

Minutes of a Meeting of the Investment and Real Estate Committee of the Toronto Waterfront Revitalization Corporation held at the offices of Toronto Waterfront Revitalization Corporation, 20 Bay Street, Suite 1310, Toronto, Ontario on Thursday, November 24, 2016 at 10:00 a.m., local time.

PRESENT: Steve Diamond  
Julie Di Lorenzo  
Susie Henderson (via telephone)

ABSENT:

The following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular items as noted in these notes: William Fleissig, President and Chief Executive Officer; Meg Davis, Chief Development Officer; Erik Cunnington, Development Manager; Scott Loudon, Development Manager; Ian Beverley, General Counsel; and Sonya Pead, Associate Legal Counsel.

Also in attendance (via telephone) for the Quayside Development discussion only, was Stephen Barter, Chairman of KPMG's Real Estate Advisory practice.

The Chair, Julie Di Lorenzo, took the chair and with the consent of the Committee members present, appointed Ann Landry to act as secretary of the meeting.

The Chair declared that a quorum of the Committee Members was present and the meeting was properly constituted for the transaction of business.

**1. Motion to Approve Revised Agenda**

**ON MOTION** duly made by Julie Di Lorenzo, seconded by Susie Henderson and carried, it was **RESOLVED** that the Meeting Agenda was approved.

**2. Declaration of Conflicts of Interest**

There were no conflicts declared.

**3. Minutes**

**ON MOTION** duly made Steve Diamond, seconded by Julie Di Lorenzo and carried, it was **RESOLVED** that the Minutes of the October 14, 2016 Investment and Real Estate Committee meeting were approved.

#### 4. Mixed Income Housing on the Waterfront

Will Fleissig introduced the item and Meg Davis provided a presentation, highlighting the following:

- The lack of housing affordability has led to a significant housing gap – 82,291 affordable housing units are required;
- Toronto's demographics and housing dynamics make rental costs a challenge;
- Approximately 50% of Toronto residents are renters, however only a limited number of purpose built rental units have been created since the 1970s;
- Condominiums contribute significantly to a new rental supply, however they are far more expensive than purpose built rental. The minimum recommended salary for a 1-bedroom condominium in Toronto is \$57,000;
- Even below market rents are unaffordable for many in the City;
- Approximately 36% of households in Toronto are under the recommended income level for 100% affordable market rents;
- Rents are outpacing incomes and deepening the problem;
- The downtown population growth is outstripping the rest of Toronto and deteriorating affordability;
- The lack of affordable housing downtown has led to stark geographic income segregation resulting in a decline in overall quality of life for many Torontonians:
  - There is an ever growing gap in the ability for families and new and existing residents to be able to live downtown. This lack of affordability drives our workforce to live outside of the city contributing to urban sprawl, congestion, longer commute times and an overall decrease in quality of life;
  - The overall goal for the waterfront is that 25% of all units are affordable housing with the majority of which (20%) to be affordable rental housing.

Ms. Davis advised that a new model is needed to deliver affordable rental housing and close the gap. She advised that it would cost government close to \$25 billion to build enough affordable rental housing to eliminate the current housing waitlist. Further, this is more than double the City's current budget and 75% of the City's ten year capital budget.

It was agreed that any solution proposed by Waterfront Toronto must include transit considerations in the model.

Ms. Davis tabled confidential attachments regarding mixed income housing on the waterfront and advised that further discussion will take place in a closed session.

## 5. Motion to go into Closed Session

**ON MOTION** duly made by Julie Di Lorenzo, seconded by Susie Henderson and carried, the Committee **RESOLVED** to go into a closed session in accordance with Section 190.2(a and c) of the City of Toronto Act (“COTA”) and Section 6.1.1(a and c) of By-Law No. 2 of the Corporation (*the security of the property of the Corporation, and a proposed or pending acquisition or disposition of land*).

The Chair indicated to members of the public present that it was in order for them to depart the meeting. Members of the public left the meeting at 10:20 a.m.

### Closed Session

10:20 a.m.

## 6. Mixed Income Housing on the Waterfront

*A confidential report in accordance with Section 190.2(c) of COTA and Section 6.1.1(c) of the said By-Law No. 2 (A proposed or pending acquisition or disposition of land).*

Meg Davis presented potential strategies to achieve affordable rental housing on the waterfront. A lengthy discussion ensued with Committee members providing input on the issue.

It was suggested that a meeting of the Investment and Real Estate and Partnership Committees be convened to further discuss affordable rental housing.

## 7. Project 2016C

*A confidential report in accordance with Section 190.2(c) of COTA and Section 6.1.1(c) of the said By-Law No. 2 (A proposed or pending acquisition or disposition of land).*

Meg Davis tabled a presentation which provided history, context and next steps regarding Project 2016C. Discussion ensued and a consensus was reached.

A motion for approval will be tabled during the open session of the meeting.

## 8. Motion to go into Open Session

In accordance with Section 190 of COTA and By-Law No. 2 of the Corporation, and the closed session discussion having been completed, **ON MOTION** duly made by Julie Di Lorenzo, seconded by Susie Henderson and carried, the Committee **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for members of the public to return to the meeting. Members of the public returned to the meeting at 11:00 a.m.

### Public Session

11:00 a.m.

## 9. Quayside Development

Meg Davis tabled a presentation that provided an introduction to the item commencing with an overview of the Corporation's original mandate and public policy goals as well as an updated context for Waterfront Toronto, including the following:

- Sustained and robust downtown market demand toward waterfront;
- Ever growing infrastructure shortfall to support ever growing GTA;
- Constrained government fiscal model;
- Long term job trends for tech, finance, services - limited manufacturing;
- Sufficient work force, family and inclusive housing not being delivered by current market projects;
- Serious Federal and Provincial climate programs and funding; and
- Parks, bike trails, pedestrian connections improved, but inadequate and underfunded; and
- Proven Waterfront Toronto track record of execution, high design quality and community support.

Ms. Davis discussed the critical challenges and opportunities provided to Waterfront Toronto as a testbed for new models and methods to develop properties, including:

- Prosperity Plus - leveraging Innovation & Partnerships to deliver economic growth and new jobs;
- Sustainability Plus - cutting edge solutions to reduce carbon emissions, while promoting a high quality of life and nurturing healthy people;
- Neighbourhoods Plus - advancing complete communities that address the need for housing, mobility & access, connectivity and inclusivity;
- Destinations Plus - creating enduring value through well-designed and vibrant cultural, recreational, civic and public spaces for residents and visitors;
- Engagement Plus - cultivating a high-performance and caring organization, promoting deep stakeholder trust, broad community outreach and consequential citizen feedback, using robust data analysis and superior interactive web tools.

Ms. Davis advised that when developing the Quayside property, it is critical for Waterfront Toronto to scale up in terms of building technologies; climate protocols; new inclusive housing models; mobility+connections; and funding partnerships.

She then tabled confidential attachments that outlined strategies to ensure the Corporation's development objectives are met.

## 10. Motion to go into Closed Session

**ON MOTION** duly made by Steve Diamond, seconded by Julie Di Lorenzo and carried, the Committee **RESOLVED** to go into a closed session in accordance with Section 190.2(c) of the City of Toronto Act ("COTA") and Section 6.1.1(c) of By-Law No. 2 of the Corporation (*a proposed or pending acquisition or disposition of land*).

The Chair indicated to members of the public present that it was in order for them to depart the meeting. Members of the public left the meeting at 11:10 a.m.

**Closed Session**  
**11:10 a.m.**

Will Fleissig introduced Stephen Barter (joining the meeting via teleconference), Chairman of KPMG's Real Estate Advisory practice. Will advised that Stephen's experience extends to property investment and financing, large-scale placemaking regeneration developments, privatisations, public private partnerships, and the creation and management of property funds. He has worked extensively internationally in the US and Canada, Asia (particularly China), the Middle East and Australia, as well as Europe.

Mr. Fleissig advised that Mr. Barter was joining the meeting for the discussion regarding the confidential attachments. A lengthy discussion ensued and Mr. Barter provided his expertise on the subject.

It was agreed that early drafts (if available) of the Request for Proposals would be provided to the Committee members for their input.

**11. Motion to go into Open Session**

In accordance with Section 190 of COTA and By-Law No. 2 of the Corporation, and the closed session discussion having been completed, **ON MOTION** duly made by Julie Di Lorenzo, seconded by Steve Diamond and carried, the Committee **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for members of the public to return to the meeting. Members of the public returned to the meeting at 11:55 a.m.

**Public Session**  
**11:55 a.m.**

**12. Resolutions Arising during the Closed Session**

During the closed session discussions, the following resolution was proposed and voted on:

**ON MOTION**, duly made by Julie Di Lorenzo, seconded by Susie Henderson and carried, it was **RESOLVED** that the Committee hereby approves Management's recommendations on next steps for Project 2016C.

**13. Termination of the Meeting**

There being no further business, **ON MOTION**, duly made by Julie Di Lorenzo, seconded by Steve Diamond and carried, it was **RESOLVED** that the meeting be terminated at 12 noon local time.

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Chairman

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Secretary of the Meeting

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