

Regent Park Phases 4 and 5 – Building 4A Update

Date: January 29, 2025

To: Planning & Housing Committee

From: Executive Director, Housing Secretariat

Wards: Ward 13 – Toronto Centre

SUMMARY

Toronto Community Housing Corporation (TCHC) has over two decades of experience in the successful revitalization of its communities, in partnership with residents. TCHC revitalization projects play a central role within the delivery of the HousingTO 2020-2030 Action Plan, in helping meet goals for maintaining social housing and adding to new affordable rental housing supply. This includes a wholistic approach to pre-development, design, construction, and community engagement and relocation. TCHC's 10-year development plan, in partnership with the City, aims to deliver over 10,000 new homes in our city by 2035. Regent Park is a critical site within this development plan.

Since 2005, TCHC has been implementing the revitalization of Regent Park; a five-phased undertaking to transform the 69-acre community into a mixed-use, mixed-income neighbourhood. To date, 1,450 Rent-Geared-to-Income ("RGI") Replacement homes, 427 net-new affordable rental homes, and 3,741 new market homes have been built during Phases 1-3.

On July 19, 2023, City Council approved a Zoning By-law Amendment application for Phases 4 and 5 of the Regent Park revitalization to permit the development of 12 buildings with heights ranging from 6 to 39 storeys. Phases 4 and 5 plan to deliver 633 RGI Replacement homes (completing the full replacement of the original 2,083 Regent Park RGI homes) along with 2,168 new market homes. 637 net-new affordable rental homes are also planned, provided funding is secured to support the construction and subsidization of rents for these homes. As part of this approval, Council directed that prior to the issuance of a first building permit for each building in Phases 4 and 5, TCHC must report back to Council, through the Housing Secretariat, with an update on progress towards achieving the net-new affordable rental housing targets and towards securing funding from the Federal and Provincial governments to support the construction of these homes.

TCHC submitted an application to Canada Mortgage Housing Corporation (CMHC) Affordable Housing Fund (AHF) in November 2024 for Building 4A and continues to work alongside City Staff (initially with the Housing Secretariat and ultimately with the Housing Development Office) and CMHC's underwriting team to obtain approval. An approved application would provide the funding and financing necessary for the

construction of Building 4A, which will deliver 136 RGI replacement homes and 136 net-new affordable rental homes (272 total homes).

TCHC submitted its site plan application for the first building in Phase 4, “Building 4A”, in December 2024, with the aim of starting construction in the spring of 2025. This report provides an update in accordance with Council direction and ahead of submission of a building permit application for Building 4A.

The partnership between the City and TCHC to replace RGI homes and deliver more affordable rental supply will be further supported by the creation of a new Housing Development Office as part of recent Council approved housing mandate alignment.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council request Canada Mortgage Housing Corporation (CMHC) to expedite the review and approval of the Affordable Housing Funding (AHF) application made by the Toronto Community Housing Corporation (TCHC) for funding and financing for Building 4A of the Regent Park revitalization;
2. City Council request the Federal and Provincial governments work with the Executive Director, Housing Secretariat, Deputy City Manager, Development and Growth Services, and the Toronto Community Housing Corporation (TCHC) to allocate funding and financing required to deliver remaining phases of the Regent Park revitalization including up to 2,805 new rental homes in a mixed-income, complete community, and optimize the delivery of affordable housing outcomes as a result of this work.
3. City Council request the Executive Director, Development Review, and any other City divisions as appropriate, to prioritize the review of the development applications relating to Building 4A of the Regent Park revitalization.

FINANCIAL IMPACT

In order to advance the next phase of the Regent Park revitalization, City Council approved capital funding in the amount of \$50.7 Million in the City's 2024-2033 Capital Budget and Plan towards the construction of Building 4A through the City's 2024 budget process. The total costs to construct Building 4A remains confidential in order to preserve the integrity of ongoing construction procurement activities.

Historically, roads and infrastructure costs for previous Regent Park phases have been shared with the City. Details of future cost sharing arrangements for Regent Park Phases 4 and 5 will be subject to further reporting later in 2025.

TCHC, through its partnership deal with Tridel, will be contributing equity from market proceeds towards the project. This equity contribution amounts to approximately 36% of total construction costs for Building 4A.

In order to secure the remaining funds required for the project, TCHC has submitted an application to CMHC's Affordable Housing Fund (AHF) in November 2024 which includes both repayable and forgivable loans. TCHC continues to work alongside the Housing Secretariat and CMHC's underwriting team towards finalizing the approval of their application.

Receiving CMHC financing through its AHF program is necessary for the project to be realized and by continuing to advance Building 4A towards construction through approvals, its business case for CMHC financing is strengthened. In the event that TCHC does not secure the required CMHC funding for the affordable rental homes, TCHC staff will need to return to their Board with proposed alternatives including other financing options, a reduction in the size of the building, or a request to seek additional capital funding from other government sources.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

EQUITY IMPACT

The HousingTO 2020-2030 Action Plan envisions a city in which all residents have equal access to safe, secure and affordable housing as a foundation to develop to their full potential. The HousingTO Action Plan furthers the City's commitment to the progressive realization of the right to adequate housing, as is noted in the Toronto Housing Charter, in which the City's policy statement acknowledges that adequate housing is a human right that is recognized in international law. Moreover, research notes that housing is a social determinant of health, thereby directly impacting the social and economic well-being of those residing in Toronto.

The Regent Park revitalization will create new affordable rental homes and will increase the opportunity for vulnerable and marginalized individuals, including Indigenous Peoples, Black and other racialized people, seniors, women, people with disabilities and members of 2SLGBTQ+ communities to access safe, healthy and adequate homes. More rental housing opportunities for essential workers and families will also be created through the completion of the final phases of the Regent Park revitalization.

The Regent Park revitalization leverages City land to develop new affordable and market rental homes, in addition to replacement RGI homes, contributing to a strong and secure mixed-income housing stock. A full spectrum of housing including affordable and market rental homes is essential to create complete communities in Toronto where residents of all walks of life can thrive.

DECISION HISTORY

On July 19, 2023, City Council approved a Zoning By-law Amendment application for Phases 4 and 5 of the Regent Park revitalization to permit the development of 12 buildings with heights ranging from 6 to 39 storeys. A total of 3,246 residential homes were contemplated, of which 633 will be replacement Rent-Geared-to-Income (RGI) social housing homes and 637 were proposed as new affordable housing homes. City Council also approved the Rental Housing Demolition application to demolish the remaining 527 social housing homes in Regent Park, which will be replaced as part of the revitalization. The decision document can be found here:

<https://secure.toronto.ca/council/agenda-item.do?item=2023.TE6.21>.

On November 8 and 9, 2023, City Council adopted Item EX9.3 - Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes. The report outlines several recommended actions, and highlights initiatives underway to transform and strengthen Toronto's housing system and expedite delivery of the HousingTO and Housing Action Plan targets. The decision document can be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2023.EX9.3>

On December 13, 2023, City Council adopted Item EX10.2 – Advancing Generational Transformation of Toronto's Housing System - Aligning Housing Mandates and Strategic Efforts. The report outlines a number of recommendations to ensure a more consistent and strategic approach in how the City, CreateTO and TCHC plan and deliver housing services. The decision document can be found here:

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX10.2>

On July 24, 2024, City Council requested the Executive Director, Development Review, in consultation with appropriate City Divisions, to determine the appropriate amendment to the Zoning By-law for Phases 4 and 5 of the Regent Park revitalization to avoid conflicts with critical City infrastructure and increase the opportunity to provide a range of housing options including rent-geared-to income, affordable, and market housing. City Council requested staff to bring forward any required reports on the Zoning By-law Amendment to a statutory public meeting under the Planning Act after holding a community meeting no later than the fourth quarter of 2024. The decision document can be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2024.MM20.40>

On December 17, 2024, City Council approved city-led Zoning By-law Amendment for Phases 4 and 5 of the Regent Park Revitalization to permit modified massing necessary to avoid conflicts with critical City infrastructure and to increase the opportunity to provide additional housing on future blocks. The decision document can be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2024.TE18.7>

COMMENTS

TCHC's Regent Park Revitalization

Regent Park is a 69-acre housing complex in the downtown east area of Toronto, bordered by River Street (east), Shuter Street (south), Gerrard Street (north), and

Parliament Street (west). One of the largest urban revitalizations of its kind, the Regent Park revitalization is a five-phase redevelopment project that is transforming the community into a mixed-income, mixed-use neighbourhood.

Beyond housing, the Regent Park revitalization project also focuses on revitalizing the economic and social fabric of the community. To this end TCHC developed the Regent Park Social Development Plan (SDP) through community consultations to support social inclusion and social cohesion of residents during the Regent Park revitalization. The project continues to bring employment, economic development, social development, training, and scholarship opportunities to neighbourhood residents. The revitalization also includes over 10,000 square meters of commercial and non-residential space, 3,714 square meters of community space, a new aquatic centre, a park and athletic grounds, cultural and learning spaces, and is home to a new Toronto Public Library.

Through a competitive request for proposals in 2020, TCHC selected Tridel Builders Inc. as its developer partner for Phases 4-5 of the revitalization. In accordance with Council direction and in anticipation of the construction of the first building of Phase 4, Building 4A, this report provides an update on the progress towards achieving the housing targets in Phases 4 and 5, and towards securing funding from the Federal and Provincial governments to support the construction of the net-new affordable rental homes.

Housing Targets

Regent Park Phases 4 and 5 will deliver 3,438 homes over five development blocks. This will include 633 replacement RGI homes and the potential for up to 637 affordable rental homes provided sufficient funding is available. The first TCHC building in Phase 4, Building 4A, will consist of 136 replacement RGI homes and 136 net-new affordable rental homes, pending approval of TCHC’s application to CMHC’s Affordable Housing Fund. TCHC will continue to target a 50/50 split between replacement RGI and affordable rental homes in subsequent TCHC buildings in Phases 4 and 5.

The city-initiated Zoning By-law Amendment (approved by Council on December 17, 2024) also enables an additional 95 purpose-built market rental housing homes on Block 4B and 4C, for a total potential of 2,168 market homes in Phases 4 and 5. The bedroom type breakdown by tenure is shown Table 1 below.

Table 1 – Housing Targets for Regent Park Phases 4 and 5

Bedroom Type	Replacement RGI Homes	Net New Affordable Homes	Purpose-Built Market Homes	Phase 4 and 5 Total Homes
1 Bedroom	58	110	1,474	1,642
2 Bedroom	223	252	491	966
3 Bedroom	276	237	203	716
4 Bedroom	50	30	0	80

Bedroom Type	Replacement RGI Homes	Net New Affordable Homes	Purpose-Built Market Homes	Phase 4 and 5 Total Homes
5 Bedroom	26	8	0	34
Total	633	637	2,168	3,438

Intergovernmental Funding

Toronto continues to face an unprecedented housing affordability crisis across the housing continuum, with a lack of deeply affordable and supportive homes for those with low-incomes, and high rents affecting middle-income earners who aspire to live and work in the city. To this end, City Council adopted new targets to transform and strengthen Toronto's housing system which include approving 65,000 rent-controlled homes, consisting of a minimum of 41,000 affordable rental and 6,500 RGI homes, and 17,500 rent-controlled market homes by 2030. These ambitious targets represent a housing system shift for Toronto and the first time that the City has set an intentional target to create and track the delivery of net new RGI and rent-controlled market rental homes.

TCHC, who owns and operates 15% of the City's rental housing stock and approximately 73% of its RGI housing, plays a central role in meeting these targets by delivering and maintaining a significant amount of Toronto's deeply affordable and RGI housing. Over the past 20 years, with support from the City of Toronto, TCHC's Development Division has been partnering with the private sector to replace existing aged rental homes, deliver new affordable homes and to unlock land for new market housing units. For this reason, the City has historically found ways to fund TCHC's development funding gaps to help realize these important projects.

However, significant participation from all levels of government is required in order to achieve the City's ambitious targets and, most critically for TCHC, access to timely low-interest financing and forgivable loans are critical to the success of projects like Regent Park. The Regent Park 4A application to CMHC for project financing represents a first for TCHC and, if approved, will pave the way for future phase partnership. Timely access to financing programs such as CMHC's AHF allow for significantly more net-new affordable housing outcomes for TCHC and help to realize other objectives such as a better-balanced portfolio by allowing for a greater mix of unit tenures.

Project Timelines

Demolition works for Phase 4 started in the spring of 2024 and was completed in December 2024. These vacant lands will be the sites of TCHC Building 4A, market buildings 4B and 4C, as well as the project sales centre.

The final TCHC building in Phase 3, 175 Oak Street, will be ready for occupancy in Spring 2025. In line with TCHC's replacement and relocation policies, previously

relocated tenants, as well as those currently living in Phases 4 and 5, have been offered the opportunity to select a home in this new building.

A site plan application for Building 4A was submitted in December 2024 with the aim of starting construction in the spring of 2025. Staff recommend that the Development Review Division and Toronto Building Division prioritize review of development applications for Building 4A, as they are submitted, to help further expedite the delivery of much needed affordable housing.

Table 2 – Anticipated project timelines for TCHC buildings*

TCHC Building	Anticipated Construction Start	Anticipated Completion Date	Funding Requirement	Status
4A	Spring 2025	2028	\$50.7 M	City funding committed, TCHC equity committed, CMHC financing / funding pending
5C/5D	2027	2030	TBD	TBD
5G	2030	2033	TBD	TBD

*Subject to funding and financing being secured

Conclusion

In partnership with the City, TCHC's community revitalizations strive to create complete, mixed income and vibrant communities, achieve design excellence in construction, secure benefits for tenants and leverage private sector investment to offset project costs. Through undertaking this work, TCHC has developed a unique and recognized expertise in delivering full-service housing projects from inception to occupancy and beyond. The multiple award-winning revitalization of Regent Park is among the best examples of TCHC's approach.

In recognition of this, TCHC has been given a vital role to play in the City's re-alignment towards its Public Developer approach as outlined in the December 2024 report to Council EX19.1 Strengthening the City of Toronto's Housing Development Capacity to Deliver Housing Faster. In addition to continuing to lead the redevelopment of its own sites as a priority, the City will leverage TCHC as a housing delivery partner and expand its role to include the delivery of housing projects on City land, either developed on its own or where the City is partnering with a not-for-profit or other community partner to deliver housing. This will allow the City to benefit from TCHC's experience in development services, construction management, development partnership, and operation.

This report represents an important milestone in the realization of Regent Park's next phase of revitalization and highlights the timely progress of Building 4A towards

preliminary permits for site preparation of Building 4A. Importantly, it outlines a path to secure 136 net-new affordable homes in addition to the 136 RGI replacement homes at this first building.

Acknowledging recent direction on the mandate alignment, TCHC and City staff (initially through the Housing Secretariat and ultimately through the new Housing Development Division) will continue to work diligently towards securing CMHC funding and financing for Building 4A, as well as optimizing affordable housing outcomes in the Regent Park community as it continues to report back on this and future phases.

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