

## 72 Amroth Avenue – Business Case Approval and Update on Authorities and Delivery Model

**Date:** July 8, 2025

**To:** The Board of Directors, CreateTO

**From:** Chief Executive Officer

**Wards:** 19 – Beaches-East York

### REASON FOR CONFIDENTIAL INFORMATION

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The Confidential Attachments to this report relate to (1) a proposed or pending disposition of land by the City, and (2) a position or plan to be applied to negotiations carried on or to be carried on by or on behalf of the Board of Directors of CreateTO or the City.

### SUMMARY

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The purpose of this report is to inform the Board of Directors of CreateTO of the updated Council priorities and direction for 72 Amroth Avenue ('the Site') to contemplate the retention of public ownership through a long-term land lease and the delivery of affordable housing. Council-direction received through items [2023.EX9.3](#) and [2024.EX12.4](#) prioritizes retention of public land and requires that any development planning contemplated on a Toronto Parking Authority lot include affordable housing, respectively. City Council adopted amendments to the transfer and disposition authorities previously secured for the Site to address the updated Council priorities and direction.

This report further recommends the CreateTO Board of Directors endorse the Business Case and Transaction Terms in support of a market offering for the Site. Through item [2023.RA6.2](#), the Board of Directors of CreateTO directed staff to report back with a final business case prior to initiating a market offering for the Site.

The intent is to bring this site to market in the third quarter of 2025. Following the market offering process, CreateTO staff will report to the Board of Directors on the proponent selection for approval, prior to finalization of legal agreements.

## **RECOMMENDATIONS**

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

1. Endorse the business case and transaction terms for 72 Amroth Avenue as presented in Confidential Attachment 1 and Confidential Attachment 2 to this report;
2. Subject to authorization from City Council, and subject to further approvals of the business case from relevant City officials, direct the Chief Executive Officer, CreateTO to:
  - a. in consultation with the Executive Director, Housing Secretariat, and Executive Director, Housing Development Office, administer the market offering process for 72 Amroth Avenue, select the recommended proponent and negotiate the leases and other agreements for the project with them in accordance with the terms of the approved business case and market offering process, and report back to the Board of Directors of CreateTO and City Council with the recommended proponent for approval; and
  - b. Retain the services of a fairness monitor to oversee and ensure a fair, open and transparent market offering process.
3. Direct the information in Confidential Attachments 1 and 2 to remain confidential in its entirety as it relates to a proposed or pending disposition of land by the City and a position or plan to be applied to negotiations carried on or to be carried on by or on behalf of the Board of Directors of CreateTO or the City.

## **FINANCIAL IMPACT**

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The investments made by CreateTO (or one of its managed entities) for the purpose of advancing the planning process, will be recovered by CreateTO from the City's Housing Secretariat.

There is no additional financial impact to CreateTO arising from the recommendations in this report. Resources required to support this project are being allocated from the current staffing complement and are part of the approved operating budget.

Due diligence, marketing, and human resource costs will be recovered by CreateTO from the City's Housing Secretariat.

## **EQUITY IMPACT STATEMENT**

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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 HousingTO 2020-2030 Action Plan aimed at creating new affordable rental housing within mixed-income, transit rich, complete communities. Creating 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. More housing opportunities for essential workers and families will also be created through the initiatives like these.

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

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On January 19, 2021, the Planning and Housing Committee considered the *Expanding Housing Options in Neighbourhoods - Beaches-East York Pilot Project* report, which outlined the scope and key objectives for the project. The Planning and Housing Committee requested the Chief Planner and Executive Director, City Planning to work with Real Estate Services, CreateTO, and the Housing Secretariat, in consultation with the local Councillor, to facilitate, through an appropriate development procurement process, the design and construction of demonstration projects, as part of the Beaches-East York Pilot Project.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH20.3>

On July 19 and 20, 2023, City Council directed the City-owned property at 72 Amroth Avenue be allocated to the Beaches-East York Pilot Project, and requested the Chief Planner and Executive Director, City Planning, to advance a City-initiated planning process to establish permissions for missing middle housing opportunities on the property at 72 Amroth Avenue. City Council further approved the transfer of 72 Amroth Avenue to a CreateTO-managed corporation to administer an appropriate procurement and delivery process for the project.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX6.14>

On July 25, 2023, the Board of Directors of CreateTO authorized the necessary due diligence work to prepare 72 Amroth Avenue for marketing, including the preparation and submission of all required materials to support the City-initiated planning process. The Board of Directors of CreateTO further directed staff to report back with a final business case prior to initiating a market offering for the Site and to forward the report to the Board of Directors of Build Toronto Inc. for consideration and appropriate action.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.RA6.2>

On November 8 and 9, 2023, City Council adopted item 2023.EX9.3, *Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes*, which prioritizes retention of public land.

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

On March 20 and 21, 2024, City Council adopted item 2024.EX12.4, *Long-Term Financial Plan Update: Leveraging City-Wide Real Estate Opportunities for Affordable Housing*, Complete Communities and Financial Sustainability, which requires that any development planning contemplated on a Toronto Parking Authority lot include affordable housing.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX12.4>

On November 13 and 14, 2024, City Council endorsed Official Plan and Zoning By-law Amendments for the Beaches-East York Pilot Project at 72 Amroth Avenue.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH16.3>

On July 15, 2025, the Planning and Housing Committee will consider Item PH23.5 “From Concept to Construction: Creating More Homes Across the Housing Continuum”, which considers amendments to the transfer and disposition authorities previously secured for 72 Amroth Avenue to address updated Council priorities and direction generally consistent with the Toronto Builds framework.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PH23.5>

## COMMENTS

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### Missing Middle Housing

Traditionally, Toronto's growth has been supported by high-rise buildings and single-family homes, with limited alternative options. The pilot project at 72 Amroth Avenue (the “Pilot Project”) is a component of the Expanding Housing Options in Neighborhoods (EHON) Initiative and Toronto's 2023 Housing Action Plan, which intend to increase the supply of missing middle housing within the City's existing neighbourhoods.

The City's neighbourhoods are desired places to live for many people at various stages of life, across a spectrum of incomes and household compositions. Neighbourhoods support the ability to live a local life and are appealing due to their strong sense of community, convenient access to green spaces and amenities, family-oriented units, and enhanced walkability. Despite the demand to live in neighbourhoods, missing middle housing has been limited in these areas over time, resulting in a limited supply of housing options.

New missing middle housing will diversify housing options by broadening the supply of low-rise housing in neighbourhoods, ranging from multiplexes to small-scale apartment buildings. Missing middle housing contributes to affordability by increasing housing supply in existing neighborhoods that already have the critical infrastructure to support growth, without requiring large-scale redevelopment or sprawl. Missing middle housing also supports a wider range of households, including those with lower incomes or

households that do not wish to purchase or rent a full single-detached home, but still desire a home within a neighbourhood.

## **City-Initiated Planning Process**

CreateTO staff worked closely with their partners in City Planning to advance the City-initiated planning process for the Site to establish permissions for missing middle housing. The approved development concept includes a six-storey apartment building fronting Amroth Avenue, together with a three-storey fourplex and a three-storey duplex fronting a central courtyard. The development achieves a total of 34 residential units and 2,353 square metres of gross floor area.

## **Purpose of Pilot Project**

The next phase of the Pilot Project will provide valuable learning opportunities to better understand the unique market conditions at this scale, which can be used help to expand low-rise housing opportunities and unlock the supply of missing middle housing in neighbourhoods across the City, on both publicly and privately-owned lands. The Pilot Project will serve as a model for the delivery of missing middle housing on other City-owned properties within Neighbourhoods.

Despite the successful introduction of numerous initiatives through the EHON program to enable permissions for missing middle housing, there are many challenges, beyond land use planning policy, that impede the design and construction of missing middle housing. The viability of missing middle projects depends on multiple factors, such as market dynamics, planning and permit application fees, construction timelines, market demand, and investment risk. As discussed by other City-led studies through the EHON program, there is an identified need for financial incentives to support viability of missing middle projects.

## **Objectives of the Pilot Project**

The objectives of the Expanding Housing Options in Neighborhoods (EHON) Pilot Project at 72 Amroth Avenue have been refined, through further coordination with the City, to deliver a viable 'missing middle' housing project which contains affordable rental units. This includes delivery of a 100% rental housing project via a long-term City land lease. The project is intended to be tested as a model for missing middle housing opportunities on other City-owned properties within Neighbourhoods.

The Pilot Project will increase the opportunity for people with a broader range of incomes and household compositions to access housing within Toronto's Neighbourhoods.

The principles of the Pilot Project include a particular focus on:

### **1. Sustainability and Resilience**

Enhanced energy efficiency standards will be considered through the market offering process. Proponents will also be encouraged to use construction methodologies that reduce embodied carbon, with proposals incorporating mass timber particularly encouraged.

## **2. Replicability**

The City-initiated planning approval process undertaken for the Pilot Project tested current policy and zoning considerations for the scale of missing middle housing contemplated at 72 Amroth Avenue. The market offering process will further test financial considerations for this scale of development, including the delivery of affordable housing.

## **3. Accessibility**

Enhanced accessibility standards will be considered through the market offering process which exceed minimum requirements of the Ontario Building Code.

## **4. Compatibility**

The City-initiated planning approval process undertaken for the Pilot Project tested compatibility considerations for this scale of development. Key Findings identified through this process have been captured in Attachment 16 to the Staff Report prepared for Item 2024.PH16.3:

<https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-249610.pdf>

## **5. Cost-effective design**

An evaluation of cost-effective design considerations will be tested through the market offering process. The selected Proponent will advance detailed design and construction.

## **Proceeding with a Market Offering Through a Selected Broker**

A commercial brokerage has been retained by CreateTO through a competitive procurement process to issue a market offering. The selected broker will market the site to the development industry and non-profit sector under the direction of a fairness monitor to ensure an open, fair, and transparent process. A development partner will be selected through this market offering process.

Criteria for selection will include:

1. Experience in developing and operating rental housing;
2. Proposed number of rental housing units, affordable rental housing units and depth of affordability;
3. Proposed financial and funding plan;
4. Demonstrated ability to execute and complete the project on schedule; and,
5. Commitment to city-building components, including, but not limited to, exceeding minimum requirements on energy and carbon targets.

The selected development partner and term sheet reflecting the development partner's commitments will be presented to the Board of Directors of CreateTO and City Council for approval.

### **Maximizing Affordability**

Bidders will be incentivized to maximize affordability through the competitive process. Maximizing affordability may include increasing the number of affordable units. The ability for the development partner to target units to priority groups identified through the HousingTO 2020-2030 Action Plan including vulnerable and marginalized populations requiring deeper levels of affordability (e.g. seniors, Black people, Indigenous Peoples, people of colour, essential workers, artists, chronically homeless) will also be evaluated.

### **City-Building Components**

The development at 72 Amroth Avenue will deliver a variety of city-building components, including:

- Minimum of 10 percent of units in the development will be affordable rental housing;
- Minimum of 30 percent of dwellings units will have two or more bedrooms;
- Minimum of 20 percent of the affordable rental homes, and 15 percent of the market rental homes must be accessible, meeting Ontario Building Code requirements for barrier-free; and
- Commitment to meet Tier 2 of the Toronto Green Standard Version 4, with greater consideration given to proposals that propose higher levels of energy performance and reduced embodied carbon in construction in an effort to meet the TransformTO targets of net zero by 2040.

### **Current Market Conditions**

The current land market is in a state of uncertainty due to a softening rental market and unsold inventory of condominium units that have historically substituted as a de-facto supply of rental housing. Some developers have continued to move forward to capture opportunities, while others wait for certainty on the longer-term economic trends to settle.

The smaller scale of the Pilot Project at 72 Amroth Avenue may help to mitigate or offset some of the current macro-scale market challenges, including absorption and speed of delivery.

### **CONTACT**

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### **SIGNATURE**

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Vic Gupta  
Chief Executive Officer

## **ATTACHMENTS**

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Confidential Attachment 1 – 72 Amroth Avenue Business Case  
Confidential Attachment 2 – 72 Amroth Avenue Transaction Terms