TORONTO

MOTION WITHOUT NOTICE

Amending Item 2022.TE 34.35 – 200 Queens Quay West – Zoning By-law Amendment – Final Report

Moved by: **Deputy Mayor Malik** __________________________

Seconded by: **Councillor Moise** __________________________

SUMMARY:

At its meeting of July 19, 20, 21 and 22, 2022, City Council adopted Item TE 34.35, approving a Zoning By-law Amendment Application at 200, 207, 208, 211, 218, 228 and 230 Queens Quay West and 8 York Street. Council's approval permitted a 59-storey mixed use building at 200 Queens Quay West with 997 dwelling units, of which at least 76 and up to 79 were proposed as affordable rental dwelling units. The minimum requirement of at least 76 affordable rental dwelling units, with a 40 year affordability period, was secured as a community benefit in the site-specific Zoning By-law Amendment for the development (By-law 1012-2022), and at least 76 and up to 79 affordable rental dwelling units was then secured within the registered Section 37 Agreement (AT6891344). The affordable rental dwelling units were secured in accordance with terms that, among other matters, required that the minimum unit sizes of the affordable rental dwelling units be no less than the minimum and average sizes of the market units, and also set out specific minimum average unit sizes for the affordable housing units by unit type which are larger than the minimum average unit sizes of the market units by unit type.

Additionally, City Council approved the provision of financial incentives under the City's Open Door program, for up to 79 affordable rental dwelling units including exemptions of fees for planning applications, building permits, parkland dedication and development charges, and exemptions from taxation for municipal and school purposes for the 40 year affordability period. City Council also authorized the Executive Director, Housing Secretariat to execute a municipal housing facility agreement ("Contribution Agreement") with the owner for the development of the affordable housing units.

Since the Council decision, the development of the mixed-use building has advanced to site plan approval including the issuance of Notice of Approval Conditions and the issuance of a building permit. The mixed-use building is currently under construction and includes 974 dwelling units, of which 78 are affordable rental dwelling units. The owner has advised that they are proposing to reduce the specific minimum average sizes of the affordable rental dwelling units to align with the minimum average sizes of the market units by type, and to increase the number of affordable rental dwelling units to at least 82 and up to 90 units to address market demand.

As the site-specific zoning by-law requires at least 76 affordable rental dwelling units and requires specific minimum average unit sizes by unit type for the affordable rental dwelling units which exceed the average sizes of the market units by type, the owner is proposing to seek a minor variance from the Committee of Adjustment to i) reduce the specific minimum average sizes by unit type of the affordable rental dwelling units to align with the minimum average sizes by unit type of the market units; and ii) to increase the amount of affordable rental dwelling units from at least 76 to at least 82 affordable rental dwelling units. The more general By-law requirement that the minimum unit sizes of the affordable rental dwelling units be no less than the minimum and average sizes of the market units would be retained. Community Planning, City Planning and Housing Development Office staff have reviewed the proposed changes and are of the opinion that the proposed revisions are appropriate, as the affordable rental dwelling unit sizes would continue to be no less than the minimum and average sizes of the market units, and the provision of additional affordable rental dwelling units supports important City housing objectives.

If the Committee of Adjustment authorizes a minor variance to reduce the specific sizes of the affordable rental dwelling units and increase the minimum number of affordable rental dwelling units, an amendment to the existing Section 37 Agreement would be required. An amendment to the existing Contribution Agreement would also be required to extend the City incentives for a minimum of 82 and up to 90 affordable rental housing units to be affordable at 100% Average Market Rents (AMR) under the Open Door program for a 40-year affordability period.

This motion is urgent as this building is currently under construction and any changes need to be made so it can stay on track.

RECOMMENDATIONS:

1. If the Committee of Adjustment authorizes a minor variance to Appendix 1 of site-specific Zoning By-law 1012-2022, to permit a reduction in the specific minimum average unit sizes by unit type for the affordable rental dwelling units to align with the minimum average unit sizes of the market housing units by unit type, and to increase the minimum number of affordable rental dwelling units from at least 76 to at least 82 affordable rental dwelling units, in the mixed-use development at 200 Queens Quay West, City Council:

    a. require the Owner to enter into an amending Section 37 Agreement, pursuant to Section 37 of the Planning Act (as it read the day before the date Section 1 of Schedule 17 of the COVID-19 Economic Recovery Act, 2020 came into force), to make amendments to the existing Section 37 Agreement registered on title to the lands as AT6891344, to implement the Committee's decision in a manner, content and form to the satisfaction of the Chief Planner and Executive Director City Planning, the Executive Director, Development Review, the Executive Director, Housing Secretariat, the Executive Director, Housing Development Office, and the City Solicitor, and to reflect, that the minimum number of affordable rental dwelling units be at least 82 and up to

90 affordable rental dwelling units and that the specific minimum average sizes of the affordable rental dwelling units by unit type align with the minimum average sizes of the market units by unit type.

b. authorize the Affordable Rental Housing Units as described in Table 1 below, to be eligible for development charges exemptions, unless already paid or exempted by provincial legislation.

c. authorize the Affordable Rental Housing Units as described in Table 1 below, to be eligible for an exemption from taxation for municipal and school purposes.

Table 1: Estimated financial incentives and Exemption of Municipal and School Taxation for an additional 11 Affordable Rental Housing Units for 200 Queens Quay West

	Proposed additional 11 units
Forgone Fees & Charges	
Estimated Forgone Building Permit Fees (A)	N/A
Estimated Forgone Development Charges (B)	$442,477
Estimated Forgone Parkland Dedication Fees and CBCs (C)	N/A Parkland dedicated
Subtotal - Forgone Fees & Charges (A+B+C)	$442,477
Property Tax Exemption*	
Estimated Net Present Value (NPV) of Property Tax Exemption - City portion	$517,990
Estimated Net Present Value (NPV) of Property Tax Exemption - Education portion**	$89,675
Subtotal - Property Tax Exemption (NPV)	$607,665
Total financial incentives provided (Forgone Fees & Charges and NPV of Property Tax Exemption)	$1,050,142

* 3% discount rate assumption.
**The education portion is a flow through to the Province, which the City would not collect or remit once the property tax exemption takes effect.

***The estimated value of the property tax exemption in the first year is approximately $17,612, including $13,904 related to municipal property taxes, and $3,708 related to education taxes.

d. authorize, severally, the Executive Director, Housing Development Office and the Executive Director, Housing Secretariat, to negotiate and execute, on behalf of the City, a municipal housing facility agreement (the City's Contribution Agreement), or amendments to existing Contribution Agreements, where applicable, with the owner and/or related legal entities for the development listed in Table 1 in Recommendation 1.b above, to secure the financial incentives and to set out the terms of the development and operation of the new affordable rental housing units, on terms and conditions satisfactory to the Executive Director, Housing Development Office, the Executive Director, Housing Secretariat, and the Chief Financial Officer and Treasurer, and in a form approved by the City Solicitor.

e. authorize severally, the Executive Director, Housing Development Office and the Executive Director, Housing Secretariat, on behalf of the City, to execute any security or financing documents, or any other documents required to facilitate the development, including any documents required by the owner and/or related legal entities for the development described in Table 1 in Recommendation 1 b. above, to complete pre-development activities, construction and secure conventional financing, where required, including any postponement, confirmation of status, discharge or consent documents where and when required during the term of the municipal housing facility agreement, as required by normal business practices, and provided that such documents do not give rise to financial obligations on the part of the City that have not been previously approved by City Council, on terms and conditions satisfactory to the Chief Financial Officer and Treasurer.

Date: July 27, 2026