

**Planning for Affordable Rental Housing Through Policy Context: A Case Study of  
Mimico-by-the-Lake**

by

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### **Author's Declaration**

I hereby declare that I am the sole author of this thesis. This is a true copy of the thesis, including any required final revisions, as accepted by my examiners.

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A handwritten signature in black ink, appearing to read 'Jae-Hyun Park', is written over a light gray rectangular background.

**Jae-Hyun Park**

## **Abstract**

The purpose of this thesis is to investigate the contemporary housing issues and challenges related to the provision of affordable rental housing by exploring Mimico-by-the-Lake, Toronto as a case study. The current housing development trends in the City of Toronto suggests a tremendous growth in the condominium industry where the growth of development in rental housing has remained stagnant. Canada's reliance on the market mechanism in the provision of housing has contributed to this trend; contemporary urban policies continue to advocate the market mechanism to address housing shortages. Under its revitalization initiative, there is a concern that redevelopment of Mimico-by-the-Lake will experience similar influence of current development trends and urban policies. Existing affordable rental housing stock is vital for the community where affordability is important for the low-income households. Gentrification is a real threat to the community in the face of growing polarization of the City, particularly for the low-income households. Accordingly, the City must take a more proactive policy approach and role in the provision of affordable housing to minimize the impact of gentrification as a result of a redevelopment process.

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## **1.0 Introduction**

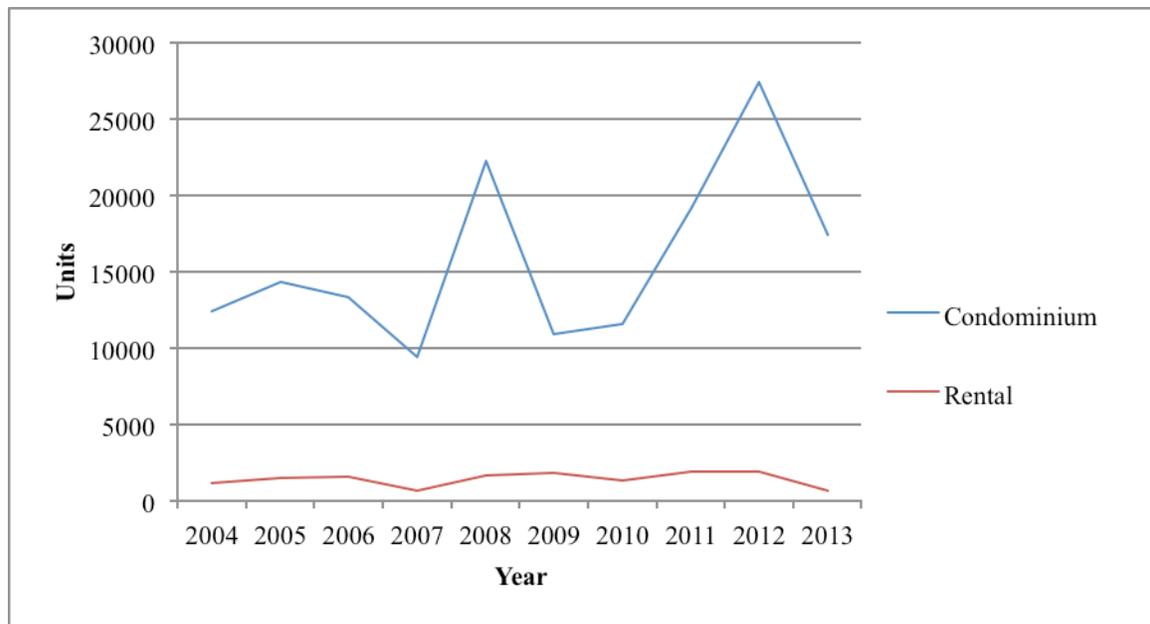
### **1.1 Background**

Housing is an important component of cities across Canada, which reflects a city's ability to adequately house its urban population. In addition, housing is considered to be one of the basic necessities of life by providing the privacy and security against undesirable intrusions at both physical and emotional capacities (Bratt, Stone & Hartman, 2006; Stone, 2006). As a result of persistent push for homeownership, provision of housing in Canada almost solely relies on the market mechanism to allocate and maintain its housing (Brushett, 2007; Hulchanski, 2007; Shapcott, 2002). The private market is responsible for housing nearly 95% of Canadian households where two-thirds own a house and the other third are renters (Hulchanski, 2007). However, despite its ability to build "safe and adequate housing appropriate to the needs of all its households" (Hulchanski, 2005, p. 1), Canada as a nation continues to struggle to adequately house some segments of the urban population. In this regard, Hulchanski (2005) calls it a housing *affordability* problem because the market fails to address the housing needs of all income levels as the market simply responds to where the market demand is.

Over the past decade, trends in the housing market suggest a consistent increase in housing prices relative to disposable income; in spite of the moderate increase within the last year, housing prices have continued to rise faster than income level (Bank of Canada, 2014). Although the Bank of Canada (2014) observed that housing prices in Canada has relatively slowed down over the past few years on an aggregate basis, high growth in housing prices continue to plague Toronto. In addition, growing housing affordability challenges raise a particular concern in Toronto where it continues to experience a high

level of condominium construction activity (Bank of Canada, 2014). As illustrated in Figure 1.1, the level of condominium housing starts has far exceeded rental housing starts over the past decade. This condominium boom has contributed to a significant increase in the supply of condominium units, which has grown at a rate much faster than the demand (Petramala, 2014). In fact, Toronto had the highest number of high-rise buildings under construction in North America with a record of 163 in 2013; today, as many as 131 high-rise buildings continue to shape Toronto’s urban fabric at the time of this writing (Emporis, 2013, 2014). The high level of condominium developments raises a concern as rental housing developments face stagnant growth with little new supply added to the market for affordable housing.

**Figure 1.1** Housing Starts in Toronto CMA (Apartments & Others)



Source: CMHC (2014a)

Urban policies continue to push for intensification of existing urban built-up areas on the basis that intensification is a “healthy, sustainable and efficient form of managing

existing and projected population growth in Toronto” (Lehrer & Wieditz, 2009, p. 144). The vertical growth of Toronto’s skyline visibly illustrates the direction of the development trends, particularly in the downtown areas of the City. Beginning in the 1970s, the widespread office development called for greater focus on residential intensification of the downtown; as a result of zoning incentives, residential development proliferated to pervasively alter the downtown’s urban fabric with condominium towers (Searle & Filion, 2011; Lehrer, Keil & Kipfer, 2010).

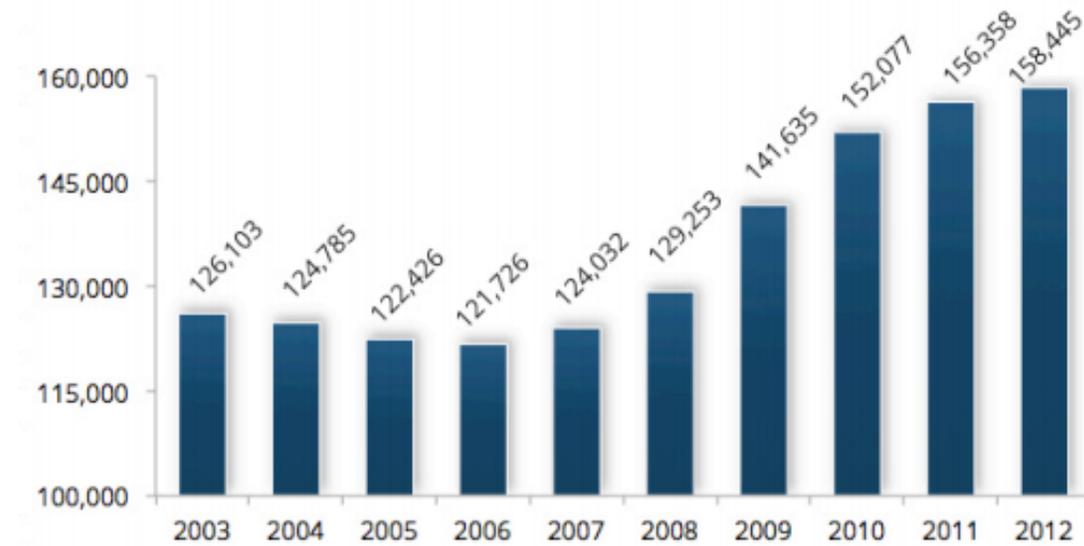
The Toronto Census Metropolitan Area (CMA) experienced strong dwelling starts in 2013 with the City of Toronto experiencing majority of the growth (CMHC, 2014a). The total number of apartment starts and completions far exceeded any other major metropolitan areas in Canada with nearly 18,149 units; by comparison, Vancouver recorded 11,809 units in 2013 (CMHC, 2014a). A closer examination of the apartment starts reveals an astonishing trend; out of the 18,149 units in Toronto CMA, nearly 17,450 units were intended for the condominium market leaving just 699 units intended for the rental market. This staggering figure has been the trend in Toronto CMA for the last decade where condominium developments continue to outpace purpose-built rental developments. Given this trend, Toronto is argued to have become North America’s single largest condominium market (Lehrer, Keil & Kipfer, 2010).

Disconcertingly, virtually no new rental housing has been built in Toronto since the mid-1990s (Murdie, 2003). As a result of the introduction of condominium ownership during the early 1970s, the new form of ownership has placed a considerable burden on the purpose-built rental developments making it difficult to compete with condominium developments (Hulchanski, 2007). Moreover, subsequent changes that have transpired in

the municipal zoning made purpose-built rental developments much less attractive, particularly in areas where medium and high densities were traditionally considered to be rental districts (Hulchanski, 2007). This is a particular concern for the City, because the City is responsible for promoting a full range of housing to ensure housing is accessible for all income levels.

The low supply of new purpose-built rental housing is also a concern for the Province that is experiencing an increase in the number of households on the waiting list for Rent-Geared-to-Income (RGI) housing since 2003. Figure 1.2 shows a gradual increase since 2003. At the end of 2012, nearly 158,445 households were recorded to be on the RGI waiting list (ONPHA, 2013). Accordingly, the wait times for the households on the waiting list looking for affordable housing have also increased where some have waited for up to ten years (ONPHA, 2013). On average, the wait times for all households in Ontario was estimated to be at 3.2 years in 2012 (ONPHA, 2013).

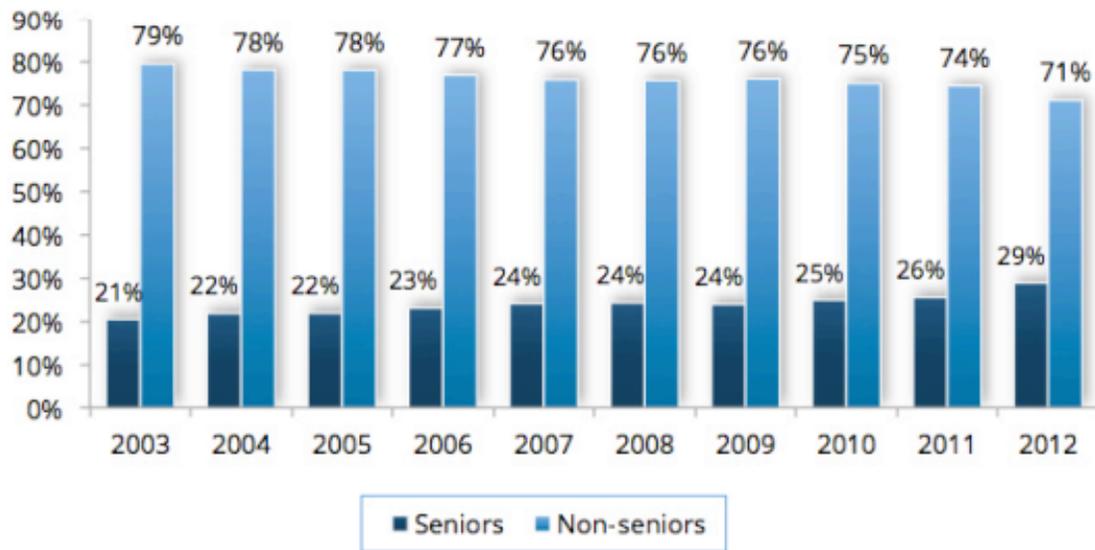
**Figure 1.2** Number of Households on Ontario Waiting Lists, 2003 - 2012



Source: Adapted from *Waiting Lists Survey 2013* by ONPHA, 2013

A further examination of the waiting list reveals that the number of senior households has been on the rise over time. Between 2003 and 2012, Figure 1.3 reveals a steady growth in senior households composition; the percentage of seniors rose from 21% to 29% over the period (ONPHA, 2013). RGI housing option is particularly important for the senior households with little income and ability to own a home (ONPHA, 2013). Current population trends suggests that the seniors are expected to continue to make up the fastest growing age group for the next several decades as a result of below replacement fertility rate, an increase in life expectancy, and the aging of the baby boom generation (Employment and Social Development Canada, 2014). Consequently, the aging population and the rising proportion of seniors are expected to extend the length of the RGI wait times (ONPHA, 2013).

**Figure 1.3** Percentage of Total Active Households on Waiting Lists by Senior Versus Non-Senior Status, 2003 – 2012



Source: Adapted from *Waiting Lists Survey 2013* by ONPHA, 2013

The fundamental reason behind this concern over stagnant growth of new purpose-built rental housing is simple: renting has been traditionally considered to be the more affordable housing option where the cost of housing makes it inaccessible for households to pursue homeownership (HRSDC, 2013). Consequently, the role of purpose-built rental housing in downtown Toronto is becoming increasingly important as a result of lack of new purpose-built rental housing supply, the rising cost of housing, and increasing demand for low-cost housing illustrated by the growing RGI waiting list. There is no doubt that an unbalanced market is plaguing Canada's current housing system. As Hulchanski (2005) argues, the market will ignore households that have little income or wealth to meet the market demand. Despite the private housing market's ability to deliver high quality housing, exemplified by the condominium boom, many

households relying on rental housing are struggling to find adequate housing. Over reliance on the market mechanism of the private housing market has contributed to ultimately make housing affordability become a national crisis (Shapcott, 2002).

## **1.2 Research Context**

As the City of Toronto continues to pursue intensification of its built-up areas, many of its communities are experiencing transformation of its urban fabrication. While many communities in the downtown face an on-going changes as a result of the widespread condominium boom, a community that particular stands out is Mimico-by-the-Lake along Toronto's downtown waterfront. Mimico-by-the-Lake stands out as a unique community because of its distinct characteristics that is not easily found in other communities. The community not only holds value in its waterfront, but its housing composition is particularly interesting due to unusually high concentration of affordable purpose-built rental housing stock abutting the waterfront.

Mimico-by-the-Lake resides in Mimico, formerly the Town of Mimico, located in the southwestern part of Toronto. Mimico is a historic neighbourhood; accordingly, urban characteristics of Mimico-by-the-Lake reflect its history. A brief tour of the community reveals aging conditions of its purpose-built rental housing stock in addition to obsolete land uses covered by vastly unused parking spaces. As a result of these conditions, but not limited to, the Etobicoke York Community Council initiated the "Mimico by the Lake Project 20/20: A Perfect Vision for Our Community" on September 13, 2006 to jumpstart a potential revitalization of the waterfront community. Under this initiative, Mimico-by-the-Lake is identified as the specific target for the potential revitalization. Accordingly, in

conjunction with the community, the City defined the vision statement specific to Mimico-by-the-Lake:

*Mimico-By-The-Lake is a historic Toronto community that is known for its unique lakeside location within Toronto's waterfront. It has exemplary public spaces & connections to the waterfront with trails, parks and places for community gather and play; an accessible, attractive and vibrant main street that supports transit and a mix of shops, services, employment opportunities and community activities and is a draw for residents and others outside the area; housing choices and opportunities for renewed rental and ownership; and inclusive participation from an active mixed income community which celebrates its history, diversity, environment, arts and culture. (Urban Strategies Inc., 2009b, p. 16).*

Over the course of its revitalization initiative, the City identified several opportunities based on the challenges in Mimico-by-the-Lake; in particular, the City placed focus on strengthening Mimico-by-the-Lake as a waterfront community while offering housing choices for a mixed income community (Urban Strategies Inc., 2009b). However, opportunities are often inherently accompanied by challenges; in this regard, Mimico-by-the-Lake faces a conflicting attitude toward how the community's vision is to be achieved. As discussed earlier, one of the unique characteristics of Mimico-by-the-Lake is its considerable number of affordable purpose-built rental housing stock, estimated at 2017 units. Both the City of Toronto and the community recognize that some of its rental housing stock is in need of repair where some of the buildings display aging conditions; accordingly, the underlying challenge in Mimico-by-the-Lake is on how the affordable housing stock is going to be managed. In essence, the burden is on the City to address the community's concern regarding its affordable housing stock while effectively

promoting the revitalization initiative through potential redevelopment of the waterfront community.

Past research on Mimico-by-the-Lake suggests that although the community is expected to “benefit from the beautification and investment that gentrification and redevelopment can provide” (Shrubsole, 2010, p. 184), the redevelopment processes need to be carefully observed and controlled. Moreover, another research finds that the community consultation process failed to “create an inclusive and equitable planning process” (Richer, 2011, p. 44); consequently, the consultation process inadequately addressed community concerns to ultimately lead to the community taking “matters into their own hands by creating their own plan” (p. 45). Building on the past researches, there is a unique opportunity in the unique waterfront community to further explore the implications of the revitalization initiative on the existing affordable purpose-built rental housing stock. Given the current context of the housing affordability issues in the City, there is an opportunity to explore the urban policy implications on affordable housing development.

### **1.3 Research Question**

This thesis is an issue-driven research project to explore contemporary affordable housing issues and trends in the City of Toronto, focusing on the policy implications on the affordable purpose-built rental housing stock in Mimico-by-the-Lake. With a considerable number of affordable rental housing units characterized by relatively low-rise buildings, there is a particular concern in the waterfront community to preserve its existing affordable rental housing stock and low-rise urban characteristics. In the context

of the revitalization initiative, Mimico-by-the-Lake presents a unique opportunity to explore the policy implications of the community's affordable housing stock. Specifically, the community is burdened by the revitalization initiative to protect its existing affordable rental housing stock where potential redevelopment, and accompanying intensification, threatens to ultimately transform the community. Ultimately, the burden is placed on the City of Toronto to appropriately guide the revitalization process without precariously transforming the community or hindering the redevelopment efforts. In effect, the purpose of this research is to explore Mimico-by-the-Lake and the associated housing policy challenges by asking this principal research question: "*What roles could policy play to stimulate the provision of affordable rental housing in Mimico-by-the-Lake?*"

In addition, this research is guided by three additional supplementary questions:

1. *Which planning policies facilitate or impede the provision of affordable rental housing in Mimico-by-the-Lake?*
2. *What is the nature and extent of the affordable rental housing issue in Mimico-by-the-Lake?*
3. *What should be the role(s) of planning policies, programs and strategies in the provision of affordable rental housing in Mimico-by-the-Lake?*

#### **1.4 Research Rationale and Significance**

There is a sentiment that Canada's housing policies have downplayed the issues associated with affordable housing; after all, nearly two-thirds of Canadian households own a house under a housing system that privileges ownership (Hulchanski, 2004, 2007).

The gradual retrenchment of the federal and provincial policy supports in the public housing sector has consequentially burdened the municipalities with additional housing responsibility along with limited financial support (Wolfe, 1998). In addition, the persistent reliance on the market mechanism over time has led to Canada's housing system that almost exclusively rely on the market mechanism (Brushett, 2007; Hulchanski, 2007; Shapcott, 2002). The fallacy of private market mechanism is that the "market responds to market demand" (Hulchanski, 2005, p. 2). In this regard, low-income households are frequently neglected because they are incapable of generating the "market demand" that the market mechanism responds to; instead, low-income households generate a "social need" (Hulchanski, 2007). Respectively, Hulchanski (2005) criticizes Canada's inability to adequately house every household despite its wealth, and the resulting incomplete housing system that neglects the low-income households.

The growing challenges associated with housing affordability in Canada are a basis for policy concern (Moore & Skaburskis, 2004). Some policy analysts claim income problems as the underlying challenge to housing affordability, while others dismiss the idea of affordability issue altogether on the basis that housing is like a commoditized good (Hulchanski, 2005; Skaburskis, 2004). However, Hulchanski (2005) argues, "Housing is not just another optional commodity" (p. 2). Where the market mechanism ignores the social need generated by low-income households for affordable housing, policy acts as an essential tool to address housing affordability. Graddy and Bostic (2009) justify affordable housing as a public policy because "an insufficient quantity is produced where it is needed; therefore solutions must involve production of sufficient quantities of

units to offset the shortfall” (p. 83). As one of the fundamental necessities of life, housing is clearly relevant to public policy (Hulchanski, 2005).

The issue of housing affordability is an important consideration in the City of Toronto where developments, and redevelopments alike, are constantly changing the urban fabrics of the inner city. In this process of change, Vigdor (2010) contends, “When a change in the quality of a good is accompanied by compensating price change, inframarginal consumers may suffer a decline in welfare” (p. 277). In the case of housing development in the City, the rising housing prices indicate a concern for potentially advocating the gentrification process. Ultimately, urban redevelopment can negatively impact a neighbourhood if the accompanying price increases exceed the existing household’s ability to pay (Vigdor, 2010).

Housing affordability problems impose greater challenges on the low-income households than others because higher proportion of income is spent on housing costs (Moore & Skaburskis, 2004). In addition, housing affordability problems reach beyond individual households as “housing policy decisions have important spillover effects on land use policy, transportation, economic development, environmental, and even health care policies” (Graddy & Bostic, 2009, p. 82). Despite the mounting pressure on preserving affordable housing and further implications of redevelopment on housing prices, Kenna (2008) argues that “the impact of contemporary developments on housing systems, law and policy has not been widely examined” (p. 398). Consequently, the rationale behind this research is to explore the contemporary housing affordability issues and the implications of urban policies on the provision of housing.

## **1.5 Research Methodology Overview**

A research design is determined based on consideration of “the nature of the research problem or issue being addressed, the researchers’ personal experiences, and the audiences for the study” (Creswell, 2009, p. 3). The purpose of this thesis is to explore the contemporary affordable housing issue in Mimico-by-the-Lake; accordingly, the aim of this research is to closely investigate the housing policies and closely examine Mimico-by-the-Lake to develop an understanding of the implications of the policy on its housing stock, specifically the affordable rental housing. The research problem, in this case, arises from the need to conduct a study to explore the affordable housing issues in Mimico-by-the-Lake in amidst the revitalization initiative. In order to explore the affordable housing issues in Mimico-by-the-Lake, this research necessitates observing the community to appreciate the context and the events. Denzin and Lincoln (2005) defines qualitative research as a “situated activity that locates the observer in the world” and a qualitative researchers “study things in their natural setting, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them” (p. 3). Therefore, this research employs qualitative research design and methods to articulate a research designed to gain specific insights and knowledge relevant to the research topic.

This research is primarily driven by exploratory case study research method incorporating a review of literature, policy review, and in-depth interviews. Accordingly, emphasis is placed on Mimico-by-the-Lake as the focus of the case study. Given (2008) suggests that a case study focuses on one, or several, phenomenon to be closely investigated. Moreover, a case study involves exploring a particular program, event, activity, process, or one or more individuals in detail (Creswell, 2009). Complementing

this research method are review of literature, policy review, and in-depth interviews. Literature review in this research is intended to provide the necessary background context of the affordable housing issue to evaluate the contemporary affordable housing issues. Review of policies and documents is intended to establish an understanding of the policy context and the implications on contemporary housing development and trends. Finally, in-depth interviews are carried out with purposively selected respondents based on their qualifications and involvement in Mimico-by-the-Lake revitalization initiative and housing policy. In-depth interviews are particularly useful for acquiring information from people relevant to the research topic and effectively explore contemporary issues by drawing a more complete picture of the outcome being studied (Carolyn & Neale, 2006).

### **1.6 Definitions: Affordable Housing**

A key issue in defining affordability is that the ratio is arbitrarily selected without the necessary empirical studies to support its implementation (Hulchanski, 2005). While there is a point that marks a household's limit on the amount it can spend on housing before it cannot pay for other necessities, there cannot be "one single ratio of expenditure-to-income for a society as a whole" (Hulchanski, 2005, p. 7). Furthermore, other drawbacks of using the rent-to-income ratio as measure of affordability include: "it does not take account for household size, it fails to reflect changes in relative prices in all categories of household expenditures, it is not easily adjusted for the amount of housing services being consumed and the substitutions available to the household, and it relies on current rather than permanent income and is subject to seasonal and cyclical sensitivity" (Hulchanski, 2005, p. 9). Consequently, the concerns associated with the use of ratio are

that it fails to “account for the diversity in household types, stages in the life cycle of the maintainer(s) of each household, diversity in household consumption patterns, and alternative definitions of income” (Hulchanski, 2005, p. 10). In spite of these drawbacks, however, the traditional measurement of rental affordability is considered to do an “adequate job of measuring the magnitude of the problem and tracking changes in them over time and among subgroups” (Belsky & Drew, 2008, p. 24).

In Canada, affordability of housing is measured by the defining the threshold of the acceptable level of income spent on housing costs; affectively, it is generally accepted that housing is “affordable if shelter costs account for less than 30 percent of before-tax household income” (CMHC, 2014). In essence, affordability of housing is considered based on the ratio between a household’s income and the amount spent on shelter (Matthew & Rodman, 1994). This expenditure-to-income ratio is often used for policy-making purposes, however it is argued to be “at best a crude indicator of number of households facing ‘shelter poverty’ – those who do not have enough money left over in the budget, after paying for housing, to pay for other essentials” (Hulchanski, 2005, p. 7). Further review of literature suggests that defining affordability is considered an “elusive concept that demands subjective judgments about what share of income should be spent on housing” (Belsky & Drew, 2008, p. 21).

As a widely accepted definition, this research adopts the standard definition of affordable housing provided by CMHC. However, for the purpose of this research, affordable housing will be considered in a broader sense. The goal of this research, as set out by the research question and objectives, is not to determine the affordability of housing in terms of its cost. Instead, the research seeks to understand the broader

implication of affordable housing in the policy context. Respectively, this research accepts that rental housing is considered to be an affordable housing option by virtue of tenure and lower housing cost for the households. In this regard, the focus of this research will be primarily placed on rental housing development as an affordable housing option.

## **1.7 Outline of the Thesis Structure**

The purpose of this thesis is to study the policy implications on the provision of affordable housing in the case of Mimico-by-the-Lake. The introductory chapter provides a general overview of the research background and context, question, rationale, and methodology of the thesis. In *Chapter 2*, qualitative research methodology employed in this research is discussed in detail as well as an evaluation of the research process. *Chapter 3* establishes the foundation of the knowledge pertaining to contemporary affordable housing issues and challenges in Canada and in the inner city areas of Toronto. The following *Chapter 4* of the thesis provides a background overview of housing and development trends in the inner city areas of Toronto. Chapter 4 also explores Mimico-by-the-Lake, which is the primary case study focus of this thesis, by examining its background and current context, as well as its recent revitalization initiative. *Chapter 5* entails a review of the policies and programs relevant to provision of housing in the City of Toronto. *Chapter 6* discusses interviews and research findings by outlining the themes emerging from the interviews. Finally, *Chapter 7* summarizes the key findings from this research to propose recommendations to answer the principal research question, and briefly discusses future research opportunities.

## **2.0 A Review of Literature**

### **2.1 Introduction**

Despite Canada's ability to build safe and adequate housing, some segments of the population, particularly the low-income households, remain vulnerable to housing challenges across the nation (Hulchanski, 2005). In this case, where a wealthy country such as Canada is unable to adequately shelter all its households, Hulchanski (2005) calls it a *housing affordability* problem. Others call it a "shelter burden" to reflect the housing challenges that low- to moderate-income households face due to spending too much of their income on housing costs (Goetz, 1993). As a result of the housing affordability problems, Lehrer and Winkler (2006) criticize that Canada's rhetoric of being a welfare state has become more of a national mythology. Affordable housing plays a pivotal role in ensuring the vitality of every community across Canada where housing is one of the most important needs of a society (ONPHA, 2013; Murdie, 2003).

Despite the importance of affordable housing, the Canadian governments manage merely two percent of affordable housing, which is much lower than its counterparts in the U.S. (Lehrer & Winkler, 2006). Graddy and Bostic (2010) suggest that affordable housing is a "policy issue because an insufficient quantity is produced in places where it is needed; therefore solutions must involve the production of sufficient quantities of units to offset the shortfall" (p. 83). Where governments have opted to take a minimal role in affordable housing, there is a strong sentiment that affordable housing problems are the products of policy failures as a result of shortsighted political decision-making and over reliance on the market-driven housing system (Lorinc, 2008; Hulchanski, 2005; Wolfe, 1998). Although nearly every policy has experienced a gradual devolution placing greater

reliance on the private sector (Graddy & Bostic, 2010), housing policy in particular stands out as one of the policy areas that have been significantly driven by the private sector (Cooper & Rodman, 1994). In fact, the provision of housing in Canada is almost entirely carried out by the market mechanism influenced the recent changes in ideological preference for smaller government and the movement toward neoliberal principles (Graddy & Bostic, 2010).

## **2.2 Issues in Housing**

A review of the history of Canadian policies in housing suggests a noticeable decline in public policy support as indicated by the gradual downloading of housing responsibilities to the municipalities. Over the years, the provision of housing in Canada has transformed considerably. Through gradual cutbacks on funding of social programs, including affordable housing, challenges associated with housing affordability have manifested across Canada (Lehrer & Winkler, 2006). Further retrenchment of federal and provincial governments from public policy support placed greater burden on the municipalities to address the housing challenges (Lehrer & Winkler, 2006). The reasons behind this decentralization of public policy involve complex motives and objectives; however, Graddy and Bostic (2010) suggest that the recent movement toward neoliberal principles may be one of the causes. As a consequence of the policy failures and a resulting housing market driven by the private sector, The City of Toronto is laden with affordable housing shortages (Lehrer & Winkler, 2006). In the absence of affordable, adequate housing, families and young children are relying on emergency shelters and food banks; in addition, affordable housing shortage is making it progressively more

challenging for the families and young children to leave the shelters and re-enter the market (Lehrer & Winkler, 2006).

The underlying challenge in the provision of housing is that the distribution of affordable housing is not effectively managed as a result of an imbalance in the housing market (Hulchanski, 2004). For example, the market conditions where affordable housing is needed the most do not allow for financially feasible projects because markets simply respond to the market demand (Graddy & Bostic, 2010; Hulchanski, 2005). Accordingly, the market mechanism of supply demand favours homeownership, rather than the renters (Hulchanski, 2004). In this housing market, the low-income households in need of affordable housing the most are particularly vulnerable because they often generate social needs that the market mechanism is incapable of responding to (Hulchanski, 2005; Hulchanski, 2007). In response to the housing affordability challenges, public policy is considered to be an important tool for intervention to encourage the production of affordable housing where it is needed (Graddy & Bostic, 2010).

Arguably, one of the major challenges that hinder affordable housing efforts in the City of Toronto is the rising cost of land and property taxes (Lehrer & Winkler, 2006). Excessively high demand in fast growing Canadian metropolitan areas, such as the City of Toronto, has contributed to the inflation of housing costs (Bunting, Walks & Filion, 2004). More specifically, competition over land and the exposure to “speculative real estate practices” in the City of Toronto have resulted in an aggressive market for the use of limited land (Lehrer & Winkler, 2006). As a result of failed public housing projects under the City’s initiative, the private developers have been increasingly entrusted to integrate affordable housing units within the neighbourhoods based on their

greater expertise in development (Graddy & Bostic, 2010). Concurrently, the lucrative opportunity in inner city developments has attracted even the suburban developers to partake in the high-rise tower developments (Lehrer & Winkler, 2006). Despite the housing needs of the low-income households, the target market of the condominium developments are the young, first-time homebuyers, empty nesters and often the people who can afford the luxury (Lehrer & Winkler, 2006). As a result of the market mechanism and the housing market driven by the private sector, the current imbalance in the housing system fails to adequately address the housing needs to promote a healthy mix of income, age groups, and lifestyles (Lehrer & Winkler, 2006). In this regard, Hulchanski (2005) calls for a need to establish appropriate institutions in order to ensure all Canadians are given access to adequate housing at an affordable price, and “to do so is a public policy choice” (p. 5).

### **2.2.1 The Devolution of Housing Policy**

Canada’s influence on housing policy began in the 1930s following the depression with the legislation of the Dominion Housing Act of 1935 (Harris, 1999; Bryant, 2004). However, unlike its counterpart in the United States, the Canadian government took a slow and cautious approach to housing policy (Harris, 1999). Moreover, Canada remained regressive and had a relatively weak support for public housing when compared to Europe (Brushett, 2007; Harris, 1999). Policies oriented toward private ownership was evident early on as the Canadian governments maintained their commitment to using the private market as the tool to address any housing shortages and problems (Brushett, 2007). In fact, the Dominion Housing Act of 1935 was directed

at the middle-class homeowners rather than the low-income rental tenants (Hackworth, 2009).

In 1938, revisions to the Dominion Housing Act of 1935 allowed for federal funding of public housing; however, no municipalities took advantage of the offer due to the unfavourable conditions attached to the program (Brushett, 2007). As a Crown-owned corporation, CMHC was responsible for addressing post-war national housing shortages (CMHC, 2011). Wolfe (1998) contends that the placement of ‘mortgage’ before ‘housing’ in CMHC’s title was not by chance, rather it signifies CMHC’s emphasis on financially facilitating housing construction and mortgage programs.

In 1948, Regent Park marked Canada’s first slum-clearance public housing project to improve the deteriorating postwar housing conditions (Brushett, 2007). Due to lack of federal support, the project was headed by local initiatives through overwhelming favour from the Torontonians (Harris, 1999; Brushett, 2007). Subsequently, 42 acres of land was cleared to build the 1056 units of affordable housing (CMHC, 2011). The federal government and CMHC continued to maintain minimal role in affordable housing projects; instead, greater focus was placed on the private market to assist households to own homes (Purdy, 2004). In fact, just bare minimum standards of amenities, services, and construction was maintained in the few social housing projects to make public housing less attractive and help private developers to be more competitive in the market (Purdy, 2004). During the 1960s, the growing tension between tenants of social housing projects and the public resulted in stigmatization of the social housing projects, ultimately labeling it as ghettos (Purdy, 2004). The public housing stock experienced a large growth during the 1970s with nearly 70% of social housing units being built during the

period (Vakili-Zad, 1996). However, growing criticisms of the conditions of public housing forced CMHC to make considerable investments to enhance the physical appearance of social housing projects (Purdy, 2004).

Housing affordability issue became one of the major concerns during the 1970s (CMHC, 2011). In response, CMHC created the Assisted Home Ownership Program (AHOP) to make housing more affordable (CMHC, 2011). CMHC also introduced two major programs to directly support social housing in the early 1970s: the Rent Supplement and the Non-profit Housing Program. The Rent Supplement Program was introduced as an agreement between the government and private landlords, non-profit and cooperative associations (Vakili-Zad, 1996). As part of the agreement, the government provided financial coverage of the difference between what an RGI (Rent Geared to Income) tenant could afford and the actual market rent of the unit (Vakili-Zad, 1996). Although rent supplements help address affordable housing issues, and avoid stigmatizations attached to social housing, the program did not directly increase the supply of social housing (Vakili-Zad, 1996). To increase the supply of social housing stock, the Non-profit Housing Program was introduced as a response. Community-based groups were given the opportunity to build, own, and manage buildings with financial assistance from the government. These units were required to have at approximately a third, or more, of its units to be offered for low-income tenants (Vakili-Zad, 1996). Community-based groups eligible under this program included: municipal non-profit housing corporations, private non-private non-profit organizations, and cooperative non-profit groups formed by private citizens (Vakili-Zad, 1996).

Through the mid-1980s, right-wing politicians realized the ability to gain popularity amongst voters by discouraging social and affordable housing programs (Lorinc, 2006). The reason was that “subsidized housing was viewed as a form of social engineering that fostered delinquency, family breakdown, and indolence” (Lorinc, 2006, p. 159). As a result, the use of public subsidies to improve market failures and optimizing urban infrastructure was largely abandoned (Bunting & Filion, 2006). Housing policy took a big turn during the 1980s when the review of the co-op housing system found that while co-op housing was generally successful, the cost was extremely high and the units were not targeted at families in need (Wolfe, 1998). Subsequent review of social housing found that the social housing program in general was too expensive (Wolfe, 1998). As a result, the non-profit housing program received an overhaul effectively limiting its assistance to very low-income families (Wolfe, 1998).

The non-profit housing program received an overhaul during the 1980s, effectively limiting its assistance to very low-income families (Wolfe, 1998). Furthermore, the new initiative was expected to be cost-shared with the provinces; in 1986, the lead role to deliver and administer the new social housing program was transferred to the provinces and territories (Wolfe, 1998). In addition, intergovernmental grants and financial assistance were reduced leading to downloading of responsibility to lower levels of government (Bunting & Filion, 2006). In 1986, administrative responsibility was downloaded to the provincial level. As a result, the provincial government became responsible for approving and monitoring social housing projects; however, CMHC continued to provide financial assistance, paying 60 percent of the cost

of housing the tenants in most need (Vakili-Zad, 1996). Consequently, the 1980s marked the beginning of the devolution of housing policy (Wolfe, 1998).

In 1991, more than 68 percent of Canadian households owned their homes that met most of their modern standards (Vakili-Zad, 1996). Rest of the households relied on renting their dwellings, and more than 54 percent of those households who rented spent 30% or more of their income for housing (Vakili-Zad, 1996). With the ongoing recession, unemployment, and socio-economic uncertainty during the early 1990s, affordability remained one of the main concerns. In response, CMHC took on an approach to promote public-private cooperation in housing projects by establishing the Canadian Centre for Public-Private Partnerships in Housing in 1991 (CMHC, 2011).

Downloading of responsibilities continued through the 1990s, when Liberal federal government further downloaded social housing responsibilities to the provinces (Hackworth, 2009). As a result, each province struggled to finance and manage the existing social housing across the country. In Ontario, the Progressive Conservative Party, which was in power at the time, had a specific agenda for social housing. In regards to social housing involvement, the PC planned to eliminate government's role in taking responsibility (Vakili-Zad, 1996). Furthermore, the provincial government intended to download the system even further to the municipalities, who have limited abilities to raise revenues (Hackworth, 2009). Essentially, the government intended to stop providing any means of financial assistance for the development of non-profit and cooperative housing; in addition, the plan was to sell public housing units to its current tenants (Vakili-Zad, 1996).

This move was not uncommon at the time, when most governments in Europe and North America had already begun to move away from taking direct roles in building, subsidizing, and managing affordable housing since the early 1980s (Vakili-Zad, 1996). Policies adopted during this period reflected the governments' intentions; it made it easy for the centre-right governments to justify such an approach between the 1980s and 1990s (Vakili-Zad, 1996). As early as 1984, the opposition to government intervention in the Canadian economy began to emerge on the Canadian political scene (Bunting & Filion, 2006). With the rise of neoliberalism, there was a strong movement toward minimal government ideology; as a result, the private market gained greater privilege over the public realm with emphasis placed on the private market values (Bunting & Filion, 2006).

Starting in 2000, the government started to acknowledge the importance of social housing again. During the early 2000s, the Liberal government set aside funds for rent supplement for low-income families, homeless shelters, and small renovation loans for inexpensive homes and apartments (Lorinc, 2006). In 2002, the taskforce report on the federal role in urban issues called for a new national housing policy (Lorinc, 2006). Subsequently, in 2005, the Federal government parties negotiated a \$4.6 billion amendment to the federal budget bill, with \$1.6 billion set aside for affordable housing (Lorinc, 2006). Annually, Ottawa spends about \$2 billion to maintain the current stock of social housing (Lorinc, 2006). Lorinc (2006) argues that the current social housing policies have lagged behind; it is estimated to 20,000 to 25,000 new units of affordable housing just to catch up back to the levels of the 1980s.

### **2.2.2 Affordable Rental Housing**

Where sufficient income is not available for households to afford ownership housing, rental housing provides the relief as an affordable housing option. In Canada, about two-thirds of all households own a house, while the remaining third relies on rental housing (Hulchanski, 2007). For the one third of Canadians relying on rental housing, affordability is the most common struggle that they face (Belsky & Drew, 2008). The current housing system in Canada relies heavily on the market mechanism to provide, allocate, and maintain the housing stock; as a result, households with inability to afford the market rents often struggle with housing challenges (Hulchanski, 2007). Hulchanski (2007) argues that households too poor to pay the market rents “generate a ‘social need’ for housing rather than a ‘market demand’ for it” (p. 1). In this regard, the drawback of the market mechanism is that it does not address social needs (Hulchanski, 2007).

As an affordable housing option, the fundamental difference between renting and homeownership is the terms of the tenure in which the property is held or used (Belsky & Drew, 2008). Renters simply “pay for the right to consume the flow of services that housing provides, including shelter, a location from which to commute and shop, and a neighbourhood in which to form social connections and receive public services (Belsky & Drew, 2008, p. 17). Essentially, homeowners pay premium for the legal title to their property whereas renters “pay a rent for the right to use a house or apartment or are granted the right to do so by the owner of the property without payment” (Belsky & Drew, 2007, p. 4). For homeowners, housing is considered as an investment and a consumable good; consequently, homeowners are exposed to financial risks associated with the changes in property value as well as the cost of maintaining the property (Belsky

& Drew, 2007). On the other hand, renters have considerably less financial burdens related to the property costs.

Another distinction between rental housing and homeownership is that renters experience lower mobility costs in the event of moving from one place to another (Belsky & Drew, 2007). When moving from one rental to another, it is not necessary for renters to process the transfer of property ownership; in effect, “renters are spared all the costs associated with buying and selling a home when they move” (Belsky & Drew, 2007, p. 5). Renters, however, still face costs involved in searching, moving, and initial upfront deposit albeit at a far lower transaction and mobility costs (Belsky & Drew, 2007). Ultimately, owners are required to pay the full market value of the property for ownership; on the other hand, renters only cover the cost of the rent for a particular period of time (Belsky & Drew, 2007). Stemming from these differences, rental housing is a critical housing option, and “one which government should have an interest in ensuring is available and that artificial barriers are not put up that slant the playing field towards ownership” (Belsky & Drew, 2007, p. 6).

Belsky and Drew (2007) outlines some of the key reasons signifying the importance of rental housing:

- Rental housing reduces transaction costs and hence provides less of a barrier to mobility
- Rental housing lowers transaction costs that constitute market inefficiencies and produce deadweight losses
- Unlike homeowners, renters do not have to assume the risks associated with an undiversified investment in a single primary residence

- Rental housing provides an opportunity for real estate risk to be pooled and diversified by larger scale owners better able to manage and professionally assess real estate risk
- Rents are set in a competitive market while the costs of homeownership depend on the individual mortgage choices made by homeowners
- By virtue of not having to obtain a mortgage, rental housing is accessible to more households
- By virtue of not having to qualify for an individual mortgage, renting can be a better deal for households with no or impaired credit histories because its costs are usually tied to the past credit history of the renter

Given the benefits, rental units as an affordable housing option appeals to particular segments of population that include young people in transitional states in their family living arrangements, minorities and immigrants, and low-income households (Belsky & Drew, 2007).

Traditionally, four main sources have contributed to the affordable rental housing supply: older rental stock, the secondary rental market, government-subsidized rental housing, and shelter subsidies (Housing Supply Working Group, 2001). Older rental stock consists of units that become available for low-income households when higher income households find new rental units or ownership housing (Housing Supply Working Group, 2001). The secondary market comprises of informal rental units that range from basement apartments to apartment units available over commercial stores (Housing Supply Working Group, 2001). Government subsidized rental housing and shelter subsidies are provided under government directed programs. The programs either support social housing providers or private developers/landlords through subsidies, or

alternatively, government subsidies are directly provided to the households to be applied toward the cost of rent (House Supply Working Group, 2001).

### **2.3 Housing in Downtown**

Within the past decade, the City of Toronto has experienced a considerable growth in the building industry where both public and private investments are transforming the City at a large scale (Lehrer, Keil, & Kipfer, 2010). Canada's minimalist approach to public housing programs has resulted in "political and cultural shifts in which the city is rediscovered as a profit maximizing place" (Lehrer, Keil & Kipfer, 2010, p. 88). In the context of the growing need for housing, condominiums have become the answer to maximize individual homeownership within the inner city (Lehrer, Keil & Kipfer, 2010).

#### **2.3.1 The Fall of Purpose-Built Rental Apartments**

Housing in the Toronto area consists of three basic types: homeownership, private rental and public rental (Murdie, 2003). Despite the popularity of homeownership, purpose-built rental housing plays an essential role in the housing market by acting as an affordable housing option. Over the last few decades, however, there has been a noticeable regression in the purpose-built rental developments in relation to condominium developments. As a result, there has been stagnant growth in the rental housing market with little new supply of purpose-built rental units. In fact, literature suggests that cities across Canada are experiencing a severe shortage of affordable rental housing stock (Housing Supply Working Group, 2001). Arguably, One of the main

challenges hindering the market's ability to provide affordable housing is that the rents and sale prices necessary to make housing affordable does not make projects financial feasible for development (Graddy & Bostic, 2010). In this regard, the private developers often pursue high-end condominium developments due to greater financial attractiveness and economic viability (Housing Supply Working Group, 2001).

The stagnant growth in the purpose-built rental housing sector suggests a market failure to balance the housing system. Hulchanski (2005) identifies three key dynamics that led to the market failure: the growing income gap between owners and renters, the loss of lower-rent housing stock and the lack of replacements, and the loss of land zoned specifically for rental housing. The first key dynamic is concerned with the income gap between owners and renters, which has increased significantly since the 1960s. The gap in the 1960s was much smaller than today, which has risen to as much as 100% (Hulchanski, 2005).

Although the housing market is now composed of two distinct categories of consumers, the market continues to operate on one land market and one housing market price structure (Hulchanski, 2005). Due to the income gap where owners often have twice as much income than renters, the housing market is primarily driven by the owners with the ability to pay the market prices. The second key dynamic that led to the fall of the rental sector is, in essence, the result of an urban gentrification process. Gentrification is an urban process that leads to "the transformation of a working-class or vacant area of the central city into middle-class residential and/or commercial use" (Lees, Slater, & Wyly, 2008). Accordingly, the urban gentrification process is responsible for replacing the older housing stock, which was once lower-cost ownership housing or rental units, with newer

and more expensive housing stock (Hulchanski, 2005). Third, prior to the late 1960s, the condominium form of ownership housing did not exist (Hulchanski, 1988). In addition, before the existence of condominiums, zoning for residential land use comprised of either rental or ownership housing (Hulchanski, 2005). Respectively, where low-density zoning was considered to be ownership housing, areas “zoned for medium and high residential densities were by definition rental districts” (Hulchanski, 2005, p. 6). When the condominium legislation was passed during the early 1970s, it marked the beginning of a fierce competition between the rental developers and condominium developers. Due to the nature of condominium development, and the greater influence of the market where homeowners often have greater income level, the condominium developers frequently outbid rental developers for the residential sites (Hulchanski, 2005).

In the context of the market for housing development, the Housing Supply Working Group (2001) identifies some of the key business climate conditions affecting private rental housing investment as: income taxes and GST, property taxes and development charges, rent control and landlord-tenant legislation, levels of interest rates, access to financing and cost of mortgage insurance. On the economics of rental investment, one of the crucial factors influencing the private sector investment is argued to be the federal income tax environment (Housing Supply Working Group, 2001). For example, during the 1960s and 1970s, absence of the GST and the preferential tax treatment for rental housing helped significantly contribute to the development of most of Ontario’s purpose built rental housing stock (Housing Supply Working Group, 2001). Purpose built rental housing face disproportionately high property taxes in comparison with ownership housing, including condominium projects (Housing Supply Working

Group, 2001). Additionally, the development charges used as revenue source for municipal governments create additional financial burdens on private rental development (Housing Supply Working Group, 2001). Rent controls affect the investment in rental housing by discouraging the attractiveness relative to other development projects because of its implication on limited financial returns, and additional risk and cost involved in calculating the cash flow from a rental development project (Housing Supply Working Group, 2001). Likewise, interest levels can have similar effect on the level of interest in private rental housing development by influencing the potential on a project's return (Housing Supply Working Group, 2001). Finally, access to mortgage insurance is a considerable factor for developers interested in rental housing development. Developers have the ability to borrow more than 75% of the project's cost, and thus allowing the developers to borrow a high ratio mortgage and ultimately reduce the equity required for the project (Housing Supply Working Group, 2001).

Current private rental housing development trends suggest that there are two sets of stakeholders involved in the development of a rental project, developers and institutional investors such as Real Estate Investment Trusts and pension funds (Housing Supply Working Group, 2001). Developers who build rental projects shortly sell the building to the institutional investors who takeover the management role. There is a high level of interests from the institutional investors in residential rental investment, however developers have shown little interest (Housing Supply Working Group, 2001). One of the biggest obstacles in the rental market is that the market economics dictate developers to build at the high-end of the market regardless of the business climate (Housing Supply Working Group, 2001).

Potential return for the investment of affordable rental development is considerably lower than the potential income stream from high-end development (Housing Supply Working Group, 2001). As a result, while improving conditions of the business climate can help encourage new rental development, there will be little effect on creating an attractive market for rental housing projects compared to other real estate projects (Housing Supply Working Group, 2001). Consequently, without support from additional supportive programs and subsidies, the private sectors are unlikely to build new rental housing for the low-end segment of the market.

Although the private sector has historically been responsible as the major contributor in the rental housing developments, there will always be a need for some government role in assisting low-income households with housing affordability or other income issues. (Housing Supply Working Group, 2001). The challenge, then, is to ensure that the government fosters an environment that promotes a sustained and healthy rental development market so that the cost of directly subsidizing affordability is minimized (Housing Supply Working Group, 2001).

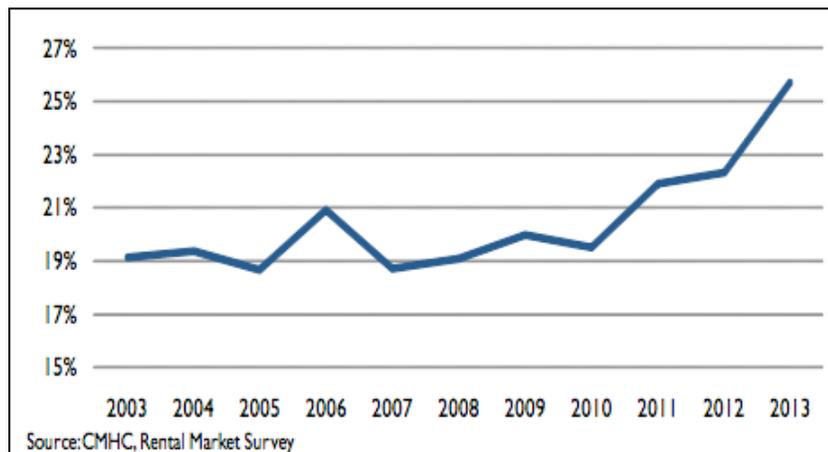
### **2.3.2 The Rise of Condominiums**

Introduced in the 1960s as a legal form of home ownership in North America, condominiums have become widespread in both political and cultural environment (Lehrer, Keil & Kipfer, 2010). To maximize individual ownership, condominium legislation was developed to allow a single parcel of property to be divided into separate units horizontally, and vertically (Lehrer, Keil & Kipfer, 2010; Rosen & Walks, 2013). Over time, the term condominium have become more than just a type of tenure, it has

adopted a “multi-faceted set of meanings in mainstream North American parlance, connoting not only a new kind of property ownership, but also of physical design, social governance security and social status” (Rosen & Walks, 2013, p. 161). The construction of condominiums have contributed to the growth of many North American cities, particularly in the downtown areas where the cities have become reliant on the condominiums for new housing (Rosen & Walks, 2013).

Between 1981 and 2011, Canadian metropolitan areas experienced significant increase in the number of condominium units; the number of occupied condominium units were estimated to be at nearly 1,615,000 with rented condominiums accounting for 461,000 (CMHC, 2013a). Figure 2.1 illustrates the rise in the share of condominium apartments in the rental market since 2003 in Greater Toronto Area. The role of secondary rental market is becoming more important where the condominium apartments are contributing as nearly a quarter of the rental market’s supply. In the context of the homeownership market, condominiums grew four-folds to account for nearly 12.6% of owner-occupied dwellings in 2011, up from just 3.3% in 1981 (CMHC, 2013a). Within Canada’s three largest housing markets, which includes Montreal, Toronto, and Vancouver, a third of all new housing starts since 1981 has taken the form of owner-occupied condominiums (Rosen & Walks, 2013). The rise of condominiums, at its current rate of growth, is unquestionably transforming both the urban and social landscape of a city (Rosen & Walks, 2013).

**Figure 2.4** Share of Rented Condominium Apartments in Greater Toronto Area



Source: Adapted from *Rental Market Report – Greater Toronto Area* by CMHC, 2013

The transformation of urban morphology is highly visible in Toronto where the City is glistened by the “new concrete and glass facades of the ubiquitous condominium towers” (Lehrer, Keil & Kipfer, 2010, p. 82). Condominium developments in Toronto played particularly important role during the 1970s and during the late 1990s to the present (Rosen & Walks, 2013). Following a decade of office development in the downtown, Toronto sought to encourage residential intensification to prevent the “downtown from becoming a mono-functional district deserted after work hours” (Searle & Filion, 2011, p. 1427). As a result of the zoning incentives for residential development during the mid 1970s to stimulate residential development, the downtown experienced a major transformation, particularly over the past decade (Searle & Filion, 2011). The on-going proliferation of condominium developments in Toronto has effectively marked the City as North America’s single largest condominium market (Lehrer, Keil & Kipfer, 2010). The majority of condominium developments are concentrated in the downtown core of Toronto where the buildings are largely residential; recent trends suggest

condominium developments are being targeted at high-end market with the addition of office space, or luxury hotels (Lehrer, Keil & Kipfer, 2010).

The popularity of condominium units may be attributed to its relative affordability and, consequently, providing a more affordable route to homeownership (Rosen & Walks, 2013). In this regard, an influential factor propelling the rise of condominiums is the changing demographic trends and household lifestyles (Rosen & Walks, 2013). The condominium market is driven largely by two submarkets in a city where nearly half of the population consists of renters: the older households and the younger households (Rosen & Walks, 2013; Lehrer, Keil & Kipfer, 2010). The older households, often referred to as “empty nesters”, seek condominium units to reduce the level of responsibility associated with maintaining a house while still remaining homeowners (Lehrer, Keil & Kipfer, 2010; Rosen & Walks, 2013).

Although this demographic group was responsible as the major buyers during the 1980s condominium boom in Toronto, they represent a smaller percentage of the condominium buyers today (Lehrer, Keil & Kipfer, 2010). The younger households, or young professionals, take advantage of the relative affordability of condominiums representing nearly 80% of the new buyers (Lehrer, Keil & Kipfer, 2010). As a small, but affordable, housing option, condominiums act as an entry point into the housing market to buying a single family home at a later time (Lehrer, Keil & Kipfer, 2010; Rosen & Walks, 2013). Literature suggests two other minor smaller subgroups in the condominium market: young adults and families that are typically without kids, and newly arriving immigrants (Rosen & Walks, 2013; Lehrer, Keil & Kipfer, 2010).

In examining this remarkable growth of condominium developments, Rosen and Walks (2013) argue that introduction of the condominium legislation is often driven by state agendas where condominiums play a large role in the intensification of a city. In the context of urban policies, the condominium boom in Toronto is reflective of the City's aim to redirect growth to existing built-up areas (Lehrer & Wieditz, 2009). Consequently, the condominium developments are considered to be an important component of redevelopment strategies from a policy perspective (Rosen & Walks, 2013). However, Rosen and Walks (2013) argue that "the development of this type of housing tenure is redefining traditional boundaries of public and private spaces, facilitating the production of new forms of exclusive residential clubs, and helping to catalyze processes of gentrification and privatization in a context of deepening neoliberalism" (p. 161). While public policies on urban development have embraced the promotion of "mixed-income communities" (Slater, 2008), Rosen and Walks (2013) suggest that integration of condominiums results in a "mechanism for the potential colonization and production of urban space for middle class and wealthy residents" (p. 170).

Unlike the rental city, which once defined the early parts of the 20<sup>th</sup> century, downtown Toronto is arguably experiencing a "third wave urbanization" (Rosen & Walks, 2013). The "third wave urbanization", discussed by Scott (2011), refers to the recent shifts in the urban domain driven by growing "cognitive-cultural economy with very specific effects on the form and functional characteristics of a modern city, and they are greatly intensified by globalization" (p. 316). Where local government policies have provided favourable conditions for residential development and gentrification of urban cores, downtowns have become "reproduced as attractive places for affluent social

groups” (Rosen & Walks, 2013). Rosen and Walks (2013) conclude, “While the poorest communities have always lived in multi-unit rental apartment buildings, an important change has involved the middle and upper classes choosing to live in high-rise condominiums” (p. 169-170).

## **2.4 Gentrification**

Gentrification is an urban phenomenon that is well recognized by many urban planners as a key contributor to urban processes of change. In fact, Bryson (2013) argues gentrification to be one of the “most important processes reshaping contemporary cities” (p. 578). Current discourse on gentrification provides an extensive discussion and debate on the subject; however, an overarching theme on gentrification is the perceived outcome of the phenomenon – displacement of existing residents. Davidson (2011) posits that the “issue of displacement continues to be pivotal in attempts to define gentrification and understand its politics”. In addition to the displacement of existing residents, an implication of the phenomenon is the resulting loss of housing affordability in the affected neighbourhoods (Rosen & Walks, 2013).

Concurrently, proponents of gentrification have argued that the effects can be contrary to the perceived notion. In his study of Harlem and Clinton Hill, New York City, Freeman (2006) finds that the benefits of gentrification are often omitted in academic research; in his findings, benefits of gentrification included providing opportunity for households to gain upward mobility without the need to move to another neighbourhood, as well as ushering in new commercial amenities enjoyed by many mainstream neighbourhoods and communities. Nevertheless, gentrification has been, and continues to

be, widely viewed as a process that consequentially leads to displacement (Davidson, 2009).

The perspectives on gentrification originate in the initial observation of gentrification carried out during the 1960s by Ruth Glass (Smith, 2002). In 1964, Ruth Glass first formally observed gentrification as a phenomenon displacing lower-class residents by the newly arriving affluent residents (Lees, Slater & Wyly, 2008). In her observation, Glass classified gentrification as a persistent process that gradually results in all, or most, of the original working class residents being displaced (Lees et al., 2008). During the period, government improvement grants played an influential role supporting gentrification through public policies (Lees & Ley, 2008). Indirectly, the grants facilitated the gentrification of neighbourhoods by way of demolishing existing buildings to be replaced by new housing (Lees & Ley, 2008). Continuing through today, gentrification remains embedded in neoliberal policies often concealed behind terms such as regeneration, social mixing, or urban sustainability (Ley & Dobson, 2008). This is apparent in contemporary housing development trends in downtown, particularly in Toronto, where housing developments largely consist of condominiums that cater toward middle-class and wealthy households.

Lees (2008) criticizes the widespread policy assumption that the process of gentrification contributes to fostering social mixing and diversity due to lack of evidence base. In addition, Slater (2008) emphasizes that the positive views of gentrification fail to “appreciate that ‘gentrification’ was designed to capture and challenge the neighbourhood expression of class inequality” (p 216). Critics argue that gentrification impact communities by redistributing access to the downtown communities and ultimately place

burden on the poor (Skaburskis, 2012). Slater (2002) frequently refers to contemporary gentrification as an emancipatory process whereby gentrification is “being driven by neoliberal municipal and provincial policy and occurring in a neighbourhood with more than its fair share of low-income hardship and social problems” (p. 322). On the other hand, proponents of gentrification praise it as the remedy to neighbourhood decline through urban regeneration (Skaburskis, 2012). In the context of housing, gentrification is a concern for affordable housing advocates in amidst the growing housing shortages to secure tenure for low-income renters (Skaburskis, 2012). From the policy perspective, gentrification is considered a beneficial aspect of urban renewal policy by virtue of the market process implications without direct government involvement or expenditure (Skaburskis, 2012). In effect, Lees and Ley (2008) claim that gentrification has gained prominence with an active role in public policy.

Given the level of policy influences on gentrification, Shaw (2008) argues that “policy can be used to drive gentrification, to modify gentrification and, theoretically, to stop gentrification” (p. 2637). In the case of Vancouver, Ley and Dobson (2008) observed effective policy shifts to accommodate limited resources such as subsidizing social housing construction by releasing a small amount of sites from the City of Vancouver’s property endowment, and working with the private sector to pursue a very small apartment units to ensure affordability. In this regard, Shaw (2008) emphasizes timing as an essential factor where interventions must be implemented “while the city retains its political culture of resistance and interest in social equity” (p. 2642). In this regard, Ley and Dobson (2008) identify three sets of factors to potentially impede gentrification: impaired supply, policy responses, and community resistance.

Gentrification as a phenomenon is, arguably, a product of opportunity. Respectively, the first set of factors impeding gentrification is housing quality and neighbourhood's externality characters. In terms of housing quality, Ley and Dobson (2008) emphasize aesthetics over functional issues. While simple renovations can fix minor imperfections, architectural characteristics are particularly valued for their distinct aesthetics (Ley & Dobson, 2008). Concurrently, absence of such architectural signatures can help alleviate gentrification. In addition, externality characters in neighbourhoods also influence the level of gentrification. For example, access to downtown and nearby amenities is highly sought after by gentrifiers. On the other hand, their absence and indicators of poverty generally detract interests from the gentrifiers.

The second factor impeding gentrification is the political responses to interpose the market processes (Ley & Dobson, 2008). Various policy instruments have mitigated the private market from removing affordable housing units over the past 40 years, particularly during the earlier decades when the welfare state had greater role to intervene in market processes (Ley & Dobson, 2008). While blocking the rental conversion to condominiums has been relatively strong, demolition controls are generally weak in Canadian cities (Ley & Dobson, 2008). Moreover, the prominent rent controls from the 1970s have diminished (Ley & Dobson, 2008). Other policies such as protective zoning changes in Canada demonstrated to be counter-productive over time (Ley & Dobson, 2008). In a number of cities across Canada during the 1970s, the growth of high-rise apartment redevelopments called for down-zoning to prevent gentrification; however, in the long term, the down-zoning facilitated gentrification by creating higher quality, lower density neighbourhoods to effectively attract more affluent households (Ley & Dobson,

2008). As a result of downloading of housing responsibilities, some cities in Canada pursued creative use of its resources to decelerate the process of gentrification and support affordable housing development. In particular, Vancouver sought to subsidize social housing construction by slowly releasing sites from its property endowment and requiring developers to set aside 20 percent of the site for social housing (Ley & Dobson 2008). In addition, planners in Vancouver pursued innovative approach to work with the private sector to permit smaller apartment units under 300 square feet to explore affordable housing options (Ley & Dobson, 2008).

The third factor impeding gentrification is community response. The effectiveness of community responses largely depends on the community's ability to find sympathetic allies in the larger community and government (Ley & Dobson, 2008). Mobilization of community groups varies in the level of activities ranging from formal participation in the planning processes to street demonstrations, or informal harassment of gentrifiers (Ley & Dobson, 2008). Ley and Dobson (2008) identifies the challenge behind community responses to gentrification as the community's ability "to demonstrate to a broader constituency that the neighbourhood is not a slum that needs renewal, but has qualities worth protecting" (p. 2477). Concurrently, another challenge is the housing cycle in the market where the pressures for reinvestment continue to surge with each new upturn of the housing cycle (Ley & Dobson, 2008). In this regard, Ley and Dobson (2008) state that neighbourhood opposition must be resolute and resourceful to continuously defend against surges in the housing market.

### **2.4.1 The Third-Wave Gentrification**

The experiences associated with gentrification are “highly varied and unevenly distributed, much more diverse than were early European or North American instances of gentrification” (Smith, 2002, p. 439). In the context of North America, Hackworth (2000) classifies three distinct waves of gentrification. Beginning in the 1950s, the gentrification process during this period is considered to be the first wave occurring sporadically (Smith, 2002). The following second wave of gentrification occurred during the 1970s and 1980s in amidst the urban and economic restructuring (Smith, 2002). More recently, the 1990s marked the emergence of a third wave gentrification that is characterized by even greater variance and distribution of the effects of gentrification across cities around the world (Smith, 2002). Akin to observations Lees (2008) makes in her discussion, Smith (2002) argues that beginning of the third wave gentrification also marks the entrenchment of gentrification into urban strategies accompanied by private capital investments.

The onset of a “third-wave gentrification” brought significant wave of reinvestment in inner cities toward the end of the 1990s (Hackworth & Smith, 2001; Lehrer & Weiditz, 2009). Hackworth and Smith (2001) distinguish the third-wave gentrification from the earlier phases by greater scale of investment and the level of urban development. More specifically, Hackworth and Smith (2001) identify four distinctions: (1) expanding gentrification in the inner city and beyond, (2) larger developers involved in the process, (3) reduced level of resistance, (4) more prominent role of the state. The first distinction is that gentrification is thriving in the inner city neighbourhoods and extends to more remote neighbourhoods (Hackworth & Smith, 2001). Secondly, where

the larger developers became involved only after a neighbourhood was established, they are increasingly becoming the precedence to starting the reinvestment (Hackworth & Smith, 2001). Thirdly, as the working class and the low-income households continue to be displaced, the level of resistance to gentrification is diminishing (Hackworth & Smith, 2001). Lastly, gentrification is becoming more and more embedded into the urban policy (Hackworth & Smith, 2001).

Recent policy and vision statement changes in Toronto have facilitated, both directly and indirectly, the processes of gentrification (Lehrer & Weiditz, 2009). The neoliberal inspired urban policies and strategic use of cultural urban policies have been widely used to attract and retain investors, as well as the new middle classes (Lehrer & Weiditz, 2009). In an effort to draw on investment incorporating global urban strategy, Davidson and Lees (2005) argue that the “‘gentrification blueprint’ is being mass-produced, mass-marketed, and mass-consumed around the world” (p. 1167). Lehrer & Weiditz (2009) adds to argue that the ‘blueprint’ has been reshaped to support Toronto’s current residential high-rise condominium boom.

A number of new municipal and provincial policies have been developed to redirect the growth to already built-up areas (Lehrer & Weiditz, 2009). During the 1990s, deregulation of local zoning bylaws and the weakening of rent control decisively favoured developers and property owners (Lehrer & Weiditz, 2009). Property values in the inner city areas rose as reinvestments sparked loft conversions and residential condominium developers began during the following years (Lehrer & Weiditz, 2009). Weakening of provincial and federal government support led to increasing reliance on the

private sector, which generally averted from less profitable mid-rise housing structures in favour of high-rise condominium buildings (Lehrer & Weiditz, 2009).

Urban intensification of existing sites is justified on the basis that it is a healthy, sustainable and efficient form of managing growth in Toronto (Lehrer & Weiditz, 2009). However, Lehrer and Weiditz (2009) suggest that the added density and height through the frequent use of Section 37 of Ontario's Planning Act has contributed to gentrification of inner city neighbourhoods. Contributions from Section 37 by the developers include public art and other community benefits that ultimately facilitated, through implication, gentrification of Toronto's inner city (Lehrer & Weiditz, 2009).

#### **2.4.2 Income Polarization in Toronto**

Neighbourhoods are considered to be an organic entity in the sense that they experience a consistent change over time. Hulchanski (2007a) argues that while "some neighbourhoods change very little in their physical, social, and demographic composition over time" (p.1), others undergo a significant change over the course of a few years. In this regard, the City of Toronto illustrates an example of a rapid, and in some cases dramatic, changes over time (Hulchanski, 2007). Over a 30 year period, Hulchanski (2007a) finds that the socio-economic characteristics of Toronto's neighbourhoods have changed considerably where a three distinct categories of income groups (Hulchanski, 2007a). This change has led to the growth of the gap between the low-income and high-income, effectively creating a larger gap as the middle-income group declined over time (Hulchanski & Murdie, 2013). The consequential impact on the City has been the

subsequent polarization of the neighbourhoods following an increase in the concentration of the polar ends of the income spectrum (Hulchanski & Murdie, 2013).

The reasons behind this trend are highly complex and multifaceted; concurrently, it is a “serious socio-economic trend that has been the source of increased concern in many Western countries” (Hulchanski & Murdie, 2013, p. 1). Income polarization and the growing gap is a particular concern in housing because “the price of housing is a key determinant of neighbourhood stability or change in societies where the real estate market governs access to housing, with only limited public intervention” (Hulchanski, 2007a, p.2). To elaborate, the lower-income households are vulnerable in the housing market where the higher-income households can easily outbid them for better quality housing. In this regard, where a “lower-income neighbourhood has characteristics that a higher-income group finds desirable, gentrification occurs and displacement of the original residents is the inevitable result” (Hulchanski, 2007a, p.2). In the case of renters, Hulchanski (2007a) finds that renters are found in most areas of the City, however cautions that they pay considerably more on housing with nearly half the income of homeowners.

## **2.5 Conclusion**

Through a review of current literature, this chapter offers an overview of contemporary affordable housing issues in Canada. A survey of the literature suggests that the provision of housing in Canada has been highly burdened by the weak public housing policy support. The gradual devolution of housing policies, and the ultimate downloading of housing responsibilities, has burdened the nation’s housing system with

affordable housing shortages. Moreover, the provision of housing in Canada today almost exclusively relies on the market mechanism as a result of neoliberal influences in recent decades.

Cities across Canada are facing growing challenges as modern housing policies and development trends impede proper distribution of affordable housing. In particular, the City of Toronto has enjoyed considerable urban growth where investments in the building industry continue to transform the city. Investments during the 1970s and 1980s contributed to significant development of condominiums in response to housing demands. On one hand, the urban transformation of the city suggests incredible success; on the other hand, proliferation of the condominiums persisting through today implicates further housing imbalance. Condominium projects outcompete rental housing projects for the use of limited land in downtown, effectively inducing a shortage of rental housing stock.

The review of literature on gentrification suggests that the phenomenon is embedded in to public policies to drive the urban regeneration. The debate on the subject of gentrification raises two sides of the argument as a critic or proponent of the gentrification process. Nevertheless, an ultimate consequence of gentrification is the potential displacement and burden on the low-income households, particularly the renters. While Ley and Dobson (2008) identifies three sets of factors to impeded gentrification, the factors appear to also impede general urban improvements because the underlying arguments are to make the neighbourhood less attractive for gentrifiers. In doing so, the quality of neighbourhood can suffer as a result of lack of attention for its quality. Ultimately, attempts to block or impede gentrification appear to perversely affect

the neighbourhood for the worse. Nevertheless, consequences of gentrification suggest it is an urban phenomenon that must be cautiously considered, particularly in neighbourhoods with attractive access to downtowns and amenities.

In the face of changing urban transformation, the literature refers to the recent process of gentrification as part of a “third-wave gentrification.” Where gentrification was first identified within small neighbourhoods in the inner city, the third-wave of gentrification implies a much greater scale with, ironically, less resistance to the process. In effect, Smith (2002) refers to the third wave as gentrification generalized where the generalization has embedded gentrification as part of urban process. As cities continue to pursue revitalization of its inner city neighbourhoods, the role of gentrification will grow considerably impacting the changes that will occur in the inner city. In particular, downtown Toronto is already prone to gentrification as condominium developments far outnumber the number of more affordable rental housing developments. Moreover, as a result of complex trends facing the city, there is a growing polarization of the city’s neighbourhoods leading to concentration of low-income households. This trend is a particular concern for the city because concentration of low-income households in a neighbourhood can make them more vulnerable to gentrification.

Despite extensive study on affordable housing policy and gentrification, there is relatively little existing literature on the impact of housing policy and gentrification on housing development within the inner city, specifically on the rental housing development in downtown neighbourhoods.

### 3.0 Research Methodology

Through a qualitative case study approach, this research explores the contemporary housing issues associated with the provision of rental housing. The overall objective of this research is to focus primarily on rental housing sector as the key source of affordable housing supply. The goal of this research is to ultimately answer the principal research question introduced in Chapter 1, “*What roles could policy play to stimulate the provision of affordable rental housing in Mimico?*” In an effort to effectively answer the principal research question, three supplementary objectives guide this research:

1. *Which planning policies facilitate or impede the provision of affordable rental housing in Mimico?*
2. *What is the nature and extent of the affordable rental housing issue in Mimico?*
3. *What should be the role(s) of planning policies, programs, and strategies in the provision of affordable rental housing in Mimico?*

Recognizing the pressing issue of affordable housing shortage, particularly in Toronto, this research is designed to draw upon present challenges impeding the growth of rental housing supply in the city. The research primarily focuses on the case study of Mimico-by-the-Lake in Toronto, Ontario to investigate the policy challenges that the community is facing in addressing its rental housing concerns in amidst a revitalization initiative. Corresponding to the objectives above, this research considers to following methods in its research approach: (1) a literature review of issues pertaining to affordable housing and the contemporary change in housing trends and development; (2) a review of the government documents to establish the policy context of current affordable rental

housing strategies and guidelines in the City of Toronto; and (3) in-depth interviews with key informants and stakeholders on the issue.

### **3.1 Introduction**

Reflecting the research objectives, this research incorporates a research strategy designed to explore the housing policy in depth. Creswell (2009) describes strategies of inquiry as “types of qualitative, quantitative, and mixed methods designs or models that provide specific direction for procedures in a research design” (p. 11). Quantitative research tests objective theories by measuring and examining the variables that are subsequently analyzed through statistic procedures (Creswell, 2009). On the other hand, Creswell (2009) defines qualitative research as a “means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem” (p. 4).

Furthermore, quantitative research relies on quantitative data collection and involves testing of pre-determined hypotheses, whereas qualitative research takes on an inductive approach to generate new hypotheses and theories (Daniel & Sam, 2011). The nature of this research to understand the emerging issues by exploring the policy implications in the case of Toronto, more specifically in Mimico-by-the-Lake, appropriates qualitative research as the most suitable strategy of inquiry.

Unlike quantitative research methods relying on deductive process, qualitative research methods “reflect an inductive mode of analysis or a process of moving from specific observations to a general theory” (Byrne, 2001, p. 1155). Moreover, the process of qualitative research encompasses collecting data within the participants’ setting through emerging questions and procedures; subsequently inductive analysis leads from

specific question to general themes (Creswell, 2009). Important distinction between quantitative and qualitative research is that qualitative research primarily relies on human perception and understanding; in other words, the researcher is responsible for making interpretations of the data (Stake, 1995; Stake, 2010; Creswell, 2009). Accordingly, Stake (2010) writes that the “researcher is often the main research instrument” (p. 15) in a qualitative research.

The nature of affordable housing issues makes it a complex research topic. As aforementioned, this research embodies a strategy of inquiry intended to explore the policy implications on the issue of affordable rental housing. Kuada (2012) writes that research needs to be designed in a way that allows a researcher to get a direct look at the setting where the research participant operates. By examining Mimico-by-the-Lake and the policy implications of the revitalization initiative on its affordable rental housing, this research draws on the specific findings from the community. Accordingly, this research adopts the case study approach under the qualitative research strategy to explore “in depth a program, event, activity, process, or one or more individuals” (Creswell, 2009, p. 13) and to investigate the specific phenomenon in the current natural context of Mimico-by-the-Lake (Daymon & Holloway, 2011).

### **3.2 Methodological Consideration**

Research methodology plays an important role in the overall research framework involving the “forms of data collection, analysis, and interpretation that researchers propose for their studies” (p. 15). Merriam (2009) suggests that qualitative researchers are interested in “uncovering the meaning of a phenomenon for those involved” (p. 5)

rather than defining the cause and effect of a particular aspect. In this regard, qualitative approach involves constructivist worldview through observation of the participants' behaviours and directly engaging in the activities (Creswell, 2009). More specifically, Denzin and Lincoln (2005) writes that qualitative approach is studying "things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them" (p. 3). In exploring Mimico-by-the-Lake in its contemporary setting, this research considers qualitative methods that typically involve gathering of multiple forms of data including interviews, observations, and documents (Creswell, 2009; Patton, 2002).

In consideration of the data collection procedures, Creswell (2009) emphasizes the prerequisite to "purposefully" select participants or sites that will "best help the researcher understand the problem and the research question" (p. 178). Unlike quantitative research method, qualitative research method does not implicate collection of random sampling or selection of a large number of participants and sites (Creswell, 2009).

Baxter and Jack (2008) recommends that a qualitative case study research must integrate a variety of data sources to ensure multiple facets of the research phenomenon is considered. In this regard, Creswell (2009) identifies four basic types of data collection: observations, interviews, documents, and audio-visual materials. This research considers all of the data collection methods by observing Mimico-by-the-Lake and its contemporary setting including the stakeholders involved. Patton (2002) elaborates observations involve "detailed descriptions of people's activities, behaviours, actions, and the full range of interpersonal interactions and organizational processes that are part of

observable human experience” (p.4). Interviews play an important role in this research by contributing to the research with direct experiences from the stakeholders; in this regard, Patton (2002) adds that data collected from interviews are derived from direct quotations from the participants. A large component of this research will involve qualitative documents of available public documents ranging from journal articles to planning policy documents. Finally, qualitative audio and visual materials will be used to compliment the findings in this research.

### **3.3 Case Study Selection**

As a qualitative research approach, case study is commonly found in many situations ranging from psychology to community planning (Yin, 2009). Yin (2009) explains, “The distinctive need for case studies arises out of the desire to understand complex social phenomena” (p. 4). Accordingly, case study approach focuses on one or a few instances of phenomenon to be studied in depth (Given, 2008). In justifying the use of case study as an appropriate method, Yin (2009) suggests three conditions to be considered: “(a) the type of research question posed, (b) the extent of control of an investigator has over actual behavioural events, and (c) the degree of focus on contemporary as opposed to historical events” (p. 8). The research question drives the research; therefore, Yin (2009) emphasizes the importance of the research question in determining the suitability of a case study method. Generally, a research question formed around “what” is suitable for any of the research methods, which is often exploratory in nature (Yin, 2009). The last two conditions establish the circumstances of the research to

determine whether the event being examined is contemporary and the relevant behaviours cannot be manipulated (Yin, 2009).

In exploring the affordable rental housing issues in Mimico-by-the-Lake, this research predominantly employs the case study approach. The principal research question seeks to answer the implications of policy on affordable housing by exploring what role the policy could take in the provision of affordable housing in Mimico-by-the-Lake. Moreover, this research is interested in exploring the contemporary issues based on the current circumstances and settings surrounding Mimico-by-the-Lake and its recent revitalization initiative. The nature and the scale of the event limit the ability to intervene in the outcome of the event; as such, research has little or no control over the event. By virtue of exploring the underlying issues such as affordable housing shortage and the challenges associated with the provision of affordable housing in Mimico-by-the-Lake, case study is a justified method for this research.

For the use of a case study method to be effective in a research, Thomas (2011) emphasizes the necessity for a research to be a “case of something.” Respectively, a case study research comprises of two parts: a subject and an analytical frame or object (Thomas, 2011). In the case of exploring Mimico-by-the-Lake as a case study, the affordable housing issue constitutes the subject of this research and the policy context defines the analytical frame for the research. In addition, Thomas (2011) stresses that the purpose of case study is often misunderstood where case studies are often over generalized. Thomas (2011) adds to note that a case is ideal for representing unique characteristics to highlight each case with a “particular exemplary function of an analytical category” (p. 18). Accordingly, the purpose of using a case study is not for

generalization; instead, it is specifically useful to draw on the complete picture and valuable analytical insights from the particular case (Thomas, 2011).

In consideration of Mimico-by-the-Lake as a case study in this research, it is important to note the unique characteristics of the waterfront community and the policies surrounding the revitalization initiative. Exploring Mimico-by-the-Lake is particularly interesting because of its unique circumstances as a home to over 2,000 affordable rental units. Moreover, Mimico-by-the-Lake is an already well-established community, which makes it more challenging to induce changes implied by the revitalization initiative. In addition to the waterfront properties being privately owned, the provision of housing in Canada has traditionally relied on market mechanism; as a result, there are minimal government efforts to produce more affordable housing. Concurrently, the well-established community opposes over development of the waterfront properties by private developers in return for more housing units. Consequently, Mimico-by-the-Lake presents a valuable opportunity to draw insights from to explore the implications of housing policies in appropriately guiding the housing developments in the community.

The selection of Mimico-by-the-Lake as a case study and exploring the policy implications on its affordable housing can be considered to be an instrumental case study. Stake (1995) defines that case study is instrumental when it attempts to accomplish something other than simply understanding the subject. In this regard, this case study represents more than modestly understanding the affordable housing issues in Mimico-by-the-Lake. By delving into the policy implications, this policy-driven research seeks to explore the underlying contemporary affordable housing issues.

Past discourse on affordable housing has traditionally focused on public housing as the source of affordable housing. However, the decline of public housing support has led to increased reliance on the private market to provide affordable housing. Mimico-by-the-Lake, as well as the City of Toronto, is under the influence of this market-driven housing development trends; consequently, findings from this case study can highlight important insights to encourage and stimulate affordable rental housing development in the community. As a case study, there is a level of caution to avoid generalizing this research in a broader context; however, it remains highly relevant to the surrounding waterfront communities under the influence of revitalization in Toronto and possibly other redeveloping communities that face affordable rental housing challenges in Canada.

### **3.4 Literature and Policy Review**

Marshall and Rossman (2011) suggest that data collection of background and historical context is encompassed in a qualitative research process. In addition, Yin (2009) argues the importance of reviewing previous research and literature in order to develop “sharper and more insightful questions about the topic” (p. 14). Yin (2009) cautions that the review of literature should be considered as a “means to an end”, rather than an end in itself; accordingly, he stresses the use of literature to develop more insightful questions rather than answering the research. Nevertheless, review of the literature will play an important role in this research to establish the necessary background context of the affordable housing issues in Canada. Moreover, a contextual examination of the contemporary trends associated with housing in Mimico-by-the-Lake and the City of Toronto will support the analytical investigation of the policy

implications. Secondary data sources will play a valuable role to assist in the interpretation of the current trends. Respectively, reliability of the data sources will be crucial; therefore, sources will be carefully selected from the list of government sources where possible.

In addition to literature review, this research will be accompanied by review of current planning policies and documents related to the provision of housing. Planning policies and documents play a particularly important role in urban planning, which essentially establish the precedence to guide how urban transformation is expected to occur within the geographic boundaries of the policies. Various policies and programs are in place to assist municipalities as part of its range of planning tools from different levels of governments. The provincial policies provide the overarching guidelines according to the provincial interests whereby the municipalities are required to adhere to when making any land use planning decisions. Concurrently, municipalities have a wide range of their own policies tailored to specific needs. The focus of this research is on the implication of policies on housing development; consequently, while this research considers the provincial policies, focus is placed around municipal policies intended to guide local housing development.

### **3.5 Semi-structured In-depth Interviews**

To gain greater understanding and insight on the issues associated with affordable rental housing in Mimico-by-the-Lake, this research sought to engage several key informants and stakeholders on the issue. The complex nature of the housing issue required the research to ensure a wide range of views and opinions were taken into

account. In consideration of the scope of the research, focusing on Mimico-by-the-Lake and the affordable rental housing, this research conducted 13 interviews with key informants and stakeholders. Of the 11 interviews, 3 were policy analysts, 4 were urban planners, 3 were community members, and 1 was a developer. Before initiating the interviews, the initial methods for data collection through primary interviews with key informants were reviewed by the Office of Research Ethics (ORE) at the University of Waterloo. Following the research modifications and changes, the most recent ethics clearance was received from the ORE on December 2013.

As part of the research method, in-depth interview was considered to be the appropriate approach. In-depth interviews were used to acquire information from people relevant to the research topic and to explore new issues, an specifically effective attempt to draw more complete picture of the outcome being studied (Carolyn & Neale, 2006). The nature of this case study required adjustments to the interview questions based on the subject and the topic of discussion. In order to obtain as much information relevant to the topic as possible, additional questions were asked specific to the key informants based on the progression of the discussion.

In selecting the participants for the in-depth interviews, two sampling methods were used: purposive (stakeholder) and snowball. Purposive sampling is commonly used in qualitative research to gain selective insight and most relevant information from a particular topic (Lewis, 2008). Concurrently, selective criteria were used to determine the suitable mixture of the participants to reflect the type of information desired and allow the selection process to be “focused, appropriate, systematic and logistically manageable” (Lewis, 2008, p. 52). To explore the affordable rental housing issues in Mimico-by-the-

Lake and evaluate the housing policy context, stakeholder sampling was used as the specific criteria for purposive sampling method. Stakeholder sampling is particularly effective in evaluation research and policy analysis by identifying the major stakeholders involved in “designing, receiving, or administering the program or service being evaluated, and who might otherwise be affected by it” (Given, 2008). Using stakeholder sampling at the start of the research, key informants were selected based on his/her role and experience associated with Mimico-by-the-Lake revitalization initiative and affordable housing policy. In addition, the use of purposive sampling allowed for a more balanced approach to gain initial insights from various stakeholder groups. In addition, the research relied on snowball sampling method, where appropriate, to gain additional participants for the research from the initial selection of key informants.

Key informants were initially contacted through a phone call or email according to the recruitment script. Following the initial contact, interviews were arranged through subsequent contacts and conducted in-person or over the phone. Each interview with key informants was conducted separately using private audio-recording devices. Interviews recorded were subsequently transcribed for analysis and stored in a private device at a secured office. The data will be destroyed within a year of completion of this research.

Each key informant was provided with an information letter outlining the details of the study, highlighting the options to withdraw from the interview at any time, and guaranteeing anonymity. Due to the on-going process of the revitalization initiative, the research assumed importance of maintaining anonymity of the participants to ensure that the participants feel comfortable to participate without impacting the current revitalization initiative. Stake (1995) argues, “each interviewee is expected to have had

unique experiences, special stories to tell” (p. 64). Recognizing this opportunity, questions asked during the interview session were optimized to be open-ended and semi-structured that reflected the participant’s background and role.

### **3.6 Secondary Quantitative Data and Descriptive Analysis**

To develop a greater appreciation of Mimico-by-the-Lake and the impact of the revitalization initiative on the affordability of housing within the community, this research includes a descriptive statistical analysis of secondary data. While Creswell and Clark (2007) recommends the mixed-methods research approach when considering qualitative and quantitative data, this research maintains qualitative research approach because the purpose is to collect qualitative data. Quantitative data used for descriptive statistical analysis will be based on data available from secondary sources. While Maxwell (2010) cautions the controversial use of quantitative data within a qualitative research, he maintains the validity of using numbers and legitimacy of the strategy for qualitative researchers when it complements the overall research orientation. Moreover, incorporation of quantitative data does “not inherently make the research a mixed-method study” (Maxwell, 2010).

In answering the questions posed, the research necessitated understanding of the demographic trends and data within Mimico to acquire greater grasp on the community’s affordable housing needs. There is a considerable amount of data available associated with the research topic that range from data on housing starts to demographic trends, this research considers that the reduction of the data to a comprehensive summary is an important function of a qualitative research (Given, 2008). Therefore, part of this

research focuses on analyzing secondary data provided by municipal sources including the City of Toronto and CMHC to provide a descriptive summary of the current trends. Descriptive analysis of the secondary quantitative data will respectively supplement the qualitative analysis performed throughout this research.

## **4.0 Mimico 20/20 Revitalization Initiative: Politics of Redevelopment**

### **4.1 Introduction**

Along Lake Ontario, southwest of Toronto, is a historic neighbourhood known as Mimico. Its historic roots can be traced back to 1850s when prominent religious leaders first attempted to settle to create an early model village (Fairburn, 2013). Currel (1967) suggests temporary occupation of the region beginning as early as 1615 during Samuel De Champlain's exploration; in 1720, the French Governor of Canada established small trading posts in the nearby area. Nevertheless, early attempts proved to be unsuccessful with just a few homes being erected (Fairburn, 2013). However, during the early 20<sup>th</sup> century, a wave of record growth sparked the formation of Mimico in 1905 as a police village under the general supervision of Etobicoke Township (Currel, 1967). Subsequently in 1917, Ontario government granted Mimico the status of a township and maintained its role of independence before being incorporated into the Township of Etobicoke in 1967 (Currel, 1967).

During the initial wave of growth, unlike the surrounding subdivisions intended for the working class, developments in Mimico were targeted at the middle-class buyers (Fairburn, 2013). The advantage of properties fronting the lake contributed to promoting Mimico's lakeshore properties leveraging "the natural surroundings, the lake, and the healthful environment" (Fairburn, 2013, p. 368). Moreover, Fairburn (2013) notes that Mimico was "considered to be one of the prettiest outlying neighbourhoods in the vicinity of Toronto" (p. 370). Crescent Point, one of the earlier real-estate developments in Mimico, illustrates the developers highlighting greenery by integrating garden suburb movement (Garden City movement) to create self-contained communities along the

lakefront; in particular, emphasis was placed on creating an appropriate “mix of industry, commerce, residential accommodation, and verdant spaces” (Fairburn, 2013, p. 370-371).

Mimico started to experience a series of decline beginning in the 1950s marked by the demolition of moderate-sized homes and estates (Fairburn, 2013). By 1960s, as a result of political corruption during this period, the neighbourhood saw a dramatic overhaul by a series of “low-rise housing developments along the lake, complete with parking lots that reached down to the water’s edge” (Fairburn, 2013, p. 393). Currel (1967) notes in his observation that where a community of single-family homes once existing going into the 1950s, the 1960s highlighted Mimico with “one of the most densely populated apartment areas on the continent” (p. 165). Dedication to parking lots as opposed to greenery directly contradicted the aspirations of the Garden City movement that influenced Mimico’s earlier success. In part, this downfall was the result of corrupt politicians allowing developers to build a series of midrise rental apartments with parking lots adjacent to the waterfront (Allen, 2012).

Today, the commercial and residential sector along the waterfront is referred to as Mimico-by-the-Lake (Fairburn, 2013). Along the waterfront, early French influences are visible in the patterns of the lakefront properties. The seigneurial system adopted by New France in Canada had a distinct geometric pattern of lands to ensure as many seigneurs as possible had access to the water (Trudel, 1976). Under the system, the subdivision of land is emphasized by long, narrow strips that extend far into the interior (Trudel, 1976). Similarly, lakefront properties in Mimico are highlighted by narrow property strips, which also bear signs of widely used open parking lots. Currel (1967) recognized that land along the lake had become a valuable commodity; however, as a result, he criticized

that the lakefront had become too expensive. In this regard, Currel (1967) concluded that the challenges to ensure wise use of the lakeshore would inadvertently be part of the municipal government's responsibilities in the years to come.

Since the last detailed study in 1983 entitled "The Mimico Study" (City of Toronto, 2007), Mimico was left relatively unaffected with little to no major development. At the time, the former City of Etobicoke determined to forego taking any actions to implement the recommendations suggested in the 1983 report; as a result the community experienced very little changes over time (City of Toronto, 2007). Consequently, many of the conditions identified in 1983 remain in the present community, where a renewed efforts to revitalize the community is underway (City of Toronto, 2007). In an effort to address the deteriorating concerns and conditions in Mimico-by-the-Lake, the recently initiated revitalization efforts seek to bring incremental enhancements at varying scales over a period of time (Urban Strategies Inc., 2009).

#### **4.2 Mimico-by-the-Lake: Case Study Boundaries**

The purpose of defining the case study boundaries in this research is to emphasize the implication of this research within Mimico-by-the-Lake community. However, it is important to note that the nature of affordable housing issues extend beyond small geographic area; this research will consider broader area surrounding Mimico-by-the-Lake, including Mimico and the City of Toronto to draw on the context of the issues associated with housing.

As a neighbourhood abutting Lake Ontario, Mimico is located in the southwestern part of Toronto. Currently, the geographic boundaries of Mimico are established by

Gardiner Expressway to the north, Canadian Pacific National Railway line and Lake Ontario to the south, Canadian Pacific Railway line and Dwight Avenue to the west, and Humber River to the east. These boundaries represent the formal arrangements as set by the City of Toronto for the purpose of profiling Mimico's neighbourhood demographics.

**Figure 4.5** Map of Mimico



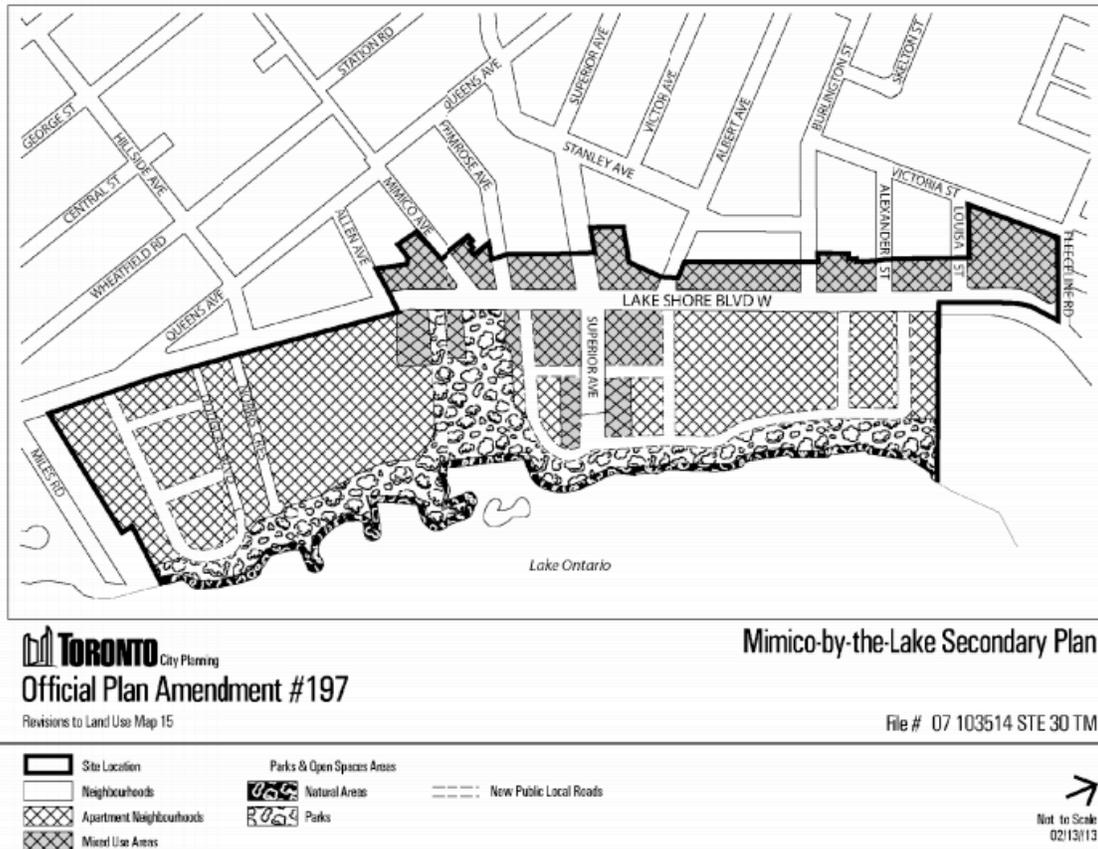
Source: Adapted from Mimico (includes Humber Bay Shores) by City of Toronto, 2014

Within Mimico is a small waterfront community under the influence of the current revitalization initiative in the neighbourhood. The revitalization initiative under Mimico 20/20 revitalization action plan defines the focus area along the Lake Shore Boulevard corridor between Royal York Road and the Mimico Creek; effectively, the area is referred to as Mimico-by-the-Lake (Urban Strategies Inc., 2009). Accordingly, the emphasis of this research is placed on Mimico-by-the-Lake while considering the broad

area of the Mimico neighbourhood and the City of Toronto as part of its revitalization framework.

More recently, the City defined the geographic area of Mimico-by-the-Lake as part of its preparation of the draft Mimico-by-the-Lake Secondary Plan. Under that Plan, two distinct boundaries are defined: the Secondary Plan boundary and potential limited off-site rental replacement outside Secondary Plan area boundary. While the former outlines the target area for revitalization, the purpose of the latter boundary is identified to outline “the potential catchment area for the provision of limited off-site rental replacement housing” (City of Toronto, 2013, p.1). Respectively, the Secondary Plan boundary is generally bordered by Lake Shore Boulevard to the north, Lake Ontario to the south, Miles Road to the west, and the edge of Humber Bay Shores to the east. The potential off-site rental replacement area is bounded by the Gardiner Expressway to the north, Lake Ontario to the south, Dwight Avenue and Royal York Road to the west, and Humber River to the east.

**Figure 4.6** Map of Mimico-by-the-Lake



Source: Adapted from Final Report – Mimico-by-the-Lake Secondary Plan by City of Toronto, 2013

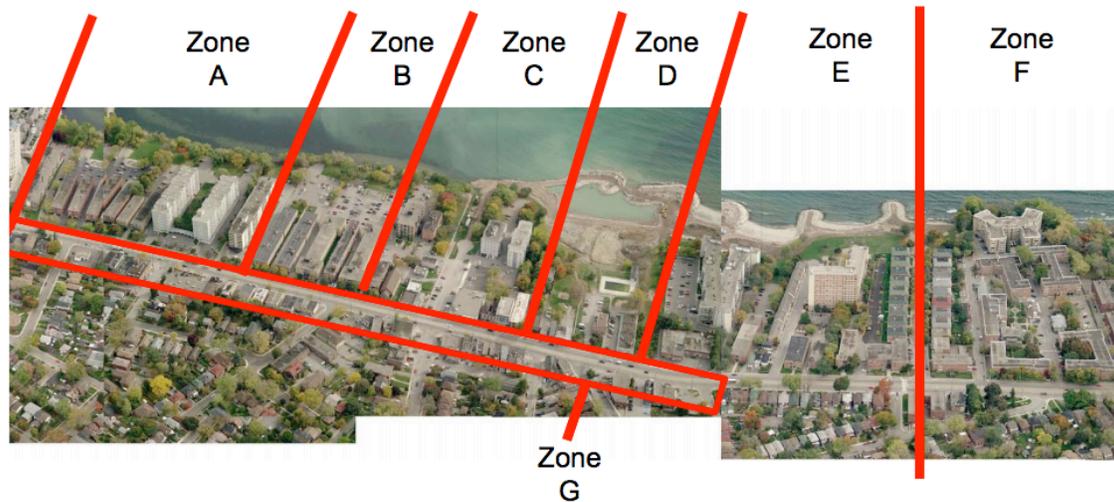
### 4.3 Mimico 20/20 Revitalization Initiative

In an effort to revitalize the deteriorating community, the Etobicoke York Community Council initiated the “Mimico by the Lake Project 20/20: A Perfect Vision for Our Community” on September 13, 2006 (City of Toronto, 2011). In response Council’s request to report on the next steps in carrying out the initiative, the City Planning Division recommended to engage the residents and stakeholders through preliminary consultation meetings (City of Toronto, 2007). An overview of the history of

the revitalization initiative reveals three distinct phases: a “vision” to “implementation phase, development of the Revitalization Action Plan, and development of the Secondary Plan (City of Toronto, 2011d; City of Toronto, 2013). Respectively, the first phase began in 2007 to conduct a wide range of community workshops and meetings. Urban Strategies Inc. was hired to initiate the “vision” to “implementation” phase” in Fall of 2008 (City of Toronto, 2013; City of Toronto, 2011d). Following the development of the vision for Mimico-by-the-Lake, Urban Strategies Inc. was rehired to develop the Revitalization Action Plan in 2009 (City of Toronto, 2013). Urban Strategies Inc. continued to work with the City in 2011 to translate findings from the second phase to develop appropriate policy directions (City of Toronto, 2013).

Examination of the revitalization initiative process reveals that particular attention was given to the area along the Lake Shore Boulevard corridor between Miles Road to the South and Fleeceline Road to the north (Urban Strategies Inc., 2009). Early on, this area was considered to have the most potential for revitalization, which has generated significant interest from the stakeholders involved. This area is referred to as Mimico-by-the-Lake, which has become the focus of the revitalization initiative. Moreover, in order to ensure minimal impediments to the community through the revitalization process, Mimico 20/20 revitalization initiative subdivides Mimico-by-the-Lake into seven distinct precincts, respectively labeled as precinct A, B, C, D, E, F, and G. The purpose of allocating precincts as part of the revitalization initiative strategy is to ensure that the changes occur incrementally over a period of time while focusing on gradual intensification (Urban Strategies Inc., 2009).

**Figure 4.7** The Mimico Opportunity: Zones (Also referred to as precincts)



Source: Adapted from *Mimico 20/20: Revitalization Action Plan – Planning & Design Charette – Proceedings Report* by Urban Strategies Inc., 2009

The revitalization initiative began on February 13, 2007 when the Council established the necessary direction for the Planning Division to engage the public through public consultation and participation process (City of Toronto, 2007a). The first community consultation, in the form of a workshop, was scheduled for June 16 of that year at John English Junior Middle School. The primary purpose of this workshop was to determine options for the revitalization initiative based on inputs from the community; ultimately, the goal was to develop ideas to appropriately implement short- and long-term actions (City of Toronto, 2007a). Key ideas and opportunities identified at the workshop associated with housing issues were:

- a) *Upgrade current rental housing stock with an emphasis on maintaining a mix of housing that meets existing needs (low income and seniors)*
- b) *Encourage all new development projects to maintain affordable housing by providing a living environment with balance, including affordable rentals, condo, homes for seniors, disabled, and families*

- c) *Encourage and promote Mimico by the Lake as a leader in “green infrastructure” with a focus on using green buildings, green technologies in new development, sustainable practices and walkable green spaces; (City of Toronto, 2007a, a full list is available at the source)*

Inputs from the workshop suggest that the community highly values its existing rental housing stock, more specifically the affordable rental units. Early on, the community recognized that the state of housing stock along the waterfront was in need of repair; in consideration of the revitalization initiative, the community identified the initiative as an opportunity to upgrade the aging buildings (City of Toronto, 2007a). Concurrently, the community was particularly keen on preserving the existing rental housing while explicitly including new affordable housing as part of any new development (City of Toronto, 2007a). Akin to the modern trends, the workshop identified “green infrastructure” as a key strategy to ensure new development is environmentally sustainable.

Following the open house/information session held on February 25, 2008, feedback from the session further supplement the community’s concern in regards to housing. Responses from the session reveal that housing ranked second as priority area for study based on 64 questionnaire submissions (City of Toronto, 2008). Out of seven study priority areas, housing was voted as a top three issue 28 times with a total score of 93; by comparison, the first priority was identified to be parks, recreation and waterfront with a total score of 94 (City of Toronto, 2008). The result indicates housing is an important component in the community alongside its waterfront features.

Beginning in 2009, Urban Strategies Inc. was hired to complete the “vision-to-implementation” phase of the Mimico 20/20 project. In April 2009, a four-day Mimico

20/20 Revitalization Initiative Charette was held at Mimico Adult Centre. The Charette included round table discussions, workshops, guest speakers, on-going scale modeling and hands-on design sessions (Urban Strategies Inc., 2009). Participants at the event “identified targeted strategies to direct future change across Mimico-by-the-Lake and created a large scale model that explored potential future development opportunities” (Urban Strategies Inc., 2009a, p. 1). Findings from the event indicated that Mimico-by-the-Lake is “highly constrained due to limited availability of infrastructure across the study area, complex land ownership, parcel size and configuration” (Urban Strategies Inc., 2009a, p. 1-2). The long, narrow lots influenced by the early French Seigneurial system were identified to pose particular challenges in redevelopment efforts. The configuration and size of the lots greatly limit the form and structure of proposed redevelopment.

In evaluating the state of housing in Mimico-by-the-Lake, part of the framework developed to address the housing concerns included “accommodating a greater diversity of housing types by developing new residential and mixed-use buildings along and south of Lake Shore Boulevard, while retaining existing rental provision” (Urban Strategies Inc., 2009a, p. 2). In particular, Urban Strategies Inc. (2009a) found that two existing apartment neighbourhoods surrounding the Amos Waites Park were in need of improvements. Accordingly, recommendations considered intensification as a necessary tool to feasibly redevelop the aging apartments; however, Urban Strategies Inc. (2009a) noted the need to adhere to the City’s one-to-one rental replacement policy and remain consistent with the City’s Official Plan. A key issue, or potential opportunity, deriving from this recommendation is the widely available underutilized parcels of land occupied

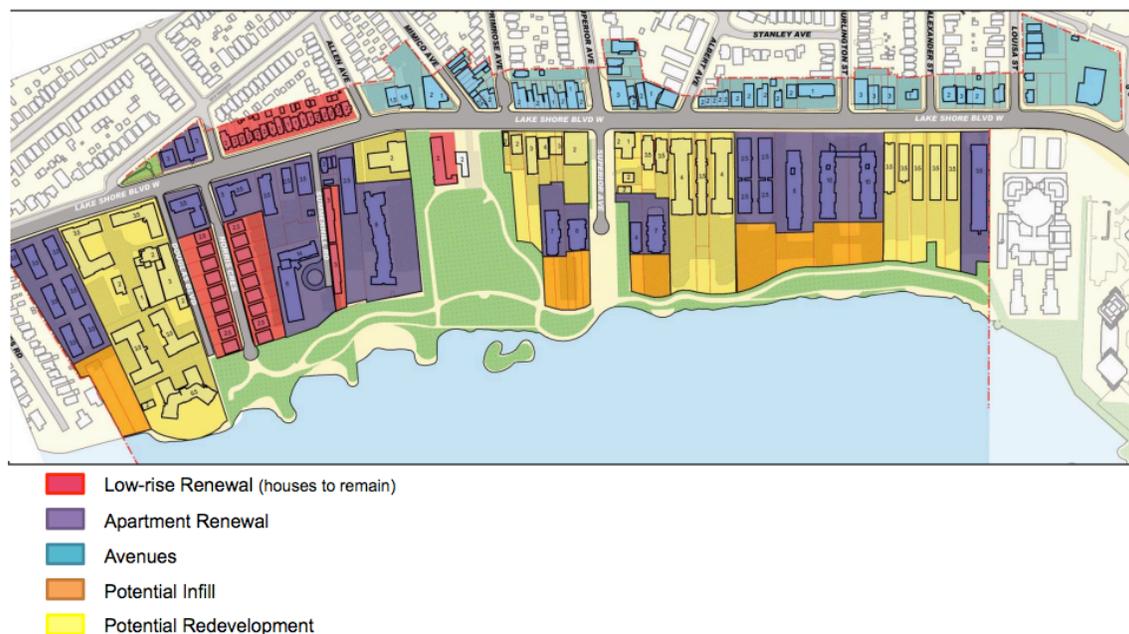
by surface parking lots. Integrated into the properties as part redevelopment of apartment strips during the 1960s, this underutilized space is now obsolete; concurrently, it presents an opportunity to consider intensification through infill development.

On December 7, 2011, the community was given an opportunity to be updated with the revitalization initiative progress at a meeting. Updates discussed at the meeting reaffirmed the vision statement for Mimico-by-the-Lake while outlining the details of the housing opportunities according to specific precincts identified earlier during the initiative. Two particular precincts were highlighted at the meeting: precinct A and precinct C. Respectively, precinct A was described to have relatively stable housing conditions; however, a particular concern raised in the precinct was the shadow and privacy issues generated by the narrow, outdated building forms. Accordingly, opportunities in precinct A included preserving existing quality housing stock while pursuing options to replace some of the deteriorating buildings to provide additional housing options (Urban Strategies Inc., 2009b). Urban Strategies Inc. (2009b) described precinct C as having “poor quality streetscape and public realm experience” (p. 16). Although some of the existing housing stock was confirmed to be in good condition, precinct C had vacant and derelict properties that fostered an unattractive environment for investment (Urban Strategies Inc., 2009b). Consequently, precinct C was considered to have a particularly high potential for redevelopment with on-site intensification than other precincts.

During the proceeding meetings held on May 29 and June 5, 2012, the City of Toronto and Urban Strategies Inc. revealed more detailed report on the proposed housing changes for Mimico-by-the-Lake. The City presented the community with a map titled,

“The Revitalization Continuum”, to visually portray the proposed changes according to the opportunities identified in previous studies. The City, at the time, appeared to play a cautious role to avoid explicitly discussing the potential level of density and intensification to be raised along the waterfront. Nevertheless, the City reaffirmed its intention to address the concerns on undesirable level of increase in density by simply identifying some sites as opportunities for “renewal”, rather than redevelopment.

**Figure 4.8** Map of the Revitalization Continuum



Source: Adapted from *Discussion 1: Presentation Slides* by City of Toronto, 2012

The revitalization initiative continued to make its progress to eventually showcase most recent proposal during an open house held on November 8, 2012. During the meeting, the community was informed about the Secondary Plan under development for Mimico-by-the-Lake. The Plan was being developed to implement site-specific

conditions for the area to address: urban design, transportation and infrastructure, parks and public realm, community services and facilities, heritage, energy and apartment renewal, and housing (City of Toronto, 2012a). In response to the community's concern on preserving existing rental housing, the City reiterated its plan to enforce the rental replacement policy, which requires a one-to-one replacement for any rental units planned to be demolished. In addition, the City explained that the revitalization of the community is anticipated to be accompanied by tenant relocation and assistance, as well as tenants' right to return to new units at a similar size and cost. However, there is expected to be some flexibility for the developers to fulfill the requirements in terms of unit types and sizes, including allowing for some off-site replacement or cash-in-lieu for a low portion of rental units (City of Toronto, 2012a). In line with the Official Plan, emphasis was also placed on maintaining and renewing the existing rental housing while encouraging more "family-friendly" units and affordable ownership housing.

The workshop also provided a development framework that outlined detailed information on existing rental units to be replaced, including new units to be added through infill development. For instance, all of the units in precinct A, 263 units in total, are proposed to be replaced by between 448 to 675 new units. In precinct B where housing is considered to be in relatively stable condition, no immediate redevelopment is planned. Precincts C and D consist of a combined total of 467 units, 465 and 2 units respectively; adjoining the "village heart" of the community, precinct C is expected to see a significant redevelopment with a proposed 879 to 1386 units. In Precincts E and F, the community has raised a particular concern over the intrusive nature of the redevelopment on its moderately low-rise housing with a dead-end street. As a result, the redevelopment

plan for the precincts is expected to be moderate; 649 rental units in precinct E is proposed to be increased to between 700 and 761 units, whereas precinct F is expected to see an increase to 641 to 840 units from current 570 rental units. Finally, precinct G, located north of Lake Shore Boulevard, is identified as an “avenue” under the Official Plan. Accordingly, precinct G is expected to see a reasonable level of intensification resulting in growth to a total of 686 to 1158 housing units from 301 units.

In examining the Mimico-by-the-Lake revitalization initiative, there is clear evidence that the consultants and the City of Toronto have placed strong attention on the housing concerns in the community. In delivering the most recent revitalization proposal and developing Mimico-by-the-Lake Secondary Plan, the City has maintained its intention to preserve the affordable housing in the community by reinforcing the City’s rental replacement policy. However, discussions from the consultation process in Mimico have left particular areas in need of greater attention. Housing challenges clearly remain in the community in amidst growing development pressures as a result of the proposed revitalization initiative. The vagueness of proposed intensification of the community and relative flexibility of the rental replacement policy provide potentially favourable conditions for the developers over community interests. In particular, off-site replacement and cash-in-lieu options allow developers to pursue alternative options instead of efforts to preserve affordable rental housing within Mimico-by-the-Lake.

Density and height remains a major concern in the community where the City plans to meet the growth targets set by the Province; however, the community opposes undesirable intensification of the waterfront properties. The increased height restriction for the community is anticipated to result in new developments as high as 25 storeys,

albeit in small areas. Along the waterfront are planned buildings at a height of 10 to 15 storeys. Based on the feedback and responses from November 8, 2012 workshop, the community voiced concerns that the proposed heights were not appropriate for the area (City of Toronto, 2012b). Moreover, feedback from the workshop suggested concerns over the affordable housing supply in the community as a result of growing interests toward condominium developments (City of Toronto, 2012b). In this regard, the community requested to ensure more tenure types including family sized units (City of Toronto, 2012b). The underutilized space along waterfront properties indicate opportunities for infill development; at the same time, there needs to be a level of caution to avoid undesirable developments in the community.

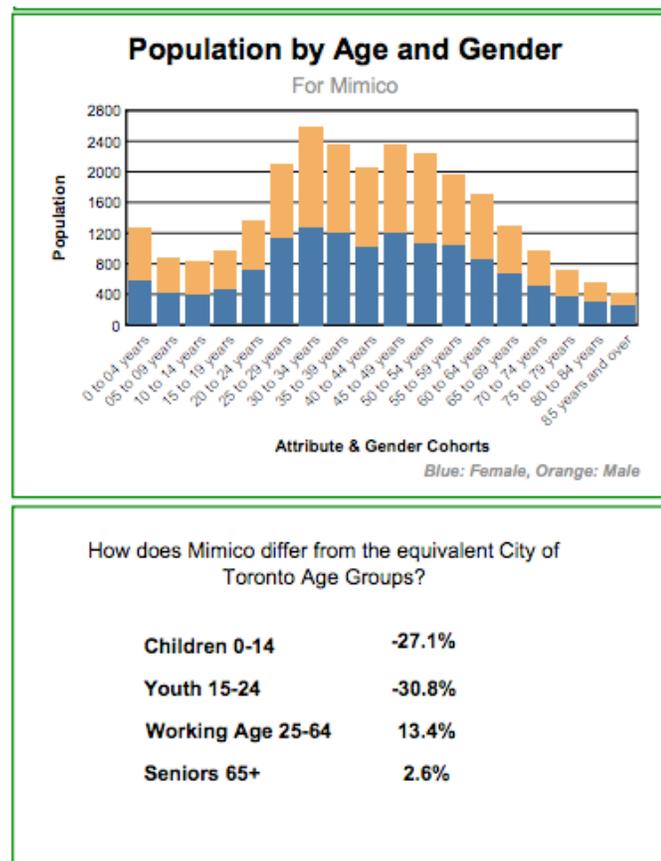
#### **4.4 Mimico Today**

##### **4.4.1 Mimico Demographics**

Currently available demographic data is limited to Mimico neighbourhood as a whole. As a result, demographic data analyzed extends to Mimico as the larger neighbourhood, however it includes Mimico-by-the-Lake as a representative data. According to the most recent 2011 Census data, Mimico holds a population of 26,580 that has experienced a gradual growth from 24,180 in 2001 (City of Toronto, 2011). The neighbourhood is composed of nearly equal proportion of male to female residents ratio measuring at 48.7 percent and 51.3 percent respectively (City of Toronto, 2011). Furthermore, a significant portion of the population, at nearly 65.2 percent, consists of working age between 25 and 64 years old (City of Toronto, 2011). In the younger age spectrum, the proportion of children and youth under 24 has experienced a continuous

drop over the past decade, declining by 18.6% (City of Toronto, 2011). Compared to the City of Toronto, the demographic composition of Mimico is distinctly different as a result of greater proportion of working age group and significantly less children and youth age group.

**Figure 4.9** Population by Age and Gender for Mimico

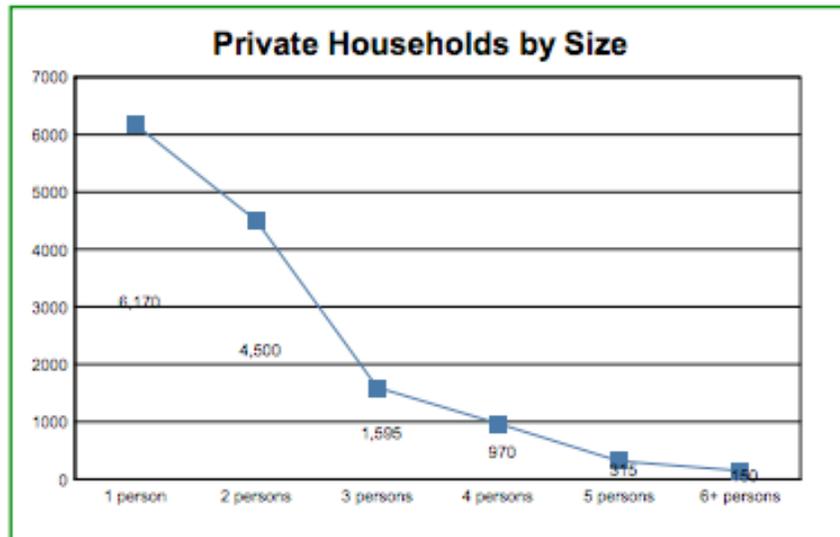


Source: Adapted from *City of Toronto Neighbourhood Profiles – Mimico (17)* by City of Toronto, 2011

In reviewing the demographic trends for the neighbourhood, there are particularly interesting changes to be noted. Despite the growth in population, Mimico has experienced a gradual decline in the size of the households. From 1981 to 2006, there

was a decrease in the average number of persons per household from 2.3 to 1.9 (Lakeshore Planning Council, 2011). The number of private households comprised of couples without children compared to couples with children is higher in Mimico at 3,105 to 2,100 respectively (City of Toronto, 2011). Moreover, there are a notable number of lone-parent family households, which makes up for 1,180 households (City of Toronto, 2011). The trend suggests that the Mimico-by-the-Lake community, and the neighbourhood, is less family-oriented than other surrounding neighbourhoods. Implications of this trend may require housing options in the community to cater more toward smaller sized units to accommodate existing demographic population.

**Figure 4.10** Private Households by Size

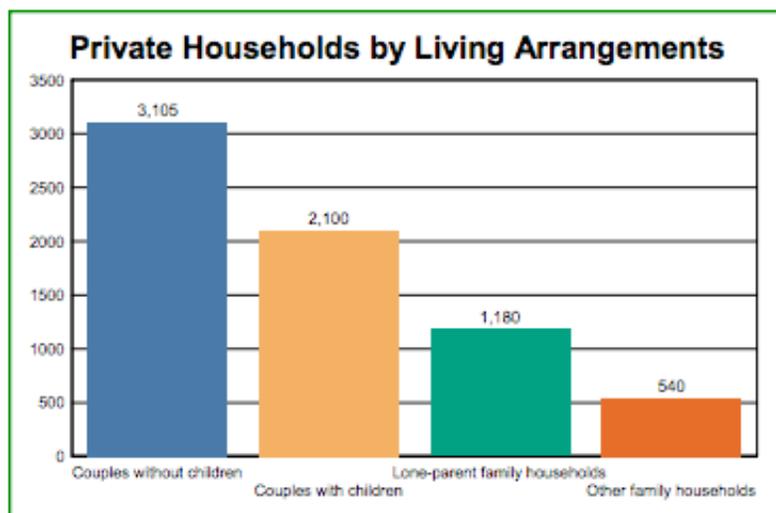


Source: Adapted from *City of Toronto Neighbourhood Profiles – Mimico (17)* by City of Toronto, 2011

Between 2001 and 2011, the decline in number of married couples with 2 or more children suggests contemporary families are smaller in size; also suggested by the substantial growth in common-law couples without children at 38 percent growth (City of

Toronto, 2011a). However, the number of lone-parent families has experienced noteworthy change where number of female parent has increased by 17.9 percent and male parent has grown by 11.4 percent (City of Toronto, 2011a). An implication of this change may mean greater challenges to accommodate families with children, particularly the lone-parent families with substantially less income to support the household. As current housing policies suggest moving toward more family-friendly housing options with higher number of bedroom options, Mimico’s small family size suggests that family-friendly does not necessarily mean more bedrooms in a unit. Furthermore, the need for affordable housing will be greater as a result of growing lone-parent households. The City of Toronto (2013a) estimates that an annual income necessary to afford a one-bedroom apartment at an average cost of \$1000 per month is roughly \$40,000. Lone parents face increase pressure due to the fact that there is less contribution toward the household’s income.

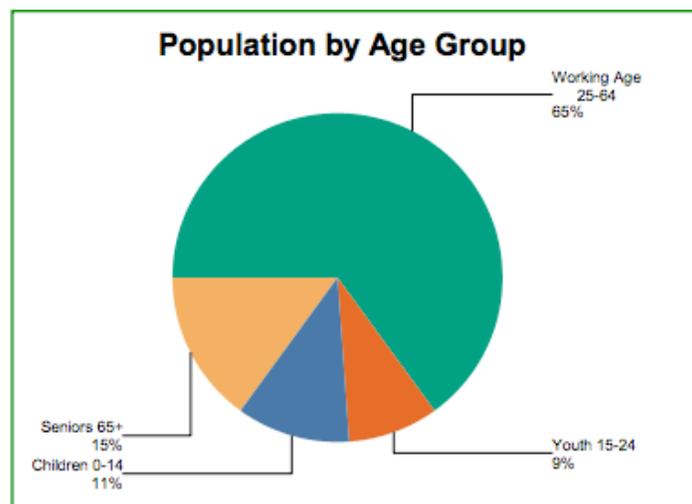
**Figure 4.11** Private Households by Living Arrangements in Mimico



Source: Adapted from *City of Toronto Neighbourhood Profiles – Mimico (17)* by City of Toronto, 2011

Lastly, in line with the current aging demographic trend, the seniors group (aged 65+) gained the largest change at 22.6 percent since 2001 (City of Toronto, 2011a). However, when compared to the rest of the City's trend, the number of seniors in Mimico is only 2.6% greater than the average (City of Toronto, 2011a). With regard to housing, seniors are one of the groups making up for the rental housing demands; however, the relatively small disparity is not significant to impose an immediate attention to more senior-friendly housing at this time.

**Figure 4.8** Population by Age Group in Mimico



Source: Adapted from *City of Toronto Neighbourhood Profiles – Mimico (17)* by City of Toronto, 2011

#### 4.4.2 Rental Housing in Mimico

There is a clear sentiment that rental housing plays a prominent role in serving the community's housing needs. It is almost inevitable that a discussion on Mimico's waterfront community will eventually lead to the significance of rental housing stock along the waterfront. There are currently a total of about 2017 rental units in Mimico-by-

the-Lake, the study area. In comparison, Mimico neighbourhood has a total of 10,180 rental units, composed of detached duplex and apartment buildings. Mimico-by-the-Lake is home to nearly 20% of the rental housing stock in the neighbourhood. To provide a perspective, Mimico-by-the-Lake is less than 10% of the community's total geographic area. Besides the high number of units Mimico-by-the-Lake is responsible for contributing to rental housing stock, a particular reason signifying importance of the rental housing is that the units are considered to be more affordable than the rest of Toronto's neighbourhoods.

The most recent available City census data, based on 2006 figures, calculates the average gross rent in Mimico at \$899 (City of Toronto, 2006). According to Walk Score (2013), a website that tracks the cost of affordable apartment cost, the average rent of one-bedroom unit within the vicinity of Mimico is estimated to be around \$751. On the other hand, the average rent for a one-bedroom apartment in Toronto is estimated to cost \$1,010 (City of Toronto, 2013a). The difference between the costs of rents is noticeably lower in Mimico than the City's overall average cost.

There is a discernable finding by the City of Toronto (2013a) that nearly 43% of low-income families are housed in aging high-rise rental apartments and one in five low-income families are in housing that is "too small, needs repairs or is unaffordable" (p. 2). The rental housing stock in Mimico-by-the-Lake is in a relatively good condition; however, there is no doubt that the apartment buildings are facing some issues due to aging infrastructure. A simple tour through the waterfront reveals outdated conditions of the buildings, especially when compared to the newer buildings in the outskirts of the community such as the condominium buildings in Humber Bay Shore.

A repeated concern from the community in regards to the proposed redevelopment of the waterfront is the potential height of the new buildings. Unlike the surrounding neighbourhoods, Mimico-by-the-Lake's waterfront buildings are at a considerably lower height; on average, the height of the buildings is at around 6 storeys. Redevelopment proposals seeking increased height and density for the waterfront properties to almost twice the current height has induced alarmed the community. The community expressed fears that merely another "wall of condominiums" will replace the current wall of apartment buildings (Allen, 2012).

Interestingly, Lakeshore Planning Council found that the ratio between rental and ownership housing has changed since 1981 for the Mimico neighbourhood. In 1981, 35% of housing accounted for ownership whereas 65% was represented by rentals (Lakeshore Planning Council, 2011). The number of homeownership took a notable rise to nearly 55% compared to rentals declining to 45% (Lakeshore Planning Council, 2011). Part of this change could be explained by the government policies during the period to promote homeownership. The change does not implicate the reduced role of rental housing for Mimico-by-the-Lake community and the neighbourhood. On the other hand, the implication may be greater role for the rental housing stock due to reduced number of units available as the demand for rental housing continue to rise

#### **4.4.3 Recent Housing Projects and Developments**

Along the Lake Shore Boulevard West are the highly visible, aging apartment building strip lining up against the waterfront. Evidently, there have been little major developments in the area prior to the recent initiative to revitalize the community. One of

the benefits of a revitalization initiative is arguably its level of attraction and attention for development in the community. Davies Smith Development was one of the first developers to take on the development opportunities in Mimico-by-the-Lake with its Eleven Superior condominium project. When it was first introduced, the nine storey development was touted as one of the first major steps to redevelop Mimico-by-the-Lake (Archer, 2010).

The property is located at the corner of Lake Shore Boulevard West and Superior Avenue, in close proximity to the revitalization initiative's proposed "village heart". In spite of its prime, attractive location by the waterfront, the condominium suites start at \$240,000; at a cost of \$424 per square foot, the project is considered to be affordable by the current Toronto's housing market standards (Lake Shore Villages, 2011). The developers introduced Eleven Superior in Mimico-by-the-Lake as a mid-rise condominium with classy suites with urban sophistication that cater toward young professionals, first-time homebuyers, and downsizers (Lake Shore Villages, 2011; Davies Smith Developments, 2012). The development features 3,885 square feet of storefront at the ground level with a total of 132 residential suites above (Davies Smith Developments, 2012). At its current progress, construction of the project is expected to finish by Fall/Winter of 2014 (Buzz Buzz Homes, 2014).

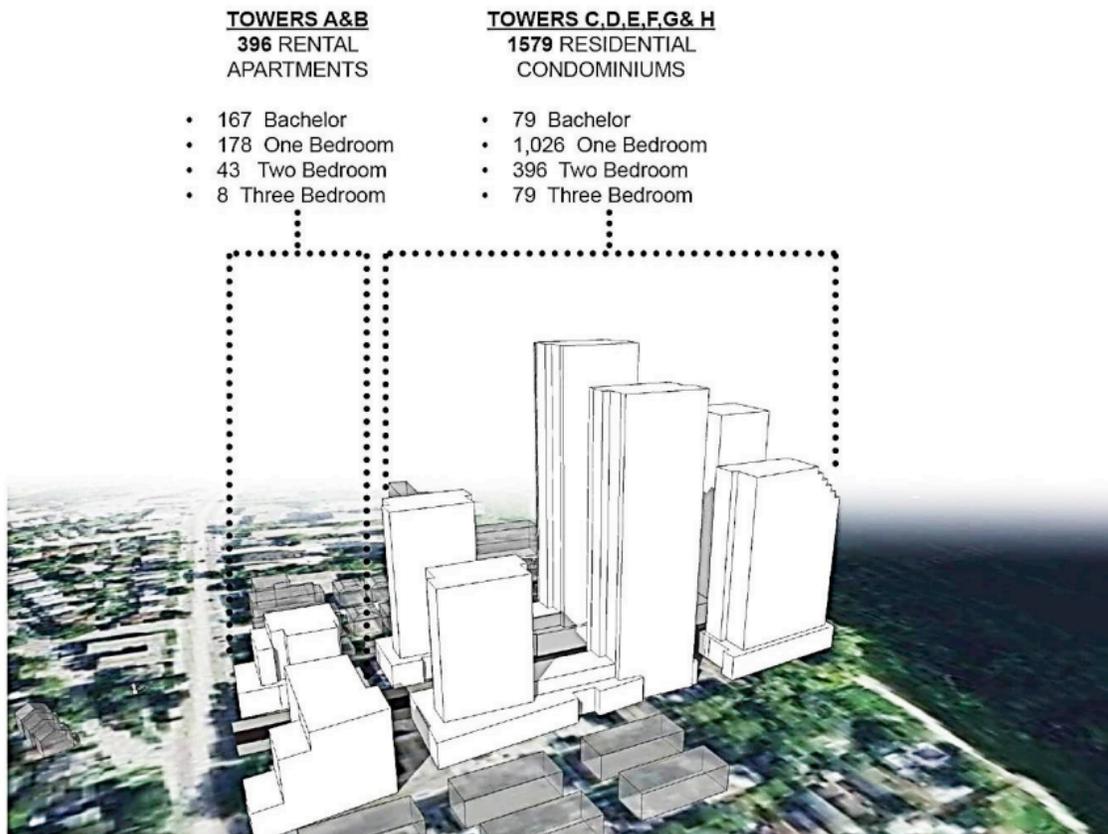
At the onset of the revitalization initiative, many community members expressed fear of high-rise condominium developments that would mimic the recent trends similar to Humber Bay Shores. Notwithstanding, the community challenged Eleven Superior proposal due to its height and density that is uncharacteristic, and excessive, for the community (OMB, 2012). The community took action to appeal the proposed

development, which the developers attempted to dismiss on the grounds that the matters raised could be addressed at the site plan stage (OMB, 2012). However, the Ontario Municipal Board denied dismissing the appeal without hearing. Subsequent hearing dismissed the appeal altogether, the Board found the proposed development to be “in the public interest and represents good land use planning” (OMB, 2012a, p. 7). While the appellants argued that the proposed height of the development was a concern because it was “substantially higher [than] the previously approved proposal” (OMB, 2012, p. 9), the Board accepted that the proposal “meets and exceeds and conforms to all provincial interests expressed in the PPS (Provincial Policy Statement) and the GP (Growth Plan)” (OMB, 2012a, p. 5). Following the OMB’s decision to dismiss the appeal, the development was given the approval to move forward with construction.

On the other hand, a proposed redevelopment of Amedeo Garden Court by Longo Development Corp became a highly controversial issue in the community. Amedeo Garden Court is currently home to 391 rental units located on Lake Shore Boulevard and Queen’s Avenue (Wesley Mimico United Church, 2012). Longo Development Corp presented its initial proposal to the City in April, 2011 to build additional high-rise towers on the site as shown in Figure 4.5. However, the submission of the application for an Official Plan Amendment for the proposal was considered to be incomplete by the City (Lakeshore Planning Council, 2011). The proposed plan sought to greatly intensify the site with buildings as high as 30 to 40 storeys high and additional 1500 condominium units (Wesley Mimico United Church, 2012). On September 2011, Etobicoke Community Council approved the decision to process the application submitted by Longo Development Corp (Lakeshore Planning Council, 2011). However, as the community

became aware of this proposal, members of the community conveyed strong criticism against the proposed plan.

**Figure 4.12** Proposed Amedeo Court Redevelopment



Source: Adapted from *Mimico is Changing* by Lakeshore Planning Council, 2011

As a result of the community’s backlash, Longo Development Corp revised its proposal and presented the revision to the community at a meeting held on September 13, 2012. The new plan reduced the number of proposed buildings down to five from its original six (Mimico Residents Association, 2012). An important component missing at the meeting was height of the buildings. In response to the community’s opposition

against high density, Longo Development Corp acknowledged that the original application's 1.8 million square feet of development with 40 storey buildings was too dense (Mimico Residents Association, 2012). However, the developer remained cautious about revealing potential heights of the newly revised plan. The conflict between the developer and community on the level of density appeared to be an immense challenge. The planning consultant for Longo argued that a height of eight to twelve storeys would not be profitable for the development (Shephard, 2012).

While the two developments illustrate distinct redevelopment experiences since the initiation of revitalization plan in Mimico-by-the-Lake, the two cases exemplify the challenges behind bringing new changes associated with redevelopment. Particularly in Mimico-by-the-Lake, the established community is greatly concerned with undesirable height and density changes along the waterfront similar to Humber Bay Shores. In the case of the proposal by Longo Development Corp, the community effectively resisted the plans to extensively increase the density of the community. On the other hand, although the community attempted to appeal Eleven Superior, the case was dismissed due to greater influences of the planning policies. Nevertheless, both experiences suggest a level of caution and the need to carefully consider appropriateness of height and density, which respect the community. With the success of Eleven Superior, there is a sentiment that the project is anticipated to jumpstart the revitalization of the waterfront community (Lake Shore Villages, 2011).

#### **4.6 Conclusion: Ambiguous Revitalization and A Divided Community**

There is no doubt that the revitalization initiative underwent a lengthy process. However, it is not unusual for a lengthy process involved with community revitalization; particularly associated with waterfront redevelopment where it is argued to experience changing political conditions due to the convoluted length of time. The extensive community consultation appeared to have addressed some of the major concerns, albeit the conflict and concerns on height and density remain unresolved.

A recent survey on Mimico 20/20 revitalization by the Mimico Residents Association found that the majority of the community supports the revitalization plan; about 63% of the respondents approved the current plan for the community (Shephard, 2013). Support for the revitalization plan was based on the condition that the existing affordable apartment units would be preserved and avoid gentrification of the community (Shephard, 2013). An interesting note from the survey suggests that the community is also hesitant about more affordable housing in the community where only a third of the respondents supported for increasing the number of rental housing units (Shephard, 2013).

Although about two thirds of the community support the revitalization plan, part of the community continues to oppose the proposed revitalization plan. In particular, the community group “CodeBlueWestTO” plans to appeal dozens of 25-40 storey towers proposed by the Mimico-by-the-Lake revitalization initiative and Mimico-by-the-Lake Secondary Plan. In particular, the group argues that the Secondary Plan fails to achieve the vision adopted by the Mimico 20/20 Revitalization Action Plan. More specifically, CodeBlueWestTO (2013) contends that the Plan does not appropriately accommodate

increase of affordable family housing stock along the waterfront. In addition, the group asks the City to review the zoning bylaws to explicitly include height restrictions between 12 to 14 storeys with a density cap of 1.5 maximum (CodeBlueWestTO, 2013a). The group has appealed the Proposed Official Plan Amendment No. 197, the Mimico-by-the-Lake Secondary Plan, which is expected to be held on September 22, 2014 (OMB, 2014).

## **5.0 Housing Policies: Influencing Redevelopment in Mimico-by-the-Lake**

### **5.1 Introduction**

In Ontario, the legislated Planning Act (1990) assumes the responsibility of governing all land use decisions made by all municipalities. Under the legislation, the Act lays out specific policies in regards to how land uses may be controlled, and who may control them (Ministry of Municipal Affairs and Housing, 2010). Effectively, municipal governments are granted the authority to regulate the use of privately owned lands (Environmental Commissioner of Ontario, 2011). Within the Act, there are two distinct languages guiding the municipal planning decisions, “shall be consistent with” and “shall conform with”. In accordance, the terms imply a highly prescriptive approach to enforce the provincial interests and ensure greater coherency in municipal land use decisions.

Under the Planning Act, the Minister of Municipal Affairs and Housing is given the authority to produce policy statements reflective of the provincial interests (Environmental Commissioner of Ontario, 2011; Ministry of Municipal Affairs and Housing, 2010) Central to Ontario’s land use planning system, the Provincial Policy Statement plays an essential role (Environmental Commissioner of Ontario, 2011). The Provincial Policy Statement denotes “minimum standards”, whereby the decision makers have the ability to exceed the requirements set by the Provincial Policy Statement provided that the decision does not result in a conflict with other policies within the Provincial Policy Statement (Environmental Commissioner of Ontario, 2011).

Municipalities have a range of planning tools available in carrying out land use decisions in accordance to the Planning Act and the provincial interests. With regard to housing development and interests, some of the tools used by municipalities in directing

the land use decisions include official plans, secondary plans, and zoning bylaws. In the City of Toronto, there is a strong sentiment to protect existing rental housing units from being demolished or converted into condominiums. Various policies and acts establish the restrictions to rightfully hinder any efforts that relate to the loss of rental housing. Residential Tenancies Act, (2006) and City of Toronto Act, (2006) enacted by the provincial government instill the legal basis to give municipalities the power to prohibit and regulate any changes to rental housing. In addition, the City has implemented the By-law, Chapter 667 of the Municipal Code, to supplement the provincial conditions with added conditions specific to the City's housing needs.

## **5.2 Provincial Policies: Ontario**

Under Section 3 of the Planning Act, the Province issues policy statements that “have been approved by the Lieutenant Governor in Council on matters relating to municipal planning that in the opinion of the Minister are of provincial interest” (Ontario, 2012). Accordingly, the Provincial Policy Statement issued on April 30, 2014 provides the policy directions on “matters of provincial interest related to land use planning and development” (Ontario, 2014, p. 1). In this regard, municipal policies may complement the Provincial Policy Statements; however, any planning decisions under complementary policies are required to have “regard to” the provincial interest as stated by Section 2 of the Planning Act.

Section 1.4 of the Provincial Policy Statement outlines the matters related to housing placing particular focus on providing an “appropriate range and mix of housing types and densities required to meet projected requirements of current and future

residents of the regional market area” (Ontario, 2014, p. 14). Section 1.4.3 details specific requirements to provide an appropriate range and mix of housing types and densities by:

- a) *establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households. However, where planning is conducted by an upper-tier municipalities may identify a higher target(s) which shall represent the minimum target(s) for these lower-tier municipalities;*
- b) *permitting and facilitating:*
  - 1. *all forms of housing required to meet social, health and well-being requirements of current and future residents, including special needs requirements; and*
  - 2. *all forms of residential intensification, including second units, and redevelopment in accordance with policy 1.1.3.3;*
- c) *directing the development of new housing towards location where appropriate levels of infrastructure and public service facilities are or will be available to support current and projected needs;*
- d) *promoting densities for new housing which efficiently use land, resources, infrastructure and public service facilities, and support the use of active transportation and transit in areas where it exists or is to be developed; and*
- e) *establishing development standards for residential intensification, redevelopment and new residential development which minimize the cost of housing and facilitate compact form, while maintaining appropriate levels of public health and safety.*

In addition to implementing minimum targets for affordable housing, the Policy calls for directing development of new housing towards location suitable for residential intensification based on existing levels of infrastructure and public service facilities.

Moreover, the Policy suggests facilitating all forms of residential intensification,

including second units. The second units, or secondary-suites, have attracted particular attention from the Province as it amended its policies to facilitate and promote the creation of second units. In 2011, the Strong Communities through Affordable Housing Act amended Section 16 of the Planning Act to require municipalities to authorize the use of second units (Ministry of Municipal Affairs and Housing, 2012). As self-contained residential units with its own kitchen and bathroom facilities within the larger residential dwelling, second units have been considered as a way to increase the stock of affordable rental housing (Ministry of Municipal Affairs and Housing, 2012). Although the policy currently limits its application of second units within a detached house, semi-detached house or rowhouse, there is potential for second units to be beneficial in downtown high-rise buildings. For example, the City of Burnaby introduced its innovative “flex suites” allowing for second units to be implemented within a strata-titled apartments. As part of its 60-unit development project, UniverCity in Burnaby became the first pilot site to build the “affordable, family-oriented ownership options” (UniverCity, 2014).

In addition to the Provincial Policy Statement, the Growth Plan for the Greater Golden Horseshoe released in 2006 sets out the specific framework for directing growth within the designated areas. With its most recent amendment in June of 2013, the Growth Plan for the Greater Golden Horseshoe anticipates significant growth within the Greater Golden Horseshoe region as one of the fastest growing regions in North America (Ontario, 2013). Accordingly, the Plan calls for intensification and sets the municipal targets at a minimum of 40 per cent of all residential development within the existing built-up areas under Section 2.2.3 of the Plan. Moreover, Section 2.2.3.6 calls for all municipalities to implement intensification strategies to achieve the specific

intensification target. As a provincial policy, municipalities are required to have regard to the Growth Plan for the Greater Golden Horseshoe as set out by the Planning Act.

Respectively, intensification plays a key role in the provision of housing in Ontario; particularly in downtown Toronto where the City is required to focus on existing built-up areas through additional intensification.

### **5.3 Municipal Policies: City of Toronto**

#### **5.3.1 City of Toronto Act, 2006**

One of the key resources the City of Toronto has, as part of legislative framework under the provincial government, is the City of Toronto Act, 2006. Legislated on January 1 of 2007, the Act permits the City to carry out land use decisions with greater regard to its size, responsibilities and significance based on the City's needs (Ministry of Municipal Affairs and Housing, 2009). While empowering the City of Toronto to balance the interests of the province and the City, the Act also supports transparency in the decision making process between the City and the public.

Land use planning policy is covered under the Act beginning with Section 111, which prohibits and regulates the demolition and conversion of residential rental properties to a different purpose. The Act imposes an additional policy to allow the City to levy conditions as part of requirement to obtain a permit under Section 111 part c. Moreover, Section 113 provides the City with additional power to enact zoning by-laws to permit "a use of land or the erection, location or use of buildings or structures and impose one or more prescribed conditions on the use, erection or location."

While the policies outlined in City of Toronto Act, 2006 provide similar conditions to protect the loss of rental housing, the Act provides greater control to the City. More specifically, the Act allows the City to implement additional necessary policies to protect its rental housing stock based on local housing needs and interests such as the By-law, Chapter 667.

### **5.3.2 Toronto Municipal Code – Chapter 667**

Under Chapter 667 By-law, detailed guidelines and conditions in approving application of demolition or conversion of residential rental properties is specified.

Specific conditions associated with approval of applications include:

- A. *Conditions with respect to the impact on the supply of rental housing or tenants, for example:*
  - (1) *A requirement that the owner of the residential rental property notify any tenants, who reside in rental units affected by the changes permitted under the approval, of the relevant provisions in the Residential Tenancies Act, 2006.*
  - (2) *In the case of a demolition, requirements to replace the rental units at similar rents, and for tenant relocation and other assistance, including the right to return to the replacement rental housing.*
  - (3) *In the case of a conversion to a condominium, requirements relating to the cost impacts on tenants*

The By-law imposes additional conditions on replacing the rental units with the requirement to support tenant relocation and other assistance, as well as addressing tenant's right to return to the replacement rental housing. This inflicts the cost and burden

involved with temporary displacement for the tenants on the landlord(s) or developer(s). Although the policy may not implicate complete mitigation of the cost and burden associated with the replacement process, it provides the necessary support to ease what the affected tenant may experience. Concurrently, this policy exerts additional cost to the landlord(s) or developer(s) interested in proposing application for possible renewal or redevelopment of a rental building. This policy could discourage landlord(s) or developer(s) to consider the project, or potentially pass down the cost to renters.

### **5.3.3 Residential Tenancies Act**

On January 31 of 2007, Ontario's Residential Tenancies Act came into effect to coordinate the rights and responsibilities of landlords and tenants associated with rental housing (Landlord and Tenant Board, 2010). Under the Act, most rental units are covered with the exception of certain rules exempting new buildings, non-profit and public housing, and university and college residences (Landlord and Tenant Board, 2010).

Beginning in Section 50 of the Act, guidelines specific to notice, demolition, conversion, or repairs are outlined. Respectively, Section 50 requires a landlord to give notice of termination should the rental unit be recalled for possession from the tenants. Moreover, Section 50 (5) gives tenant the right of first refusal of any offers that a landlord receives provided that the rental unit is not exempted from the Act. Accordingly, this policy plays a crucial role to allow the tenants to act in their interest to maintain tenancy of the rental unit. The Act also considers rights of the landlords whereby Section 52 gives landlords the ability to offer compensation to a tenant "in an amount equal to three months rent or offer the tenant another rental unit acceptable" provided that three

conditions are satisfied: “a) the tenant receives notice of tenancy for the purposes of demolition or conversion to non-residential use; b) the residential complex in which the rental unit is located contains at least five residential units; and c) in the case of a demolition, it was not ordered to be carried out under the authority of any other Act. 2006, c. 17, s. 52.” Section 53 and Section 54 provide identical protection to the aforementioned policies, except the policies cover right of tenants to refuse repair or renovation and the ensuing right to compensation respectively. Despite the legal protection that the tenants may enjoy under the Act, providing landlords with legal power to induce compensation may disadvantage some tenants whose actions may be influenced by the incentives.

#### **5.3.4 The Official Plan**

Adopted by City Council in November of 2002, Toronto’s Official Plan provides an up-to-date municipal approach to land use planning with the most recent consolidation in December of 2010. As a statutory document, the Official Plan sets out the legal guidelines to direct the City’s future growth through appropriate land use decisions. In guiding the land use decisions, the Official Plan embodies four principles: diversity and opportunity, beauty, connectivity, and leadership and stewardship (City of Toronto, 2010). The principles effectively establish the City’s vision to create “an attractive city that evokes pride, passion and a sense of belonging – a city where people of all ages and abilities can enjoy a good quality of life” (p 1-2). Moreover, the City recognizes that a desirable and successful city encompasses the following characteristics: lifestyle that is

diverse, equitable and inclusive; acknowledges and enhances its human-made natural beauty; thrives on making connections; and inspires great leadership and stewardship.

In Chapter 2 of the Official Plan, the City outlines its focus on the future through growth, rebuilding, reurbanizing and regenerating the existing urban structure. In this regard, the City states the need to support economic growth and social development within the City through a successful strategy that will attract more residents and jobs. In respect to housing, the Official Plan acknowledges the importance of considering needs of the region as a whole. Respectively, the Official Plan calls for a “broader choice of housing type, tenure and affordability, both within Toronto and beyond” (p 2-2). There is a particular emphasis on rental housing where Section 2.1 Policy 1.f “encourages GTA municipalities to provide a full range of housing types in terms of form, tenure and affordability, and particularly encourages the construction of rental housing in all communities” (p. 2-2). Despite the Official Plan’s intent to provide a full range of options and encourage rental housing development, current development trends in Toronto suggest that there is a weakness in the policy to promote diversity and affordability of housing. Moreover, there appears to be lack of support to encourage construction of rental housing as illustrated by overwhelming support for condominium developments in Toronto.

The Official Plan also gives particular attention to its only downtown in Chapter 2. In *Section 2.2.1*, the policy designates *Downtown* as “the heart of Toronto” and implies its major role in the growth management strategy. Part of Toronto’s *Downtown* designation includes the *Central Waterfront* where unique opportunities for substantial employment and residential growth exist. As part of its initiative to revitalize its

downtown, the City identifies the *Central Waterfront* as an opportunity to provide homes for *Downtown* workers. Moreover, *Section 2.2.1* recognizes the *Downtown* as a place of constant change where rebuilding is a necessary step to accommodate growing economy and changing society. To accommodate the growth, *Section 2.2.1 Policy 4* calls for a full range of housing through:

- a) *residential intensification in the Mixed Use Areas and Regeneration Areas of Downtown; and*
- b) *sensitive infill within Downtown Neighbourhoods and Downtown Apartment Neighbourhoods (P. 2-10)*

Understanding the need to respect the built heritage and the existing community, *Section 2.2.1 Policy 7* outlines that “a campaign to improve Downtown over time and to achieve a healthy and competitive future will be pursued by setting priorities for local improvements”. By setting the priorities for local improvements, the Official Plan allows for consideration of the local needs while pursuing downtown development.

Chapter 3 of the Official Plan defines the guidelines to build a successful city by focusing the integration of social, economic and environment perspectives. Section 3.2.1 focuses on housing recognizing adequate and affordable housing as a basic requirement; respectively, the City argues that “residents must be able to access and maintain adequate, affordable and appropriate housing” (p 3-12) because the City’s “quality of life, economic competitiveness, social cohesion, as well as its balance and diversity depend on it” (p 3-12). In regards to housing, four distinct areas are addressed: 1) stimulating production of new private sector rental housing supply, 2) preserving what [the communities] have, 3) marking efficient and effective use of the City’s own housing

resources to achieve a range of housing objectives, and 4) working in partnership to take advantage of emerging opportunities (City of Toronto, 2010). The City recognizes that virtually no new rental housing is being built in relation to condominiums that are currently in abundant supply. Despite the City's commitment to address the four areas of housing, the City is still experiencing an over supply of condominium units as it struggles to stimulate new rental housing development.

In preserving the existing rental housing, *Section 3.2.1 Policy 6* protects the loss rental housing by new development. Accordingly, the policy states:

- a) *all of the rental housing units have rents that exceed mid-range rents at the time of application, or*
- b) *in cases where planning approvals other than site plan are sought, the following are secured:*
  - i) *at least the same number, size and type of rental housing units are replaced and maintained with rents similar to those in effect at the time the redevelopment application is made;*
  - ii) *for a period of at least 10 years, rents for replacement units will be the rent at first occupancy increased annually by not more than the Provincial Rent Increase Guideline or a similar guideline as Council may approve from time to time; and*
  - iii) *an acceptable tenant relocation and assistance plan addressing the right to return to occupy one of the replacement units at similar rents, the provision of alternative accommodation at similar rents, and other assistance to lessen hardship, or*
- c) *in Council's opinion, the supply and availability of rental housing in the City has returned to a healthy state and is able to meet the housing requirement of current and future residents. The decision will be based on a number of factors, including whether: (Refer to the Official Plan Section 3.2.1 Policy 6.c for full list of factors). (p 3-14, 3-15).*

Subsequent *Section 3.2.1 Policy 7* provides the similar replacement protection policy for social housing units. Additional policies to protect rental housing are provided in *Section 3.2.1 Policy 8*, which limits the conversion of affordable rental housing to condominium units unless conditions similar to *Section 3.2.1 Policy 6* are satisfied. Where large residential developments are concerned, *Section 3.2.1 Policy 9* frames the key conditions that effectively encourage development of affordable housing through intensification. The policy states that “large residential developments provide an opportunity to achieve a mix of housing in terms of types and affordability. On large sites, generally greater than 5 hectares in size” (p 3-16):

- a) *a minimum of 30 per cent of the new housing units will be in forms other than single-detached and semi-detached houses, such as row housing, triplexes and multi-unit residential buildings; and*
- b) *in accordance with and subject to Section 5.1.1 of this Plan where an increase in height and/or density is sought, the first priority community benefit will be the provision of 20 per cent of the additional residential units as affordable housing. This affordable housing contribution may take the form of affordable housing constructed on-site or the conveyance of land in the development to the City for the purpose of affordable housing, or, at the discretion of the City:*
  - i) *with the agreement of the developer, affordable housing units constructed near the development site or elsewhere in the City;*
  - ii) *the conveyance of land to the City for the purpose of affordable housing near the proposed development site; or*
  - iii) *cash in lieu for the purpose of constructing affordable housing in or near the proposed development site. (p 3-16).*

In achieving the growth strategy, Chapter 4 of the Official Plan identifies land use designation as one of the key implementation tools available. TO protect and reinforce the existing areas, four land use designations are classified by the Official Plan: *Neighbourhoods, Apartment Neighbourhoods, Parks and Open Space Areas, and Utility Corridors*. *Neighbourhoods* are characterized by a full range of low-rise residential buildings, while *Apartment Neighbourhoods* are composed of higher scale of residential buildings. In areas where the City anticipates growth, the Official Plan uses the following four designations: *Mixed Use Areas, Employment Areas, Regeneration Areas* and *Institutional Areas*. Most land use designations in downtown are *Mixed Use Areas*; these areas are given some flexibility to accommodate future redevelopment. Particularly focusing on the rental apartments, *Section 4.2* covers the *Apartment Neighbourhoods*. The City does not anticipate growth in these areas; however, the City considers opportunities for additional development in underutilized sites. Accordingly, *Section 4.2 Policy 3* maintains that:

*Significant growth is generally not intended within developed Apartment Neighbourhoods. However, compatible infill development may be permitted on a site containing an existing apartment that has sufficient underutilized space to accommodate one or more new buildings while providing good quality of life for both new and existing residents (p 4-6).*

In this regard, additional height and density in Apartment Neighbourhoods are permitted if the community benefits are provided pursuant to *Section 5.1.1* that refers to capital facilities. Using the Section 37 of the Planning Act, the City provides height and density increases in return for particular capital facilities or cash contributions; *Section 5.1.1 Policy 6* outlines the list of the considerations. With regard to housing, the City considers

rental housing replacement or preservation of existing rental housing as a consideration, as well as purpose-built rental housing, land for affordable housing, or cash-in-lieu of affordable rental units or land. An interesting note on the Section 37 community benefit is *Section 5.1.1 Policy 6.h*, which states “rental housing to replace demolished rental housing, or preservation of existing rental housing.” Interpretation of this policy indicates potential allotment of additional height and density for developers who simply replace the existing rental housing to be demolished, which is already expected to be replaced under the rental replacement policy. In other words, there is a potential for developers to take advantage of the policy to gain additional height and density in redevelopment.

### **5.3.5 Tower Renewal Program**

Unlike other North American cities that experienced low-density, car-oriented suburban development, Toronto was largely shaped by high-rise development projects (Searle & Filion, 2011). Over time, Toronto has developed with a distinct urban form; there are far more high-rise buildings of twelve storeys and over than any other North American cities, besides New York (McClelland, Stewart & Ord, 2011; E.R.A Architects & University of Toronto, 2008). Majority of the apartment buildings in the City were built post-World War II, between 1960 and 1980, and accounts for more than 1,000 postwar towers (McClelland, Stewart & Ord, 2011). The buildings, primarily composed of concrete, now present major challenges for the City where buildings are showing signs of decline, neglect and disrepair as the high-rise apartments reach their fifth decade (E.R.A Architect & University of Toronto, 2008). Recognizing that the City is largely composed of towers in its neighbourhoods, the City of Toronto initiated the Tower

Renewal Program in 2008 (McClelland, Stewart & Ord, 2011). Subsequently, in early 2009, the Tower Renewal Office was established to begin assessing and evaluating the opportunities set out in the *Mayor's Tower Renewal Opportunities Book* produced by E.R.A Architect and the University of Toronto.

As the buildings continue to deteriorate through age, the energy efficiency of the buildings has been found to be declining (E.R.A Architect & University of Toronto, 2008). The consequential impact of declining energy efficiency suggests higher costs associated with maintaining the buildings, which is compounded by the rising energy costs (E.R.A Architect & University of Toronto, 2008). Despite certain efficiencies by virtue of higher density development, E.R.A Architect and the University of Toronto (2008) suggests that the aging apartments use up to 20 percent more energy per square metre than a contemporary single detached house. The City acknowledges that nearly 36% of households in Toronto spend more than 30% of their income on housing; in an effort to address concerns on housing affordability, the City considers promoting energy efficiency through the Tower Renewal Program as a means to effectively induce cost-saving on rent costs (City of Toronto, 2013c).

Another challenge accompanying the building efficiency issue is growing income inequity in the City. The City of Toronto has become increasingly criticized for its pattern of growing income polarization with middle-income group reduced from two-thirds to nearly a third of the City (E.R.A Architect & University of Toronto, 2008). As a result, there is a mounting concern for increased poverty and inadequate services in Toronto's neighbourhoods. In particular, the City (2013c) has found that households in

high-rise buildings are more likely to have low income where over a third have income of less than \$20,000 per annum.

In an effort to address some of the concerns associated with the aging apartment buildings, the *Mayor's Tower Renewal Opportunities Book* outlines several key opportunities: green buildings and neighbourhoods; apartment neighbourhoods as complete communities; foster vibrant, dynamic and mixed use places; promote a housing mix; promote locally produced energy, food and culture; connect neighbourhoods to the City at large; and a sustainable city and region. Focusing specifically on the provision of housing, one of the opportunities explores promoting a mix of housing. Respectively, the opportunity reflects the need to provide housing options for the entire life cycle including every tenure and type (E.R.A Architect & University of Toronto, 2008). In addition, the Book suggests that the open space in some of the communities with aging apartments can be utilized to promote infill development that also meets the needs of the households at varying life-cycle, from young families to seniors. Moreover, the nature of the concrete structure allow for flexibility and adaptability of the buildings (E.R.A Architect & University of Toronto, 2008). Flexibility of the structure provides the option to combine the apartments either vertically or horizontally to create bigger units, and adaptability allows for the possibility to alter the layout of the units for repurposing when the needs of the residents change (E.R.A Architect & University of Toronto, 2008). Finally, in areas of monolithic unit types, the Book recommends a wide range of types and tenures including but not limited to: ownership, co-ops, rent to own, family sized housing, multi-generational housing, and housing for seniors.

The current Tower Renewal Program implemented in Toronto reflects the challenges and opportunities identified earlier by the *Mayor's Tower Renewal Opportunities Book*. Beginning in 2011, the Tower Renewal Program started its city-wide roll-out by engaging property owners, residents and other stakeholders (City of Toronto, 2013b). Through a comprehensive and transformative change, the Program claims to reduce as much as 50% utility use and 5% overall reduction in the City's Greenhouse Gas emissions (City of Toronto, 2013b). In its Ten Year Strategy, the Program suggests three key strategies to be implemented in achieving the goals: site focused attention, information and guidance; collaboration to maximize impacts; and enabling change to achieve improved performance.

The first strategy involves a systematic approach by incorporating the STEP program to engage the owners of apartment buildings. The STEP program, developed to provide incremental stages of changes, allows the City and the building owners or other stakeholders to identify the opportunities for the City's supportive roles and other associated partners for each project. Effectively, the STEP program is intended to develop a step-by-step process to incrementally initiate the projects by outlining the required tasks and other related considerations. Moreover, the STEP program consists of comprehensive toolkits and checklists to identify the priorities. At the time of the writing, around 50 buildings in the City received assessment through the Program; in the next ten years, the Program plans to engage five hundred apartment sites. The second strategy seeks to maximize the level of involvement from various stakeholders to ensure the effectiveness of the Program in addressing the community's needs.

As part of the ten-year strategy, the Program will engage about ten of the apartment clusters across the Neighbourhood Improvement Areas to be provided with tailor revitalization support. Lastly, the third strategy acknowledges the barriers the challenge the Program. Where improvements to apartment buildings could result in positive return on investment, various reasons confront the success of the Program. Besides the financing issues, one of the opportunities identified by ten-year strategy is to engage the residents more effectively. Affectively, the Program calls for the need to identify and secure the necessary supports to begin the initial regulatory and policy work.

While the Tower Renewal Program is designed to focus on providing support for existing apartment buildings to be retrofitted for energy efficiency, there are aspects of the programs that address broader community needs including affordable housing. The Tower Renewal Program recognizes the importance of affordable housing where nearly a third of Toronto households are estimated to be paying more than 30% of their income on housing. In promoting affordable housing, the Program expects that the cost of saving from increased energy efficiency will reduce the pressure on higher rent costs needed for regular maintenance (City of Toronto, 2013c). Furthermore, the benefits of the Program is intended for all stakeholders including the residents, property owners, and the City as a whole by strengthening the local community, development tenant landlord collaboration, and ultimately building a stronger city through better quality of life (City of Toronto, 2013c). Approximately 25% of the apartment sites in Toronto have benefitted from the Tower Renewal Program, and the City expects the program to support the potentials of many more sites (City of Toronto, 2013c). However, challenges remain a barrier to the Program as a result of limited resources and funding; particularly in the availability of

resources to systematically follow-up with past projects to ensure continued success (City of Toronto, 2013b).

#### **5.4 Mimico-by-the-Lake: Mimico’s Secondary Plan**

As Urban Strategies Inc. continued to work with the City to refine the conceptual recommendations based on community feedback, the City began to pursue developing the development framework for Mimico-by-the-Lake Secondary Plan in 2011 (City of Toronto, 2013). Community workshops were held on May 29 and June 5, 2012 to engage the community seeking input for the proposed Secondary Plan (Mimico Lakeshore Network, 2012). On April 9, 2013, the Secondary Plan was proposed at the public meeting to be adopted as part of Official Plan Amendment No. 197. However, the Council at the time concluded to defer its final decision on approving the Secondary Plan until the next meeting scheduled to be held on June 18, 2013. The decision gave Planning staff to have the opportunity to review comments provided during the initial public meeting. The review of the Secondary Plan in this section will refer to the most recently available draft of Mimico-by-the-Lake Secondary Plan amended on June 18, 2013.

Intended to build on the feedback gathered throughout the community engagement process, the City of Toronto reiterated that the purpose of the Secondary Plan was to respond to the unique local conditions in Mimico-by-the-Lake as a “made in Mimico” solution (Mimico Lakeshore Network, 2012). In this regard, the opportunities identified throughout the preceding workshops and meetings have contributed to the development of a framework to implement several “Big Moves” (City of Toronto, 2013). Accordingly, the Secondary Plan is developed around a number of “building blocks”,

which considers the following community priorities: housing, parks, public realm/infrastructure, economic development, land use/built form, transportation and movement, and social services (City of Toronto, 2013).

Illustrated by the result from the questionnaire distributed in the past community workshop, housing has been an important priority concern in Mimico-by-the-Lake (City of Toronto, 2008). The City affirmed its intent to preserve the community's affordable rental housing stock by recognizing "that many residential apartment buildings will remain and that renewal of this component of the housing stock is important" (Mimico Lakeshore Network, 2012, p. 3). During the workshops hosted by the City on May 29 and June 5, 2012, the role of the Tower Renewal program was explained in consideration of Mimico as a potential pilot area to incorporate the program into the Secondary Plan (Mimico Lakeshore Network, 2012). Although the aim of the Tower Renewal program is to refurbish aging infrastructure across Toronto, the program benefits overall housing costs by influencing various components of building maintenance. Given the circumstances surrounding the conditions of the rental housing stock in Mimico-by-the-Lake, consideration of the Tower Renewal Program can be highly beneficial to support renewal of the housing stock. In addition, the City continued to support the rental replacement policy through the Secondary Plan; however, the City was considering options to explore flexibility of the replacement unit sizes and potential off-site replacements (City of Toronto, 2012c).

In the following year, in June ,2013, the City Council and Etobicoke York Community Council adopted the Mimico-by-the-Lake Secondary Plan amending the Official Plan to include the Secondary Plan (City of Toronto, 2013e). The proposed

Mimico-by-the-Lake Secondary Plan was aimed to guide the community’s revitalization over the next twenty years with the support of the policy framework (City of Toronto, 2013). The Secondary Plan built around the policy framework includes promoting options of “mobility, work, shopping, and recreational opportunities as well as housing in terms of built form, tenure and affordability” (City of Toronto, 2013, p. 1).

The Secondary Plan continues to recognize rental housing stock as a key component of Mimico-by-the-Lake; concurrently, the City acknowledges that the rental units are considered to be in the affordable and mid-range rent category (City of Toronto, 2013). Due to the deteriorating conditions of the apartment buildings that were primarily built in the 1950s and 1960s, the City seeks to explore options to redevelop Mimico-by-the-Lake through a mix of housing types and tenure (City of Toronto, 2013). In recognizing the importance preserving and protecting the existing affordable rental housing in the community, the City incorporates rental housing policies outlined in Chapter 3 of the Official Plan to ensure each rental housing is replaced by any redevelopment (City of Toronto, 2013). However, the City also considers some flexibility in the implementation of the rental replacement policy in Mimico-by-the-Lake, specifically:

- *Where the number of existing units are predominantly a certain unit type, consideration may be given to the provision of a variety of replacement unit types where the total floor area or bedroom totals remain the same or increases;*
- *Where the size of the existing units to be replaced are determined by the City to be unusually large, consideration may be given to their replacement with a variety of unit types;*

- *Off-site replacement of rental housing may be considered provided it is located elsewhere in the Secondary Plan area; and*
- *Opportunity for replacement outside the Secondary Plan area or cash-in-lieu payments only for a low number of units to be determined through the development application process. The proposed Secondary Plan identifies an area within which these units could be located (City of Toronto, 2013, p. 23).*

Specific housing policies are covered under Section 4.3 of the Secondary Plan, which encourages “the maintenance and renewal of the current housing stock” while encouraging “a range of housing opportunities in terms of form, tenure and affordability” (City of Toronto, 2013f, p. 14). As a supplementary plan to the Official Plan, Section 4.3.1 begins by stating, “Unless otherwise specified, the housing policies of section 3.2.1 of the Official Plan, including housing definitions will apply to the lands in the Secondary Plan area” (p. 14). The subsequent Sections 4.3.2 and 4.3.3 sets out the guidelines for infill development and intensification of the site while preserving the existing rental buildings with six or more units. In Section 4.3.3, the policy outlines specific requirements for maintaining the rental buildings on the site with six or more units where the new development:

- a) *will secure the existing rental buildings that have affordable rents and mid-range rents as rental housing for at least 20 (twenty) years; and*
- b) *should enhance the viability of the existing rental housing to meet the current and future housing needs of tenants by:*
  - i. *securing any needed improvements and renovations to the existing rental housing, including residential amenities and recreational space, without pass through of the costs to tenants; and*

- ii. *encouraging the inclusion of renewal opportunities that would extend the life of the building among improvements to be secured. (City of Toronto, 2013f, p. 15).*

Despite the good intentions of the policy, Section 4.3.3 b) i. fails to take into account that no developers will absorb the extra costs involved in improvement or renovations of the existing rental buildings. In the past, a comment at a community workshop raised concern that the “1:1 rental replacement may be onerous and therefore create taller buildings” (Mimico Lakeshore Network, p. 23). It is problematic to expect developers, or landlords, to absorb the cost of improvements or renovations. As the comment suggests, an alternative to absorbing the cost is additional developments to draw on profit for the developers. Consequently, the implication is the potential increase in height of the building or density of the site to accommodate additional developments.

The rental replacement policy has received considerable attention in Mimico-by-the-Lake. Consequently, the City assured continued support of the policy in the community. Sections 4.3.4 to 4.3.8 of the Secondary Plan covers the requirements for rental replacement, adopted from Policies 3.2.1.6 and 3.2.1.7 of the Official Plan. Respectively, Section 4.3.4 explicitly requires the full replacement of rental units lost due to redevelopment while maintaining tenure for at least twenty (20) years from the date the units are first occupied, with an additional three (3) year transition to market rents” (City of Toronto, 2013f, p. 15). As noted earlier, the rental replacement policy under Mimico-by-the-Lake Secondary Plan is considerably more flexible than its parent policy under the Official Plan. In particular, unlike Policy 3.2.1.6 of the Official Plan, which requires the

same number, size and type of rental housing as replacements, Section 4.3.5 of the Secondary Plan considers flexibility in the replacement units:

- a) *the number of units by type to be replaced, where existing buildings contain a relatively high percentage of units of a certain type. A shift in unit type (e.g. a disproportionately high number of small units to be replaced with a lesser number of large units containing more bedrooms) may be considered where the total replacement floor area is similar to the total existing floor area, and the total number of bedroom remains the same or greater; and*
- b) *the size of units replaced by type, where existing units are determined by the City to be unusually large. (City of Toronto, 2013f, p. 15-16).*

Additional flexibility of the rental replacement policy under the Secondary Plan is outlined in Section 4.3.6.b where the policy considers off-site replacement or the option of cash-in-lieu option:

- a) *infill and intensification on, or the consolidation and reconfiguration of, existing properties for rental housing purposes within the Secondary Plan areas; and*
- b) *off-site replacement, through the creation of rental housing units outside of the Secondary Plan area or through cash-in-lieu, are less desirable alternatives, but may be permitted where such alternatives are to the satisfaction of the City, and:*
  - i. *the number of rental units affected by each alternative does not exceed 10 (ten) per cent of the existing rental housing units on the redevelopment site up to a combined total of 20 (twenty) per cent for both alternatives; and*
  - ii. *any rental housing units replaced off-site outside of the Secondary Plan area are to be placed in groupings of 6 or more units and in locations where the proposed built form is*

*otherwise permitted or determined to be suitable by the City within the defined boundaries shown on Map 33 – 8; and*

iii. *despite the exception stated in i) above, an adequate number of replacement units shall be constructed to accommodate all existing tenants wishing to remain in or return to rental units in the Mimico-by-the-Lake Secondary Plan area. (City of Toronto, 2013f, p. 16)*

Unlike the Official Plan, consideration of cash-in-lieu option provides a high level of flexibility for the developers. The option of cash-in-lieu implicates that the burden of replacing the lost rental units will be inadvertently placed on the City.

To provide a level of support and protection needed by the tenants in the process of relocation, Sections 4.3.7 and 4.3.8 set out policies for tenant relocation and assistance. Accordingly, Section 4.3.7 states:

*Existing tenants relocated on a temporary basis to alternative housing within or outside the Secondary Plan as a result of demolition and redevelopment will be given the right to return within a reasonable period of time to occupy new replacement units of the same type and size at similar rent to their original units in the Secondary Plan area, as contemplated by Policy 4.3.6(b)iii, and despite the exceptions noted in Policies 4.3.5 and 4.3.6(b)i and ii. (City of Toronto, 2013f, p. 17).*

There is a level of grey area under this policy due to the exceptions noted in Section 4.3.5 and 4.3.6 where the flexibility allows for change in the unit size and off-site replacement. In one case, the returning tenant may not find the unit to be suitable as a result of change in size and type, which was deemed to be appropriate by the City. In another case, the off-site replacement implicate relocation of the tenant altogether.

Section 4.3.8 outlines the requirement to provide necessary support to the tenants in the process of relocation:

*Existing tenants in rental housing units to be demolished will receive relocation assistance from the developer to the satisfaction of the City, including the provision of alternative accommodation at similar rents, and financial or other assistance to mitigate the hardship caused by relocation. (City of Toronto, 2013f, p. 17).*

This policy places considerable onus on the developer that is already burdened to limit the level of pass-through cost on the returning tenants. Explicit requirement for the developer to be responsible for relocation assistance imply greater cost for developers; as a result, the potential impact may be inevitable increase in height and density to make a development project more feasible, to which the community objects.

In line with the recent trends toward more family-friendly housing accommodation, Section 4.3.9 entails development of new housing that is “suitable for large households, such as families with children” (City of Toronto, 2013f, p. 17). In this regard, the City sets the minimum requirement for three or more bedrooms at five per cent of the units constructed on a development site. Interestingly, the section opens up potential opportunity for innovative housing options under the Section:

*b) encouraging unit designs that facilitate a greater number of three bedroom units, beyond the above 5(five) percent, including the provision of adaptable interior layouts to permit changes in the number of bedrooms and/or knock-out panels to allow for the potential merger of smaller units (City of Toronto, 2013f, p. 17).*

This policy is crucial to encourage and allow for innovative housing options in development. In particular, it creates an opportunity for potential incorporation of flexible housing options such as secondary-suites that has traditionally been an affordable housing option.

A disappointing part of the policy is arguably its reference to affordable housing. Consideration of affordable housing component in the policy is minute with Section 4.3.10 simply stating:

*Development of new affordable housing in addition to replacement rental housing, such as affordable ownership housing and non-profit co-operative housing, is encouraged to contribute to a full range of housing tenure and affordability in the area. (City of Toronto, 2013f, p. 17-18).*

Although the Policy suggests encouraging more affordable housing, there is a level of inadequacy in promoting more affordable housing in Mimico-by-the-Lake.

Understandably, the City is financially limited to support development of affordable housing. Nevertheless, considerably more attention could be paid to affordable housing development as part of sustainable development plan; especially when the community considers its affordable rental housing stock as a highly valuable asset.

In respect to development and preservation of affordable housing in the community, land use designations play a key role in setting the precedence for the development in the community. Land use designations establish the basis on the type of developments allowed within the designated area, effectively preventing undesirable developments that do not conform to characteristics of the surrounding area. Parts of the key changes in the land use designation as proposed by the Secondary Plan are:

1. *Lands in Amos Waites Park fronting onto Lake Shore Boulevard West are recommended to be redesignated from Mixed Use Areas to Parks and Open Space Areas to reflect the current use.*
2. *Lands located within the new “Village Heart” area are recommended to be redesignated from Apartment Neighbourhoods and Parks and Open Space Areas to Parks and Open Space Areas and Mixed Use Areas to implement the vision of the plan*
3. *Lands along a portion of the lake front are recommended to be redesignated from Parks and Open Space Areas to Apartment Neighbourhoods to implement the vision of the plan.” (City of Toronto, 2013).*

The proposed land use designation reflects changes necessary to shift the development patterns toward the Village Heart while opening up new areas for public space. To enhance the Village Heart and its lakeside identity, it was given a greater attention to encourage mixed use development to include residential, offices, retail and institutional (City of Toronto, 2013). Importantly, the Secondary Plan maintains its focus on preserving existing rental housing in the community and encourages additional rental housing developments where opportunities exist. The Secondary Plan recognizes that the “majority of lands on the east side of Lake Shore Boulevard West outside of the Village Heart are currently designated *Apartment Neighbourhoods* in the Official Plan” (p. 19). Accordingly, policies in the Secondary Plan reaffirm the continuation of *Apartment Neighbourhoods* designation to promote redevelopment and infill development that focus on residential uses.

The nature of revitalization process necessitates some form of flexibility and incentives to attract investments for the redevelopment to occur. Inevitably, there is a

high cost entrenched within the revitalization process. As a result, without a satisfactory level of incentives for developers, it will be challenging to motivate investment. Without investments from the developers, the goals of the revitalization initiative in Mimico-by-the-Lake cannot be realized. The Secondary Plan recognizes the housing as a priority for the community; however, challenges remain in delivering the appropriate policies to address the housing concerns. A key component of the community is preserving the existing affordable rental housing for the existing tenants. As suggested by the review of the Secondary Plan policies in regards to housing, there are some levels of grey area in the policy as far as protecting existing tenants. While consideration of flexibility in rental unit replacement may endorse developer interests, it may act against the community's desire to preserve its affordable rental housing within Mimico-by-the-Lake. Finally, the rental replacement policy and tenant relocation policy make development in Mimico-by-the-Lake onerous. This may suggest developers seeking greater height and density to recoup the additional costs, a scenario which greatly concerns the community.

## **5.5 Conclusion**

The Planning Act sets out the overarching legal framework for planning in Ontario mapping the authoritative hierarchy for making planning decisions. As set out by the Act, any planning decisions are required to have regard to the Provincial interests set out by the provincial policies. Moreover, the provincial policies are responsible for setting the minimum standards for the municipalities to meet. In this regard, the Provincial Policy Statements and the Growth Plan for the Greater Golden Horseshoe take precedence in guiding the developments in Mimico-by-the-Lake.

In respect to housing development, the Provincial Policy Statement calls for an appropriate range and mix of housing options to accommodate current and anticipated future residents based on the regional market area. Although Mimico-by-the-Lake is a community with unique demographic composition, the provincial policy necessitates any potential housing development to consider anticipated future residents according to the surrounding areas. However, this does not negate the importance of Mimico-by-the-Lake's unique composition since housing options must accommodate current residents. Furthermore, in satisfying the appropriate range and mix of housing options, the Policy considers affordable housing as a key component of the housing mix. Despite the policy requiring municipalities to establish and implement specific minimum targets for the provision of affordable housing, there is little evidence to suggest the City is taking an active role in setting or implementing a specific minimum target.

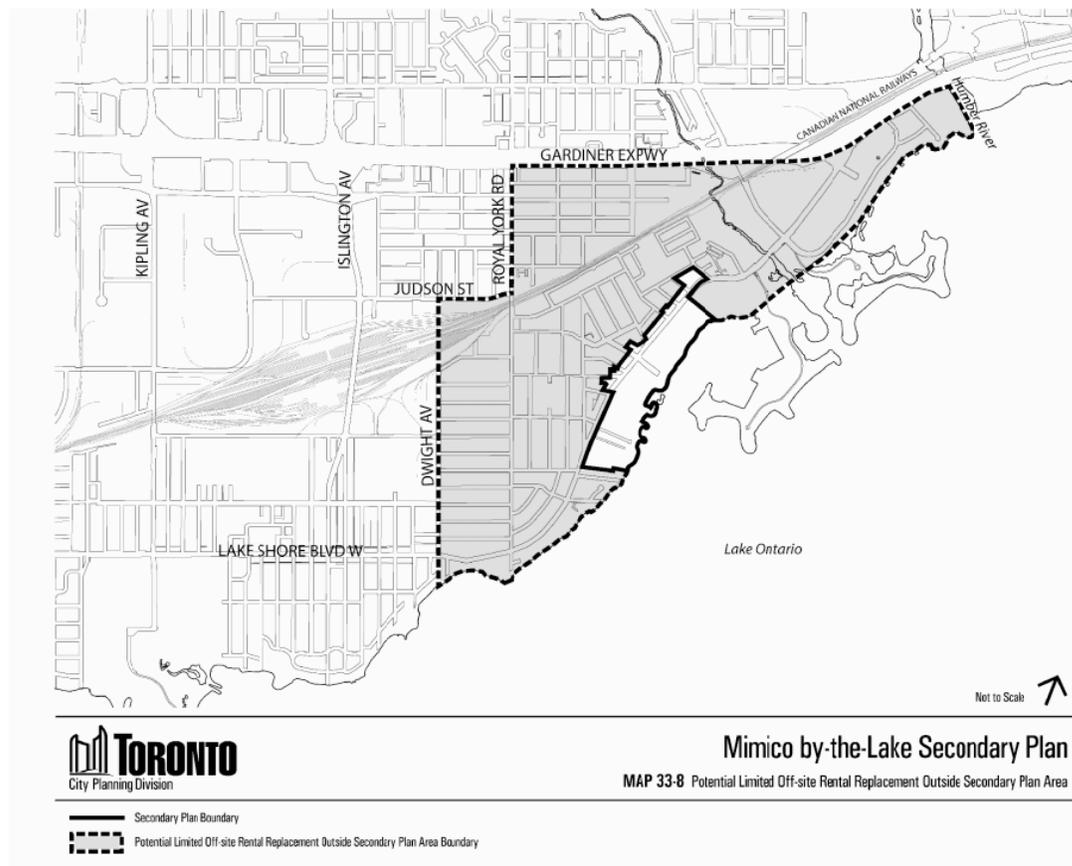
There is no doubt that intensification plays the leading role in urban development. As part of the City's downtown neighbourhoods, Mimico-by-the-Lake will be expected to see the level of intensification expected under the provincial policies. The provincial policies set out a minimum growth target of 40% of developments to occur within existing built-up areas. As a result, the City will continue to focus its efforts on intensifying its downtown neighbourhoods, including Mimico-by-the-Lake. An interesting approach to housing and intensification is the recent amendments to the provincial policies to facilitate and encourage second units. The Province recognizes second units as an integral housing option to address the current affordable housing shortages across Ontario. Accordingly, recent amendments set out new requirements for the municipalities to amend the Official Plan to allow for legalization of second units.

Although second units are currently limited to a detached house, semi-detached house or rowhouse, there is a potential opportunity for second units to be considered in high-rise apartment buildings. The Provincial Policy Statement provides opportunity to establish development standards that minimize cost of housing and facilitate compact form, and the Growth Plan for Greater Golden Horseshoe encourages intensification of existing built-up areas. Moreover, Mimico-by-the-Lake Secondary Plan considers encouraging unit designs with adaptable interior layouts to permit changes in the number of bedrooms. This flexibility opens the door for an opportunity to explore projects similar to UniverCity in Burnaby where a 60-unit strata-titled apartment building was developed with the inclusion of “flex-suites”, a derivative of second units.

The City of Toronto has a wide range of policy tools, including Chapter 667 By-law under the Toronto Municipal Code. The By-law effectively prevents demolition or conversion of residential rental properties unless specific conditions are satisfied. In this regard, the condition states replacement of any rental units anticipated to be demolished with new rental units at similar rents. Additionally, the By-law requires developers to respect tenant’s right to return to the replacement rental housing as well as assistance for tenant relocation. Mimico-by-the-Lake enforces this By-law to ensure its existing affordable rental units are protected. However, unlike the Official Plan, the Secondary Plan in Mimico-by-the-Lake allows for more flexibility. In particular, the Secondary Plan considers cash-in-lieu as an option for rental replacement, as well as consideration of off-site replacement within the catchment area designated by the Secondary Plan. Despite the enforcement of the By-law to protect the community’s affordable rental housing units,

the flexibility is a cause for concern that limits the intent of the By-law to preserve the affordable rental units.

**Figure 5.1** Potential Limited Off-site Rental Replacement Outside Secondary Plan Area



Source: Adapted from *Final Report – Mimico-by-the-Lake Secondary Plan* by City of Toronto, 2013

The Tower Renewal Program introduced in 2008 has the potential to play a key role in managing the affordable rental housing stock in the City, as well as Mimico-by-the-Lake. The Program recognizes the aging infrastructure of apartment buildings across the City of Toronto. As part of the City’s strategy to address its affordable rental housing

stock, the Tower Renewal Program is designed to restore the aging apartment buildings to modern standards. Part of the program includes retrofitting the buildings to promote cost-efficiency, where the cost savings are anticipated to be ultimately passed down to the tenants over time. Although the program faces funding challenges, its past projects have been deemed to be successful, and there is a high hope for the Tower Renewal Program to continue to reach out to other apartment buildings across the City.

## **6.0 Interview and Research Findings**

### **6.1 Introduction**

Discussions in Chapter Four and Chapter Five establish the background and policy context of issues associated with the provision of affordable housing in Mimico-by-the-Lake. Chapter Six adds to the findings by considering the responses from key informant interviews. The interviews with key informants provide insights on specific issues related to affordable housing in Mimico-by-the-Lake, as well as the conditions influencing the provision of affordable housing in the City of Toronto. In interpreting and analyzing the key findings from the interview results, this chapter presents the key findings based on themes emerging from the interviews.

In order to assure anonymity of the key informants, they have been coded under respective categories: Urban Planners (UP), Policy Consultants (PC), Developer (DE), and Community Members (CM). In total, nine key informant interviews were conducted: four (4) Urban Planners, two (2) Policy Consultants, one (1) Developer, and two (2) Community Members. Respectively, the key informant interviewees are coded as follows: UP\_1, UP\_2, UP\_3, UP\_4, PC\_1, PC\_2, DE\_1, CM\_1, CM2.

### **6.2 Themes Emerging From the Interviews**

#### **6.2.1 Affordable Housing Policies and Programs**

The review of literature in Chapter Two found that government policies have gradually retreated from the responsibility of affordable housing was ultimately downloaded to the municipalities. As a result, there is a limited level of capacity in Toronto to deliver affordable housing programs due to inadequate funding. During the

1990s, comprehensive non-profit programs at the time provided the necessary funding for affordable housing development. The programs were essential in the efforts to accommodate affordable housing needs of the low-income households; UP\_3 suggested during the interview that the programs were responsible for providing both the capital money to build housing and operating subsidies to reduce the cost of the rents to be affordable for a range of household incomes. However, UP\_3 added that there has been a lack of new housing programs to match the production levels in the past, or to target the variety of income groups in need of affordable housing. With regard to the current affordable housing policies and programs, UP\_3 stated,

*What we have now instead are contribution programs that are capital only, and, very limited in scope. For example, the last round of funding that we got from the Provincial government was called Investment in Affordable Housing. The funds from this program were intended for five years of funding, from 2011 to 2015. Toronto only got 32 million dollars for affordable rental production over the 4 years of the program. That was enough to do only four different buildings. Three of them were components of Toronto community housing, and one was partial affordability in the private sector development in the Weston Road and Finch.*

The Federal and Provincial program initially announced in 2011, Investment in Affordable Housing (IAH) was anticipated to expire by 2015; Federally in March 2014 and provincially in March 2015 (Affordable Housing Office, 2014). As the program approached its expiration, the governments expressed interests in renewing the efforts to pursue affordable housing through the IAH program. Accordingly, UP\_3 noted that the renewal of the program does not implicate increased financial support, despite continued

funding. The renewed IAH program extends the initial five-year program with a newly set five-year target. The level of funding is expected to be in line with the previous program.

### **6.2.2 Tower Renewal Program**

A recurring discussion of the Tower Renewal Program with the key informants suggests that the program presents a particular opportunity to be utilized in the community. UP\_4 described the program as a voluntary program and an opportunity for property managers to invest in improving the quality of existing buildings. As buildings age, concerns associated with the deterioration inevitably arise. Without proper investment, the buildings continue to deteriorate and eventually reach a point where it will be more difficult for maintenance (UP\_4). In turn, the issue may lead to further deterioration of the neighbourhood as a whole (UP\_4). The Tower Renewal Program attempts to address this issue and attempt to remove some of the barriers for the property managers in order to promote an easier process. UP\_4 noted that repair and maintenance require capital, and significant portion of the funds are deducted from regular operating funds. To ensure that the necessary funds are available, UP\_4 suggested that an option is to reduce the utility bill, or at least keep them from rising. Accordingly, UP\_4 explained that

*One of the ways to ensure money is available for repair and reinvestment is to lower the utility bill, or at least keep them from going up. For instance, in the last five years, the Toronto water bill has gone up by 50%, 9% a year each year. Electricity bill is also going up by double digits. On the one hand, we are looking to help them save money to reinvest, but we*

*are also making sure the pressure to raise the rent due to rising utility cost, and that it does not get transferred to the residents.*

While the rent control provides certain level of protection for existing tenants, UP\_4 noted that the City does not currently provide adequate protection for the future tenants. Under the subject of rent control, the policy provides necessary protection for existing tenants from facing high rent increases. However, the policy does not extent the successive tenants, who are passed on the cost with higher rents (UP\_4).

Nevertheless, the program has been successful in engaging nearly 300 apartment buildings out of 1,200 in Toronto (UP\_4). However, challenges remain an issue in delivering of the program. One of the challenges is that the voluntary nature of the program makes it more difficult to engage particular property managers. Due to the cost required in reinvesting on the buildings, many property mangers are reluctant to participate (UP\_4). In addition, it is more lucrative for the private sector management to invest elsewhere than in the building in the short term, particularly for the investors who are not necessarily going to be maintaining the building for the next 20 years (UP\_4). Moreover, property mangers have shown hesitancy on certain repairs unless there was a specific reason requiring the repair. Oftentimes, aesthetics of the building play a greater role in influencing the type of repairs property mangers are willing to invest in.

Alongside the challenges, there are considerable opportunities in the program. Besides the environmental aspect of the program to retrofit aging apartment buildings to save on costs, the program also consists of focus on the quality of life by engaging the community. Part of the program explores community revitalization to study the area as a whole and provide more social programs to enhance the community's overall quality

(UP\_4). Another opportunity is the potential long-term relationship with the property managers developed over time. UP\_4 stated that many of the property managers have continued to work with the City since the initial engagement. Moreover, UP\_4 cautioned that

*Everyone who we've worked with has continued to work with us. No one has said thank you, but we're done now. So, in that sense, it's very interesting. We've been building relationship over time, over years. It's a sensitive relationship. It's not something that can withstand a lot of shocks.*

A long-term relationship presents a great opportunity for the City to consistently maintain the conditions of its rental housing stock. As UP\_4 mentioned, there is a level of caution to be considered as financing of the repairs implicate a large cost on the property managers who may be reluctant to take on. There is some funding and financial assistance available, consisting largely of low-interest loans and a small amount of grants (UP\_4).

### **6.2.3 Market Conditions and Rental Housing Development**

It is clear that the rental-housing sector is still experiencing a shortfall as the low vacancy rate illustrates continued demand followed by short supply. The vacancy rate of private apartment in Ontario was estimated to be around 2.6% in October 2013, Toronto CMA had a significantly lower vacancy rate at 1.6% in the same time period (CMHC, 2013). Rising concerns over shortage of rental housing stock has influenced the housing policies to certain levels in an effort to address the supply, however the level of production in rental housing remain low (UP\_3). Over the past years, the private sector

has been reluctant to develop rental buildings due to greater attraction toward high-rise condominium developments. In discussing the current housing development trends, PC\_1 described that

*The production of private rental market has declined noticeably over the past years for a number of reasons. Developers are more focused on the condominium developments. The government was trying to pick up some of the slack by investing money into encouraging social housing and affordable housing for moderate-income households, but there has been decline in that support as well. So, even the production of government-funded housing has dropped significantly. Meanwhile, the demand is continuing to grow and rental-housing option utilized by single individual, seniors, people of low income, and immigrants.*

PC\_1 continued that as a result of the drop in vacancy rate, the cost of rents has been rising faster than inflation. In this regard, PC\_1 called the situation as “unhealthy.”

In the last decade, a high level of production in the ownership housing and fundamental conditions made it easier for households to pursue homeownership (PC\_2). In this regard, PC\_2 identifies some of the fundamental conditions as strong income growth, very low interest rate, and policies encouraging toward access to mortgage financing and insurance policies. As a result, this trend allowed for many renters to move up from renting to homeownership; subsequently, it also contributed to some stabilization in the rental market (PC\_2). However, PC\_2 argues that recent decades have significantly changed the fundamental conditions that allowed for the aforementioned trend:

*That was the past decade. The safety valve for the renters was the movement of past renters to homeowners. Today forward, what you see is all those fundamentals have changed. Income growth has slowed down, interest rate has moved back up again, governments have curtailed access to mortgage financing to increasingly constrain the ability to take out mortgage. If fewer people are able to buy a house, they will likely stay in the rental market, in that regard we are getting to the point where rental issues are becoming a crisis.*

In regards to the growth in condominium developments, financial incentives appear to be the main reason driving the trend. When assessing the investment, developers often find that condominiums are more profitable than rental housing projects. Developing condominiums provide developers with the opportunity to get a faster rate of return, whereas succeeding in a rental housing development project requires several years of earning for a modest rate of return (PC\_1). In essence, PC\_1 elaborated that with condominiums, the developers get the profit up front from the sale of the units. Moreover, the developers are not involved in long-term maintenance of the building in contrast to the rental buildings. When asked about the attractiveness of condominium development over rental projects, PC\_1 responded,

*Condominiums get a more favourable property tax rate than rental housing, compared to property tax they have to pay on rental housing. In particular, Toronto's property tax is five times greater than single detached or condominium of similar value. For the groups that have been taking over production of rental housing, in order for them to put rental housing in the market, the cost of land and construction and municipal fees and taxes, even at today's low interest rate, are so high it makes it*

*very difficult to put out rental housing that is affordable. Even very carefully designed projects do not bring in enough profit.*

As a result of funds being cut through fiscal restraint, there has been much less funding in new supply of rental housing for the past decade. In this regard, PC\_1 expected that the situation will likely to worsen before any positive changes occur, and concluded, “It is not a pretty sight.”

Traditionally, the supply and demand model suggests that if demand increases while supply remains at the same level, it subsequently leads to a shortage in supply that affectively results in higher equilibrium price. Toub (2013) writes in his 2013 article, *No Vacancy*, that people seeking rental units are facing incredible competition where “the city’s insatiable demand for rental units has outstripped supply, putting landlords on top and sending rent prices skyrocketing.” PC\_1 agreed that the demand for rental housing is going up at a much faster rate than the supply.

In amidst the shortage of rental housing stock, the market currently provides considerably favourable conditions for condominium developments. Accordingly, the market dictates the continued focus on condominium developers over affordable rental housing. In this regard, UP\_4 argued that

*The people who want to build condominiums today, they would never build rental housing because they (rental projects) don’t have the same financing. The developers need money to come in within 3 to 5 years, and then they get out by selling the units. Whereas someone in the rental development is in it for 20 to 25 years, at least. So, rather than trying to convince the condo developers, there are families and pension funds that are in the rental housing business and want to be in the business. They are having difficulty expanding their portfolio because there is so much*

*competition to buy existing apartment buildings. Those ones, particularly the sister companies to developers, are the ones that you can most easily hope to come up with infill development projects.*

CM\_1 warned that the City's own conflict of interest play a role in this case. For instance, CM\_1 argued that

*It is a lot more lucrative for the City in terms of development fees and levies and taxation to have sixty-two storey building than a twenty-five storey building. So the City has a conflict of interest in itself.*

In this case, City of Toronto appears to be facing a particular challenge in balancing the type of development occurring in the City. On the one hand, there is a need to encourage more rental housing development in amidst the shortage of affordable housing in the City; on the other hand, City of Toronto enjoys the level of development.

#### **6.2.4 Rental Housing in Mimico-by-the-Lake Today**

Over 70,000 households are currently on the waiting list for affordable housing in Toronto. Clearly, affordable housing is a prevalent issue across the City of Toronto today. Multiple instances in this research have echoed the issue of affordable rental housing shortages. CM\_2 stressed that the City is currently in an affordable housing crisis. CM\_2 found that the Mimico neighbourhood consists of a high number of people living under poverty. As earlier demographic trend analysis suggested, CM\_2 agreed that the neighbourhood has the highest number of single parents compared to other neighbourhoods in Toronto, who typically live under low-income, in comparison to other

parts of the City. CM\_2 considered it a substantial challenge for the City where there is not enough affordable housing to go around because CM\_2 argued, “if people cannot secure housing, everything else falls apart.”

The rental units along the waterfront in Mimico-by-the-Lake are considered to be in the affordable range, or in moderate mid-range (City of Toronto, 2013). In 2006, the average gross rent for Mimico was estimated at \$899, whereas the median monthly rent was \$926 for the Toronto CMA (CM\_2). UP\_4 agreed that Mimico is located in one of the lowest cost zones; concurrently, UP\_4 noted that lower rent cost was reflective of the age and quality of the apartments in Mimico-by-the-Lake. The community consists of subsidized housing, coop housing, and mostly low-cost rental housing; however, CM\_1 noted that the low-cost rental housing was not to be considered cheap housing, rather more affordable compared to other high-end units. With a large proportion of housing being rental units, Mimico-by-the-Lake constitutes a unique waterfront community. UP\_1 estimated that nearly 95% of the units in the area are rental units. A vast majority of the units remain affordable today in accordance to the CMHC affordability guidelines. UP\_1 stated that virtually no units in the area are considered high-end, signifying the importance of affordable rental units serving a vital role.

The majority of the rental housing stock along the waterfront was built around 1950s and respectively shows signs of deterioration and aging. UP\_4 emphasized the unique situation along the waterfront with affordable rental housing stock as a valuable resource that is undeprived and lack the quality necessary for providing good quality housing.

### **6.2.5 Deteriorating Rental Conditions and Poor Maintenance**

In addition to the challenges behind encouraging new construction of affordable rental housing, a growing task for the City of Toronto is maintaining a state of good repair for the existing rental buildings. An underlining issue identified in many of the rental buildings in Toronto is the deteriorating conditions of the aging buildings. The City of Toronto expressed concerns for the aging rental buildings serving the community's housing needs early in 2007 through *Mayor's Tower Renewal Opportunities Book*. Specifically, UP\_3 argued that a number of social and public housing stock built in the last 50 years are in poor conditions. In particular, the aging public housing stock in Toronto is facing a lengthy repair backlog as a result of downloading of social housing responsibility to municipalities in the late 1990s (UP\_3). Moreover, UP\_3 estimated that the cost associated with the repair backlog would be close to a billion dollars by next year.

The rental housing stock in Mimico-by-the-Lake faces similar challenges associated with the condition of the buildings. There is a general view and agreement in the community that some of the rental buildings are in need of greater attention. A recurring issue raised during the interviews was that some of the rental buildings along the waterfront are in relatively good condition, whereas others are in poorly managed conditions. Through the revitalization initiative studying the community, UP\_1 and UP\_2 observed that most of the rental housing stock appear to have been well managed, however some buildings displayed signs of poor maintenance with some property deficiencies.

In regards to the issues behind the deteriorating conditions of the buildings, UP\_1 argued that the reason behind poor maintenance was unclear at this time. UP\_1 acknowledged that some of the tenants raised concerns about the property managers giving up on maintenance as a result of the revitalization initiative. The property managers, and the landlords, neglected to invest in the property unless the investment brought a worthy return. However, UP\_1 added that in cases where buildings displayed exhibited maintenance issues, often the landlords were found to have shown a track record over a long period of time with little input and effort on regular building maintenance tasks. When asked if the revitalization initiative may have had an effect on this issue, UP\_1 responded,

*There are a few who are feeling that the revitalization of the area could lead to increase in property value and could result in considerable profit, if they choose to redevelop the building. So, they may not decide to channel that funding into capital repair or maintenance.*

Concurrently, UP\_1 viewed that the issue regarding deteriorating building conditions as a result of poor maintenance is a “case of minority” because there are a significant number of units identified to be in good conditions. On the other hand, CM\_1 viewed the rental housing conditions with greater concern, and argued that

*Some of them are (in) poverty condition because landlords do not invest in their buildings. There needs to be more force in the by-law to make sure people live in homes that are in good condition.*

In this regard, CM\_2 provided the misperceptions the landlords had when the revitalization initiative was introduced in the community,

*Some will argue that when the revitalization plan kicked in, the landlords have become aware that this would be a desirable area and developers would be interested. And so, some have argued that some of the owners have let the buildings go because they might get sold. What's the point of putting in money into the building?*

### **6.2.6 Secondary Rental Market**

In the absence of new rental housing developments, it has created an opportunity that PC\_1 referred to as a “de facto” rental supply. In 2012, it was estimated that condominium units accounted for nearly 80 per cent of the new supply of rental units (Toub, 2013). More recently, it was estimated that approximately 13 per cent of the condominium units in Toronto were rented out in fall of 2013; in comparison, only four per cent were rented out during the same time in 2012 (Toub, 2013). PC\_1 described situation,

*What is happening is that some of the condominiums that are being built are being purchased by the investors as absentee landlords and renting it out. It has become sort of a de facto rental supply. It is creating some expansion in rental supply, but these can be withdrawn from the market at any time. So, it is not a stable long-term supply of rental housing. I do gather that in order for investors to carry these units, rent is above average rent. A lot of people are doubling or tripling in these units to share the accommodation to pay the rent. It's not the same as getting your own at an affordable price. But it serves the tenants and investors as long as investors don't sell it off.*

Accordingly, as condominium units shift toward rental market, the units have filled in some of the gaps created by rental housing shortages. However, as PC\_1 pointed out, rental condominium units only act as a “de facto” rental supply. Consequently, there are no stability or protection for the tenants of rental condominium units comparable to the tenants of apartment rental units. The main concern is arguably the difference in tenure; unlike an apartment unit, the owner of a condominium unit can remove it from the rental market at any given time as a traditional ownership unit. In addition, by virtue of condominium ownership, there is an associated monthly condominium fees for maintenance. In turn, this extra cost is passed down to the potential tenants of the condominium units effectively raising the cost of monthly rents. For reference, the cost of rent of a two-bedroom unit in a condominium is estimated to be about 35 per cent higher than the same sized unit in an apartment rental unit. In addition, PC\_1 observed that multiple tenants were sharing some of the condominium units in order to share the cost to make it more affordable.

### **6.2.7 Rent Control**

Another difficulty behind the provision of affordable housing is the challenge associated with the City’s ability to control the rent increases in amidst the growing demand over supply. When rent control was first introduced and implemented, there was a strong level of concern due to its restrictions toward the private landlords and investors. PC\_1 explained that the private landlords complained about the rent control because it would artificially constrain the rental investment and potentially create more problems

than it resolves. In fact, PC\_1 questioned whether rent control as an intervention approach solves the market issues in with regard to the high cost of rent.

### **6.2.8 Development Incentives**

As private developers, it makes sense to focus on projects that bring a positive return; however, this generates an issue where the developers place greater focus on projects that yield the highest return on investment. However, UP\_3 emphasized that it does not reflect the developer's intentions to ignore the rental housing market. Ultimately, PC\_1 suggested that the answer lies in paying greater attention to the market forces. In this regard, PC\_1 called for government approaches that offer investment or incentives to the private sectors through better tax concessions and more capital funding. In essence, government investment in the rental-housing sector is vital to encourage more supply.

In terms of incentives and strategies available at the City level, UP\_3 explained that there are several options available. In regards to affordable rental housing, UP\_3 acknowledged that the challenges behind affordable rental housing development are complex. Accordingly, UP\_3 added that there are various packages of incentives available for private developers to reduce the cost of development in an effort to produce affordable units. For instance, the City has the ability to waive development charges including the ability to exempt property tax as approved by the Council in 2009 (UP\_3). In the case of a non-profit housing development, the non-profit corporation often lacks the expertise necessary to complete a project from start to finish. In order to reduce this barrier, the City has the ability to waive development permit fees for non-profit

corporations in an attempt to reduce the cost of initiating a project. However, a challenge that remains is the lack of predevelopment funding. UP\_3 stated that the past nonprofit housing programs offered funding to provide resource groups experienced in housing development to help the non-profit corporation to go through the planning process. As a result of the programs being no longer available, it has become a major barrier for non-profit affordable housing development (UP\_3).

### **6.2.9 Potential Public-Private Partnership**

A particular challenge in the provision of housing in Mimico-by-the-Lake is that all of the properties are privately owned. Accordingly, the City has limited ability to directly intervene in the development along the waterfront. However, there is a case where the City has worked closely with private developers through unique partnership; in the case of East Bayfront, Hines and Tridel worked closely with the City whereby the developers were in charge of the development with the City holding a partial stake in return for affordable housing. This suggests that the City has expanded its approach to identify opportunities for projects involving partnership with the private sector. UP\_3 discussed the benefits of partnership projects,

*We work with both private developers and non-profit. The best year we had was in 2009 when we had the economic stimulus funding, which was federal money and some provincial money that was meant to create new jobs. Housing industry is good at impacting local economy because most of the money is spent local or regionally, in terms of buying building materials. So we worked with a lot of private sectors building housing for seniors and people with disabilities throughout the City.*

UP\_3 pointed out that when it comes to engaging the private sector, “it’s a question of money”. Respectively, UP\_3 added,

*They (developers) are keen; they all say they would like to do additional work with us. It’s a very good way to build affordable housing. There’s no lack of interest there, we have people calling us all the time. But it’s the question of money. The private sector is quite interested in doing this stuff. We’ve worked with some of the top builders in Toronto in the past four years, they were keen on doing more. But you can’t make the rents affordable without capital subsidies, which is in the range of \$100,000 per apartment, up to \$150,000. That’s the incentive we need to offer. You have to provide them to make a building run on break-even basis at an affordable rent, based on the revenue it generates. In the end, there’s no one that would be willing to build affordable housing and lose money on it.*

A particular public-private partnership project worth noting is the recent project in East Bayfront that has gained some attention and praise for its successful partnership between the City and the private sector. The proposed project is anticipated to include about 330 residential units mixed with commercial components at the ground level (Monsebraaten, 2013). The City proposed to purchase about 20 per cent of the units by investing approximately \$22.5 million (Monsebraaten, 2013). UP\_3 enthused that the pilot project would be the first time in Toronto providing a large-scale affordable rental component in a market condominium building by the waterfront. Moreover, UP\_3 added that

*East Bayfront pilot project is quite exciting. We’ll be going to Council around May with the details of the deal with the developer Hines, and the local partner Tridel. This is the first time in Toronto where there has been*

*a big affordable rental component right with a market condominium.  
There will be about 80 affordable rental apartments in the building.*

While the Regent Park project achieved similar success of mixed-income neighbourhood development through public-private partnership, it is the first time the City has designated this much affordable housing space (Kitching, 2013). As a first time pilot project, it is anticipated to demonstrate what public-private partnership can offer with each offering what it does best (Monsebraaten, 2013). For example, UP\_3 stated that the private sector has considerably more development expertise than the City and the non-profit corporations whereas the non-profit corporations have more experience in managing properties. Finally, the project has been praised for its potential to accommodate waterfront access to all levels of income (Monsebraaten, 2013).

The pilot project was initiated by partnership between two developers, Tridel and Hines. Located on East Bayfront, edging around Sherbourne and Queen's Quay, the project is part of a larger revitalization initiative of the waterfront area with a total site area of 10 acres. In its current phase of the revitalization initiative, the proposed project is planned to incorporate rental-housing component as part of the residential development. Although the rental and the market components will be included in one building, DE\_1 considered the two components to be separate entities. Essentially, DE\_1 described it as selling "a building within a building." In this regard, the rental component is designed to be separate from the main building through its own amenities and entrance. In an effort to drive the pilot project, various stakeholders involved in the project worked closely together. DE\_1 described that the developers and the City worked closely hand-in-hand, as well as the affordable housing partners and Waterfront Toronto. In sharing the cost of

the development, the City council approved to pledge \$15 million from the federal-provincial affordable housing program and the potential non-profit housing corporation is anticipated to cover the remaining \$7 million through mortgage (Kitching, 2013; Monsebraaten, 2013).

During the discussion, DE\_1 emphasized an important distinction that although the rental component is frequently referred to as affordable housing, the project focuses on the units as more of traditional rental housing component. In this respect, DE\_1 noted that the rental units are marketed toward people with stable jobs and stable income in the community while paying 70 to 80 per cent of the market rent. Moreover, DE\_1 avoided calling the rental components the low-income housing, or welfare housing, because of its intended market. When asked if the negative sentiments toward affordable housing had an influence on the project, DE\_1 assured that although “affordable housing generally has the negative connotation, it is really not the case here.”

#### **6.2.10 NIMBY and Community Influence on Development**

With the growth of community participation in the urban planning process, the level of a community’s influence on the decision making process has become significant. Community members have demonstrated the ability and willingness to form community groups to oppose undesirable changes or developments in the neighbourhood.

In regards to NIMBYism affecting the development process, DE\_1 discussed that:

*There is a bit of concern, but mostly the concern is due to misinformation. A lot of people think that affordable housing is for welfare. But that is not the case. If it is properly explained that it is for just-a-little-bit-under-the-market people, it won't be as much of a concern. The name affordable*

*housing dose have negative connotation. There is a little bit of difficulty there. But once they realize the situation and we explain it to them properly, with better media attention as well, it won't be as big of a concern. It's an education process for all of us.*

The negative connotation against affordable housing stems from the stigmatization as a result of failure of past public housing projects. UP\_3 stated that during the planning process, NIMBYism is an issue that is apparent in some of the past affordable development projects. Specifically, UP\_3 noted that the community is often concerned with the worse case scenario they have perceived in the media. However, UP\_3 stressed,

*It's only a small minority (affordable housing projects) that is in dire straits that you see in the news. People are concerned that there will be affordable rental, but only until it is there. Then, there usually aren't any problems.*

Mimico-by-the-Lake was not immune to NIMBYism where the community expressed strong level of opposition. CM\_1, who participated in the revitalization initiative process, observed that the homeowners in particular were more inclined to engage as community activists because they have more stake in the community as property owners. CM\_1 added that NIMBYism was certainly present in the community because the homeowners were concerned about the property values declining as a result of some of the proposed developments. Two particular projects challenged by the community are Longo's Amedeo Court redevelopment proposal and Eleven Superior. The redevelopment proposal for Longo's Amedeo Court specifically received a strong

community opposition due to its immense proposal to increase the existing height and density of the site.

At the end of August, 2007, the community discovered the initial proposal to redevelop Amedeo Court by Longo Development. Subsequently, Longo Development represented by the Longo Brothers submitted a preliminary concept proposal to the City. CM\_1 stressed that

*When we got a wind of what was in the proposal, there were a couple of 44 storey towers, one or two 30 storey towers, one or two 20 storey towers. This was going to increase the existing site from around 300 units to 1800 to 1900 units of housing. Between April to Fall (2011), the community was never given an input process.*

CM\_2, who also represents a key community group in Mimico, also emphasized that the proposed Longo redevelopment was a big concern. Accordingly, CM\_2 argued that

*What was supposed to happen there (Amedeo Court) was that there were going to be 40 storey buildings. The community had a big say in that, they were very upset. But as it turns out, the Longo didn't build. Instead, sold it to another rental company.*

The community's resistance to Longo's development arguably prevented the potential redevelopment of the site. CM\_2 added that the result signifies community's success in preserving the community's interests and ideals; CM\_2 considered it a great success for the community. Moreover, CM\_2 referred to implementation of the Secondary Plan as another success for the community. The Secondary Plan provides site-specific guidelines and policies in addition to the City's Official Plan. Organizing the meetings and voicing the community's concern allowed specific community interests to be protected by the

Secondary Plan. However, when engaging the community residents, CM\_2 noted the challenges on educating the residents about the process and their particular rights such as the bylaw protecting rental replacements. For example, CM\_2 indicated,

*We tried to educate the community to let them know that the City has the responsibility to replace the units. A lot of them had no knowledge about that, or the Official Plan. There's a lot more that the City could do, one in education and communication to let the community know what their rights are so you don't displace them.*

On this note, CM\_2 contended that the City had not provided enough resources to properly engage the community.

While redevelopment of Amedeo Court by Longo Development was addressed by the community's active participation, Eleven Superior was a different story. By the time the community members became engaged in the revitalization initiative process, Eleven Superior had already been processed (CM\_1). The community expressed concern over the development's height that was higher than what many residents wanted in the community (CM\_1). The development was subsequently taken to the Ontario Municipal Board; however, CM\_1 argued that the OMB was not amenable to community's interests, instead appeared to be more influenced by the developer's views. Despite the community's initial opposition, the development maintained a relatively low height compared to other projects in the surrounding vicinity. Consequently, Eleven Superior proceeded without concerning the community and potentially setting undesirable precedence in the area.

### 6.2.11 Mimico-by-the-Lake Secondary Plan

CM\_2 considered the implementation of Secondary Plan to be a success for the community because of the successful inclusion of the one-to-one rental replacement policy. UP\_1 acknowledged that one concern derived from community meetings was the continued maintenance of the rental replacement policy. Consequently, the Secondary Plan placed particular focus on ensuring that the existing tenants stay in the area, UP\_1 stated, “the intent is that no one would move away and they have the right to continue to live in the area”. However, UP\_1 added, “It may mean that a small percentage of units may be built in the vicinity.” Some developers expressed discontent over the rental replacement policy claiming that the policy requirements would cut in to the investment and consequently reducing the profitability of a development project (UP\_1). The Secondary Plan considered the issue and provided some level of flexibility. UP\_1 affirmed that

*We did offer some flexibility in the policy, if you look at the policy on redevelopment and rental replacement, and compare that against section 3.2.1.1 in the main policy, there has been an attempt to offer some flexibility on certain things. However, it still promotes full replacement. In terms of things like off-site replacement or cash-in-lieu, there is a little bit more flexibility than you would normally find there (Official Plan).*

CM\_1 cautioned that Secondary Plan does not guarantee the necessary security for the community in terms of protecting undesirable developments. Accordingly, CM\_1 argued that

*Even Secondary plan can get screwed up, people (developers) can go beyond them. That’s what happened in Humber Bay Shores. They had a*

*secondary plan, but every developer has tried to exceed the limits and had found ways to do that. Investors and developers are more interested in finding out how [they] can get more money.*

Despite the site-specific policies and guidelines, UP\_1 noted that there are opportunities to engage in more site-specific discussions. In this regard, UP\_1 stated,

*The way it was structured, it deals with opportunities in precinct phases. It calls on for precinct plans for those small areas. Next step will be to develop these precinct areas and to look for opportunities in those areas. There may be specific sites where developers may be keen to get in an application, and they will be the first to go.*

Moreover, UP\_4 recommended that Mimico-by-the-Lake could benefit from a comprehensive community improvement plan, which has not been developed yet. Secondary Plan alone does not provide an adequate tool to address the issues in Mimico, UP\_4 argued that the issues related to affordable housing in Mimico is not just planning issue, rather a community issue as a whole. Furthermore, the current revitalization initiative approaches Mimico-by-the-Lake with incremental changes on a precinct basis. UP\_4 suggested a need to develop a plan to deal with the existing issues in the mean time to affectively decide what the immediate priorities are in the community.

## **6.3 Research Findings**

### **6.3.1 Affordable Rental Housing and Redevelopment**

Current rental housing units along the waterfront in Mimico-by-the-Lake are considered to be affordable housing because the rents are lower than the surrounding neighbourhoods in the area, partly owing to the building's age (CM\_1, personal communication, September 2013). The growing need for more affordable housing in amidst the increasing shortage of rental housing stock makes the affordable rental housing in Mimico-by-the-Lake highly valuable for both the community and the city. The reason behind lower housing costs in Mimico-by-the-Lake is partly due to the age of the apartment buildings. Similar to many apartment buildings across the City of Toronto, the apartment buildings in Mimico-by-the-Lake were built during the post-war period. As a result of its age, one of the frequent concerns raised by the community has been the deteriorating condition of the buildings.

In an effort to address some of the concerns associated with the state of disrepair along the waterfront, the Mimico 20/20 Revitalization Initiative commenced the process to redevelop the community. Although revitalization of Mimico-by-the-Lake was initially anticipated to bring considerable benefits in the community that had experienced little change since the last major study in 1983 (City of Toronto, 2007), it became quickly evident that the community and the City anticipated different changes for the community. In particular, the community highly resisted and opposed intensification of the waterfront as the City initially suggested large-scale developments on underutilized spaces. On the one hand, provincial policies necessitate intensification of existing built-up areas in order to meet the minimum standards set by the policies. On the other hand, the community

desires to maintain much of its status-quo. The cases of the Eleven Superior development project and proposed redevelopment of Amedeo Court illustrated the community's resistance to sudden change of height and density in the community.

Despite the years of community consultation and the recent amendment of Official Plan to adopt Mimico-by-the-Lake Secondary Plan, the revitalization initiative remains ambiguous regarding how the redevelopment is expected to occur over time. The City emphasized its intent to ensure the affordable rental housing stock is preserved in the community and any major redevelopment is expected to occur over time in different precincts. However, provision of housing in the City, as well as across Canada, relies on the private developers. Accordingly, the City has considered some levels of flexibility in its policy to allow for alternative options for developers to address the rental replacement policy. Specifically, the developers have the option to pursue off-site replacement, albeit within the designated catchment area, or cash-in-lieu. As CM\_1 argues, "Flexibility always means flexibility for the developers" (Personal communication, 2014).

### **6.3.2 An Inevitable Wall of Condominium**

While the community does not necessarily oppose redevelopment altogether, the community has been resisting intensification of Mimico-by-the-Lake with increased height and density. One of the biggest reasons behind this resistance is the fear that Mimico-by-the-Lake will turn into another Humber Bay Shores experience where high-rise condominiums flourish since the 1997 plan to redevelop the waterfront (Allen, 2012). In a similar fashion, the community is concerned that Mimico-by-the-Lake would turn into another "wall of condos" (Allen, 2012). As a result, the community has been quick to

identify developments proposing height and density that are deemed to be unsuitable for the community.

The community is in a complex situation where the urban policies contradict what the community desires. Intensification of the community is expected to occur as a result of provincial policies and guidelines. Moreover, the policies call for a mixed range of housing options that accommodate both current and anticipated future residents based on regional trends. Across the City, there is a booming condominium industry with no shortage for demand. Respectively, the City as a whole is anticipating continued growth for housing demand. As a result, Mimico-by-the-Lake will inevitably be influenced by the development trends occurring in the City. Illustrated by the Eleven Superior project, one of the first development projects since the beginning of Mimico 20/20 Revitalization initiative, the community's resistance to redevelopment can be overshadowed by the intents of both the provincial and municipal policies.

As suggested by the review of literature, contemporary policies provide favourable conditions for condominium developments outcompeting rental housing developments. In addition to the current shortage of affordable rental housing development, policies fail to stimulate new rental housing development. Consequently, a series of condominium projects will inevitable follow the current Eleven Superior project. Concurrently, new condominium projects may have such adverse influences on Mimico-by-the-Lake if the developments are well coordinated to accommodate existing tenants of the community. The displacement of current tenants in the affordable rental housing will, without a doubt, spark a large-scale gentrification of the community.

### **6.3.3 Community Under the Influence of Gentrification**

In the past research, Shrubsole (2010) writes that Mimico was already experiencing signs of gentrification in the community. The third-wave gentrification currently influencing the communities under redevelopment policies is also impacting Mimico-by-the-Lake. As redevelopment policies encourage a more mixed community with a wide range of housing options and sizes, one of the first types of housing to influence the redevelopment are the condominiums. Hulchanski (2005) suggests market responds to market demand, and the current market is dominated by demand for condominium units. In particular, the demographic group driving the demand is the young professionals who are often first time homebuyers.

For homeowners, condominiums have been identified as an affordable option compared to traditional single-family homes. Consequently, despite the intents of the policies to promote a wide range of housing options, the provision of housing is inevitable driven by the market mechanism, which primarily responds to the current market demand. In Mimico-by-the-Lake, the Eleven Superior project exemplifies an early sign of gentrification along the waterfront. Located near the proposed “village heart” of the community, the Eleven Superior project targets young professionals seeking affordable condominiums near a prime waterfront location. The Eleven Superior, as one of the first development projects in the Mimico-by-the-Lake, also acts as precedence for future developments. Despite the community’s attempt to oppose the development through OMB, the appeal was dismissed because the Eleven Superior project was deemed to be appropriate, and constituted “good planning”.

As a result of redevelopment, the burden is placed on the current tenants of the affordable rental housing. Despite consistent policies to preserve existing rental housing for the community, the process of gentrification suggests a gradual displacement of existing tenants, where they are eventually “priced” out of the housing market. Observations of third-wave gentrification suggest an imminent large-scale development with little opposition. Mimico-by-the-Lake continues to be influenced by gentrification, in this case an early sign of the third-wave gentrification as developers begin taking grasp of the redevelopment process and the community appeals are dismissed.

#### **6.4 Conclusion**

This chapter provided discussion on the findings arising from contemporary affordable housing issues in Mimico-by-the-Lake. In review of the findings, this chapter draws on following conclusion leading up to answer the principal research question: the affordable rental housing stock in Mimico-by-the-Lake is under the influence of the revitalization initiative; despite the rental replacement policy, the flexibility implicates uncertainty in regards to the future of the affordable housing stock; recent condominium boom suggests affordable housing problem is particularly acute in downtown Toronto where there has been little growth in new supply of purpose-built rental housing; the implication is that Mimico-by-the-Lake is under potential threat of being gentrified by new developments; The implication for Mimico-by-the-Lake is that its current stock of affordable rental housing is under the threat of being gentrified by potential new condominium developments.

## **7.0 Conclusions and Recommendations**

### **7.1 Introduction**

Chapter Six draws findings from the key informant interviews to provide discussion on themes emerging from the conversations. This chapter summarizes key findings to answer the principal research question posed in Chapter One, “*What can be done to stimulate the provision of affordable rental housing in Mimico-by-the-Lake with regards to the policy context?*” In addition, Chapter One introduces the rationale and objective of this research to explore the contemporary housing policy issues and challenges associated with the provision of affordable housing, focusing on Mimico-by-the-Lake as a specific case study. As part of the conclusion of this research, this chapter provides recommendations reflecting the discussions from the key findings.

### **7.2 Which Planning Policies Facilitate or Impede the Provision of Affordable Rental Housing in Mimico-by-the-Lake?**

Planning in Ontario follows a top-down approach in the land use decision-making process. At the provincial level, the Planning Act effectively governs all land use decisions made by municipalities. Accordingly, the Act sets out specific policies granting the municipalities with the ability to regulate privately owned lands. In addition, the policy terms of the Act imply strict prescriptive approach whereby municipal land use decisions are expected to “conform with” the provincial interests set out by the provincial policies. The two provincial policies guiding the housing development in Ontario are the Provincial Policy Statement and the Growth Plan for the Greater Golden Horseshoe. Both of the policies call for focus on intensification through increased densities for new housing. In addition, the Provincial Policy Statement calls for permitting and facilitating

all forms of housing to meet social, health and well-being requirements of current and future residents; the Growth Plan for the Greater Golden Horseshoe provides greater focus on intensification setting the municipal target at a minimum of 40 per cent of residential development within existing built-up areas. Respectively, the following municipal policies adhere to the provincial interests while establishing more specific policies at the municipal level: The Official Plan, and the Mimico-by-the-Lake Secondary Plan.

The Official Plan, akin to the Provincial Policy Statement, addresses the need to provide a range of housing types, tenure and affordability with specific focus on encouraging the construction of rental housing in all communities. However, as the review of literature and findings from key informant interviews suggest, the production level of purpose-built rental housing remain low despite attempts in policies to address this concern (UP\_3, personal communication, March 2014). In addition, the withdrawal of federal and provincial support for affordable housing development has led to a housing market driven almost exclusively by the market mechanism. Consequently, developers have been given the free reign to focus on developments driven by the market demand. In this case, the developers have significantly focused on the condominium developments while the production of purpose-built rental housing developments have declined considerably. Meanwhile, the vacancy rate in the rental market dropped to an unhealthy level with the cost of rents rising faster than inflation and demand continuing to grow amongst single individual, seniors, low-income households, and immigrants (PC\_1, personal communication, March 2014).

In an effort to revitalize Mimico-by-the-Lake, the Etobicoke York Community Council initiated the Mimico-by-the-Lake 20/20 Revitalization initiative. The initiative effectively established a vision for the waterfront community to encourage reinvestment in the community that had seen little change since the last major study in 1983. As a result of little changes in the community, Mimico-by-the-Lake is currently characterized by low-rise affordable rental housing that show signs of aging conditions. To encourage reinvestment and promote provision of additional housing, the Mimico-by-the-Lake Secondary Plan identifies and focuses on three key factors: increased building heights, increased development density, and a flexible approach to rental housing replacement policy (City of Toronto, 2013e).

In addressing the aforementioned key factors to encourage reinvestment, the City's conflict of interest plays a role as the City hopes to make it more favourable for the property owners and developers. Arguably, as one of the key interviews suggest, it is more lucrative for the City to promote development at a greater scale. Through the development charges and other bonuses, the City also benefits from the redevelopment. While the increased height and density, and the flexibility of the rental replacement policy help facilitate reinvestment in Mimico-by-the-Lake with redevelopment, there is no evidence to suggest that the policies encourage provision of affordable housing. In fact, despite the requirement for a one-to-one replacement of any rental housing anticipated to be lost during a redevelopment, an off-site consideration of the replacement rental housing create opportunities for developers to seek alternative motives in their favour. As literature suggests, the fundamental fallacy of market mechanism is that the market simply responds to market demand. In this regard, the low-income tenants of

affordable rental housing in Mimico-by-the-Lake are unable to generate the market demand for the market to assist in the provision of affordable housing. Consequently, the market will inevitably neglect the current affordable housing needs of Mimico-by-the-Lake in favour of the market for more affluent households.

The two cases of recent development projects and proposals suggest that the City's Official Plan and the Mimico-by-the-Lake Secondary Plan act to both facilitate and impede the provision of affordable housing in the community. The Eleven Superior condominium project was approved for development because the development followed the principles of "good planning." The Eleven Superior development intends to promote a mixed range of housing available for all income, albeit targeted toward more successful, young professionals. The proposal to redevelop Amedeo Court, on the other hand, was effectively shut down by the community members due to its uncharacteristically high height and density. In spite of policies to promote height and density in existing built-up areas, the City also recognized the issue and decided not to pursue the Amedeo Court redevelopment interests. These two cases illustrate two extreme outcomes of the policies where neither the developers nor the community wins, or loses. In this regard, policy alone is inadequate to give the appropriate guidance that Mimico-by-the-Lake needs to guide its potential reinvestment and redevelopment.

### **7.3 What is the Nature and Extent of the Affordable Rental Housing Issue in Mimico-by-the-Lake?**

The City of Toronto (2013) considers the rental units along the waterfront in Mimico-by-the-Lake to be affordable, or in the moderate mid-range. Based on currently available rental units, the average rent of one-bedroom unit within the vicinity of Mimico

is around \$751 compared to \$1,010 in Toronto (Walk Score, 2013; City of Toronto, 2013a). Clearly, there is a noticeable difference in the cost of rents marking Mimico-by-the-Lake as an affordable community in respect to housing costs. In addition, the community highly values its current affordable rental housing stock that identified housing as a second priority during the community consultation meetings. Findings in this research indicate the significance of affordable rental housing in Mimico-by-the-Lake where the geographic area of the community takes up less than 10% of the Mimico neighbourhood, but houses nearly 20% of the rental housing stock in the neighbourhood. With as many as 2017 rental units serving Mimico-by-the-Lake, the community is rightfully concerned about the uncertainty of the future of its affordable rental housing stock in amidst the revitalization initiative. Part of the reason behind the revitalization initiative was to redevelop the waterfront community in an effort to enhance the aging conditions of the buildings.

It is important to note that most of the rental housing stock in Mimico-by-the-Lake was considered to be in a well-managed condition by the City (UP\_2, personal communication, February 2014). Concurrently, where the conditions of the rental buildings were identified to be in need of attention, the City anticipates replacement of the rental units through redevelopment. As part of the redevelopment process, the City also anticipates intensification of the community in line with the urban policies set by the Province. A call for revitalization can spark development interests, which subsequently can lead to potential increase in the property values. Findings in Mimico-by-the-Lake suggest this may very well be the case in the community where concerns have been raised about the property managers neglecting investment of the properties unless the

investment is deemed to bring a positive return (UP\_1, personal communication, February 2014). One of the concerns in the community has indicated that the revitalization could contribute to increase in property value making it considerably more profitable for current property owners to redevelop or sell (UP\_1, personal communication, February 2014). As a result, there is a sentiment that property owners are choosing to neglect some of the maintenance responsibilities.

In investigating the nature and extent of the affordable housing issue in Mimico-by-the-Lake, the demographic trends of Mimico reveal a unique snapshot of the housing needs in the neighbourhood. Notably, when compared to the City of Toronto, Mimico is composed of considerably less children and youth age groups (under 24). Instead, there are more working age group and seniors. In addition, there are a high number of couples without children and lone-parent family households in the neighbourhood. Accordingly, the number of one-person and two-persons households is far greater than larger household sizes. The implication of the neighbourhood's demographic trend, coupled with the considerable number of affordable rental housing stock along Mimico-by-the-Lake's waterfront, is that the affordable housing plays a particularly important role in the community. The demographic trend suggests that the affordable rental units are a vital option to accommodate smaller household sizes in the neighbourhood. Moreover, rental housing will continue to play an important role in the community, as well as the neighbourhood, where the trend indicate a gradual increase in the number of seniors and lone-parent family households who particularly rely on rental accommodation.

#### **7.4 What Should be the Role(s) of the Planning Policies, Programs, and Strategies in the Provision of Affordable Rental Housing in Mimico-by-the-Lake?**

The hierarchy of planning in Ontario requires any municipal land use decisions to conform to the Provincial interests outlined in the provincial policies. Respectively, the role of municipal policies is to adhere to the minimum standards set by the Province while providing additional policies tailored to local municipal conditions. Although this top-down approach ensures that land use decisions across the Province meets the same standards to promote consistency in the development patterns, findings in Mimico-by-the-Lake suggest distinct neighbourhood conditions that call for an alternative, community-specific approach. In particular, Mimico-by-the-Lake holds a distinct demographic composition that is unlike other neighbourhoods in the City of Toronto. Accordingly, a policy that may work in one neighbourhood does not necessarily work for Mimico-by-the-Lake. Urban planning presents a case of “one size does not fit all”; especially in regards to affordable housing development. Therefore, the role of planning policies should be to address and reflect unique, distinct local conditions.

As discussed earlier, policies alone are inadequate to provide the necessary guidance for reinvestment and redevelopment in Mimico-by-the-Lake. In particular, policies provide little directions to encourage affordable housing development; policies merely establish the rules to require affordable housing. In this case, additional programs and strategies should play a role in conjunction with the policies to establish the necessary guidance to ensure the revitalization of Mimico-by-the-Lake occurs with appropriate directions.

## **7.5 What Roles Could Policy Play to Stimulate the Provision of Affordable Rental Housing in Mimico-by-the-Lake?**

Current development trends that have been highly resilient to growth in affordable rental housing stock are a growing challenge for the City of Toronto. Recent trends suggest a large gap between the level of condominium housing starts and purpose-built rental housing starts; due to low rental housing starts, there has been very little addition of new rental housing stock. The underlying reason behind this trend can be traced back to Canada's early urban policies that placed significant reliance on the private sector in the provision of housing. As neoliberal policies continue to influence the housing market, current housing system in Canada is characterized by the lack of affordable rental housing. There is an overwhelming sentiment that current policies offer considerably more favourable conditions for ownership housing projects than purpose-built rental housing projects. As current urban policies call for intensification of existing built-up areas, the condominium projects often outbid purpose-built rental housing projects in competition for the limited use of land in the City. Moreover, policies continue to push for mixed-income housing developments, which is argued to influence the third-wave gentrification where housing developments are more likely to attract affluent households.

Under the influence of the revitalization initiative, Mimico-by-the-Lake is inheriting many of the housing challenges plaguing the City. With estimated 2017 rental units in the community, there is a large concern over the implication of the revitalization initiative on the future of the affordable rental housing stock. Akin to other purpose-built rental housing built during the post-war period across the City, the rental housing stock in Mimico-by-the-Lake show signs of aging conditions. Respectively, the revitalization initiative intends to transform the current housing stock in the community in line with

modern development trends. Through intensification, Mimico-by-the-Lake is anticipated to see a considerable increase in density and new developments.

Policy plays an important role to establish set of rules and guidelines for urban development. In respect to housing development in Mimico-by-the-Lake, it is important for the policies, particularly the Secondary Plan to play a supportive role in the community to ensure affordable housing needs of the community are met. Although policy alone does not have the ability to necessarily guide the reinvestment and redevelopment of Mimico-by-the-Lake, the Secondary Plan can play a supportive role for a more comprehensive development plan in the community. In order to stimulate affordable rental housing, the Secondary Plan as a policy needs to be implemented in conjunction with a comprehensive development plan that can effectively manage the development directions for the community

## 7.6 Recommendations

The following sections provide recommendations for the City of Toronto to consider while drawing on the key findings from this research.

### *Recommendation 1: Focus on housing the distinct demographic composition of Mimico-by-the-Lake*

Mimico-by-the-Lake is inherently a highly valuable community, owing much to its valuable waterfront. Aside from its waterfront, the community is particularly valuable for both the City and the residents due to its relatively more affordable rental housing stock along the waterfront. About 2017 rental units serve the community's housing needs, particularly the low-income households. Moreover, under the surface, Mimico-by-the-Lake is also a unique community in its own right; neighbourhood demographic trends indicate a noticeably different composition of age groups. In this regard, the affordable rental housing in Mimico-by-the-Lake accommodates the distinct demographic of the neighbourhood. Unlike other neighbourhoods in Toronto, there are an unusually high number of single-parent households in Mimico (CM\_2, personal communication, February 2014). By virtue of having fewer contributors to the household income, the single-parent households are typically living under a low-income level. The rental units are considered to be relatively more affordable in comparison to other neighbourhoods in Toronto. As a result, affordable rental housing plays a particularly important role in Mimico-by-the-Lake serving the single-parent households who are more financially vulnerable.

Although the current policies call for a full range of housing options appropriate for both current and future needs of residents, the development trends suggest a considerably more focus on “potential” future residents. The two recent development projects, the Eleven Superior and the proposed Amedeo Court redevelopment, place greater focus on attracting additional residents instead of reflecting the needs of current residents. The Eleven Superior is clearly intended for new, more affluent households that are not representative of the current residents. Moreover, the unusually high height of the proposed Amedeo Court redevelopment illustrates an attempt by the Longo Development Corporation to take advantage of the revitalization opportunity without considering existing residents in the community.

Given the context of the policies, it is inevitable that new housing options similar to the high-rise condominiums around the City will shape some parts of the community. After all, the policies call for a full range, which includes ownership and rental housing for all income levels. However, the City must consider the distinct demographic composition of Mimico and Mimico-by-the-Lake to ensure the revitalization initiative does not take the form of third-wave gentrification, which will attract high scale developments that will gradually displace existing residents in favour of new residents. Gentrification is a real threat to the community, and the single-parent households with low-income will be highly vulnerable to the process of gentrification where the market will essentially ignore them. As suggested in one of the key informant interviews, “if people cannot secure housing, everything else falls apart” (CM\_2, personal communication, February 2014). Accordingly, without securing housing for the distinct

demographic of Mimico-by-the-Lake, current residents of the community will face considerable challenges.

***Recommendation 2:** Develop a comprehensive community improvement program to proactively address affordable housing concerns in Mimico-by-the-Lake*

Policy alone does not have the ability to provide the necessary guidance for housing development. Both provincial and municipal policies set the minimum standards and rules for urban development. Accordingly, comprehensive programs can ensure that the policies are implemented appropriately with the necessary support. In regards to housing, affordable housing programs in the past played a key role in the provision of affordable housing for the low-income households (UP\_3, personal communication, March 2014). For example, the affordable housing programs were responsible for providing the capital finances to build housing and subsidies to reduce the rent costs (UP\_3, personal communication, March 2014).

As suggested in the key informant interviews, Mimico-by-the-Lake could benefit from a comprehensive community improvement plan. At this time, a comprehensive program is absent in Mimico-by-the-Lake to oversee the revitalization initiative. Findings from the key informant interview suggest that despite implementation of the Secondary Plan in Mimico-by-the-Lake, developers often pursue developments that exceed the limits of the policies; in their effort, developers frequently find ways to achieve it (CM\_1, personal communication, September 2013).

The City's Tower Renewal Program presents an opportunity to be implemented in Mimico-by-the-Lake in conjunction with the policies of the Secondary Plan. The Tower

Renewal Program shares similar goals identified throughout the revitalization initiative in Mimico-by-the-Lake. The goal of the Tower Renewal Program is to ensure that the aging purpose-built apartments around the City of Toronto to be retrofitted with modern standards. The City recognizes that the aging apartment buildings, which were built during the post-war period, could benefit from improvements through retrofitting. Ultimately, the Program hopes to promote housing affordability by passing down the cost-savings from retrofitting to the rental tenants.

As the City prepares its next step for Mimico-by-the-Lake, it must recognize that policies provide little guidance for the redevelopment in the community. Currently, the City has implemented the Secondary Plan in line with the Mimico 20/20 Urban Design Guidelines. Accordingly, the Policy and the Guidelines establish the maximum limits for built form and height. In addition, the Policy and Guidelines suggest that redevelopments in Mimico-by-the-Lake is anticipated to occur through an incremental phases by designated precinct areas. However, without a comprehensive development program, there is little direction for developments to follow. To avoid undesirable approaches to redevelopment in Mimico-by-the-Lake, similar to the uncharacteristically high Amedeo Court redevelopment proposal, a comprehensive community improvement program could provide the necessary supportive directions to effectively implement the current policies.

***Recommendation 3: Continue to engage and work with the community to guide the redevelopment process according to the Vision Statement***

Since the inception of the revitalization initiative for Mimico-by-the-Lake, the City has engaged the community extensively over nearly a seven-year period. Since the beginning of the initiative, both the City and the community focused on identifying opportunities for redevelopment in Mimico-by-the-Lake according to the Vision Statement defined during the early public consultation meetings:

*Mimico-By-The-Lake is a historic Toronto community that is known for its unique lakeside location within Toronto's waterfront. It has exemplary public spaces & connections to the waterfront with trails, parks and places for community gather and play; an accessible, attractive and vibrant main street that supports transit and a mix of shops, services, employment opportunities and community activities and is a draw for residents and others outside the area; housing choices and opportunities for renewed rental and ownership; and inclusive participation from an active mixed income community which celebrates its history, diversity, environment, arts and culture. (Urban Strategies Inc., 2009b, p. 16).*

This Vision Statement was developed to encapsulate the overall goal for the community reflecting on its values. Following years of public consultation, the City developed the Secondary Plan for Mimico-by-the-Lake. Subsequently, the City amended the Official Plan on June 18, 2013 effectively adopting the Secondary Plan. In spite of some progress, the community has actively voiced its concerns that the revitalization initiative and the Secondary Plan fails to address many of the concerns raised during the public consultation process. One resident expressed fear of “a wall of condos” at a larger scale

along the waterfront in Mimico-by-the-Lake (Allen, 2012). Moreover, community groups continue to challenge the revitalization initiative; an OMB hearing is scheduled to be held on September 22, 2014 to appeal the Secondary Plan.

The City must recognize that community revitalization is a process; accordingly, the City must be accountable to continue to engage the community to ensure the process continues.

***Recommendation 4:** Consider inclusion of Mimico-by-the-Lake as part of The City's larger waterfront network under Waterfront Toronto*

In Toronto, a well-established corporation (Waterfront Toronto) is in charge of its waterfront redevelopment. Accordingly, Waterfront Toronto has a wide range of tools and resources available to redevelop target waterfront areas as a joint corporation between all levels of the government. As a result of recent downloading of housing responsibility, it is clear that the City is unable to bear the burden associated with the provision of housing. Given the current circumstances, the market mechanism continues to fail to address the housing needs of the low-income households; waterfront properties, in particular, attract developers to build market condominiums that take advantage of the high real estate values. As a waterfront community, Mimico-by-the-Lake faces the potentially similar threat of being replaced by high-rise condominiums.

However, findings in this study suggest public-private partnership can be effective to satisfy both sides of the housing market. The recent development project in East Bayfront serves as an example. Under a public-private partnership, the project was introduced as one of the first partnership projects in Toronto in its magnitude. The

proposed development includes about 75 affordable units alongside the market condominium units. The developers, Tridel and Hines, have indicated that they are keen on working with the City to deliver similar type of projects in the future, and the City is open to pursuing more partnership.

In its current state, Mimico-by-the-Lake is located just outside Waterfront Toronto's Secondary Plan boundaries. However, Waterfront Toronto considers and recognizes Mimico-by-the-Lake as a key component of Toronto's waterfront through the inclusion of Mimico Waterfront Park in its waterfront projects. Mimico-by-the-Lake could potentially benefit greatly from its inclusion as part of Toronto's greater waterfront redevelopment initiative under Waterfront Toronto, particularly taking advantage of the precedent set by the pilot project in East Bayfront as an exemplary redevelopment in Mimico-by-the-Lake. A similar project in Mimico-by-the-Lake has the potential to address affordable rental housing concerns while still promoting appropriate increase in height and density of the community to meet the provincial policy guidelines.

***Recommendation 5: Ensure the intentions of rental replacement policy is maintained in Mimico-by-the-Lake***

The City of Toronto has a strong rental protection policy requiring strict one-to-one replacement of rental units. The Secondary Plan for Mimico-by-the-Lake continues to adhere to the rental replacement policy according to the City's Official Plan; however, the City considers a more flexible approach in Mimico-by-the-Lake in an attempt to attract reinvestment in to the community. Key informant interviews suggest that the

Secondary Plan offers a bit more flexibility than the policies found under the Official Plan. Although the Secondary Plan continues to ensure full replacement of the rental units, flexibility of the policy allows for consideration of off-site replacement, or cash-in-lieu. Although off-site replacement is limited to within the catchment area defined by the Secondary Plan, a small percentage of the replacement units are anticipated to be built as off-site replacements (UP\_1, personal communication, February 2014). The affected residents will inevitably be displaced as a result of the off-site replacement. Moreover, the cash-in-lieu option offers considerable flexibility for developers to pursue an alternative approach to rental replacement. It effectively minimizes the burden on developers to ensure the rental units are replaced to allow the affected residents to return to the site.

It is important to note that the intent of the rental replacement policy is to ensure that existing residents are not displaced, and continue to have the right to live in the area (UP\_1, personal communication, February 2014). In order to ensure the intent of the policy is maintained in Mimico-by-the-Lake, the City will have to limit its consideration of the flexibility. Despite the advantages of the flexibility to attract reinvestment in Mimico-by-the-Lake, flexibility opens up a significant opportunity for developers to take advantage of. After all, “flexibility always means flexibility for the developers” (CM\_1, personal communication, September 2013).

***Recommendation 6: Redraft the Official Plan’s Zoning By-Law to Allow Alternative, Flexible Housing Development.***

In the absence of new affordable purpose-built rental housing supply, the condominium units acted as a “de facto” rental supply (PC\_1, personal communication, March 2014). However, the cost of condominium units are often higher than a traditional rental units; as a result, multiple tenants frequently share the accommodation of a condominium unit to share the cost of housing (PC\_1, personal communication, March 2014). Given the current situation, there is an opportunity for the City to consider an approach to promote additional housing options to address some of the concerns raised by the higher priced “de facto” condominium rental supply. The example of “flex suites” in UniverCity, (Burnaby, BC) illustrates an opportunity to promote innovative housing options to legally allow tenants or the owner of a condominium unit to share the accommodation. In essence, the idea is to permit development of legal secondary suites within a unit, which can act as its own self-sufficient unit with independent entrance. The 60-unit development project in UniverCity demonstrates a flex suite’s ability to provide “affordable, family-oriented ownership options” with additional, flexible rental housing option (UniverCity, 2014).

Under the Official Plan, the zoning by-law plays an important role permitting specific uses under the zoning designations. The properties along the waterfront in Mimico-by-the-Lake are designated as *Residential Apartment*, which permits: cogeneration energy; community centre; crisis care shelter; day nursery; group home; home occupation; library; municipal shelter; nursing home; place of worship; private

home daycare; public utility; renewable energy; residential care home; respite care facility; retail store; retirement home; rooming house; secondary suite; seniors community house; transportation use (City of Toronto, 2014a). Although the *Residential Apartment* designation permits secondary suites, the Zoning By-law 569-2013 defines legal use of secondary suites within a detached house, semi-detached house, or a townhouse (City of Toronto, 2014b).

In order to permit the alternative, more flexible housing option such as the flex suite, the City will have to redraft the Zoning By-law under the Official Plan to permit a “multiple-family dwellings or groups of multiple-family dwellings” under Section 15.10.20.20 of Chapter 15 of the Zoning By-law. Effectively, Section 15.10.20.100 can impose additional conditions for the permitted use as proposed:

*(18) Multiple-family dwellings*

*In the RA zone, a flex suite may be permitted in one or more apartment buildings, subject to the following:*

*(A) The interior floor area of a flex suite must be less than the interior floor area of the dwelling unit.*

In addition, under the Tower Renewal Program, part of the strategies in retrofitting older apartment buildings include exploring options to implement flexible units that can be altered to accommodate changing needs. Examples include removable walls to expand a unit or vice-versa to separate the unit in to smaller units. The strategy identifies concrete structure of the building as an advantage due to its ability to support this type of approach. In conjunction with the strategies of the Tower Renewal Program, exploring alternative, more flexible housing options as a legal form of housing can potentially promote more affordable housing.

***Recommendation 7: Develop a Strategy to Pursue Public-Private Partnership as part of the Revitalization Initiative in Mimico-by-the-Lake***

The pilot project in East Bayfront presents a unique opportunity for the City to work with the private developer(s) in the provision of housing. Unless the City owns the property, its ability to intervene in the type and scale of the project is limited. However, in consideration of the cost involved in many development projects, the City has an opportunity to work with the developers through sharing stakes in a project. In East Bayfront, Hines and Tridel worked closely with the City to propose a project involving market units and affordable units within the same building. Of the 330 residential units anticipated, approximately 20 per cent of the units are expected to be affordable rental units. Accordingly, the City has an opportunity to consider similar projects developed through a public-private partnership as Section 3.2.1 Policy 3 of the Official Plan states:

*3. Investment in new rental housing, particularly affordable rental housing, will be encouraged by a co-ordinated effort from all levels of government through implementation of a range of strategies, including effective taxation, regulatory, administrative policies and incentives.*

Mimico-by-the-Lake poses a particular challenge for the City to encourage affordable housing development because all of the properties are privately owned. Respectively, developing strategies with incentives could stimulate housing projects that incorporate affordable housing, such as the East Bayfront project. Developers have been keen to work with the City through a partnership project where many developers have expressed interest to do additional work with the City (UP\_3, personal communication, March 2014).

## **7.7 Future Research Opportunities**

Housing is a multifaceted subject, and notwithstanding, affordable housing is a complex challenge. Through this research, several opportunities have been identified for possible future study. First, in the absence of new purpose-built rental housing supply, condominium units have filled the gap as a “de facto” rental supply. As the role of condominium units in the secondary rental market in the City of Toronto grows, an investigation of the implication of rental condominium units in the market and affordable housing stock could provide an insight on their role. Secondly, flex suites present a unique opportunity to be considered in the current housing system as an alternative, flexible housing option. Moreover, there is potential for flex suites to contribute to the housing market as an affordable housing option. Additional research could provide greater understanding of the flex suites as a housing option. Given the current context of the affordable housing challenges in the City of Toronto, these additional future research opportunities could provide valuable insights on how to encourage more affordable housing supply in the City.

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## **Appendices**

### **Appendix 1: Sample Information and Consent Letter for Key Informants**

(Month) (Date), 2014

Dear (Key Informant):

My name is Jae Park and I am currently a Masters candidate in the School of Planning at the University of Waterloo working under the supervision of Dr. Laura Johnson. My research currently explores the contemporary issues associated with the provision of affordable rental housing, particularly in Mimico, Toronto. I am contacting you because your experience in Mimico's community and the revitalization initiative could provide important insights on issues related to the provision of affordable rental housing.

I would like to invite you to consider participating in this research where I hope to conduct interviews with participants identified as stakeholders in Mimico's revitalization initiative, or have relevant experience in affordable housing development and policies. These interviews will be approximately half-an-hour in length consisting of open-ended questions. Questions asked during the interview will be related to contemporary affordable housing issues and perspective on the current affordable housing trends. Your participation is voluntary and all questions asked during the interview session will be optional, and you will have the option to withdraw from the interview at any time. With your permission, the session will be recorded using a private recording device; any data pertaining to you, as an individual participant, will be kept secure and confidential in a personal storage device until one year after the completion of research; and any references and quotations used in the research will be done anonymously.

If you have any questions regarding this research, or would like further information about the research, please contact me at 226-338-7275 or by email at [j38park@uwaterloo.ca](mailto:j38park@uwaterloo.ca). You can also contact my supervisor, Dr. Laura Johnson at 519-888-4567 Ext. 36635 or by email at [lcjohnso@uwaterloo.ca](mailto:lcjohnso@uwaterloo.ca).

As with all University of Waterloo projects involving human participants, this project was reviewed by, and received ethics clearance through a University of Waterloo Research Ethics Committee. Should you have any comments or concerns resulting from your participation in this study, please contact Dr. Maureen Nummelin, the Director, Office of Research Ethics, at 1-519-888-4567, Ext. 36005 or [Maureen.nummelin@uwaterloo.ca](mailto:Maureen.nummelin@uwaterloo.ca).

I look forward to hearing back from you soon, and thank you for your time and your consideration.

Sincerely,

Jae H. Park  
BES, MA Candidate

## Sample Consent Form

I agree to participate in an interview being conducted by Jae H. Park of the Department of the School of Planning under the supervision of Dr. Laura Johnson. I have made this decision based on the information I have received in the Information Letter and have had the opportunity to receive any additional details I wanted about the study.

I am aware that I have the option of allowing my interview to be audio recorded to ensure an accurate recording of my responses.

I am also aware that excerpts from the interview may be included in the thesis and/or publications to come from this research, with the understanding that the quotations will be anonymous.

I was informed that I may withdraw my consent at any time without penalty by advising the researcher.

I understand that this project has been reviewed by, and received ethics clearance through a University of Waterloo Research Ethics committee. I was informed that if I have any comments or concerns resulting from my participation in this study, I may contact Dr. Maureen Nummelin, the Director, Office of Research Ethics at 519-888-4567 ext. 36005.

With full knowledge of all foregoing, I agree, of my own free will, to participate in this study.

YES    NO

I agree to have my interview audio recorded.

YES    NO

I agree to the use of anonymous quotations in any thesis or publication that comes of this research.

YES    NO

By signing this consent form, you are not waiving your legal rights or releasing the investigator(s) or involved institution(s) from their legal and professional responsibilities

Participant's Name: \_\_\_\_\_

Participant's Signature: \_\_\_\_\_

Name of Witness: \_\_\_\_\_

Signature of Witness: \_\_\_\_\_

Date: \_\_\_\_\_

## **Appendix 2: Interview Guide for Key Informant Interviews**

### **Urban Planner**

1. What was your role in the Mimico 20/20 revitalization initiative?
2. Can you describe the current conditions of the rental housing along Mimico's waterfront.
3. Due to its inherent values, waterfronts are highly sought after by developers. How does the City plan on balancing the development interests to ensure that the future development meets Mimico's community housing needs?
4. How important would you consider affordable rental housing in Mimico-by-the-Lake to be?
5. What are some challenges that the existing rental housing pose to the revitalization initiative?
6. Are there opportunities that have been identified to encourage more affordable rental housing development?
7. Do you think that the one-to-one replacement by-law provides the necessary conditions to preserve existing rental housing within the community?
8. Tridel and Hines have been praised for its proposed mixed-use development in East Bayfront that include affordable units. Could a similar partnership project start in Mimico-by-the-Lake?
9. Would there be any type of incentives, policies, or strategies that could be used to encourage more affordable housing development?
10. How do you envision the future of Mimico's housing development as a result of Mimico 20/20 revitalization initiative?
11. Are there any other housing issues in Mimico-by-the-Lake?

### **Policy Consultant**

1. What kind housing development trends have you seen in the recent decade?
2. Do you think that this trend will continue in the next decade?
3. Why is the rental housing development struggling to keep up?
4. What are some of the challenges that may be impeding the development of rental housing?
5. Can you suggest any strategies or policies that has worked or could encourage more rental housing development?
6. Do you think it is possible to balance the housing development between condominiums and rentals?
7. Do you think that the City could play a greater role in balancing the housing development?
8. Have you come across any particular municipal strategies or policies that have been effective in addressing housing affordability concerns?
9. Do you see any opportunities to encourage the private market to partake in the provision of affordable housing?
10. Is there anything else that you would like to add regarding current affordable housing situation?

## **Developer**

1. What is your view on the current housing market in Toronto?
2. Do you foresee any significant changes in the market?
3. Can you tell me some background information on the recent partnership project in East Bayfront?
4. Where does the project currently stand?
5. What were some of the challenges that the project experienced?
6. How closely did the city work with the developers in this project?
7. Are there any concerns that condo buyers or investors may not consider the project to be attractive due to its inclusion of affordable housing component?
8. Are there any other projects with affordable housing component that was built in the past?
9. Do you think this project could be replicated in other communities?

## **Community Member**

1. What is your view on the current housing situation along Mimico's waterfront?
2. Would you consider the units to be affordable for the current residents?
3. To what extent does affordability play a role in addressing community's housing needs?
4. How would you describe the current conditions of the rental housing?
5. What are your views on Mimico 20/20 revitalization initiative and its potential impact on the existing rental housing along the waterfront?
6. How do you foresee the future housing development as a result of the revitalization initiative?
7. Are there any specific changes that you would like to see with the housing development?
8. Do you think that the community is at risk of being gentrified?
9. In your opinion, do you think that the Mimico 20/20 revitalization initiative is effectively addressing the community's needs including housing concerns?
10. Are there any other housing issues along Mimico's waterfront that has been raised by the community?