

Supporting the Learning Enrichment Foundation by Identifying Community Space in York South-Weston

Date: June 17, 2024

To: General Government Committee

From: Executive Director, Corporate Real Estate Management

Wards: 5 - York South - Weston

SUMMARY

This report provides City Council with the results of a review of available space opportunities in City-owned and privately-owned buildings that could be offered to Learning Enrichment Foundation to support the organization to continue delivering community services in the York South – Weston area. This report is in response to Council direction received on February 6, 2024, through adopted Member Motion MM14.12.

Staff's review of available space opportunities has highlighted the need for additional community facilities in the York South-Weston area. As such, Corporate Real Estate Management will work with City Planning and Social Development, Finance and Administration to continue to identify and prioritize opportunities to secure new community space through the Community Benefits Charge framework, and through the optimization of existing City-owned properties to provide additional opportunities for community service delivery.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management recommends that:

1. City Council direct the Executive Director, Corporate Real Estate Management and the Executive Director, Social Development, Finance and Administration continue to work collaboratively with the Learning Enrichment Foundation to explore future opportunities for additional programming space in York South-Weston area.

FINANCIAL IMPACT

There are no financial impacts arising from the recommendations in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as presented in the Financial Impact section.

DECISION HISTORY

On February 6, 2024, through adopted Member Motion MM14.12 “Supporting the Learning Enrichment Foundation (LEF) in Continuing to Deliver Community and Social Services in York South-Weston”, City Council directed Corporate Real Estate Management to identify and secure either City-owned buildings or non-profit and private buildings within York South – Weston to meet the ongoing programming needs of the of Learning Enrichment Foundation and their clients, and to report back on the results of this work.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MM14.12>

On June 29, 2020, City Council adopted Item GL12.7 “Amendments to the Community Space Tenancy Policy Renewal Process for Current Below Market Rent Tenants”, thereby approving certain amendments to the Community Space Tenancy Policy.

<https://secure.toronto.ca/council/agenda-item.do?item=2020.GL12.7>

On November 7, 2017, City Council adopted Item EX28.8 “Community Space Tenancy Policy”, to support ongoing collaboration and investment in not-for-profit community and cultural organizations through a transparent, accountable and fair framework for the provision of these leased Community Spaces, and replacing the Policy for City-Owned Space Provided at Below-Market Rent.

<https://secure.toronto.ca/council/agenda-item.do?item=2017.EX28.8>

COMMENTS

Background

The Learning Enrichment Foundation (the “LEF”) is a non-profit community services agency providing support through immigrant and newcomer services, child care, employment services, language training, skills advancement programs, and youth programs to the York-South Weston neighbourhood. The LEF also works collaboratively with other social services agencies in the area and has operated at its current location at 116 Industry Street for over 30 years. The organization faces displacement as the landlord has indicated their intention to sell the building upon expiration of the lease in June 2026.

The LEF has acquired property at 1240, 1246, and 1250 Weston Road for the purpose of future redevelopment into a 19-storey mixed-use rental building, collectively known

as “The Mount Dennis Quilt”. This development includes 25,575 square feet of office space on the second and third levels of the building's six-storey podium, designated to serve as the LEF's future headquarters. While this new space will replace a portion of the LEF's current 73,000 square feet of programming space at 116 Industry Street, there still remains a significant need to secure additional space in the neighborhood to maintain the LEF's current level of programming in York South-Weston.

In order to ensure the LEF can continue to provide the much-needed services to low-income Toronto residents and other social service agencies, the LEF aims to secure additional 20,000 square feet of programming space in the community. This urgent request highlights the imminent loss of affordable community space in York South-Weston area and need for the City to pro-actively plan for community facilities to ensure the creation and retention of complete communities. Given these circumstances, the LEF approached the City to seek assistance to identify and secure additional programming space.

Review of Real Estate Options

Corporate Real Estate Management (“CREM”) undertook a review of available City-owned properties as well as private buildings available for lease or acquisition that would be suitable as a replacement location for the LEF. The results of the real estate review are summarized below.

City-owned Buildings

Staff completed a review of existing City assets, including buildings and vacant land within the York South-Weston area. No vacant buildings or lands that meet the space and geographic requirements for the organization were available. There are City-owned buildings in other areas of the City that are vacant or could have potential to be repurposed for community use, however those assets are smaller than the required space and/or are in a poor physical condition and would not be suitable for the LEF's operational needs.

Community Space Tenancy

In 2017, City Council adopted EX28.8 “Community Space Tenancy Policy (the “Policy”). The Policy provides Council and staff with a process for leasing City-owned or City-managed spaces at below market rent to non-profit organizations that deliver community and cultural services to residents and further the City's strategic objectives. The Policy's implementation is led by CREM and by Social Development, Finance and Administration (“SDFA”). A preliminary assessment by SDFA has been conducted on the LEF to determine its eligibility under the Policy. Based on the available information, the organization satisfies certain core eligibility requirements.

Community Space Tenancies are made available to organizations through a Request for Expressions of Interest administered by the City of Toronto. Expressions of Interest is an open call to non-Profit organizations that fit the service priorities of the available City space allocated for community use. The eligible non-profit organization must be

able to meet any additional application requirements, including alignment with the City's strategic objectives and financial standing.

Through the development review process, the City is able to secure new community space in new developments through Section 37 and the Community Benefits Charge requirements of the Planning Act. These community spaces are made available to eligible non-profit organization at nominal rents through the Community Space Tenancy Policy.

Staff reviewed the existing Community Space Tenancy (CST) portfolio, as well as the pipeline of future Section 37/Community Benefits Charge (CBC) sites that have been secured through development agreements but are not yet constructed and conveyed to the City. There are no spaces within the current or pipeline Community Space Tenancy portfolio that meets the space and geographic location requirements for potential relocation.

The review concluded that securing additional community facilities in York South – Weston should be prioritized. CREM will work with City Planning and Social Development, Finance and Administration to identify and prioritize opportunities for new community space through the Community Benefits Charge framework as part the development review for new developments in the area

Lease or Acquisition of Privately-owned Buildings

Staff assessed current commercial listings in York South-Weston, with 20,000 square feet as the required minimum programming space. This search did not yield favourable results. Limited sites were available for potential lease or acquisition. The sites that were available did not meet the LEF's programming space size and location criteria for acquisition or leasing. Staff also reviewed other public lands such as school boards for potential vacant buildings. However, this search also did not yield any suitable sites.

To support the review of real estate options, CREM estimates an annual net rental payment to range between \$210,000 and \$260,000 for a 20,000 square foot commercial property in the York South-Weston area. This translates to an acquisition cost between \$3,800,000 to \$4,900,000. In addition to the lease and acquisition costs, there are additional costs related to space design and interior renovation, and operations and maintenance that would need to be estimated based on the specific characteristics of the property. At present, there is no available City funding source that can support acquisition or lease of a privately-owned building.

Conclusion and Next Steps

Limited real estate options are currently available within the York South-Weston neighbourhood to assist the LEF secure a new community space location and ensure their continued presence in the community. Staff's review of available space opportunities has highlighted the need for additional community facilities in the York South-Weston. As such, CREM will work with City Planning and Social Development, Finance and Administration to continue to identify and prioritize opportunities to secure new community space through the Community Benefits Charge framework, and through

the optimization of existing City-owned properties to provide additional opportunities for community service delivery.

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SIGNATURE

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