

Housing Progress Update

Date: August 26, 2024
To: Board of Directors, CreateTO
From: Chief Executive Officer
Wards: All

SUMMARY

In recognition of the urgent need to expedite efforts to transform Toronto's housing system, this report provides the CreateTO Board of Directors with a broad update of 2024 housing-related work items:

- Priority housing sites, with proponents and equity confirmed (4 sites)
- Housing sites with secured proponents (4 sites)
- Housing sites that are zoned and tracking to market calls/securing a proponent (8 sites)
- Housing sites in market (1 site)
- Housing sites tracking to final zoning (3 sites)
- Update: Portfolio Wide Risk Factors

RECOMMENDATIONS

The Chief Executive Officer recommends that the Board of Directors of CreateTO receive this report for information.

FINANCIAL IMPACT

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 in line with current City-approved capital budgets.

EQUITY IMPACT STATEMENT

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 creation of new affordable housing 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.

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

On November 8, 2023, City Council adopted the Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes report. The report seeks to enhance the City's role in the delivery of new affordable housing to address Toronto's deepening housing and homelessness crises, including the delivery of 65,000 rent-controlled homes:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.3>

COMMENTS

Priority Housing Sites

50 Wilson Heights Boulevard (Housing Now)

Partner: Greenwin, Tridel and KingSett Capital

The 50 Wilson Heights Boulevard site will lead to the delivery of 1,484 new residential homes, including 520 affordable rental homes, 520 market rental homes, and 444 market condominium homes. The project includes a new childcare centre, retail space, a park and a community space for non-profit organizations. The Proponent team is working on clearing conditions for Release for Construction of Services to enable mobilization and site servicing construction launch of Phase 1 of the project. The Proponent team are planning to resubmit their site plan applications for Blocks 1 and 2 in September 2024. Management has worked closely with the Proponents and the external financing partners at CMHC. The Proponents CMHC application was heard at

CMHC credit committee on June 12, 2024 and a credit agreement is in advanced negotiation. Construction is now expected to launch Fall 2024.

Bloor-Kipling Block 1 (5207 Dundas Street West) (Housing Now)

*Partner: Kilmer-Tricon (**under construction**)*

The 5207 Dundas Street West site will lead the delivery of 725 new residential homes, including 218 affordable rental homes. Site Plan Notice of Approval Conditions were received on March 13, 2024, with construction continuing to advance. First occupancy of the project is expected by 2027. The site is one of five blocks at Bloor Kipling that were identified for housing development through Housing Now. The five development blocks will deliver at least 2,781 residential homes, 904 of which will be affordable rental homes, situated within a complete community that will also include the new Etobicoke Civic Centre and new City parks.

140 Merton Street (Housing Now, delivery led by Housing Secretariat)

Partner: Missanabie Cree First Nation and Ellis Don Community Builders

The site at 140 Merton Street will be the first non-profit development of a Housing Now site led by an Indigenous organization and will be dedicated to providing housing options for Indigenous elders and other seniors. The proponent team, led by Missanabie Cree First Nation and EllisDon Community Builders, secured updated zoning at City Council on November 8, 2023. The revised zoning adds 11-storeys and will deliver 294 total rental homes. The City's Priority Development Review Team continues to work with the Proponents on key site plan items in an effort to expedite the formal site plan review process. NOAC is anticipated for the first week of September. The proponent's CMHC application was approved by CMHC's credit committee on March 20, 2024. Pertinent legal agreements (Lease, Contribution, Heritage Easement) are being finalized. Initial construction activities remain targeted for September 2024.

275 Merton Street

Partner: Collecdev-Markee

The site at 275 Merton Street is being assembled with the adjacent property at 267 Merton Street and will be leased to Collecdev-Markee to develop. The project was endorsed by the Board in February 2024 and by Council in June 2024. The land lease is anticipated to be executed in September 2024, and the zoning application is anticipated to be submitted by Collecdev-Markee in December 2024. The project is anticipated to deliver over 400 rental housing units, with 30% of these units to be affordable under the income-based definition of affordable housing. The unit counts will be confirmed through the proponent's upcoming zoning application.

Housing Sites with Secured Proponents

777 Victoria Park Avenue (Housing Now)

Partner: Alterra and Mahogany

Management's negotiations with the selected proponents at 777 Victoria Park Avenue have settled, with renegotiated business terms that were endorsed at CreateTO's June 19, 2024 Board Meeting. The Proponents successfully secured a minor variance at the Committee of Adjustment on July 24, 2024 to advance site plan application and CMHC

financing. The project was endorsed by Council on July 25, 2024. Enabling construction of the -pick-up and drop off is targeted for Fall 2024. The development will deliver 705 new residential homes including 256 affordable rental homes.

705 Warden Avenue (Housing Now)

Partner: Greenwin and KingSett Capital

Negotiations with the selected proponents at 705 Warden Avenue are ongoing, including weekly meetings to proactively advance issues. In light of expected flexibility with CMHC and Federal Government changes regarding HST, CreateTO staff are working to bring this agreement to a close. Renegotiated business terms are targeted for approval by 2025. The Proponents are simultaneously pursuing a zoning amendment process to add market density to the project. The 705 Warden Avenue site is currently zoned to deliver 600 total homes, including 250 affordable rental units.

2444 Eglinton Avenue East (Housing Now)

Partner: Windmill, Civic and Co-operative Housing Federation of Toronto

On January 9, 2024, the City and CreateTO announced Civic Developments, Windmill Developments and Co-Operative Housing Federation of Toronto as the development partners for 2444 Eglinton Avenue East. This is the first site within the Housing Now program to advance with a developer-led rezoning as per Board direction. It is also the first to consider co-operative rental housing tenure and is proposed to be one of the largest co-operative housing developments the province has ever seen. The Proponent team received approval of their rezoning application from Council in June 2024. The Proponents are planning to submit their site plan control application in September 2024. Construction is targeted for Summer 2025. The project is proposed to deliver approximately 919 homes in total, including 306 affordable rental cooperative units. Project risks include rapidly escalating costs within an already constrained proforma.

This site was identified as a pilot to assess if this approach (i.e., developer-led rezoning) shortens the overall timelines (including securing in-force zoning for the site) for the ultimate delivery of constructed and occupied affordable housing units. This pilot will assess regulatory risks, financing, financial savings, and quality and report back to the Board with the results of that assessment.

Block R6, Bayside (263 Queen's Wharf) (Housing Now)

Partner: Hines

A recent update to the proforma for the Housing Now project located at 263 Queens Quay East (also known as Block R6, Bayside) has delayed consideration of the business case for the project. The preliminary housing targets for this project remain under review.

Housing sites that are zoned and tracking to Market Calls/Securing a Proponent

The following sites have received zoning approval and are ready for a decision regarding a Market Offering process. Timing of any market offering will be subject to Council direction and confirmation of any required funding.

Parkdale Hub (Housing Now)

The final zoning report for the Housing Now site known as Parkdale Hub was adopted by City Council at its November 8, 2023 meeting. The development proposal seeks to deliver 231 total units of rental housing, together with a library and community space. The initial proposal was amended to include five additional residential storeys and 60 homes in the project's west block. The proposal embodies the 'complete communities' mandate of the Housing Now program, with a design that was informed through extensive community engagement. The development of the west block (the first of three development phases of the project) has been earmarked for delivery through a future Request for Proposal (RFP) to the non-profit sector. A market sounding was undertaken in Q4 2023 with not-for-profit organizations, with a Housing Secretariat-led RFP process targeted for release in Q2/Q3 2024.

770 Don Mills (Housing Now)

A Memorandum of Understanding to secure the business terms for the transfer of a stratified portion of 770 Don Mills for a future elementary public school was separately reported at the June 19, 2024 CreateTO Board meeting and the July 24, 2024 City Council Meeting. Work also continues to advance for technical infrastructure considerations, including a license for grading work and relocation of existing utility infrastructure. A market offering is targeted for launch in late 2024/2025.

805 Don Mills (Housing Now)

The Stage 2 Report for the Expropriation of part of 24 Ferrand Drive was approved by City Council on March 20, 2024. This acquisition is required in order to realign Ferrand Drive in accordance with the Don Mills Crossing Secondary Plan. Full acquisition is set for August 2024. A market offering is targeted for launch in late 2024/2025.

BK Block 5 (Housing Now)

On July 14, 2021, City Council adopted zoning amendments for the subject site to enable a 586-unit development, including approximately 196 affordable rental units. A market offering for the subject site is targeted for 2024/2025.

158 Borough (Housing Now)

On April 6, 2022, City Council adopted Official Plan and Zoning By-law amendments for the subject site to enable a 687-unit development, including approximately 229 affordable rental units. The subject site is zoned and targeted for a market offering in 2024/2025.

931 Yonge Street (ModernTO)

The final zoning report for the ModernTO project at 931 Yonge Street was approved by City Council on April 17, 2024. This project is anticipated to deliver 250 total homes, 33 per cent of which will be affordable homes. The subject site is zoned and targeted for a market offering in 2024/2025, with a business case to be separately considered at a future Board and/or City Council meeting.

Bloor-Islington (Housing Now)

Hydro One's technical review process associated with the acquisition/easement over a portion of the Hydro Corridor for a new public road has concluded, with an Agreement of Purchase & Sale finalized and ready for execution at the time of drafting this report. It is anticipated that these Hydro One lands will close in August 2024. The final zoning report for Bloor-Islington was approved by City Council on April 17, 2024. This project is anticipated to deliver approximately 1,453 total homes, including 494 affordable rental units. The subject site is zoned and targeted for a market offering in late 2024/2025.

1113-1117 Dundas Street West (Mass Timber Pilot and Public Builder Site)

The Mass Timber Pilot Project at 1113-1117 Dundas Street West concluded engagement activities with a series of community pop-ups and a public meeting held through March 2024. The project team received approval of their rezoning application from Council in July 24, 2024. The project is targeted to deliver 94 homes, 30 per cent of which will meet the City's income-based affordability definition. This site has also been identified as one of five public builder sites. Discussions are occurring with the Housing Secretariat to determine the best approach to develop this site.

Housing Sites in Market

610 Bay Street and 130 Elizabeth Street (ModernTO)

On June 14, 2023, City Council adopted the shortlist of preferred proponents for the redevelopment of 610 Bay Street and 130 Elizabeth Street that prioritizes the delivery of affordable housing, a paramedics multi-hub, and other city-building outcomes. An addendum to the RFP was released on April 1st, with resubmissions received on May 13, 2024. Management will complete the evaluation of proposals and a report to the CreateTO Board is anticipated for Q4 2024.

Housing Sites Tracking to Final Zoning

Project partners are working to finalize zoning approvals for projects that are substantially advanced through the planning entitlements process, including:

1631 Queen Street East (Housing Now)

Discussions regarding a strategy for the existing on-site childcare centre have advanced significantly in coordination with the local councillor and Children's Services. City Planning, Engineering Construction Services and the retained consulting team continue to investigate options to satisfy servicing infrastructure requirements. CreateTO is currently working with City staff to examine the opportunity for increased housing delivery on this site. This project is currently targeted to deliver 279 total homes, including 93 affordable rental units, with final zoning submission targeted for Q1 2025

72 Amroth (EHON Pilot Initiative)

CreateTO, in partnership with City Planning, is leading the Expanding Housing Options in Neighbourhoods (EHON) - Beaches-East York Pilot project through item

2023.EX6.14. The Pilot Project has been structured to deliver missing middle housing options in Neighbourhoods through new low-rise housing forms. The project team concluded pre-application engagement with immediate project neighbours, local businesses, community groups and an advisory panel of technical experts in March 2024. Official Plan and Zoning amendment applications were filed in June 2024, with a final business case targeted by Q4 2024 subsequent to entitlements at City Council. Due diligence is underway related to the costs associated with adding additional affordable housing. Management is exploring the cost of incorporating affordable housing as directed by Council, and will be considered through the final business case.

Villiers Island (Portlands Revitalization)

CreateTO, in partnership with City Planning, Waterfront Toronto and the Waterfront Secretariat, is in the final stages of developing a Precinct Plan Amendment, Official Plan Amendment, and Zoning By-law Amendment for the Villiers Island District. The Precinct Plan and Official Plan Amendments will update the density and community facilities plan from those adopted in 2017, while the By-law will encode the overall heights, density and permitted uses for the area to enable redevelopment following the completion of flood protection work. A final recommendations report for the Precinct Plan Amendment, Official Plan Amendment, and Zoning By-law was approved by Council on June 26, 2024. The affordable housing strategy in Villiers Island will include a minimum requirement of 20%, and a target of 30% affordable rental homes on public lands.

Update: Portfolio Wide Risk Factors

CreateTO staff continue to monitor key risk factors that could significantly impact the ability to implement the City's housing programs as currently structured. These risk factors include:

- Availability and timing of debt financing and appropriate loan-to-cost ratios of the CMHC Apartment Construction Loan Program, including developer proponent negotiations to lock interest rates;
- Volatility in interest rates, which have been trending upwards over the past quarter; and,
- Rapid escalation in construction pricing.

In consideration of these risk factors, Housing Secretariat and CreateTO staff continue with efforts to negotiate an intergovernmental Memorandum of Understanding with key funding partners at the CMHC. The goal of the MOU is to establish standardized and favourable underwriting practices to be applied to the City's housing projects, together with grant funding contributions per affordable door. If successful, this will provide greater financial certainty for the City's housing projects and is also expected to streamline and speed up approvals.

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SIGNATURE

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ATTACHMENTS

Attachment #1 – Housing Milestone Report