



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Expanding Housing Options in Neighbourhoods (EHON): Beaches-East York (BEY) Pilot Project

Date: July 11, 2023

To: Board of Directors, CreateTO

From: Chief Executive Officer

Wards: 19

REASON FOR CONFIDENTIAL INFORMATION

Confidential Attachment #1 to this report deals with a proposed or pending acquisition or disposition of land by the Board of Directors of CreateTO.

SUMMARY

The Beaches-East York Pilot Project (BEY Pilot Project) is a City Council endorsed priority project identified through the Expanding Housing Options in Neighbourhoods (EHON) work program. The work program consists of multiple priority projects intended to expand permissions to allow low-rise housing in neighbourhoods. The purpose of the BEY Pilot Project is to build “missing middle” housing on City-owned lands in Beaches-East York (Ward 19).

On January 19, 2021, the Planning and Housing Committee requested City Staff, in consultation with CreateTO, to review appropriate City-owned sites and facilitate, through an appropriate development procurement process, the design and construction of demonstration projects, as part of the EHON initiative. On July 19, 20 and 21, 2023, City Council will consider allocation of the City-owned property at 72 Amroth Avenue (the “Property”) to the EHON BEY Pilot Project, and granting authority to transfer 72 Amroth Avenue, to a CreateTO managed corporation, Build Toronto Inc. or an affiliate of Build Toronto Inc.

The purpose of this report is to inform the Board of Directors of CreateTO about the EHON BEY Pilot Project, including the work completed to date and request authority for next steps.

RECOMMENDATIONS

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

1. Authorize advancement of the project based on the preliminary business case , as outlined in Confidential Attachment 1 to this report, subject to City Council authorizing the transfer of 72 Amroth Avenue to Build Toronto Inc. or one of its affiliates.
2. Direct the Chief Legal Counsel, CreateTO to forward this report to the Board of Directors of Build Toronto Inc. for consideration and appropriate action, with such action to include advancing the due diligence work required to prepare the Property for the necessary planning approvals, including undertaking necessary environmental studies, market analyses, planning and other consultant studies estimated at \$631,000, subject to City Council authorizing the transfer of 72 Amroth Avenue to Build Toronto Inc. or one of its affiliates..
3. Direct the Chief Executive Officer, CreateTO, to report back to the Board on the final business case of the BEY Pilot Project at 72 Amroth Avenue for Board approval prior to marketing, subject to City Council authorizing the transfer of 72 Amroth Avenue to Build Toronto Inc. or one of its affiliates.
4. Direct that Confidential Attachment 1 remain confidential as it relates to a proposed or pending acquisition or disposition of land by the Board of Directors of CreateTO.

FINANCIAL IMPACT

An estimated investment of \$631,000 for the stated purpose of preparing the Property for planning approvals, including undertaking necessary environmental studies and remediation, market analyses, planning and other consultant studies, is to be made by CreateTO, or one of its managed entities. These fees, together with staff costs and management fees of approximately \$300,000, are anticipated to be recovered from the proceeds from the future sale of the Property following the Board's approval of the final business case.

EQUITY IMPACT STATEMENT

Access to safe, good quality and more affordable housing is an important determinant of physical and mental health, and a primary goal of the City's HousingTO 2020-2030 Action Plan, which was developed after the Government of Canada recognized that the right to adequate housing is a fundamental right affirmed in international law. Adequate and more affordable housing is also the cornerstone of inclusive neighbourhoods, supports the environment, and improves the socio-economic status of individuals, families, and communities as a whole.

As Toronto rebuilds and recovers from COVID-19, the Expanding Housing Options in Neighbourhoods initiative can directly advance recommendations laid out in the

Towards Recovery and Building a Renewed Toronto report:

<https://www.toronto.ca/legdocs/mmis/2020/ex/bgrd/backgroundfile-157345.pdf>.

Specifically, Recommendation 68 of the report calls on the City to apply the principle of “build back better” to land use planning and improve the City's overall built form by prioritizing gentle density that places greater emphasis on a mix of building types and uses – including low-rise residential, retail and services – and that supports transit use.

Expanding housing options in neighbourhoods is an important step towards increasing and accelerating the creation of a diverse range and mix of housing options, including additional units to accommodate people at all stages of life, and to accommodate the needs of all household sizes and incomes. Broadening the types and sizes of units available in low-rise neighbourhoods makes them more accessible to a diverse range of people and need, leading to a more equitable and inclusive community. By extension, the initiative will broaden access to parks, schools, local institutions and small-scale stores within the City's neighborhoods.

DECISION HISTORY

On October 2, 2019, City Council adopted a Member Motion to declare a Climate Emergency and endorsed a net zero greenhouse gas emissions target to strengthen the City's goal of becoming net zero before 2050.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM10.3>

On July 28, 2020, City Council endorsed the Expanding Housing Options in Neighbourhoods (EHON) Work Plan Report and endorsed City Planning proceeding with several priority initiatives in 2020-2021, including exploring opportunities to pilot missing middle developments in Ward 19 – Beaches-East York.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH15.6>

On January 19, 2021, Planning and Housing Committee considered the Expanding Housing Options in Neighbourhoods - Beaches-East York Pilot Project report, which outlined the intended scope of the Pilot Project. The Planning and Housing Committee requested the Chief Planner and Executive Director, City Planning to work with Real Estate Services, CreateTO, and the Housing Secretariat, in consultation with the local Councillor, to facilitate, through an appropriate development procurement process, the design and construction of demonstration projects, as part of the Beaches-East York Pilot Project.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH20.3>

On December 14, 2022, City Council adopted Item CC2.1 - 2023 Housing Action Plan, which directed the City Manager to develop a Housing Action Plan for the 2022-2026 term of Council that will support the City in achieving or exceeding the provincial housing target of 285,000 new homes over the next 10 years. The Housing Action Plan is to include targeted timelines for the approval and implementation of a range of policy, program, zoning, and regulatory actions to increase the supply of affordable housing in support of complete communities.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.CC2.1>

On March 21, 2023, Executive Committee requested that the Executive Director, Housing Secretariat and the Chief Planner and Executive Director, City Planning report annually to the Planning and Housing Committee on the progress of the Housing Action Plans' implementation, with the first report to be brought forward by the end of 2023.
<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX3.1>

On July 11, 2023, Executive Committee adopted a staff report recommending the allocation of the City-owned property at 72 Amroth Avenue to the EHON BEY Pilot Project, and authority to transfer the property to a CreateTO managed corporation, Build Toronto Inc. or an affiliate of Build Toronto Inc. The report further recommended authority for a city-initiated Official Plan and Zoning By-law Amendment to identify policy and zoning barriers and to provide permissions for missing middle housing opportunities, which will prepare the property for marketing.
<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX6.14>

COMMENTS

BACKGROUND

Expanding Housing Options in Neighbourhoods

On July 16, 2019, City Council adopted Member Motion MM9.36 entitled "Expanding Housing Options in Toronto - Tackling the Missing Middle and the Yellowbelt". The motion directed City Planning to report on options and a timeline to increase housing options and planning permissions in areas of Toronto designated as *Neighbourhoods* in Toronto's Official Plan, including opportunities for a demonstration project in Ward 19.

EHON is a City initiative to facilitate more diverse housing options in residential neighbourhoods to meet the needs of current and future residents. This initiative primarily intends to expand opportunities for "missing middle" housing forms. The "missing middle" refers to low-rise scale buildings with multiple units that are compatible in terms of scale and form with existing single detached dwellings in established, low-rise residential neighbourhoods. Although such housing types currently exist in many residential neighbourhoods across Toronto, recognized limitations, such as process, policy, and financial barriers, impede the development of new low-rise housing forms. EHON is among a range of City initiatives to increase housing choice and access and create a more equitable, sustainable City.

The primary focus of the EHON initiative, including the BEY Pilot Project, is the expansion of market housing options, in a range of formats, within the City's *Neighbourhoods*. While this work will not necessarily result in the creation of deeply affordable housing, it will result in a more diverse range housing forms to support residents with a much broader range of incomes and household compositions at various stages of life.

Since Council adopted the EHON Work Plan in 2020, City Planning staff, in collaboration with staff from other City divisions and stakeholders, have initiated and advanced many of the original action items in the plan, in some cases, combining them, and in other cases implementing them as part of other work in City Planning's work program.

Expanding Housing Options in Neighbourhoods: The Beaches-East York Pilot Project

On January 19, 2021, the Planning and Housing Committee adopted item PH20.3, including a recommended approach and work plan for the BEY Pilot Project. The BEY Pilot Project is a priority EHON project that is one element of the EHON work program endorsed by Council. It builds on the consultation undertaken within Ward 19 as part of the development of the EHON work plan report. The Planning and Housing Committee requested the Chief Planner and Executive Director, City Planning to work with Corporate Real Estate Management, CreateTO, and the Housing Secretariat, in consultation with the local Councillor, to facilitate, through an appropriate development procurement process, the design and construction of demonstration projects, as part of the EHON initiative.

In response to the direction received through the adoption of item PH20.3, on July 21, 2023, City Council will consider item EX6.14, which recommends granting authority to allocate 72 Amroth Avenue to the BEY Pilot Project and for the transfer of the Property from the City to a CreateTO managed corporation, Build Toronto Inc., or an affiliate of Build Toronto Inc. The surplus and transfer of the selected site will facilitate the design and construction of a 'missing middle' demonstration project by allowing CreateTO to prepare the Property for marketing through a development procurement process. Item EX6.14 further recommends authority for City Planning to advance City-initiated Official Plan and Zoning By-law Amendments to prepare the property for marketing by providing permissions for missing middle housing opportunities. The City-initiated planning framework amendments are also intended to support the future implementation of missing middle projects.

Work Completed To-Date

City Planning and Environment and Energy Division Staff have worked with CreateTO to complete a review of all City-owned lands within Ward 19 for consideration as part of the EHON BEY Pilot Project based on identified criteria, including:

- Current land use designation and zoning permissions;
- Lot size, configuration, and grading;
- Proximity to public transit and cycling infrastructure;
- Surrounding built and planned context; and,
- Existing use.

As part of the due diligence phase of the Pilot Project, City Staff and CreateTO collaborated to hire an architect, sustainability consultant, and cost consultant. Through a competitive Request for Proposals process, a consultant team consisting of

Dubbledam Inc. Architecture + Design, RDH Building Science, and Altus Group were selected.

The Pilot Project team explored missing middle housing opportunities, including consideration for a range of low-rise building forms, on selected City-owned sites in Ward 19. In 2021, the City-owned site, known municipally as 996 Woodbine Avenue, was selected for detailed property due diligence as per the site selection criteria. However, physical infrastructure constraints eliminated its consideration for further study. As such, an alternative site was selected based on the findings of detailed property due diligence, which assessed the feasibility of building missing middle to achieve the following principles of the Pilot, which included:

- Sustainability and resiliency;
- Replicability;
- Accessibility;
- Compatibility; and,
- Cost-effective design.

City Staff and CreateTO identified the City-owned site, known municipally as 72 Amroth Avenue (see Figure 1), as the selected site to be allocated to the BEY Pilot Project.

The Property is an irregular, “T”-shaped lot with an area of 1,293.65 square metres and 17 metres of frontage on Amroth Avenue, located approximately 50 meters southeast of the Danforth Avenue and Woodbine Avenue intersection. The Property also has frontage on a public lane that connects it to Woodbine Avenue to the west. The Property is currently occupied by a Green P surface parking lot that is operated by the Toronto Parking Authority.

City Staff, CreateTO, and the consultant team, created project parameters and analyzed preliminary architectural massing concepts (see Figure 2) to determine the feasibility of providing low-rise building forms on the Property. The unique characteristics of the Property provide an opportunity to explore multiple low-rise residential built forms that are compatible with the scale of the surrounding neighbourhood. It is proposed that the design will be further refined through the City-initiated Official Plan and Zoning By-law Amendment process.

Next Steps

The transfer of the Property from the City to Build Toronto is intended to provide a direct funding source to facilitate the EHON BEY Pilot Project, which is a priority EHON project endorsed by Council to be advanced. There is currently no funding available within City budgets to undertake the necessary due diligence and marketing of the site. As such, CreateTO has agreed to fund and manage the project through its corporate entity, leveraging its development expertise and marketing capabilities to accelerate the desired outcomes for the BEY Pilot Project. Based on preliminary business case assumptions, it is expected that the sale of the Property will cover due diligence costs from CreateTO. The transfer of the Property provides the most efficient manner to fund, manage, sell, and allocate proceeds for the BEY Pilot Project overall.

During the next stage of work, Management will undertake detailed due diligence work to facilitate the City-initiated planning framework amendments and to prepare the Property marketing. Management will report to the CreateTO Board of Directors with a business case for approval on directions and impacts prior to marketing targeted for Q2 2024.

CONTACT

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SIGNATURE

Vic Gupta
Chief Executive Officer
CreateTO

Attachment #1 – Expanding Housing Options in Neighbourhoods (EHON): Beaches-
East York (BEY) Pilot Project
Confidential Attachment #1 – Preliminary Business Case

Figure 1: The Property (72 Amroth Avenue)

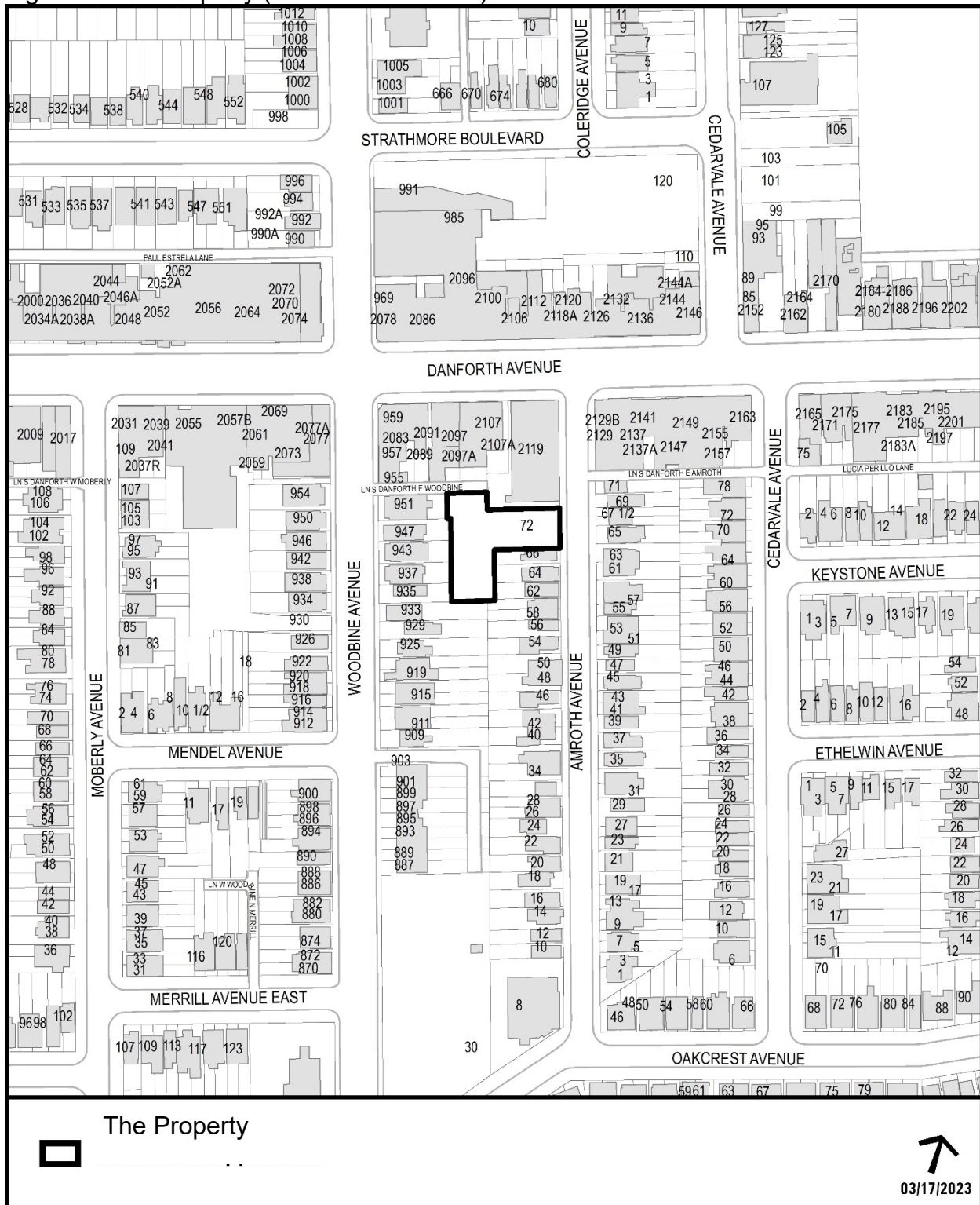


Figure 2: Preliminary Architectural Massing Concept



Western Perspective, Looking West from Amroth Avenue