



Toronto

Curtner

Urban Leadership Program



PRESENTATION TO MAYOR CHOW

TUESDAY, JUNE 11, 2024

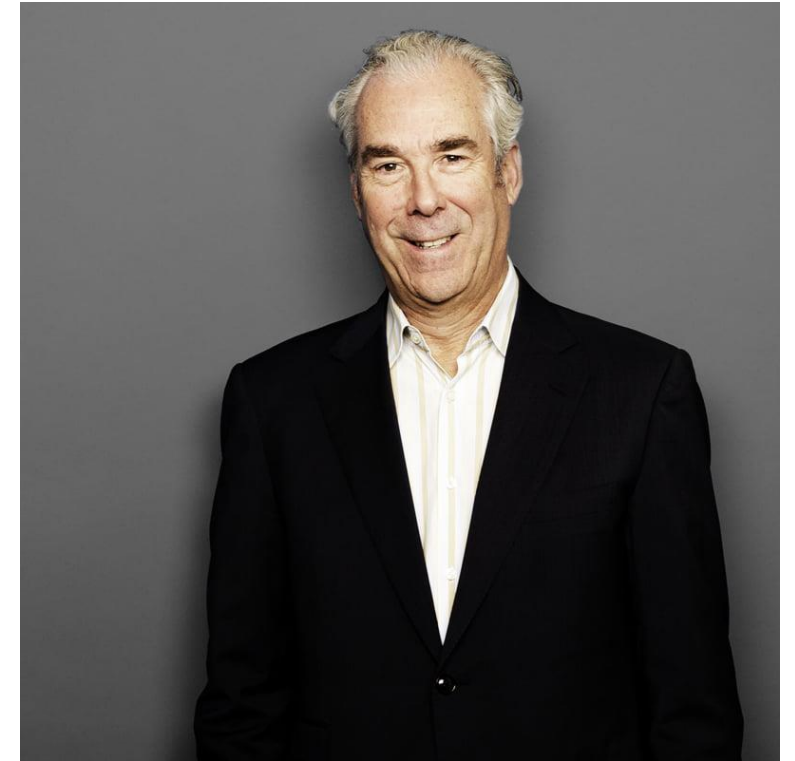
**BDP.
Quadrangle**



Curtner

Urban Leadership Program

ULI Toronto's Curtner Urban Leadership Program is an annual curriculum-based program designed to immerse mid-career professionals from different disciplines in Toronto city building, to create positive change in our city. The program is sponsored by BDP Quadrangle in memory of one of its founding partners, Brian L. Curtner. The program reflects many of Brian's passions, including city building, mentorship and collaboration.



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Curtner Program Overview

- Mid-career real estate professionals
 - Architects, Planners, Developers, others
 - Entrepreneurs, Private Companies, Public Employees, Community Non-Profits
- Past 8 Months (full day sessions)
- Engaged with experts and industry-peers across the private and public sector
- Heard from industry leaders

- How to tackle the escalating urban crisis of housing affordability?
- As part of the broader suite of tactics to ease the cost of rental housing at the low end of the market newly elected Mayor Olivia Chow is seeking a return of government or not for profit housing.
 - Is this a practical idea in the modern Toronto housing economy?
 - If so, what advice could ULI Toronto offer to support the advancement of such a market segment without adding upward pressure on for profit housing?

What We Heard (frequently)

- Not one crisis but several crises
- Solution(s) beyond any single action/actor
- Private market can't solve on its own
- Uncertainty (including time) creates risk
- “Going to take all of us working together”
- “We need everything” – Answer is “yes, and...”
- Many different models for development, construction, operation
- Land, Capital, Labour, Materials – yes, and...
- Community groups lack capacity but not passion or desire
- Vision attracts resources / vision = opportunity

Presentation Topic:
Optimizing Internal Processes



Zoie Browne
Associate
Lura Consulting



Alex Smiciklas
Senior Project Manager
Bousfields Inc



Ciarán Connaire
Housing Consultant
Tim Welch Consulting



Emily Rossini
Director of Planning, Real Estate
Habitat for Humanity



Amelia Briggs-Morris
Associate
Robins Appleby LLP

What's the Vision?

- Update internal City processes to enable equitable, efficient, affordable housing delivery.
- Optimize structures for specific divisions, programs and roles.
 - Development and Growth Services
 - Development Review Division
 - Concept to Keys (C2K)
 - Application Coordinator role
- Deliver the humanity of housing.

Recommendations: What Needs to Change?

Unify the Silos

- Advocate and lead the culture shifts.
- Facilitate staff/divisions for diverse perspectives on projects.
 - Opportunity to pair subject matter experts by common interests and create sense of ownership
- Review and discuss development applications jointly by all commenting City divisions.
 - Coordinate before any communications are sent to applicants
 - Enhance process with high level of coordination
- Establish project-based teams rather than role-based teams.
- Merge legacy of knowledge with new innovative ideas.

Manage and Communicate

- Advocate and lead project management and transparent communication.
- Expand C2K Project Coordinator roles to focus on project management vs “middle man”.
- Establish and share project charter with roles and responsibilities.
 - Overview, Project Scope, Schedule, Anticipated Risks, Key Stakeholders, etc.
- Ensure clarity of project process and project life cycle.
- Move beyond coordination only and pivot to functional team approach.

Establish a Framework

- Replace existing programs (Gold Star, Open Door, etc.) to maximize efficiency and include affordable housing as specialized work and standardize the process.
- Develop terms of reference or predetermined criteria.
 - Requires buy-in from all parties
 - Transparent understanding of what type of commitment/what type of review process and project life cycle
- Create a dedicated affordable housing stream across the entire City “applications with City-wide significance” (KPMG, 2019).
 - Standardized and expedited
 - TOR/Criteria to allow market developers that include 20% affordable housing be included in the stream
 - Opportunity to have different levels of priority/expedition
 - Pre-approved plans/templates

Infuse with Humanity

- HousingTO 2020-2030 Action Plan engagement centered the diverse voices of people and providers.
- Lead collaboration/partnerships to encourage sense of ownership for everyone involved.
- Don't focus on number of units to achieve without centering the people the housing is for.
- Update the scope of the affordable housing definition to include a broader range of housing to serve a wider population.
- Update the 'lottery' selection process for equitable access to housing units.
- Housing is not just another project, it's changing lives.

Presentation Topic:
**Improving
Housing Now**



Eli Levin
Director, Development
Infrastructure Ontario



Ajeev Bhatia
Board Chair
People Design Co-op



Nuri Chang
Housing Development
Officer
City of Toronto



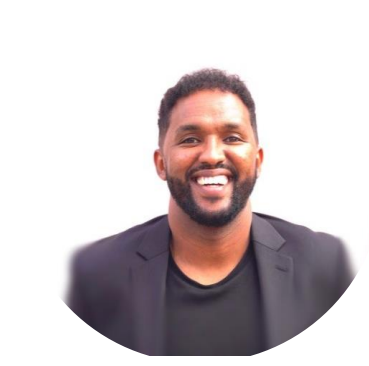
Jahnvi Ramakrishnan
Senior Advisor,
Development
Infrastructure Ontario



Ivy Farquhar-McDonnell
Director, Communications
Circle LandTrust



Stephanie Cirnu
Development Manager
Kilmer



Zakaria Abdulle
Chair
Somali Centre for Culture
and Recreation



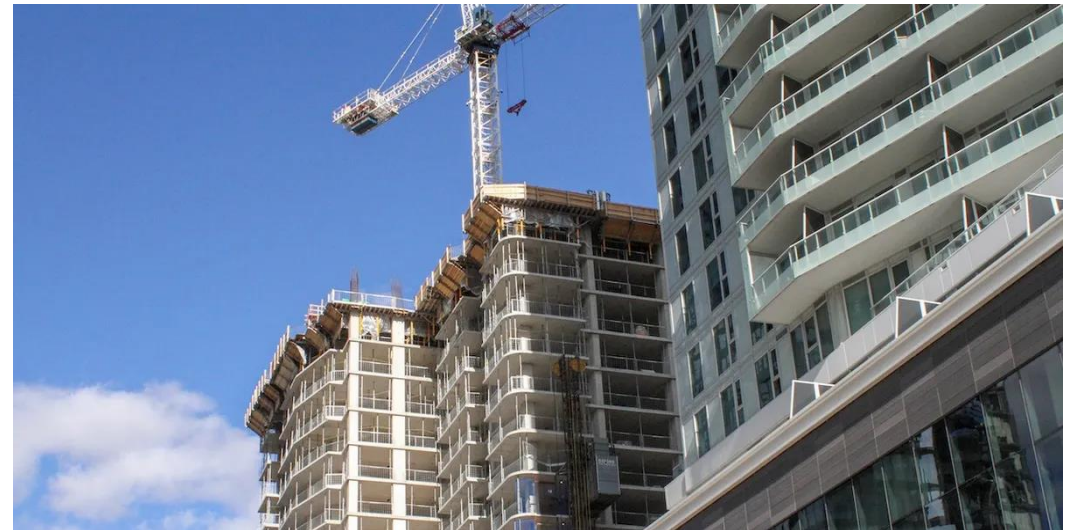
Paul Arkilander
Project Manager
Create TO



Program Objectives

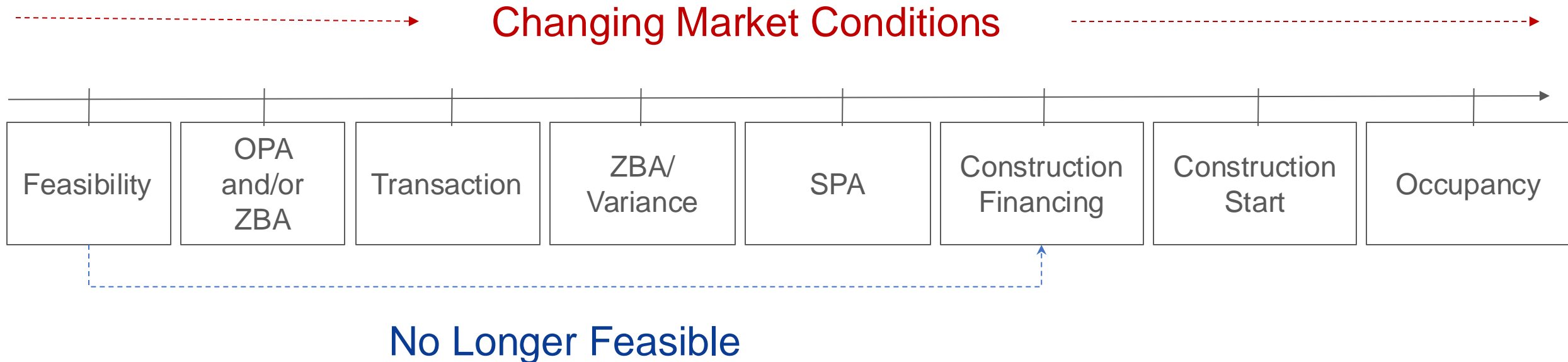
- Redevelopment of surplus City-owned lands
- 22 properties included in program
- Estimated to produce over 15,000 new homes and 5,000+ affordable rental homes.

How might the City of Toronto's Housing Now program be changed to help deliver affordable/non-profit housing more effectively?

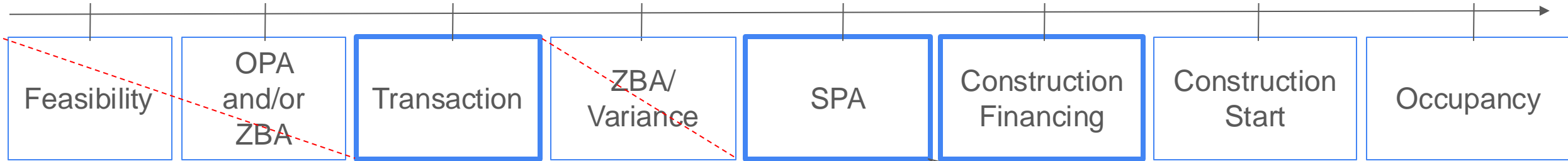


HousingNOW - Key Barriers

1. Development partners are market-sensitive
2. Due to long (and at times duplicative) approvals process, projects may be infeasible by the time construction financing is sought



Amending the Process to be Feasibility-Centered



- Market bids on financially and technically feasible projects based on a priority set of development principles
- Set-up a trilateral and multidisciplinary assessment panel to vet feasibility and adherence to principles
- Leverage precedents to remove OPA and rezoning risks (MZO; Bill 185 Planning Act exemptions)
- CMHC to pre-qualify borrowers to minimize downstream underwriting requirements
- Keep development partners contractually accountable

- Scope down site plan control provisions to statutory requirements and critical infrastructure (e.g. servicing)
- Scope down financing underwriting process to project-level requirements
- Maintain flexibility to zoning envelope until financing is approved and development partner is ready to commence construction

Presentation Topic:

Effective Partnership Models and Role of the City



Juliana Dutkay
Senior Lead Strategic Initiatives
United Way Greater Toronto



Corey Horowitz
Senior Urban Planner
DIALOG



Charline Chau
Senior Associate
Investments
Empire Communities



Jonella Evangelista
Community Engagement
and Advocacy Advisor
Canadian Centre for Housing



Ellen McGowan
Development Manager
New Commons Development



Johanna Hashim
Senior Planner
City of Toronto



Victoria Tang
Accounting Manager
Camrost Felcorp



Brandon Riddell
Principal
People Design Co-op

What We Heard from Leaders at the 2024 Curtner Program

“The nonprofit sector accounts for less than 5% of the housing market in Canada. It is very atypical compared to other G20 countries”

“the answer of an NFP CEO when asked about a proforma? I have a guy for that!”

“I have a rolodex of 30 people who want to do NFP work”

“We are the fastest builder in the city and can build a midrise condo in about 24mo”

*“We cannot afford to build as much as we need”...
... “there is a lot of money in the system”*

“The CMHC is very effective at debt financing, but nonprofits need support upfront, likely the \$60B allocated in Budget 2024 will still be there next year”

“Every generation solves for its own problems”

The City of Toronto needs a robust nonprofit housing sector to deliver the affordability we need, but two big obstacles stand in the way:



Substantive and rapidly flowing funding



Ability to build rapidly, cost-effectively, and at scale

Housing Levers By Sector

	CITY of TO	FED/CMHC/CIB	PROVINCE	PRIVATE	NONPROFITS
LAND	<ul style="list-style-type: none"> Municipal land Land policy (i.e. density) Approval timelines (ZBLA, SPA, BPs) RFPs, bidding & selection process 	<ul style="list-style-type: none"> Federal assets' land (Canada Posts, armories, etc) 	<ul style="list-style-type: none"> Provincial land TOC policies 	<ul style="list-style-type: none"> Land Bidding & coordination process 	<ul style="list-style-type: none"> Community land
LABOUR and materials	<ul style="list-style-type: none"> Procurement policies (ie community benefits, design catalogue) Governance & contract management Regulations & operations for rent assistance programs (RGI, AHUs, etc) - TCHC 	<ul style="list-style-type: none"> Procurement strings on funding/financing Immigration policy targets trades & related start-ups 	<ul style="list-style-type: none"> Procurement strings on funding/financing Skills development funding Rent supports 	<ul style="list-style-type: none"> Design (at scale) Construction (at scale) Construction technologies (sustainable, mass timber, prefab, BIM) Sales & marketing Governance, cost & contract management R&D/Innovation 	<ul style="list-style-type: none"> Design (at cost) Construction (at cost) Building operations Tennant recruitment & ongoing supports Community outreach Training & education Innovative delivery of housing
CAPITAL	<ul style="list-style-type: none"> Taxation (ie property tax) Levies (DCs, parkland, permits and other fees) Grants/subsidies Investment vehicles/bonds 	<ul style="list-style-type: none"> Taxation (HST/GST) Grants Debt insurance Loans (via CMHC, MLI Select, Apartment Construction Loan Program, etc.) 	<ul style="list-style-type: none"> Taxation (HST/GST) Funds (grants) MZOs 	<ul style="list-style-type: none"> Equity financing (Institutional/private equity/venture capital) Social impact funds ESG funds Debt financing (banks, credit unions) Investment structure 	<ul style="list-style-type: none"> Equity (from existing assets) Community Bonds Philanthropic donations Corporate grants Capital raising - campaigns & charity events

Building a Robust Nonprofit Affordable Housing Sector



Toronto Affordability For All Fund



An Affordable Building Joint Venture

Disclaimer: both ideas are inspired by United Way's Inclusive Economic Opportunity initiative (ILEO) and current work with partners

Building a Robust Nonprofit Affordable Housing Sector via Comprehensive Partnerships



TORONTO AFFORDABILITY FOR ALL - \$9 BILLION FUND

- Fund the construction of 20,000 units to be rented at affordable rents, on public land
- Contributions from federal and provincial governments and institutional investors
(alt. issue government bonds with government guarantee)

STAKEHOLDER	CAPITAL %	CAPITAL \$	TERMS	GOVERNANCE
FEDERAL GOV	49%	\$4.4 Billion	35 Years Loan Interest Free	CMHC or CIB
PROVINCIAL GOV	20%	\$1.8 Billion	35 Years Loan Interest Free	Infrastructure Bank
CITY OF TORONTO	0%	\$0	n/a	Three-Government Governance Structure
INSTUTIONAL INVESTORS	30%	\$2.7 Billion	Dividend Free, Year 1-20 Payback, Year 21 from sale of 20% of units	Governed by Fund Manager
NON-PROFITS	1%	\$90 Million	Collaborative fundraising with yearly progress reporting to funder	Consortium
TOTAL	100%	\$9 BILLION		

Building a Robust Nonprofit Affordable Housing Sector via Comprehensive Partnerships



AN AFFORDABLE BUILDING JOINT VENTURE

- A consortium of NFPs and private sector builder(s) incorporated in a joint venture to build 20,000 units over a decade AND nonprofit real estate & construction workforce capacity

STAKEHOLDER	ROLES
CITY OF TORONTO	<ul style="list-style-type: none">• Contribute most of the land, transit-oriented communities (TOC) policies• Exempt or deferral all levies, fees, and taxes• Management of joint venture contracts
NON-PROFITS	<ul style="list-style-type: none">• Recruitment (tenant and workforce)• Tenant supports• Operations: property management (covered by rent revenue)• Construction and delivery (as capacity builds)
UNIONS AND COLLEGES	<ul style="list-style-type: none">• Trades training (prioritization of equity deserving individuals)
DEVELOPER/BUILDER	<ul style="list-style-type: none">• Construction and delivery with gradual transition to NFPs as capacity builds up

Building a Robust Nonprofit Affordable Housing Sector Over One Generation

What Success Looks like

More robust nonprofit affordable housing sector that can
build, own and manage units, at a large scale

Thousands of units that medium and low-income
Torontonians can afford

Presentation Topic:

Tools to Facilitate Long Term Affordable Housing

(ie: carrots and sticks)



Sybelle von Kursell
Manager, Midtown Oakville and
Strategic Programs
Town of Oakville



Sebastian Martinez
Senior Advisor
Metrolinx



Dalia Gerban
Intern Architect
Jacobs



Lauren Marshall
Architect
University of Toronto



Archana Vyas
Manager Housing Development
Systems and Services
Region of Peel



Amir Tabatabaei
Project Lead
BDP Quadrangle



Jamilla Mohamud
Planner, City Planning
(Strategy Initiatives, Policy)
City of Toronto



Narmadha Rajakumar
Partner
SHS Consulting

City of Toronto Housing Vision

To provide stable,
sustainable housing
for everyone.

Toronto has many initiatives to achieve its housing vision:

[Open Door](#)

Capital funding and fees, property tax relief, fast-tracking planning approvals and more for developers of new purpose-built rentals.

[Housing Now](#)

Activates City-owned sites for the development of affordable housing within mixed-income, mixed-use, transit-oriented communities.

[Modular Housing Initiative](#)

Innovative, cost-effective small-scale infill housing that quickly provides access to permanent housing and supports for people experiencing homelessness.

[Multi-Unit Residential Acquisition \(MURA\) Program](#)

Funding for not-for-profit housing providers to preserve existing affordable rental housing stock for Toronto residents.

[Expanding Housing Options in Neighbourhoods](#)

Facilitating more low-rise housing options in Toronto's residential neighbourhoods, including garden suites, laneway suites, multiplexes and low-rise apartments.

[Multiplex Housing](#)

Find out more about the City's initiative aimed at bringing more types of housing to Toronto's low-rise neighbourhoods.

[Laneway Suites](#)

Learn about programs the City is offering for secondary/ laneway suites.

[Supportive Housing Developments](#)

Learn about the City's accelerated plan to create supportive homes and housing benefits on City-owned land or by acquiring and renovating existing buildings.

City Builder Opportunity

Puts City in "driver's seat" to build housing that meets community needs

Achieves cost savings:

- Removes two major costs from development proforma: cost of land, marketing and rent-up
- Potential to reduce development fees and charges

Reaps economic benefits:

- Recoup costs via property taxes from these publicly owned lands, a revenue that otherwise would not have been generated
- Spark investment - \$1 invested in affordable housing brings \$1 of private sector investment.¹
- Provision of affordable/supportive housing is much **more cost effective** than cost of emergency shelter, justice and healthcare system that otherwise support people experiencing precarious housing.²

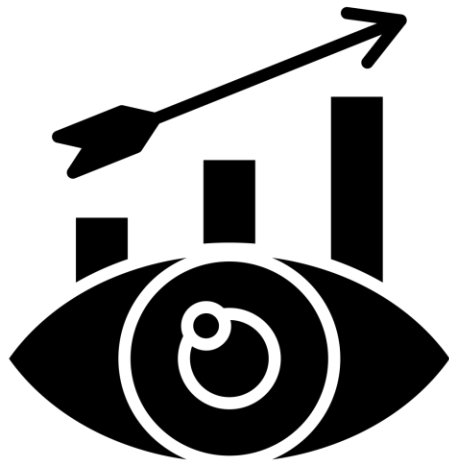
¹Socio-Economic Analysis: Value of Toronto Community Housing's 10-Year Capital Investment Plan and Revitalization, CCEA Report, 2015

²City of Toronto Staff report, October 17, 2023 Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes

Combine regulatory and incentive tools to provide affordable housing units over the long term...

- Land is finite - and City owned lands are even more so with multiple priorities for its land.
- City builder model can make use of some city owned lands and catalyse like (affordable) housing by:

Setting the Vision



Attracting Resources



Creating Long Term Affordable Housing



Set the Vision via Pre-Zoned Lands

- City Builder initiative is one initiative that can be used to **catalyze** complementary housing within private development.
- PRE-ZONING **adjacent lands** while undertaking exercise for city owned lands, results in:
 - Efficient use of resources for city,
 - Development certainty for proponents, and
 - Streamlined public consultation process.



Complements City's initiative to Pre-zone Avenues and Mixed-use Areas



Housing Action Plan: Avenues, Mid-rise and Mixed Use Areas Study

Pre-Zone “lite” (i.e., without unnecessary prescriptive provisions)

Chapter 1	Administration	10.5.1 General
Chapter 2	Compliance with this By-law	10.5.1.10 Interpretation
Chapter 5	Regulations Applying to all Zones	(1) Application of General Regulations
Chapter 10	Residential	(2) Interpretation of the Residential Zone
10.5	Regulations Applying to the Residential Zone Category	(3) Interpretation of the Zone Label
10.5.1	General	
10.5.1.10	Interpretation	
10.5.20	Permitted Uses	
10.5.20.1	General	
10.5.20.2	Requirements	
10.5.30	General	
10.5.30.1	Lot Exemptions	
10.5.30.2	Lot Coverage	
10.5.30.21	General	
10.5.30.40	Lawfully Existing Public School, Private Daycare or Child Daycare	
10.5.30.41	Lawfully Existing Public School	
10.5.40	Expansion or Addition of a Lawfully Existing Public School	
10.5.40.1	General	
10.5.40.11	Lawfully Existing	
10.5.40.12	Expansion or Addition of a Lawfully Existing	
10.5.40.2	Exemptions	
10.5.40.3	Setbacks	
10.5.40.31	Setbacks Exemptions	
10.5.40.32	Yards	
10.5.40.4	Landscaping	
10.5.40.5	Signs	
10.5.40.6	Encroachments	
10.5.40.7	Setbacks	
10.5.40.71	Setbacks Exemptions	
10.5.50	Yards	
10.5.50.1	Landscaping	

- Establish regulatory provisions with a lens that addresses matters of health and safety, environmental protection, climate change, land use compatibility, etc.
- Provide flexibility for other matters to allow development proponent to be creative with land use and development.
- Consider criteria and conditional based provisions rather than specific numeric provisions, to minimize need for variance/rezoning.

NOTE: These elements work very well in a Community Permit Planning By-law.

Maintain Employment Designations/Industrial Zones



Attract needed resources through:

Reliable
Partnerships



Guaranteed
Financing



Optimal
Locations



Development
Certainty



Create long-term affordable housing stock...

- Ensure affordable housing units gained through any tool are **registered on title** with affordable price/rent and affordability period.
- Units are achieved via:
 - City incentive programs, such as Housing Now, Open Door, MURA (per City agreement)
 - Development Charge exemptions (per DC Act)
 - Inclusionary Zoning (per City by-law and only in PMTSAs, once in effect)
 - **Community Benefits Charge (when units are provided “in kind”)**
 - Community Planning Permit System (once City adopts by-law, anywhere in the city)
- Support construction of ‘affordable’ and sustainable, by facilitating access to construction materials and fabrication **close to market**.

In summary to



Apply/continue to apply the following tools:

Regulatory Tools

- Pre-Zoning/Community Planning Permit for lands beyond city site
- Inclusionary Zoning (IZ)
- Community Benefits Charge
- Registering affordable units on title

Advocate for:

- Approval of PMTSA OPAs (to implement IZ provisions)
- Rent Control (via special permission within City of Toronto Act)

Incentive Tools

- Land for housing and for industry that supports housing construction
- Grants or loans for preparation of plans, construction/renovation and operation of housing
- Concierge program that facilitate/streamlines approval process

Advocate for:

- Sustained and stackable funding from other levels of government

Presentation Topic: Questions / Discussion