

Housing Update and Supporting Construction at 267-275 Merton Avenue, and 610 Bay Street and 130 Elizabeth Street

Date: June 6, 2025

To: Board of Directors, CreateTO

From: Chief Executive Officer

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The Confidential Attachment to this report relates to both a proposed or pending disposition of property by the City and a position, plan, procedure, criteria or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the Board of Directors of CreateTO and the City.

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 2025 housing-related work items:

- Priority housing sites, with proponents and equity confirmed (7 sites)
- Housing sites with secured proponents (2 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 (5 sites)

The projects at 267-275 Merton St. and 610 Bay St./130 Elizabeth St. are signature housing projects that leverage City-owned lands and will deliver over 1,350 new rental homes including at least 369 affordable rental homes.

Market conditions have changed since the Board approved the deal terms for these two sites in 2024, most notably a reduction in market rental rates, and an increase in project costs, impacting the financial viability of the projects.

In order to maintain the viability of these projects in the face of shifting market conditions, this report makes recommendations to help 'unstick' these housing projects to start construction on a significant amount of new purpose-built and affordable rental homes in 2025.

RECOMMENDATIONS

The Chief Executive Officer recommends that the Board of Directors of CreateTO:

1. Adopt the Confidential Instructions to Staff in Confidential Attachment 1.
2. Direct that Confidential Attachment 1 remain confidential in its entirety as it relates to a proposed or pending disposition of property by the City and a position, plan, procedure, criteria or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the Board of Directors of CreateTO and the City.

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 Torontonians and other racialized groups, 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

At its meetings 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 outlined several recommended actions 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.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX9.3>

At its meetings on May 21 and 22, 2025, City Council adopted Item PH21.4 - Toronto Builds - A Policy Framework to Build More Affordable Rental Homes on Public Land. The report outlined the Toronto Builds Policy Framework to harmonize the development of a range of rental homes and mixed-income communities on public land and applied across projects on City-owned lands identified in the report and future sites to be added to the Toronto Builds Portfolio.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PH21.4>

COMMENTS

Toronto Builds: A New Policy Framework to Build more Affordable Rental Homes on Public Land

Historically, the development of City land for affordable housing has been facilitated through different programs such as Housing Now, ModernTO, the City-wide Real Estate Program, the public developer model, various pilot projects, and through tri-government investment in waterfront revitalization. These programs have included a wide variety of eligibility criteria and requirements, leading to inconsistency and a lack of clarity in direction when City land is mobilized for housing. At its meeting held on May 21 and 22, 2025, City Council adopted PH21.4 – Toronto Builds – A Policy Framework to Build More Affordable Rental Homes on Public Land to respond to this need for greater consistency and advance the City's HousingTO 2020-2030 Action Plan targets.

Through the report, Council adopted a new policy framework to guide the development of a range of new rental homes within mixed-income communities on City land (the "Framework"). Under the Framework, a set of policy requirements and targets have been established to harmonize a range of existing City programs (e.g. Housing Now, ModernTO) and ensure Council's housing priorities including to deliver rent-geared-to-income, affordable, and rent-controlled homes, are realized on City land. This includes policies related to retention of public land ownership, housing tenure, affordability

requirements, creating family-sized homes, sustainability, accessibility, and others. The report included an attachment listing almost 40 sites intended to be developed as housing which are now included in the Framework, including sites being delivered by CreateTO. To support alignment across City Divisions, Agencies, and Corporations, the report requested the Board of CreateTO and Board of TCHC to consider the Toronto Builds Policy Framework when advancing housing developments on public land. The housing sites included in this report that were listed in the May City Council report have been identified in this report as “Toronto Builds”.

Additional information regarding delivery and monitoring of projects under this new policy framework will be provided to City Council in a forthcoming implementation report.

Priority Housing Sites

50 Wilson Heights Boulevard (Housing Now)

*Partner: Greenwin, Tridel and KingSett Capital (**under construction**)*

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 site servicing construction to continue. The Proponent team re-submitted their site plan application for Block 2 in September 2024 and Site Plan Notice of Approval Conditions was secured on February 3, 2025. The CreateTO team has worked closely with the Proponents and the external financing partners at Canada Mortgage and Housing Corporation (CMHC). The Proponents' financing application was considered by CMHC credit committee on June 12, 2024 and a loan agreement was signed in November 2024. Construction began on November 26, 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 (NOAC) 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.

777 Victoria Park Avenue (Housing Now)

*Partner: Alterra and Mahogany (**under construction**)*

777 Victoria Park Avenue 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 and approved by Council on July 25, 2024. The Proponents successfully secured a Minor Variance at the Committee of

Adjustment on July 24, 2024 to advance a Site Plan Application and CMHC financing. Enabling construction of the TTC passenger pick-up and drop-off (PPUDO) began on November 5, 2024, with the PPUDO now substantially complete and operating. NOAC is targeted to be issued in June, 2025.

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

Partner: Missanabie Cree First Nation and Ellis Don Community Builders

140 Merton Street 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 provide housing options for Indigenous elders and other seniors. The proponent team, led by Missanabie Cree First Nation and EllisDon Community Builders, secured an updated Zoning By-law Amendment at City Council on November 8, 2023. Site Plan Notice of Approval Conditions (NOAC) were received in October 2024. The proponent's CMHC application was approved by CMHC's credit committee on March 20, 2024 and the loan agreement was executed in March 2024. Pertinent legal agreements including the Lease, Contribution Agreement, Project Agreement, and Heritage Easement were signed in December 2024. Site mobilization is expected to begin by October 2025.

275 Merton Street

Partner: Collecdev-Markee

275 Merton Street 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 and associated agreements were executed in December 2024. A Zoning By-law Amendment submitted by Collecdev-Markee on October 22, 2024, and approved by Council on February 5, 2025. A Site Plan Control application was submitted on May 16, 2025. Further information is included in Confidential Attachment #1.

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 co-operative homes, 306 co-operative 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 housing and is proposed to be one of the largest co-operative housing developments in the province. The Proponent team received approval of their Zoning By-law Amendment from City Council in June 2024. Proponents have submitted a Site Plan Control application on April 8, 2025. Construction is targeted for Fall 2025.

610 Bay Street and 130 Elizabeth Street (ModernTO)

Partner: Kilmer-Tricon

610 Bay Street and 130 Elizabeth Street will lead to the delivery of 858 new residential rental homes, including 245 affordable rental homes, subject to planning approvals. 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 2024 with resubmissions received on May 13, 2024. Evaluations are complete, and a recommended proponent was approved by City Council on November 13, 2024. Kilmer-Tricon have submitted their first Official Plan and Zoning By-law Amendment on March 21, 2025, which is advancing to the Toronto and East York Community Council scheduled on June 5, 2025. Further information is included in Confidential Attachment #1.

Housing Sites with Secured Proponents

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 homes. The site is currently zoned and negotiations with the selected proponents at 705 Warden Avenue are ongoing. The Proponents are considering a zoning amendment process to add market density to the project. Amending Term Sheet is currently in circulation and under review between parties.

260 Adelaide Street West

Partner: CentreCourt

260 Adelaide Street West will lead to the delivery of 813 new residential homes, including 163 affordable rental homes. The project will also deliver a new paramedic post and approximately 10,000 sf of community agency space. A Zoning By-Law Amendment was approved by City Council on July 19, 2022 to facilitate the redevelopment of the site, along with the adjacent property at 254 Adelaide St W. At its meeting on May 10, 2023, City Council approved the business case and sale of 260 Adelaide Street West. Closing is anticipated in Q4 2027, pending the relocation of the existing fire hall to Metro Hall. Currently impacted by revised MZO Flight Path dated January 26, 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 or to select the Proponent through a City-led Request for Proposals Process. Timing of any market offering will be subject to CreateTO Board business case approval and confirmation of any required funding.

Parkdale Hub (Toronto Builds)

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 this 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 additional rental homes in the project's west block. The proposal embodies the 'complete communities' mandate of the Toronto Builds framework, 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) is the first phase of the project to advance and will be delivered by a non-profit housing provider. The Housing Secretariat conducted a market sounding in Q4 2023 with not-for-profit organizations and released a Request for Proposals in April 2025 (West Block only) that closes in July 2025.

1113-1117 Dundas Street West (Toronto Builds)

1113-1117 Dundas Street West will lead to the delivery of 94 new residential rental homes, including 28 affordable rental homes. City Council approved an Official Plan and Zoning By-law Amendment for the site on July 24, 2024. This site has also been identified as one of five Public Developer Sites. A Demolition Permit has been issued on May 8, 2025 for the Deconstruction of the vacant house at 1113 Dundas Street West, which is expected to be completed by June 20, 2025. An RFP for Prime Architect was released on May 26, 2025.

770 Don Mills (Toronto Builds)

770 Don Mills will lead to the delivery of 1,254 new residential rental homes, including 418 affordable rental homes. A Memorandum of Understanding with the Toronto District School Board 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. The elementary school at 770 Don Mills was not included as part of the Province's 2025 "Support for School and Child Care Infrastructure Projects" announcement of funded schools under the 2025 Capital Priorities Program.

158 Borough Drive (Toronto Builds)

158 Borough Drive 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 site. Following CreateTO Board Business Case approval on January 30, 2025, a market offering is tentatively targeted in 2025.

931 Yonge Street (Toronto Builds)

931 Yonge Street will lead to the delivery of 250 new residential rental homes, including 75 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.

72 Amroth Avenue (EHON Pilot Initiative)

72 Amroth Avenue will lead to the delivery of 34 new residential rental 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. On November 13-15, 2024, City Council approved a Zoning By-law Amendment for the subject site, and a market offering is targeted in 2025, subject to CreateTO Board and Council approval. The pilot project will assess the financial viability of providing affordable rental housing (with the exact number to be confirmed) within small scale EHON projects.

805 Don Mills Road (Toronto Builds)

805 Don Mills Road 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.

Bloor-Islington (3326 Bloor Street West & 1226 Islington Avenue, Toronto Builds)

Bloor-Islington will lead to the delivery of 1,415 new residential rental homes, including 471 affordable rental homes. The final Zoning By-law Amendment for Bloor-Islington was approved by City Council on April 17, 2024. The Agreement of Purchase & Sale for the Hydro One lands closed on May 6, 2025 with the lands now in City ownership.

Housing Sites in Market

BK Block 5 (970 Kipling St, Toronto Builds)

BK Block 5 will lead to the delivery of 586 new residential rental homes, including 176 affordable rental homes. On July 14, 2021, City Council approved a Zoning By-law Amendment for the site. The CreateTO Board approved the project's Business Case on January 30, 2025. The Toronto Builds Policy Framework was adopted by City Council at its meeting on May 21 and 22, 2025; the transaction terms within the Business Case will now reflect the changes from the Policy Framework. A market offering was released on June 4, 2025 and an open house is to follow on June 24, 2025.

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:

Bloor-Kipling Block 3 (Toronto Builds)

Bloor-Kipling Block 3 will lead the delivery of 698 new rental residential homes, including 230 affordable rental homes, subject to planning approvals. In Q2 2019, Bloor-Kipling (Six Points) was identified as a Phase One site through the Housing Now Initiative by City Council. The first Zoning By-law Amendment submission was made on January 27, 2025.

1631 Queen Street East (Toronto Builds)

1631 Queen Street East will lead to the delivery of 279 new residential rental homes, including 93 affordable rental homes, subject to planning approvals. 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 By-law Amendment submission is targeted for July 2025, with access recently being granted to 1641 Queen Street East for due diligence purposes.

40 Bushby Drive (Toronto Builds)

40 Bushby Drive will lead to the delivery of 1,717 new residential rental homes, including 572 affordable rental homes, subject to planning approvals. Three towers ranging in height from 44 to 59 storeys are proposed to replace the Green P parking lot, directly adjacent to the Line 2 subway extension and the future Scarborough Centre Station and Bus Terminal. The first Official Plan and Zoning By-law Amendment was submitted in January 2025.

Ookwemin Minising (Port Lands Revitalization, Toronto Builds)

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 amendment 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.

805 Wellington Street West (Toronto Builds)

In 2020 (MM27.33), City Council requested City staff to lead a City-initiated Official Plan Amendment and Zoning By-law Amendment to permit the development of a new supportive housing facility at 805 Wellington St. W. CreateTO is currently developing a design concept for this City-owned site that includes affordable and market rental homes in addition to supportive homes, working towards a City-initiated OPA and ZBA submission in Q3 2025.

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 and Affordable Housing Fund, including developer proponent negotiations to lock interest rates; and,

Due to a softening rental and condo market and supply chain uncertainty, projects on City-owned sites are facing additional financial viability challenges and may require additional City benefits to enable the projects to get shovels in the ground. The City and CreateTO are continuing to conduct site-by-site due diligence to ensure projects can advance to construction start with support from all orders of government.

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SIGNATURE

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ATTACHMENTS

Attachment #1 – Housing Tracker
Confidential Attachment #1 – 267-275 Merton Street and 610 Bay/130 Elizabeth Streets