



May 6, 2022

**Memo To:** Mayor and Members of Council

**Copy To:** Darlene Joslin, Interim City Manager  
Gus Galanis, Director of Development Planning  
Stephen Huycke, Director of Legislative Services/City Clerk  
Denis Beaulieu, Manager of Development – Subdivisions  
Jeff Healey, Senior Planner - Subdivisions

**From:** Kelvin Kwan, Commissioner of Planning and Infrastructure

**Subject:** **Richmond Hill City Council Motion of April 27, 2022 Staff Report SRPI.22.045 - Request for Denial - Official Plan Amendment and Zoning By-law Amendment Applications - Elgin House Properties Limited - 1000 Elgin Mills Road East - City Files D01-21005 and D02-21008 (Related File D06-21032)**

**Background:**

At its meeting of April 27, 2022, Council considered the recommendations contained in Staff Report SRPI.22.045 and adopted the following Referral Motion (refer to Appendices “A” and “B”):

***“a) That staff report SRPI.22.045 be referred back to staff for the purpose of staff considering the issues raised by the delegations, and further that staff consult with the Applicant on various matters including Section 37 of the Planning Act, community benefits and rent-to-own, with a report back at the May 11, 2022 Council meeting.”***

Staff has obtained additional information and clarification from the applicant with respect to the community benefits, housing affordability and rent-to-own matters raised at the April 27<sup>th</sup> Council meeting. Accordingly, the purpose of this memo is to advise the Mayor and Council on the status of the above Motion as directed.

**Concerns Raised By Delegation:**

During the delegation portion of the Council meeting, a future resident of the stacked townhouse development currently under construction to the west of the subject lands raised concerns with respect to the applicant’s request for additional building height in terms of shadowing impacts, use and enjoyment of their property and inadequate parking. Staff has reached out to the resident to obtain additional information with respect to the proximity of their future townhouse unit to the proposed apartment building but have yet to receive a response as of the writing of this memo.

The adequacy of the parking supply has been addressed in Staff Report SRPI.22.045, as has staff’s position respecting the appropriateness of the proposed increased building height and scale of development related to matters including compatibility, angular plane and floor plate sizes. Staff also sought confirmation from the applicant respecting any willingness to revise the building design in response to the issues raised in the staff report, by members of Council and the adjacent resident.

The applicant reaffirmed its position respecting the merits of its development proposal, and indicated that any design changes would reduce the number of additional units proposed and would jeopardize the viability of the proposed Rent-to-Own program and Section 37 community contribution offer.

### **Section 37 Community Benefits:**

During the April 27, 2022 Council meeting, reference was made to the applicant's communication with members of Council respecting a willingness to contribute up to \$100,000 towards pickleball courts as a community benefits contribution. No specific details beyond a financial contribution were put forward or discussed at that time.

Staff reached out to the applicant seeking a formal Section 37 benefits package/offer, including the details and value of the contribution, how the valuation was determined, and where/how the contribution is proposed to be applied based on their communication with members of Council. The applicant confirmed that the value of the proposed contribution was aligned with their estimation of the costs to install two pickleball courts.

In light of the "uplift" in land value associated with the additional building height and dwelling units being requested, the applicant has revised its proposed contribution to a total of \$172,850. The revised contribution aligns with Council's adoption of a number of recommendations contained in Staff Report SRPI.22.049 at its meeting on April 13, 2022, including the design and installation of approximately 10 "popup" pickleball courts in the snow storage area of Richmond Green Park. In this regard, City staff are actively working towards the delivery and operation of this facility by Q3 of 2022. Given the proximity of the subject lands to Richmond Green Park (approximately 350 metres to the east), there is a direct nexus and benefit to both existing and future residents of the North Leslie community to directing any community benefits contribution approved by Council towards the "pop-up" pickleball project. The value of the contribution is generally aligned with the minimum expectations for a Section 37 benefits contribution based on a preliminary assessment of the "uplift" in value arising from the requested increase in building height on the subject lands.

### **Housing Affordability/Rent-to-Own Program:**

During the April 27, 2022 Council meeting, a number of references were made to housing affordability and the applicant's willingness to place some of the proposed additional units in a "Rent-to-Own" (RTO) Program. Staff reached out to the applicant seeking additional information and clarity respecting the proposed RTO Program, including terms and conditions of the agreements, qualifications, lease terms, pricing, specific units to be included in the RTO program and details in terms of how the rental units will be secured and prevented from being sold given the condominium tenure of the building.

The applicant has responded with a commitment to placing 20 (1-bedroom units) of the proposed 52 additional apartment dwelling units into a RTO program. Additional details provided at this time include the following, subject to finalization of a RTO program by Canada Mortgage and Housing Corporation (CMHC):

- it is the applicant's intention to follow the new guidelines from the Federal Government and CMHC with respect to Rent-to-Own programs, when they become available;

- the proposal is an ownership program available to applicants that qualify under certain affordability requirements (e.g. first time buyer, income thresholds, etc.). In this regard, a qualified purchaser will be able to purchase a unit at current market pricing backed by CMHC under the RTO program with favourable terms where CMHC is the mortgage lender; and,
- the building and all units would continue to be condominium in tenure. The units that are part of the RTO program will be initially owned by the builder, and qualified purchasers will pay a monthly rental amount, a portion of which will go towards the required purchase down payment. At the end of a 24 month term, the qualified purchaser will have the option to complete the unit purchase with CMHC as the mortgage lender.

Staff has undertaken some additional background research and engaged in further discussion with the applicant respecting the guidelines being developed by the Federal Government and CMHC. In this regard, there is little information publically available at this time respecting the proposed Federal RTO program. Based on the information that is available, the introduction of a RTO program was part of the Federal Liberal Party's election platform in 2019, and at that time, the stated intention was as follows:

- to introduce a new rent-to-own program to help make it easier for renters to get on the path towards home ownership while renting. The program will be designed based on three principles: the landlord must commit to charging a renter a lower-than-market rate to help Canadians build up savings for a down payment; the landlord must commit to ownership in a five-year term or less; and proper safeguards will be in place to protect the future homeowner;
- to create a stream for current renters and landlords, particularly those in condo settings, to immediately enter into a rent-to-own agreement; and,
- to commit \$1 billion in loans and grants to develop and scale up rent-to-own projects with private, non-for-profit and co-op partners.

On December 20, 2021, the Federal Minister of Housing and Diversity and Inclusion launched a public Call for Ideas on how best to advance two priorities outlined in last year's Speech from the Throne, including a Rent-to-Own program that would aim to help make it easier for renters to work towards home ownership. The Call for Ideas deadline expired on January 31, 2022, and the results have yet to be reported out.

The City's Affordable Housing Strategy identifies rent-to-own housing as one of many recommended actions to explore as a potential form or means of achieving affordable home ownership. At this point in time, the Affordable Housing Strategy Implementation Committee and Council have yet to prioritize the many potential actions, thus the necessary research and analysis respecting rent-to-own programs has yet to be completed.

In the context of housing affordability and encouraging home ownership, there are a number of key questions that remain unanswered with respect to any Federal RTO Program, including eligibility criteria and income thresholds, rental terms and rates, and purchase prices at the end of the rental contracts. The applicant has acknowledged that there are no unit pricing details available at this time, including whether parking will be included in the pricing for the additional units being proposed. In this regard, staff notes that as of May 5, 2022, York Region's affordability threshold for rental and ownership dwellings in Richmond Hill for 2021 is as follows:

- Ownership: \$512,898
- Rental:
  - Bachelor: \$1,224/month
  - 1 bedroom: \$1,660/month
  - 2 bedrooms: \$1,883/month
  - 3+ bedrooms: \$2,270/month

From an implementation perspective, additional challenges for the City include securing for these unknown obligations through the current development approvals process, particularly in light of the fact that the building in question is currently at the 6<sup>th</sup> floor of construction and occupancy is anticipated in August 2023. Given all of the above, staff are unable to comment specifically on the potential benefits of such a program at this time. The applicant has confirmed that they have initiated discussions with CMHC and that a letter confirming the engagement is forthcoming.

### **Recommendations:**

**a) That the Memorandum from the Commissioner of Planning and Infrastructure dated May 6, 2022 with respect to a Council Motion of April 27, 2022 in relation to SRPI.22.045, being a Request for Denial of Official Plan Amendment and Zoning By-law Amendment applications submitted by Elgin House Properties Limited for lands known as Part of Lots 26 and 27, Concession 2, E.Y.S. (Municipal Address: 1000 Elgin Mills Road East), City Files D01-21005 and D02-21008, be received for information purposes; and,**

**b) That Council provide direction respecting the Official Plan Amendment and Zoning By-law Amendment applications submitted by Elgin House Properties Limited.**

### **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix “A”, Extracts from Council Meeting C#17-22 held on April 27, 2022
- Appendix “B”, Staff Report SRPI.22.045