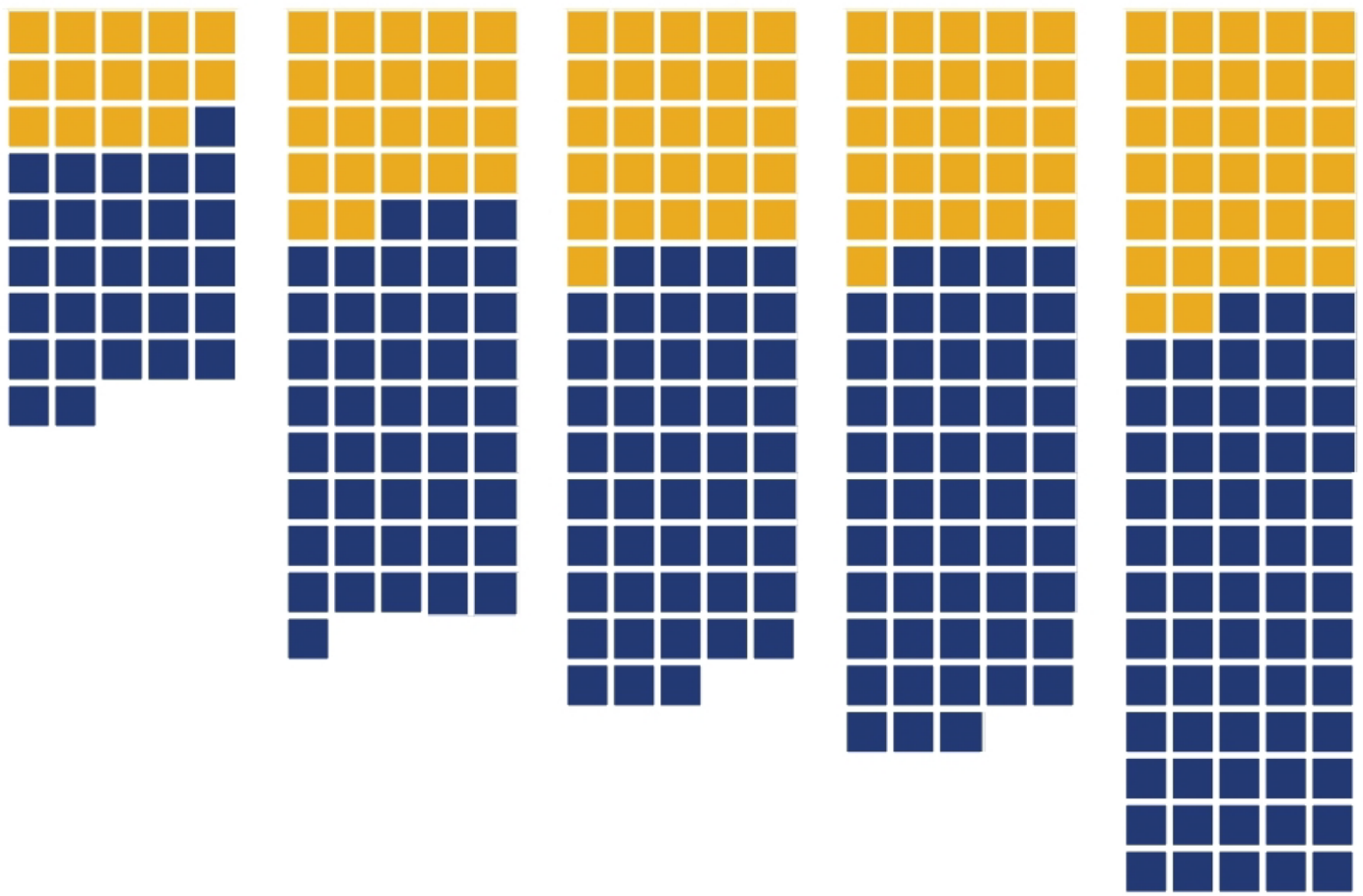
The ideal development option takes the best mix of the development variables to meet the project goals

Key Site Details	
Gardiner Access Ramp	Realigned
Tower Floor Plate	750 m <sup>2</sup>
Unit Size & Mix Guidelines	Stakeholder guidance
Number of Floors (Tower 1)	39
Number of Floors (Tower 2)	35
Residential GFA	61,436 m <sup>2</sup>
Podium Floor Plate	3,653 m <sup>2</sup>





Model of proposed development with full build-out of the 2150 Lake Shore development

# A Unit Comparison of the Scenarios



Scenario 1A      Scenario 1B      Scenario 2A      Scenario 2B      Scenario 2C

Note: 10 units = 1 square

 Affordable Rental Units  
 Market Rental Units



**Scenario 2C provides the most housing and more specifically the most affordable housing units**

**Floor 8 to 39**  
Residential

**Floor 7 Roof**  
Amenity

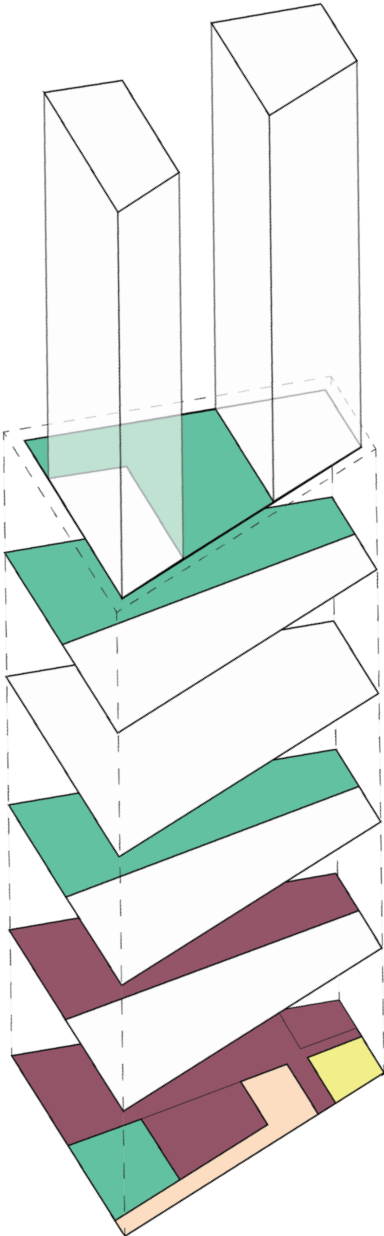
**Floor 7**  
Amenity  
Residential

**Floor 4, 5, & 6**  
Residential

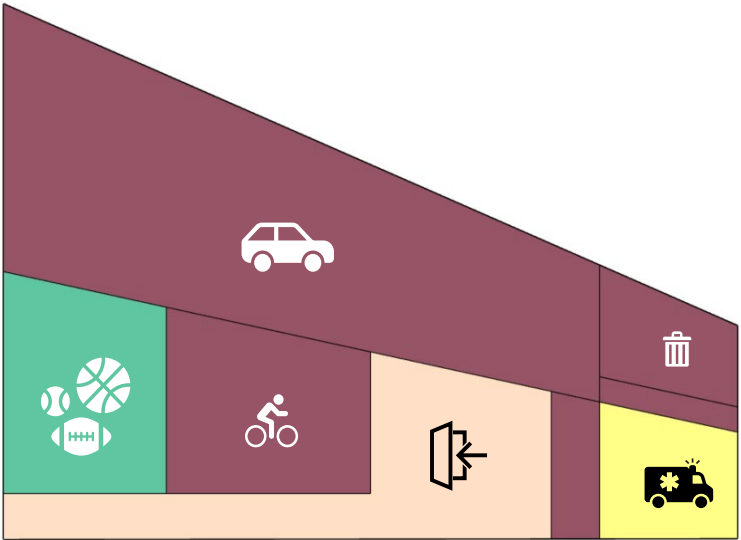
**Floor 3**  
Amenity  
Residential

**Floor 2**  
Parking  
Residential

**Ground Floor**  
Amenity  
EMS  
Lobby  
Parking



Residential GFA: **61,436 m<sup>2</sup>**  
Amenity Space: **5,767 m<sup>2</sup>**  
Parking Stalls: **96**  
Lobby: **510 m<sup>2</sup>**  
EMS: **233 m<sup>2</sup>**



Detailed Ground Floor Plan

- Residential
- Amenity
- Lobby
- Parking and Servicing
- EMS

# The Future of the Humber Bay Shores

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The developed Site, along with the 2150 Lake Shore development, will transform the Humber Bay Shores community. There are opportunities on the Site to create:



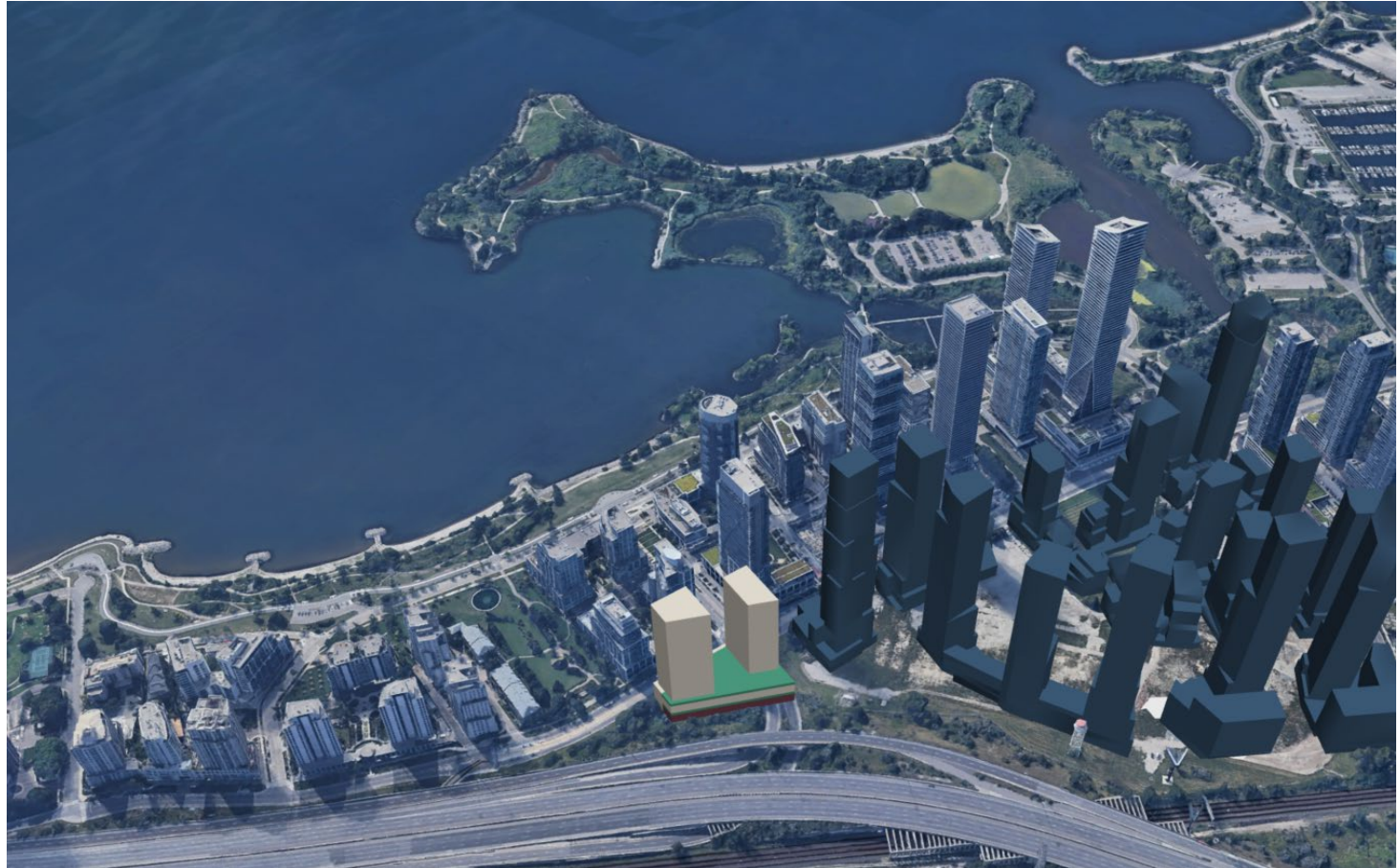
Outdoor activity space:  
**7,328 m<sup>2</sup>** of open outdoor space



Connections to the existing public realm and future 2150 Lake Shore community



A community that invites and prioritizes people

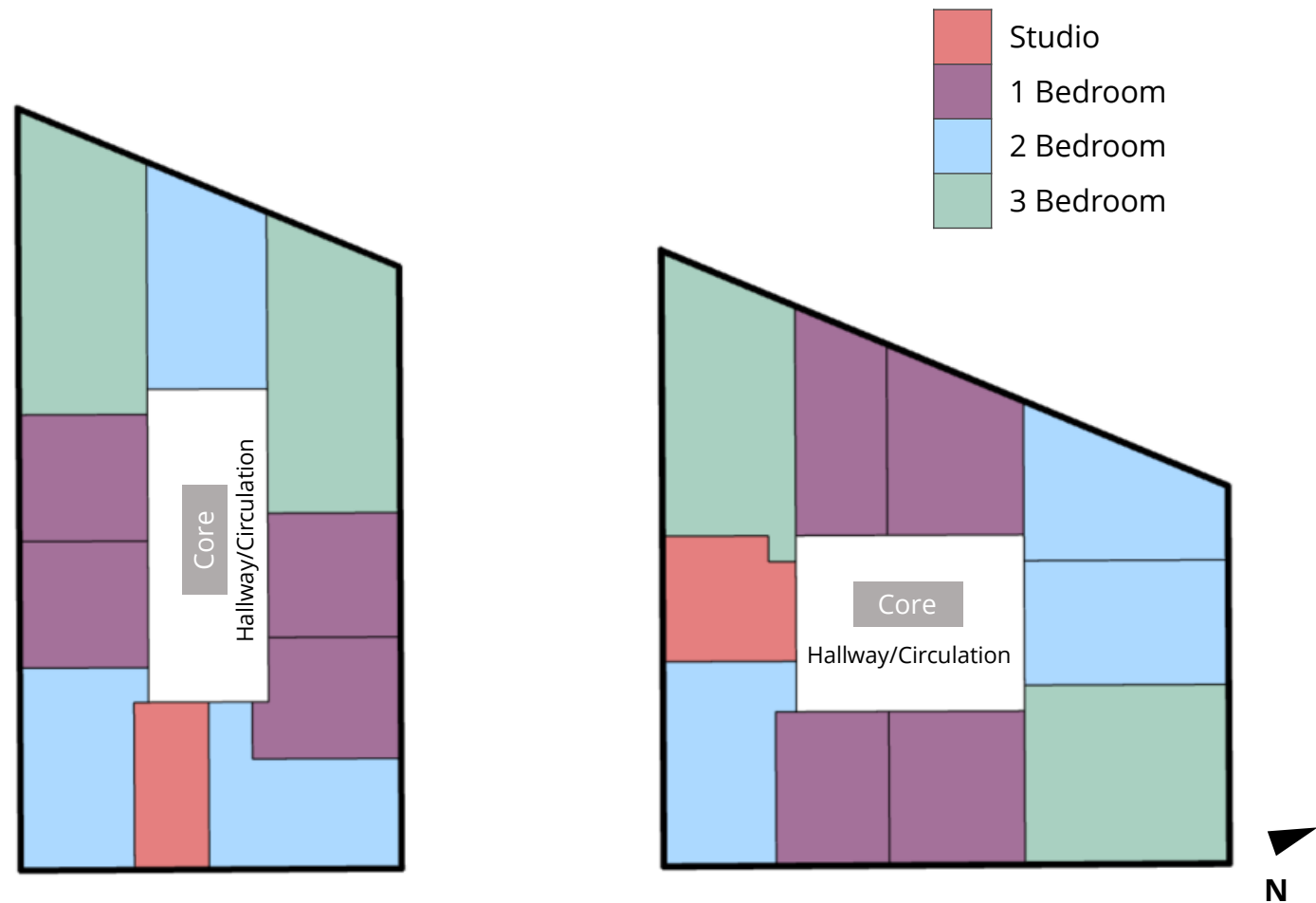
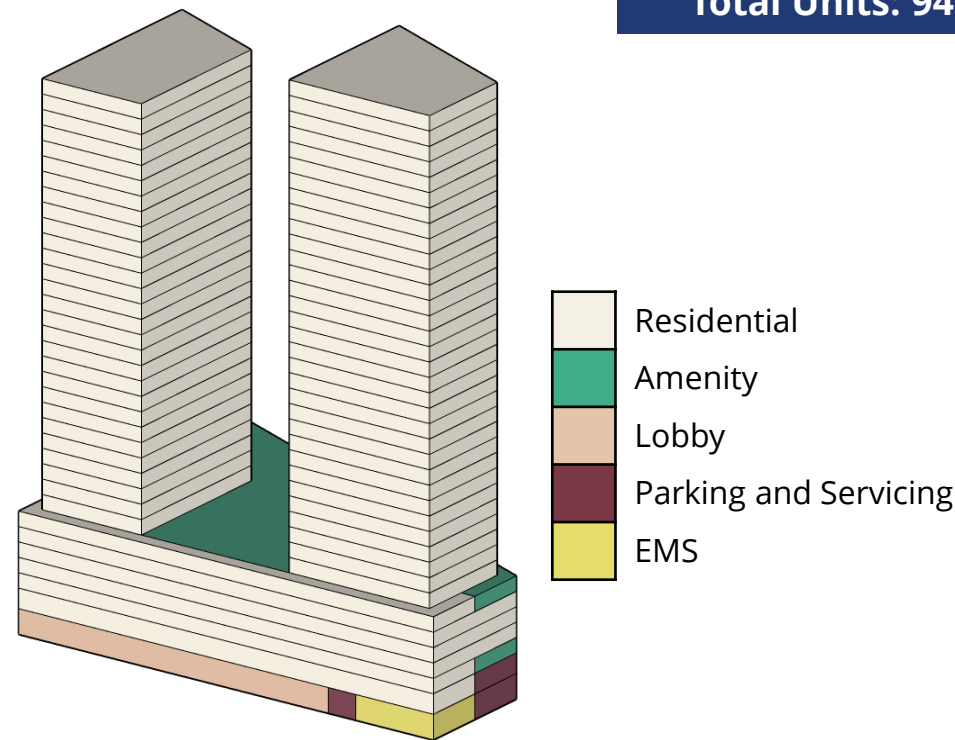


**Bird's Eye View of Proposed Development in the Humber Bay Shores Community**

# Housing Details for the Proposed Concept

Units, Unit Sizes and Unit Mix				
Type	Affordable Units	Market Units	Unit Size	Unit Mix
Studio	31	63	387 ft <sup>2</sup>	10%
1- bedroom	173	346	500 ft <sup>2</sup>	55%
2- bedroom	79	157	725 ft <sup>2</sup>	25%
3- bedroom	31	63	1,000 ft <sup>2</sup>	10%
Total	314	629		100%

Total Units: 943





## Considerations and Next Steps

## Sensitivity Analysis

- Conducted to address factors which are subject to change.
- Pro forma is built with assumptions, need to consider what happens when they **vary unexpectedly**.
- Main threat found to be from variances in **construction costs** and **market rent escalation**.

Construction Cost Escalation			Annual Market Rent Escalation			RCFI Interest Rate			Capitalization Rate		
Change	Assumption	NPV	Change	Assumption	NPV	Change	Assumption	NPV	Change	Assumption	NPV
-50%	3.8%	\$43,615	-50%	2.25%	-\$27,047	-20%	4.08%	\$19,502	-20%	3.00%	\$61,324
-40%	4.6%	\$36,235	-40%	2.70%	-\$20,775	-15%	4.34%	\$16,239	-15%	3.19%	\$44,985
-25%	5.7%	\$25,809	-25%	3.38%	-\$10,899	-10%	4.59%	\$13,062	-10%	3.38%	\$30,484
-10%	6.9%	\$14,057	-10%	4.05%	-\$682	-5%	4.85%	\$9,717	-5%	3.56%	\$18,174
-	<b>7.65%</b>	<b>\$6,462</b>	-	<b>4.50%</b>	<b>\$6,462</b>	-	<b>5.10%</b>	<b>\$6,462</b>	-	<b>3.75%</b>	<b>\$6,462</b>
+10%	8.4%	-\$1,200	+10%	4.95%	\$13,841	+5%	5.36%	\$3,038	+5%	3.94%	-\$4,120
+25%	9.6%	-\$13,871	+25%	5.63%	\$25,453	+10%	5.61%	-\$292	+10%	4.13%	-\$13,729
+40%	10.7%	-\$25,857	+40%	6.30%	\$37,457	+15%	5.87%	-\$3,794	+15%	4.31%	-\$22,050
+50%	11.5%	-\$34,801	+50%	6.75%	\$45,846	+20%	6.12%	-\$7,198	+20%	4.50%	-\$30,112



Ability to remove or integrate existing infrastructure on the site



Planning approval timelines



Government financial support



Changes to the City's affordable housing definition

**Partnerships** and coordination **between multiple entities** is required for this development to succeed

## Infrastructure and Servicing Departments

**Development Engineering:** Relocating infrastructure

**Transportation Services:** Ramp realignment

**Toronto Hydro:** Existing hydro boxes on the Site

**Enbridge Gas:** Existing natural gas pipelines on the Site

## Project Partnership

**For-profit Developer:** Experience with purpose-built rental

**Non-profit Housing Provider:** May determine specific tenant group within project parameters

**Partnership established early** in the process to maximize non-profit input

## Financing

**CMHC:** Establish financing details and secure NHCIF, RCFI and Seed Funding

**Housing Secretariat:** Open Doors Program

**Institutional Investor:** Potential financial backing based on stability of development and willingness to accept lower returns

## 2150 Lake Shore Developers

**Collaborate** to facilitate timely realignment of the Gardiner access ramp

**Coordinate** a joint design for a safe and active public realm connection

**Establish** requirements for shared use of the access road

## Policy Amendments

### Official Plan

- Utilities Corridor to Mixed-Use designation
- Site-specific provisions for EMS

### Zoning By-law

- Utility Corridor to more permissive zone
- Will require site specific provisions to support proposed uses

## Approval Acceleration

### Community Infrastructure and Housing Accelerator

- New housing accelerator to provide exemptions from planning approval process

### Minister's Zoning Order

- Housing accelerator to fast-track approval process
- Precedence in Toronto from developments in other transit-oriented communities

## Legislation and Funding

### Bill 23, More Homes Built Faster Act

- Legislative changes to affordable and rental housing development charges
- Proposals would improve financial viability of the project

### Provincial and Federal Government Funding

- Need more funding from upper levels of government
- Lack of clarity regarding long-term financial support

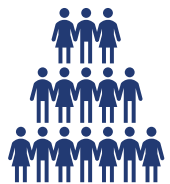
The following **key lessons and opportunities** were presented through the development assessment and recommendation process:



Tradeoffs required to make development on this Site feasible



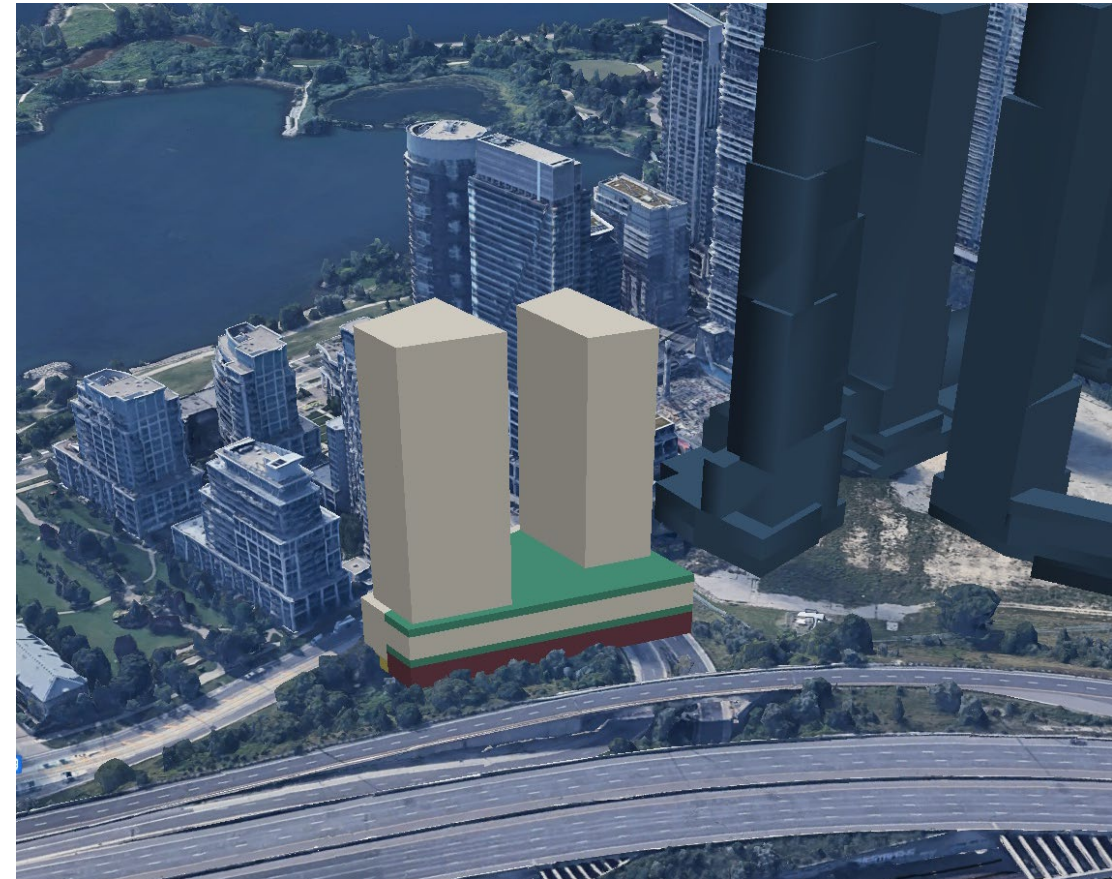
Opportunity to bolster affordable and purpose-built rental stock



Can support a socially equitable transit-oriented community



Presents a large-scale investment opportunity with reliance on government funding



**Recommended Housing Now Development**

We would like to thank the following individuals for the valuable insights and expertise that they shared, which contributed to our background research, development concepts and pro forma analysis:

Name	Organization
<b>Mark Richardson</b> (Advisor)	HousingNowTO (Technical Lead)
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<b>Samantha Zavaglia</b>	CreateTO
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<b>Grace Tesa &amp; John Baldesarra</b>	City of Toronto, Engineering Services
<b>Ana Bailão</b>	Deputy Mayor, City of Toronto
<b>Andrea Oppedisano</b>	Marlin Spring
<b>Supervisor, Drafting and Markups</b>	Enbridge Gas Inc.

Name	Organization
<b>Alex Beheshti</b>	Altus Group
<b>Andrea Adams</b>	St Clare's
<b>Gregory Gilbert</b>	Fitzrovia
<b>Chris White</b>	Parcel Economics
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<b>Matthew Bennett &amp; Joe Chipman</b>	N. Barry Lyon Consultants Ltd.
<b>David Amborski</b>	Toronto Metropolitan University
<b>Graham Haines</b>	City of Toronto, City Planning
<b>Client Specialist</b>	CMHC

## Thank You To Our Stakeholders and Advisors!



St. Clare's

