

Housing Progress Update

Date: November 14, 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 (none currently)
- 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

50 Wilson Heights Boulevard 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 resubmitted their site plan application for Block 2 in September 2024. The CreateTO team 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 November 2024.

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

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

Bloor-Kipling Block 1 will lead to the delivery of 725 new residential rental 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.

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

Partner: Missanabie Cree First Nation and Ellis Don Community Builders

140 Merton will lead to the delivery of 294 new residential rental homes, including 98 affordable rental homes. The site 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 has now been issued. 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 for signing before month's end with initial construction activities to begin immediately after.

275 Merton Street

Partner: Collecdev-Markee

275 Merton will lead to the delivery of 494 new residential rental homes, including 148 affordable rental homes. 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 City Council in June 2024. The land lease is anticipated to be settled in Q4 2024, and the zoning application was submitted by Collecdev-Markee on October 22 2024. The project will deliver 30% of units as affordable rental.

Housing Sites with Secured Proponents

777 Victoria Park Avenue (Housing Now)

Partner: Alterra and Mahogany

777 Victoria Park Ave. will lead to the delivery of 705 new residential rental homes, including 256 affordable rental homes. 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 City Council on

July 25, 2024. Enabling construction of the TTC passenger pick-up and drop off (PPUDO) began on November 5, 2024.

705 Warden Avenue (Housing Now)

Partner: Greenwin and KingSett Capital

705 Warden Avenue will lead to the delivery of 600 new residential rental homes, including 250 affordable rental units. The site is currently zoned and negotiations with the selected proponents at 705 Warden Avenue are ongoing, including weekly meetings to proactively advance issues. The Proponents are considering a zoning amendment process to add market density to the project.

2444 Eglinton Avenue East (Housing Now)

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

2444 Eglinton Avenue East will lead to the delivery of 919 new residential homes, including 306 affordable rental homes, 306 market rental homes and 307 market condominium homes. 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 City Council in June 2024. Proponents are targeting a Site Plan Control application in November 2024. Construction is targeted for Summer 2025.

610 Bay Street and 130 Elizabeth Street (ModernTO)

Partner: Kilmer-Tricon

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. Evaluations are complete, and a recommended proponent was adopted by CreateTO's Board on October 29, 2024 and approved at City Council on November 13, 2024.

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 CreateTO Board business case approval and confirmation of any required funding.

Parkdale Hub (Housing Now)

Parkdale Hub will lead the delivery of 231 new residential rental homes, including 105 affordable rental homes, together with a library and community space. The final zoning report for the Housing Now site was approved by City Council at its November 8, 2023 meeting. 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. Discussions are ongoing with TCHC regarding shared parking facilities arrangements and capital work. 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. A Housing Secretariat-led RFP process is targeted for release in December 2024.

770 Don Mills (Housing Now)

770 Don Mills will lead to the delivery of 1,254 new residential rental homes, including 418 affordable rental homes. 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 and adopted 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 in 2025, subject to CreateTO Board business case approval.

805 Don Mills (Housing Now)

805 Don Mills will lead to the delivery of 840 new residential rental homes, including 280 affordable rental homes. 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 to realign Ferrand Drive in accordance with the Don Mills Crossing Secondary Plan. The Ferrand Drive lands are now in City ownership.

BK Block 5 (950 Kipling St) (Housing Now)

BK Block 5 will lead to the delivery of 586 new residential rental homes, including 195 affordable rental homes. On July 14, 2021, City Council approved Zoning By-law Amendments for the subject site and a market offering is targeted in 2025, subject to CreateTO Board business case approval.

158 Borough (Housing Now)

158 Borough will lead to the delivery of 687 new residential rental homes, including 229 affordable rental homes. On April 6, 2022, City Council approved Official Plan and Zoning By-law amendments for the subject site and a market offering is targeted in 2025, subject to CreateTO Board business case approval.

931 Yonge Street (ModernTO)

931 Yonge Street will lead to the delivery of 250 new residential rental homes, including 82 affordable rental homes. On April 17, 2024, City Council approved Zoning By-law Amendments for the subject site and a market offering is targeted in 2025, subject to CreateTO Board business case approval.

Bloor-Islington (3326 Bloor Street West & 1226 Islington Avenue) (Housing Now)

Bloor-Islington will lead to the delivery of 1,415 new residential rental homes, including 471 affordable rental homes. The Agreement of Purchase & Sale for the Hydro One lands required for the future ROW was executed in October 2024, with closing of the lands by the end of 2024. The final zoning report for Bloor-Islington was approved by City Council on April 17, 2024.

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

1113-1117 Dundas Street West will lead to the delivery of 94 new residential rental homes, including 28 affordable rental homes. City Council approved Official Plan and Zoning By-law Amendments for the site on July 24, 2024. This site has also been identified as one of five Public Developer Sites.

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)

1631 Queen Street East will lead to the delivery of 279 new residential rental homes, including 93 affordable rental homes. City Planning, Engineering Construction Services and the retained consulting team continue to investigate options to satisfy servicing infrastructure requirements. In October 2024, City Council endorsed the acquisition of 1641 Queen Street East, which will allow for additional housing and improved community facilities on site. A final zoning submission targeted for Q1 2025.

72 Amroth (EHON Pilot Initiative)

72 Amroth will lead to the delivery of 34 new residential homes. CreateTO, in partnership with City Planning, is leading the Expanding Housing Options in Neighbourhoods (EHON) - Beaches-East York Pilot project. The Pilot Project has been structured to deliver missing middle housing options in Neighbourhoods through new low-rise housing forms. Official Plan and Zoning amendment applications were adopted at Planning and Housing Committee on October 30, 2024. If approved by City Council at its November 13-15, 2024 meeting, a final business case is targeted to CreateTO's Board in Q1 2025, including different affordable housing scenarios. A market offering is targeted in 2025, subject to CreateTO Board business case approval.

Ookwemin Minising (Port Lands Revitalization)

CreateTO, in partnership with City Planning, Waterfront Toronto and the Waterfront Secretariat, developed a Precinct Plan Amendment, Official Plan Amendment, and Zoning By-law Amendment for the Ookwemin Minising District. The Precinct Plan and Official Plan Amendments updated the density and community facilities plan from those adopted in 2017, while the By-law encoded 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 City Council on June 26, 2024. The

affordable housing strategy in Ookwemin Minising 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 Tracker