

To: Economic and Development Services Committee

From: Anthony Ambra, P.Eng., Commissioner,
Economic and Development Services Department

Report Number: ED-24-96

Date of Report: September 4, 2024

Date of Meeting: September 9, 2024

Subject: Application Under the Urban Growth Centre Community
Improvement Plan, 115 Colborne Street West, Riverbank
Homes Ltd.

Ward: Ward 4

File: 12-04-2121

1.0 Purpose

The purpose of this Report is to recommend that Council approve an application submitted by Riverbank Homes Ltd. (“Riverbank Homes”) under the Urban Growth Centre Community Improvement Plan (“C.I.P.”) for an Increased Assessment Grant to facilitate its proposed development at 115 Colborne Street West, formerly identified as 109 Colborne Street West (the “Subject Site”).

The proposed development consists of a 6-storey, 75-unit purpose-built affordable housing rental apartment building. All 75 units will be affordable housing units as determined by Canada Mortgage and Housing Corporation’s published annual Average Market Rent.

Attachment 1 is a map showing the Subject Site and the existing zoning for the area.

Attachment 2 is a copy of the proposed site plan submitted by Riverbank Homes that is currently being advanced through the site plan approval process.

2.0 Recommendation

That the Economic and Development Services Committee recommend to City Council:

1. That, pursuant to Report ED-24-96 dated September 4, 2024, the application submitted by Riverbank Homes Ltd. under the City’s Urban Growth Centre Community Improvement Plan for an Increased Assessment Grant for the development of a 6-storey, 75-unit purpose-built affordable housing rental apartment building at 115 Colborne Street West be approved in accordance with the comments in said Report, and that the Increased Assessment Grant total \$478,100 over a 9-year period.

2. That, pursuant to Report ED-24-96 dated September 4, 2024, Riverbank Homes Ltd. enter into an agreement with the City under the Urban Growth Centre's Community Improvement Plan in a form and content satisfactory to the Commissioner, Economic and Development Services Department, and the City Solicitor.

3.0 Input From Other Sources

The following have been consulted in the preparation of this Report:

- Commissioner, Corporate and Finance Services Department
- City Solicitor

4.0 Analysis

4.1 Proposed Development

The Subject Site is located within the Downtown Oshawa Urban Growth Centre, at the southeast corner of Colborne Street West and Kaiser Crescent, and is known municipally as 115 Colborne Street West. At the time of preparing this Report, the lands are occupied by a two-storey commercial building. However, it is anticipated that demolition is imminent.

The redevelopment of the Subject Site is proposed to consist of a 6-storey, 75-unit purpose-built affordable housing rental apartment building, comprised of 1 bachelor unit, 58 one-bedroom units and 16 two-bedroom units. All 75 units will be affordable housing units as determined by Canada Mortgage and Housing Corporation's published annual Average Market Rent for a minimum of 35 years. There are no market rate units or commercial elements within the development and 20% of all units will be designed to be barrier-free. The developer, Riverbank Homes, was successful in their application for funding under the Region of Durham's At Home Incentive Program (estimated to receive \$5,500,000 from the Region) and has partnered with the Canadian Mental Health Association ("C.M.H.A.") to provide an estimated 31 units dedicated to C.M.H.A.-subsidized clients. The development also includes approximately 139 square metres (1,500 sq. ft.) of indoor amenity space, a central mail room and at-grade, on-site parking.

On June 19, 2024, the Committee of Adjustment ("C. of A.") approved, with conditions, an application (File: A-2024-56) for variances associated with certain zoning regulations on a site-specific basis to implement the site design of the proposed development, including increased density and reduced parking rates, lot frontage and minimum front yard depth. The conditions imposed by the C. of A. related to restrictions on the amount of area of a parking space that can be located within the driveway sight triangle, a requirement to construct a fence adjacent to the exterior side lot line, and a requirement to enter into an agreement with the Region of Durham committing to maintaining the apartments as affordable rental units. No appeals were received and the C. of A. decision is now final and binding.

The Subject Site is designated as Downtown Oshawa Urban Growth Centre in the Oshawa Official Plan, and is zoned R6-D.T25/R7-A (Residential) under Zoning By-law 60-94, as amended ("Zoning By-law 60-94").

The proposed development is currently being advanced through the site plan approval process.

4.2 Urban Growth Centre Community Improvement Plan

On May 2, 2016, the Urban Growth Centre C.I.P. was adopted by City Council.

The Urban Growth Centre C.I.P. is intended to encourage economic development in the Downtown Oshawa Urban Growth Centre through a variety of grant programs.

The Urban Growth Centre C.I.P. specifies that an Increased Assessment Grant may be provided on a sliding scale for part or all of the increase in City taxes attributable to the improvement of a property located within the Urban Growth Centre Community Improvement Project Area. Specifically, an Increased Assessment Grant can be used to reimburse the owner a portion of the increased property taxes resulting from the successful development of a site, on a declining basis over a 9-year period (e.g. 90% in Year 1, 80% in Year 2, 70% in Year 3, etc.). A grant is only paid following the completion of work, a final successful building inspection and the payment in full of property taxes for each year.

An Increased Assessment Grant is provided to the registered owner of the property or the declarant of a condominium on an annual basis. The declarant is the original developer that constructed the development.

The Increased Assessment Grant applies to the construction/creation of residential, non-residential and mixed-use buildings that result in an increase in assessed value. Any application for an Increased Assessment Grant must be approved by Council.

4.3 Application for an Increased Assessment Grant under the Urban Growth Centre Community Improvement Plan

On August 7, 2024, Riverbank Homes submitted an application under the Urban Growth Centre C.I.P. requesting an Increased Assessment Grant for the proposed development of a 6-storey, 75-unit purpose-built affordable housing rental apartment building on the Subject Site.

The Urban Growth Centre C.I.P. includes an Increased Assessment Grant program which:

- Reimburses the property owner a portion of the City taxes attributable to the improvement and/or redevelopment of a property.
- Financially assists the property owner and serves to phase-in the impact of tax increases which would be experienced after a project opens.
- Recognizes that the project might not occur save and except for the Increased Assessment Grant and that the City and community ultimately benefit from the project and its increased assessment/tax base in later years, on-going spin-offs, etc.
- Specifies that following completion of the work, a final building inspection and the payment of all property taxes for each year, the Increased Assessment Grant would be

provided on a declining basis over a nine year period: 90% in Year 1, 80% in Year 2, 70% in Year 3, etc.

The 2024 assessment of the Subject Site is \$739,000, equating to City taxes of approximately \$6,500 per year, based on the 2024 tax rates.

Riverbank Homes estimates that the post-development assessed value of the proposed development will be \$17 million.

It is estimated that the City will realize taxes of \$112,700 per year upon completion of the proposed development based on the 2024 new multi-residential tax rate and the assumption that the affordable housing units will be assigned to the new multi-residential tax class by the Municipal Property Assessment Corporation.

Finance Services estimates that the value of the Increased Assessment Grant using the standard Table 1 contained in Appendix 1 of the Urban Growth Centre C.I.P. (i.e. increase in pre- and post-development taxes returned to property owner on a declining basis over a 9 year period – 90% Year 1, 80% Year 2, 70% in Year 3, etc.) is \$478,100 over a 9-year period based on an estimated assessed value (post-development) of approximately \$17 million using the 2024 new multi-residential tax rate. This means that over the 9-year period there is a “balance”: Riverbank Homes receives a grant of \$478,100 and the City retains \$478,100 of the property taxes attributable to the increased assessed value resulting from the development. However, the specific amount of the grant will not be known until the project is completed and the actual new assessment value is determined.

Staff have no objection to the approval of the subject Increased Assessment Grant application, as it:

- Conforms with the City’s Urban Growth Centre C.I.P.;
- Implements intensification on underutilized lands within the City’s Downtown Urban Growth Centre consistent with the Oshawa Official Plan;
- Advances the Action Items of the Residential Growth pillar contained within Oshawa’s Plan 20Thirty;
- Will help to facilitate the development of affordable housing;
- Addresses the needs of applicants on the Region of Durham’s social housing waiting list, including seniors and persons with disabilities;
- Encourages development that may not otherwise occur; and,
- Facilitates construction jobs and material purchases.

As a condition of receiving the Increased Assessment Grant, it is recommended that Riverbank Homes be required to enter into an agreement with the City to ensure certain performance criteria are met. These include, but are not limited to, the following:

- The building must have the foundation completed by May 31, 2025 to the satisfaction of the Chief Building Official;
- The building must be completed and available for first occupancy by December 31, 2026 to the satisfaction of the Chief Building Official;
- The Director, Planning Services must approve an Accessibility Plan, with input from the Oshawa Accessibility Advisory Committee, and this Plan must be implemented and maintained;
- The property, including any building, must be maintained in accordance with the Property Standards By-law 1-2002, as amended and the Ontario Building Code during the period of the Increased Assessment Grant;
- Riverbank Homes Ltd. shall continuously comply with any City agreement and City By-laws;
- That any Increased Assessment Grant will only be provided to Riverbank Homes Ltd. after all applicable City taxes have been paid by the property owner;
- The building architecture is to be designed to the satisfaction of the Director, Planning Services;
- Where possible, the owner shall use local trades and suppliers. The owner agrees to establish an appropriate notification program to the satisfaction of the Director, Planning Services, to make local trades and suppliers aware of the proposed development and allow them an opportunity to bid on the proposal; and,
- Any other appropriate criteria considered advisable by the City Solicitor and Commissioner, Economic and Development Services Department.

5.0 Financial Implications

If approved by Council, and once the Increased Assessment Grant is complete, the City will realize increased taxation revenue, where approximately \$112,700 per year in tax revenue for the City will be realized for the project based on the 2024 new multi-residential tax rate. This is an increase of approximately \$106,200 in taxes per year.

6.0 Relationship to the Oshawa Strategic Plan

This Report responds to the Oshawa Strategic Plan Priority Area:

“Belong: Inclusive and Healthy Community” with the goal to support and encourage diverse housing options.



Tom Goodeve, M.Sc.Pl., MCIP, RPP, Director,
Planning Services



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