

City of Mississauga
Corporate Report



<p>Date: November 12, 2021</p> <p>To: Chair and Members of Planning and Development Committee</p> <p>From: Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building</p>	<p>Originator's file: OZ 18/011 W5</p>
	<p>Meeting date: December 6, 2021</p>

Subject

SECTION 37 COMMUNITY BENEFITS REPORT (WARD 5)

Community Benefits contribution under Section 37 to permit four Condominium apartment buildings with heights of 32, 35, 35 and 38 storeys 0 and 5044 Hurontario Street, northwest corner of Eglinton Avenue West and Hurontario Street
Owner: Pinnacle International (Ontario) Ltd.
File: OZ 18/011 W5

Recommendation

1. That a By-law be enacted under Section 37 of the *Planning Act* to authorize the Commissioner of Planning and Building and the City Clerk to execute the Section 37 agreement with Pinnacle International (Ontario) Ltd., and that the agreement be registered on title to the lands in a manner satisfactory to the City Solicitor to secure the community benefits contribution, as outlined in the corporate report dated November 12, 2021, from the Commissioner of Planning and Building under File OZ 18/011 W5, Pinnacle International (Ontario) Ltd., 0 and 5044 Hurontario Street.
2. That the sum of \$2,500,000 be approved as the amount for the Section 37 Community Benefits contribution.

Executive Summary

- The City is seeking a Community Benefits contribution under Section 37 of the *Planning Act*, in conjunction with the proponent's official plan amendment and rezoning applications
- The proposal has been evaluated against the criteria contained in the Corporate Policy and Procedure on Bonus Zoning

- The Community Benefits contribution comprises \$2,500,000 towards affordable housing
- The request can be supported subject to the execution of a Section 37 agreement and providing a cash contribution, 20 units sold at or below the affordable price threshold, 20 rental units, or a combination of these contributions by the owner prior to condominium registration

Background

On September 8, 2020, a Recommendation Report was presented to Planning and Development Committee (PDC) recommending approval of official plan amendment and rezoning applications on the subject lands under File OZ 18/11 W5, by Pinnacle International (Ontario) Ltd., to permit four condominium apartment buildings with heights of 32, 35, 35 and 38 storeys. Recommendation PDC-0030-2020 which was subsequently adopted by Council on September 16, 2020. As part of the recommendation, staff was directed to hold discussions with the applicant to secure Community Benefits in accordance with Section 37 of the *Planning Act* and the Corporate Policy and Procedure on Bonus Zoning, and to return to Council with a Section 37 report outlining the recommended Community Benefits. The purpose of this report is to provide comments and a recommendation with respect to the proposed Section 37 Community Benefits.

Present Status

Official Plan Amendment 110 and the implementing zoning by-law (0050-2021) for the northern portion of the subject site were adopted by Council on March 3, 2021. This report addresses the outstanding Section 37 contribution for the southern portion of the subject property prior to the approval of the implementing Zoning By-law.

Comments

Background information including an aerial photograph and the concept plan for the proposed development is provided in Appendices 1 and 2.

Section 37 Community Benefits Proposal

Council adopted Corporate Policy and Procedure 07-03-01 – Bonus Zoning on September 26, 2012. In accordance with Section 37 of the *Planning Act* and policies contained in Mississauga Official Plan, this policy enables the City to secure community benefits when increases in permitted development are deemed good planning by Council through the approval of a development application. The receipt of the Community Benefits discussed in this report conforms to Mississauga Official Plan and the Corporate Policy and Procedure on Bonus Zoning.

"Community Benefits" is defined in the Corporate Policy and Procedure as meaning facilities or cash secured by the City and provided by an owner/developer for specific public capital facilities, services or matters. Chapter 19.8.2 of the Official Plan provides examples of potential

Community Benefits, e.g. the provision of public art, multi-modal transportation facilities, streetscape improvements, etc.

Planning staff met with representatives from Community Services, Transportation and Works, and Corporate Services to discuss potential community benefits. Subsequent to this meeting, Planning staff met with the developer and Ward 5 Councillor Carolyn Parrish to discuss possible community benefits relating to the proposal.

Written confirmation has been provided by the owner confirming that the Community Benefit is \$2,500,000 towards affordable housing, consisting of a payment of \$2,500,000 to be indexed to Consumer Price Index, 20 units sold at or below the affordable price threshold of \$420,000, or 20 rental units both with an even mix of one and two bedroom units, or a combination of these contributions. The precise contribution will be determined at the time of condominium registration, with 25% of the contribution occurring with the registration of the North Phase (anticipated in year 2022), and 75% of the contribution to occur with the registration of the South Phase (anticipated in the year 2024 or 2025).

Guiding Implementation Principles

The Section 37 Community Benefits proposal has been evaluated against the following guiding implementation principles contained in the Corporate Policy and Procedure on Bonus Zoning.

1. Development must represent good planning.

A fundamental requirement of the use of Section 37 is that the application being considered must first and foremost be considered good planning regardless of the Community Benefit contribution.

The Recommendation Report dated August 14, 2020 presented to PDC on September 8, 2020, evaluated the proposed official plan amendment and rezoning and recommended that the applications be approved as they are acceptable from a planning standpoint and represent good planning.

2. A reasonable planning relationship between the secured Community Benefit and the proposed increase in development is required.

The application of eligible Community Benefits is considered according to priority. The proposed contribution towards affordable housing is considered a "highest priority" Community Benefit, as it involves the sale of affordable units or rental of affordable units on site. However, if the applicant chooses to provide a financial contribution towards affordable housing at the time of condominium registration, it will be considered as a "next priority" Community Benefit, as in this case it would be a contribution in the form of funds used to address a City-wide need which is related to the site, but which cannot be included on the site.

In order to determine a fair value of the Community Benefits, Realty Services retained an independent land appraisal to determine the increased value of the land resulting from the height and density increase. In this instance, acknowledging that Mississauga Official Plan policies permit apartment buildings with a maximum of 1 969 dwelling units, a maximum height of 34 storeys, and a maximum floor space index (FSI) of 5.19 in Area 6A (northern portion of the subject property) and maximum FSI of 7.11 in 6B (southern portion of the subject property). It was determined that the relationship between the proposed \$2,500,000 worth of community benefits and the land value of the requested height and density increase is acceptable. This amount represents approximate 57% of the land lift value, which meets and exceeds the Corporate Policy and Procedure and is acceptable to both the City and the owner.

3. Community Benefit contributions should respond to community needs.

The creation of complete communities including affordable housing is one of Mississauga Official Plan's guiding principles. Providing a variety of affordable dwelling types for both the ownership and rental markets is one way in which the City can achieve this goal. In accordance with the Corporate Policy and Procedure, Ward 5 Councillor, Carolyn Parrish, has been consulted regarding the negotiations and supports the proposed Community Benefit contribution.

4. Ensure that the negotiation process of Section 37 Agreements is transparent.

If the applicant chooses to sell or rent affordable housing units (as opposed to providing a financial contribution), a condition of condominium registration will be that the applicant confirm that 20 units have been sold at or below the affordable threshold or that conditions have been placed on rental units to maintain the units at an affordable rent. This confirmation must be provided to the City Planning Strategies Division in a form satisfactory to the City. Alternatively, following the receipt of the Community Benefit financial contribution, City Planning Strategies Division staff would review the opportunities to implement affordable housing in this community. The proposed housing and timing of implementation would be subject to a detailed assessment. The earliest implementation date of this is likely to be 2025 based on the applicant's proposed timelines.

Section 37 Agreement

The Planning and Building Department and the owner have reached a mutually agreed upon terms and conditions of the Community Benefit and related agreement for the subject lands. The agreement provisions will include the following:

- a Community Benefit contribution of \$2,500,000;
- the contribution is to be used towards affordable housing;
- the agreement is to be registered on title of the lands in a manner satisfactory to the City Solicitor, to secure the benefits.

Financial Impact

Cash benefits received from a Section 37 agreement will be collected by the Planning and Building Department and held in a Section 37 Reserve Fund set up for that purpose. This fund will be managed by Accounting, Corporate Financial Services, who are responsible for maintaining a record of all cash payments received under this policy.

Conclusion

Staff have concluded that the proposed Section 37 Community Benefit is appropriate, based on the increased height and density that was recommended through the official plan amendment and rezoning applications. This proposed benefit adheres to the criteria contained in the Corporate Policy and Procedure on Bonus Zoning. Further, the contribution towards affordable housing; will help to implement the guiding principle of complete community policies in Mississauga Official Plan.

Attachments

Appendix 1: Aerial Photograph

Appendix 2: Concept Plan



Andrew Whitemore, M.U.R.P., Commissioner of Planning & Building

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