

City Clerk's Office

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**In reply please quote:
Ref.: 24-PH14.6**

(Sent by Email)

August 30, 2024

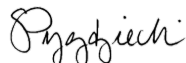
Mr. Ron Carinci
Chair, Board of Directors
CreateTO
Union Station East Wing
61 Front Street West, 3rd Floor
Toronto, Ontario M5J 1E5
roncarinci@jaardevelopments.com
trab@toronto.ca

Dear Mr. Carinci:

**Subject: Planning and Housing Committee Item 14.6
Advancing the Construction of Affordable Rental Homes at 777 Victoria Park
Avenue (Ward 20)**

City Council on July 24 and 25, 2024, adopted [Item PH14.6](#) and, in so doing, has requested the Board of Directors of CreateTO to direct the Chief Executive Officer, CreateTO, to ensure private operator parking is aligned with the above Green P parking rates and to explore additional parking solutions that are above grade.

Yours truly,

A handwritten signature in cursive script, appearing to read "Przewdziecki".

for City Clerk

S. Przewdziecki/wg

Attachment

Sent to: Chair, Board of Directors CreateTO
Chief Executive Officer, CreateTO

c. City Manager

City Council

Planning and Housing Committee - Meeting 14

PH14.6	ACTION	Adopted		Ward: 20
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Advancing the Construction of Affordable Rental Homes at 777 Victoria Park Avenue

City Council Decision

City Council on July 24 and 25, 2024, adopted the following:

1. City Council adopt the instructions to staff as set out in Confidential Attachment 1 to the report (June 26, 2024) from the Executive Director, Housing Secretariat, for the site at 777 Victoria Park Avenue.
2. City Council request the Deputy City Manager, the Executive Director, Corporate Real Estate Management, and the Board of Directors of CreateTO to direct the Chief Executive Officer, CreateTO, to secure options for off-site paid Green P public parking, with a minimum of 50 spots, that could be made available within the surrounding area to offset the loss of the existing commuter parking due to the development of affordable housing at 777 Victoria Park Avenue.
3. City Council request the Board of Directors of CreateTO to direct the Chief Executive Officer, CreateTO, to ensure private operator parking is aligned with the above Green P parking rates and to explore additional parking solutions that are above grade.
4. City Council direct the General Manager, Parks, Forestry and Recreation, in consultation with the Chief Planner and Executive Director, City Planning, and the Chief Executive Officer, CreateTO, to identify opportunities to make a portion of the parking at 781 Victoria Park Avenue, Dentonia Park Golf Course, available for Victoria Park Station commuter use, having consideration for the impacts on Golf Course Operations and other parks operational requirements, and report to the Planning and Housing Committee at its meeting on September 26, 2024 with updates.
5. City Council direct that Confidential Attachment 1 to the report (June 26, 2024) from the Executive Director, Housing Secretariat remain confidential in its entirety as it outlines a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the City and contains financial information, supplied in confidence to the City of Toronto and CreateTO, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.
6. City Council direct the information contained in Confidential Attachment 1 to the report (June 5, 2024) from the Chief Executive Officer, CreateTO remain confidential in its entirety, as it deals with a pending disposition of land by the City of Toronto.

Confidential Attachment 1 to the report (June 26, 2024) from the Executive Director, Housing Secretariat remains confidential in its entirety in accordance with the provisions of the City of Toronto Act, 2006, as it outlines a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the City; and contains financial information, supplied in confidence to the City of Toronto and CreateTO, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

Confidential Attachment 1 to the report (June 5, 2024) from the Chief Executive Officer, CreateTO remains confidential in its entirety in accordance with the provisions of the City of Toronto Act, 2006, as it deals with a pending disposition of land by the City of Toronto.

Summary

The Housing Now Initiative is a signature affordable housing program in Toronto and across Canada. It is also a key housing supply program to support the City's HousingTO 2020-2030 Action Plan, Housing Action Plan 2022-2026, and City of Toronto's Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes report. Through the Housing Now Initiative, City-owned lands are leveraged for the purpose of creating new mixed-use, mixed-income communities with maximized affordable housing outcomes.

To-date, the City has identified 22 sites and committed substantial land value, capital funding and financial incentives to the program, making it one of the most significant municipal financial investments in housing underway today. There are also 4 additional pipeline sites that have been identified for pre-development due-diligence. The site at 777 Victoria Park Avenue was among the original sites included in the program.

Like many of the Housing Now Sites, 777 Victoria Park Avenue experienced project slow downs resulting from the COVID-19 pandemic, unprecedented escalation in construction costs, changes to federal and provincial housing policy, and steep increases in interest rates. As an example, construction costs have increased by over 63% (more than 20% year-over-year) since 2019, making Toronto the most expensive city in Canada to build high-rise residential.

Recently, however, shifts in Toronto's residential market, stable interest rates, and the introduction of new inter-governmental program and policy changes have resulted in a window of opportunity for the delivery of purpose built and affordable rental homes.

The 777 Victoria Park site will include a range of rental homes, retail and community space at grade and a new purpose-built childcare facility. Importantly the land will remain in public ownership in perpetuity. Subject to Committee of Adjustment approval, the site will deliver 705 rental homes including:

- 256 new affordable rental homes (rents at average of 80% City of Toronto's average market rent)
- 449 new rent-controlled market homes (with annual rent increases limited at Provincial guideline+2%).

Similar to the Housing Now Initiative - 2023 Progress Update (April 13, 2023), this report makes a number of recommendations to City Council to help 'unstick' the Housing Now project

at 777 Victoria Park Avenue to quickly realize a significant amount of new affordable rental homes.

Background Information (Committee)

(June 26, 2024) Report from the Executive Director, Housing Secretariat on Advancing the Construction of Affordable Rental Homes at 777 Victoria Park Avenue
(<https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-247314.pdf>)
Confidential Attachment 1: 777 Victoria Park - Business Case Summary

Communications (Committee)

(July 11, 2024) Letter from Sarah Burrell, More Neighbours Toronto (PH.New)
(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-181713.pdf>)
(July 11, 2024) Letter from Mark Richardson, Technical Lead, Housing
NowTO.com (PH.New)
(<https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-181737.pdf>)

Communications (City Council)

(July 21, 2024) Letter from Keith Hambly, Fred Victor (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-182346.pdf>)
(July 22, 2024) Letter from Abi Ajibolade, Executive Director, The Redwood (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-182358.pdf>)
(July 22, 2024) Letter from Susan Andrew, Interim CEO, Bellwoods Centre (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-182361.pdf>)
(July 22, 2024) Letter from Colleen Lamond, Chief Operating Officer, Good Shepherd Non-Profit Homes Toronto (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-182369.pdf>)
(July 21, 2024) Letter from Mwarigha, VP of Housing Growth, Development & Asset Sustainability, WoodGreen Community Services (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-182362.pdf>)
(July 22, 2024) Letter from Debra Walko, Vice President of Client Care and Experience at LOFT Community Services (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-182370.pdf>)
(July 22, 2024) Letter from Brad Saunders, Chief Executive Officer, Community Living Toronto (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-182371.pdf>)
(July 22, 2024) Letter from Alexandra Shannan and Karen White, Developmental Services Ontario (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-182376.pdf>)
(July 22, 2024) Letter from Peter G. Martin, Toronto Alliance to End Homelessness (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-182377.pdf>)

6a Housing Now - Approval of Amended Documents for 777 Victoria Park Avenue

Summary

At its meeting on June 19, 2024, the Board of Directors of CreateTO considered Item RA12.4 and made recommendations to City Council.

Summary from the report (June 5, 2024) from the Chief Executive Officer, CreateTO:

Following completion of the market offering process on December 10, 2019, the successful proponent executed the term sheet on April 14, 2020. On January 27, 2020, the CreateTO Board adopted [Item 2020.RA10.2](#) and approved selection of the successful proponent partners and the term sheet. On March 8, 2021, the CreateTO Board of Directors adopted [Item](#)

[2021.RA21.4](#) and approved negotiated agreements which included the Ground Lease, the Project Agreement, and the Contribution Agreement (the "Agreements"). The proponent selection and the negotiated agreements were approved by senior City management on April 20, 2021.

Following execution of the Agreements in November 2021 by the City and the Proponent, the Proponent has been advancing the building design and site plan application for the relocation of the TTC Pick-up and Drop-off ("PUDO"), currently located at 777 Victoria Park Avenue, to 781 Victoria Park Avenue, located immediately north of the site. During this time, several economic factors have impacted the proponent's proposal and other Phase 1 Housing Now projects. CreateTO has been working with the Housing Secretariat and the Proponent to resolve these issues to advance project schedules and the delivery of affordable housing. On May 10, 2023, City Council adopted [Item 2023.PH3.6](#), and approved an approach to advance the Housing Now projects at 50 Wilson and 5207 Dundas Street West. A similar approach is proposed for the Phase One Housing Now site at 777 Victoria Park Avenue. The factors and an approach to resolve these issues are outlined in Confidential Attachment 1.

This report recommends that the CreateTO Board of Directors approve the approach outlined in Confidential Attachment 1, which responds to the changes in the development and financing markets over the past two years and ensures the project's viability and delivery of 256 affordable housing units.

The report also recommends that the Board of Directors of CreateTO direct the Chief Executive Officer, CreateTO to request the necessary City of Toronto authorities to execute amended Agreements and such other documents as may be necessary to finalize the arrangement with the proponent partners for 777 Victoria Park Avenue as described in Confidential Attachment 1.

Subject to approval of this report, CreateTO will collaborate with City legal to make the amendments to the Agreements and prepare for execution of the documents.

Pending minor variance and site plan approvals, the proponent's current schedule is to commence site mobilization and construction start in the first quarter of 2025

Background Information (Committee)

(June 19, 2024) Letter from the Board of Directors, CreateTO on Housing Now - Approval of Amended Documents for 777 Victoria Park Avenue

(<https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-247372.pdf>)

(June 5, 2024) Report from the Chief Executive Officer, Create TO on Housing Now - Approval of Amended Documents for 777 Victoria Park Avenue

(<https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-247394.pdf>)

Confidential Attachment 1: 777 Victoria Park Avenue Business Case Summary