

Property Houses Transfer

(City Council on November 23, 24 and 25, 1999, amended this Clause, in accordance with the report dated November 16, 1999, from the Chief Executive Officer, Toronto Housing Company, embodying the following recommendations:

“It is recommended that the Board of Directors approve the following recommendations:

- (1) that this report be forwarded directly to City Council for its meeting scheduled for November 23, 1999, with the recommendation that Council approve the changes to the transaction as set out in Clause No.1 of Report No.7 of The Administration Committee (November 2, 1999) as amended by this report; and that Council declare the Property Houses surplus in accordance with such terms, as amended, and the appropriate City officials be authorized and directed to take whatever actions are necessary to give effect to By-law No. 551-98 with respect thereto;*
- (2) that the sale of the surplus Property Houses properties proceed as outlined in Schedule 1 - Revised, as attached to this report;*
- (3) that the Property Houses property located at 185 Crawford Street be added to the list of Sale Properties in response to the request made of the Administration Committee by Councillor Pantalone on October 27, 1999;*
- (4) that the Toronto Housing Company accept the conveyance of the Property Houses upon the terms set out in Clause No.1 of Report No. 7 of The Administration Committee, as amended, except for such of those properties as are to be offered for sale as determined by Council;*
- (5) that, with respect to the Property Houses property located at 13 Hubbard Boulevard:*
 - (a) the tenant be offered the right to purchase the vacant property located at 125 Roxborough Street West instead of the 13 Hubbard Boulevard property;*
 - (b) the proposed ‘anti-flipping’ clause not apply to the sale of the property; and*
 - (c) it be offered for sale on the M.L.S. when vacant; and*
- (6) that the appropriate City and Toronto Housing Company officials be authorized and directed to take the necessary actions to give effect to the foregoing.”)*

The Administration Committee recommends:

- (I) the adoption of the Recommendations embodied in the report (October 18, 1999) from the Chief Executive Officer, Toronto Housing Company Inc., subject to:**
- (a) amending Recommendation No. (4) by adding before the word “Schedule” the word “revised” so that the Recommendations now read as follows:**
- “(1) that this report be forwarded to the Administration Committee and City Council with the recommendation that Council grant approval of the changes to the transaction outlined in the report (June 21,1999) from the Chief Executive Officer to the Board of Directors as amended by this report, that Council declare all of the Property Houses portfolio surplus in accordance with such changes, and that the appropriate city officials carry out whatever actions are necessary to give effect to By-law No. 551-1998;**
 - (2) that the Toronto Housing Company accept a conveyance of the Property House portfolio except for the 18 properties required to be sold as described in this report (the Sale Properties) upon the terms set out in Clause No. 3 of Report No. 4 of The Corporate Services Committee, as amended by the report (June 21, 1999) from the Chief Executive Officer to the Board of Directors as further amended by this report;**
 - (3) that subject to City Council’s concurrence, the Toronto Housing Company administer the sale of the Sale Properties, on the City’s behalf;**
 - (4) that the sale of the surplus Property Houses properties proceed as outlined in revised Schedule 1 attached to this report;**
 - (5) that the Toronto Housing Company accept from the City the net proceeds from the sale of the Sale Properties;**
 - (6) that the Toronto Housing Company continue to manage the Sale Properties under the Property House Leases until each Sale Property is sold, respectively; and**
 - (7) the appropriate City and Toronto Housing Company officials be authorized and directed to take the necessary actions to give effect to the foregoing;”;** and
- (b) amending the procedure for the sale of the property houses portfolio as follows:**

- (1) that the portfolio of buildings at Nos. 1, 3, 5, 7, 9 and 11 Hubbard Boulevard, and Nos. 2, 4, 6 and 8 Winneva Avenue be sold when vacated by the current tenant;
 - (2) only those tenants currently in place today would have the first entitlement to purchase;
 - (3) that tenants not purchasing a unit be required to move within the envelope of properties listed in order to sell the properties except if they are elderly or unable medically to move and any tenant required to move be reasonably compensated for their moving or other incidental costs; and
 - (4) if the tenant residing at No. 13 Hubbard Boulevard, exercises a first right of entitlement to purchase, he/she be required to enter into agreements to be registered on title as a first charge, in a form and content satisfactory to the City Solicitor, which give the City the right to repurchase the property, at the City's original sale price, in the event that the tenant intends to sell the property during a five-year period following the date of transfer;
- (II) that 15 Hubbard Boulevard, be retained within the Housing Company portfolio and the appropriate staff be requested to continue assisting the tenants at 15 Hubbard Boulevard, in their attempt to formulate a co-operative; and
- (III) that the City Solicitor be instructed to ensure that if the property at 15 Hubbard Boulevard, is converted into a co-op that the City is able to recapture the property if the co-op fails.

The Administration Committee reports, for the information of Council, having requested the Chief Executive Officer, Toronto Housing Company Inc., to submit directly to Council for its meeting scheduled to be held on November 23, 1999:

- (1) a report on:
 - (a) which houses can be sold immediately;
 - (b) a phasing plan which takes into account the tenants concerns; and
 - (c) on the cost of bringing these houses up to standard; and
- (2) in consultation with the City Solicitor, a revised Schedule 1 incorporating the aforementioned Recommendations Nos. (I) to (III) proposed by the Administration Committee.

The Administration Committee submits the following report (October 18, 1999) from the Chief Executive Officer, Toronto Housing Company Inc.:

At its meeting of October 18, 1999, the Board of the Toronto Housing Company Inc. had before it a Board Report (October 14, 1999) entitled, "Property Houses Transfer." The Board of Directors passed the following resolutions with respect to the attached report.

On Motion Made by Mr. Elaric Kissoon, seconded by Karim Karsan, the Board of Directors adopted the report without amendment.

- (1) that this report be forwarded to the Administration Committee and City Council with the recommendation that Council grant approval of the changes to the transaction outlined in the report (June 21,1999) from the Chief Executive Officer to the Board of Directors as amended by this report, that Council declare all of the Property Houses portfolio surplus in accordance with such changes, and that the appropriate city officials carry out whatever actions are necessary to give effect to Bylaw No 551-1998;
- (2) that the Toronto Housing Company accept a conveyance of the Property House portfolio except for the 18 properties required to be sold as described in this report (the Sale Properties) upon the terms set out in Clause 3 of Corporate Services Report No. 4 as amended by the report (June 21, 1999) from the Chief Executive Officer to the Board of Directors as further amended by this report;
- (3) that subject to City Council's concurrence, the Toronto Housing Company administer the sale of the Sale Properties, on the City's behalf;
- (4) that the sale of the surplus Property Houses properties proceed as outlined in Schedule 1 attached to this report;
- (5) that the Toronto Housing Company accept from the City the net proceeds from the sale of the Sale Properties;
- (6) that the Toronto Housing Company continue to manage the Sale Properties under the Property House Leases until each Sale Property is sold, respectively; and
- (7) the appropriate City and Toronto Housing Company officials be authorized and directed to take the necessary actions to give effect to the foregoing.

(Report dated October 14, 1999, addressed to the
Board of Directors, Toronto Housing Company Inc.,
from the Chief Executive Officer, Toronto Housing Company Inc.)

Recommendations:

It is recommended that the Board of Directors approve the following recommendations:

- (1) that this report be forwarded to the Administration Committee and City Council with the recommendation that Council grant approval of the changes to the transaction outlined in

the report (June 21,1999) from the Chief Executive Officer to the Board of Directors as amended by this report, that Council declare all of the Property Houses portfolio surplus in accordance with such changes, and that the appropriate city officials carry out whatever actions are necessary to give effect to Bylaw No 551-1998;

- (2) that the Toronto Housing Company accept a conveyance of the Property House portfolio except for the 18 properties required to be sold as described in this report (the Sale Properties) upon the terms set out in Clause 3 of Corporate Services Report No. 4 as amended by the report (June 21, 1999) from the Chief Executive Officer to the Board of Directors as further amended by this report;
- (3) that subject to City Council's concurrence, the Toronto Housing Company administer the sale of the Sale Properties, on the City's behalf;
- (4) that the sale of the surplus Property Houses properties proceed as outlined in Schedule 1 attached to this report;
- (5) that the Toronto Housing Company accept from the City the net proceeds from the sale of the Sale Properties;
- (6) that the Toronto Housing Company continue to manage the Sale Properties under the Property House Leases until each Sale Property is sold, respectively; and
- (7) the appropriate City and Toronto Housing Company officials be authorized and directed to take the necessary actions to give effect to the foregoing.

Background:

Council's directive to transfer the Property Houses portfolio to the Toronto Housing Company and for the Housing Company to sell 25 percent of the Property Houses portfolio:

On April 13, 1999, Toronto City Council approved Clause No. 3 of Report No. 4 of The Corporate Services Committee, as amended, declaring the City's Property Houses portfolio surplus and recommending conveyance of the entire portfolio to the Toronto Housing Company. Approval was based upon the Company's proposal for the Property Houses (A Plan for the Property Houses - Maximizing Housing Opportunities for Low Income Tenants). The THC report proposed a self-financing plan in order to manage the portfolio as affordable rental housing and to be able to provide rent-geared-to-income assistance to as many households as possible. Council approved the sale of 15 properties (sale properties), in order to pay for the retention of 45 properties and its operation as affordable housing.

Objective of the Sale:

The goal of the Property Houses Business Plan is to preserve and retain the maximum number of units as affordable rental housing. The Housing Company's plan balances the requirements to re-structure the portfolio to address the need for affordable rental housing, the financial

requirement to create an operating fund to subsidize low-income tenants without additional City funding housing (offering tenants rent-g geared-to-income subsidies), and the need to generate a capital replacement reserve in order to properly maintain the houses in a good state of repair. The plan for the retention of the 45 properties is contingent on revenues of a minimum of \$3,900,000 from estimated sale proceeds. The revenue generated by the sale is to be used to seed a capital reserve, to create a portfolio RGI operating fund and to pay-down the portfolio mortgage debt. The plan as approved by Council is designed to respond to Council's question of how many and what type of houses would have to be retained to rent to as many low-income households as possible.

THC seeks changes in authority to proceed with the sale:

Subsequent to Council's approval of Property Houses Plan, the Toronto Housing Company Board of Directors forwarded to the Administration Committee of July 13, 1999, resolutions requesting minor changes to the original authority to the transaction granted by Council. These resolutions recommended approval of some changes to transfer process by which the 15 Sale Properties could be disposed.

First; that the City retain the title of the 15 properties approved for sale to facilitate the severance consent for each individual transaction.

Second, that in keeping with Council's original intention, that the Toronto Housing Company sell the properties acting on behalf of the City and receive the net proceeds of the sales.

Third; that the first right of purchase by tenants be modified so that in the case of multiple-unit properties that right can be exercised by all interested tenants if a joint offer by all of the tenants is not made.

Administration Committee seeks consideration for tenants that do not wish to move.

The Administration Committee deferred consideration of this matter on July 13, 1999, and again at its meeting on September 7, 1999, referring the matter to its meeting on November 2, 1999. The current deferral was requested in order to seek a satisfactory arrangement for current tenants, in the properties to be sold, that do not wish to purchase and wish to remain tenants in the same units. In addition, a request was made for additional information related to the inclusion in the list of properties for sale of 15 Hubbard.

Proposed Modifications:

The Toronto Housing Company has reviewed the process for sale of properties based on consultations with tenants and other concerned parties. The Toronto Housing Company is recommending a number of modifications to the sale process as approved by Council (Clause No. 3 of Report No. 4 of The Corporate Services Committee, as amended). These changes are outlined in Schedule 1, attached to this report.

The modifications proposed do not alter the basis of the original plan to provide a maximum number of affordable rental housing units. The adoption of these modifications will result in a phased sale process:

- (1) the sale of 4 single family properties as directed by Council will proceed as planned;
- (2) the sale of 5 fourplex properties in the Beach neighbourhood will proceed in phases.

These properties will be sold as duplexes, based on the desire of current tenants to purchase their units or where there are vacancies. Current tenants will be offered a relocation within the fourplexes where they do not wish to purchase the unit or will have their tenancy maintained until such time as they choose to terminate their lease. At this point the sale of the unit will proceed.

It is proposed to remove 15 Hubbard Boulevard (apartment building with 17 bachelor units) from the sales list. To compensate for the loss of revenues from the removal of 15 Hubbard from the sale list, 4 (four) properties will be added to the sale list (all currently or to be vacant at time of sale).

The sale of the 5 fourplexes is proposed to occur only when the units are vacant or when the current tenants have agreed to purchase or to relocate. In order to facilitate sales to tenants it is proposed to sever these four unit buildings into two duplexes; the duplexing of these buildings will occur gradually and will be synchronized with the property sales.

Phasing the sale of the Property Houses will result in a delay in the generation of the \$3,900,000 required to implement the Toronto Housing Company plan as approved by Council. It is estimated that \$1,500,000 in revenue can be realized in a six month time frame from sales as proposed above. This assumes that all of the single family properties would be sold within the first six months of 2000 (8 Wineva Avenue and 125 Roxborough Avenue West (vacant properties), 213 and 217 Crawford Street and 13 Hubbard. Boulevard). Any additional sales of the fourplex properties will be subject to the individual intentions of tenants to purchase their unit or to relocate within or outside the Toronto Housing Company portfolio.

In order to balance the sales revenue shortfall we propose to add to the sales list 4 additional properties: 114 Havelock Street and 187, 195 and 225 Crawford. Street. As these properties are currently vacant they can be listed for public sale immediately with estimated gross sale revenue of \$1,100,000.

There have been efforts by some of the tenants at 15 Hubbard Boulevard to incorporate as a non-profit cooperative and to acquire the building collectively. This activity is still at a preliminary stage, rather than prejudge the outcome, the Toronto Housing Company will report back to the Board on the on the status of these organizational efforts at a later date. In the meantime, it is proposed that 15 Hubbard Boulevard be retained in the THC portfolio rather than be sold. The Housing Company will develop plans to manage the property including the completion of the substantial capital repairs required. The rents will be adjusted to reflect market conditions for the area and the investment of funds in these repairs.

As revenue from sales is realized it will first be applied to retiring the portfolio debt and second to the creation of the capital reserve. The phasing of sales to accommodate tenants wishing to stay in their current units will delay the creation of the RGI subsidy fund.

Reasons for Recommendations:

Recommendations Nos. (1), (3), (5) and (6):

The revisions to the original Council approval to the Property Houses Disposal that were requested by the Board of Directors of the Toronto Housing Company on June 24, 1999, as set out in the report to the Board dated June 21, 1999, have not been dealt with by the Administration Committee and City Council. Recommendations Nos. (1), (3), (5) and (6) restate the recommendations contained in the earlier Board Report.

Recommendation No. (2):

The original Council authority for the Property Houses transaction approved the transfer of the title of the entire Property Houses portfolio to the Toronto Housing Company and the sale by the Housing Company of 15 of the properties as designated by Council (the "Sale Properties"). The current recommendation has the City retain title to all of the Sale Properties until the closing of property sales and transfer title to the purchaser at that time. It is also proposed to change the list of Sale Properties by deleting the property located at 15 Hubbard Boulevard and adding four vacant single family houses on Havelock and Crawford Streets.

The revised Sale Properties list is as follows:

125 Roxborough Street West	Detached , 2 Storey, 4 bdr house
213 Crawford Street	Semi-detached, 2 Storey. 3 bdr house
217 Crawford Street	Detached 2 2 Storey, 4 bdr house
2 and 4 Wineva Avenue	Detached 2 Storey, fourplex , Each semi-detached duplex has 2/2 bdr units
6 and 8 Wineva Avenue	Detached 2 Storey fourplex, Each semi-detached duplex containing 2/2bdr units
1 and 3 Hubbard Boulevard	Detached 2 Storey fourplex, Each semi-detached duplex has 2/2 bdr units
5 and 7 Hubbard Boulevard	Detached 2 Storey fourplex Each semi-detached duplex has 2/2 bdr units
9 and 11 Hubbard Boulevard	Detached 2 Storey fourplex, Each semi-detached duplex has 2/2 bdr units
13 Hubbard Boulevard	Detached, 2 Storey, 4 bdr house
Note Additions:	
114 Havelock Street	Detached 2 2 Storey 5 bdr house
187 Crawford Street	Semi-Detached 2 2 Storey 6 bdr house
195 Crawford Street	Semi-Detached 2 Storey 3 bdr house
225 Crawford Street	Semi-Detached 2 2 Storey 5 bdr house
Note Deletion:	
15 Hubbard	3 Storey 17 unit Walkup Apt Building

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Recommendation No. (4):

The Toronto Housing Company will manage the disposition process as recommended by its Board, Council and CSC Report No. 4 as amended. Sales will be implemented in phased manner in order to minimize disruption to tenants in the sale properties. The full sales process proposed is outlined in detail in the attached Schedule 1. The first phase will proceed with the sale of the single-unit properties. It is proposed that 15 Hubbard Avenue be retained as part of the THC portfolio, that the building undergo extensive renovations and that its rental structure be adjusted to recover the capital costs incurred. It is also proposed that the five 4-unit buildings along Hubbard Boulevard and Wineva Avenue be duplexed in order to provide greater flexibility in responding to tenants and that units in the fourplexes housing long term tenants (greater than 10 years) not be sold during the tenancy of the original tenant.

Conclusion:

The approval of the revised sale process will permit the Toronto Housing Company to start moving towards operating the portfolio as envisioned in the Plan. The properties to be retained in the portfolio are carrying a significant debt and require a multiyear capital work plan for which there are currently no reserves. Meeting the need to operate affordable rental housing without government financial assistance is a significant challenge. The approval to proceed with the sale of the 8 single family properties and some of the duplexes along Wineva and Hubbard Avenue will allow us to introduce, as soon as possible, a minimal portion of the revenues required in the approved Business Plan.

Staff Contact: Bob Dryden, Portfolio Management Tel: 392-3723.

Schedule 1

Proposed Sale Process
Property Houses Portfolio

General:

- (1) All in-situ tenants in units within the properties to be sold will be offered the opportunity to purchase their unit within the building or the building as a whole in common with other tenants of the building.
- (2) Toronto Housing Company will issue tenants a letter of Interest and Waiver of Purchase once Council approval of the amended Property Houses transaction is given.
- (3) Tenants in units within the properties to be sold will have 14 days to confirm or waive their interest in purchasing.

- (4) Tenant(s) will be given 60 days to submit an Offer to Purchase together with a 5 percent deposit.
- (5) Offers of purchase will be submitted to the City of Toronto, c/o Mr. Derek Ballantyne, Chief Executive Officer, Toronto Housing Company. Offers will be approved as per City procedures.
- (6) The purchase price of the Sale Properties is based upon the fair market value as appraised by independent professional real estate appraisers.
- (7) Title to properties to be sold will be transferred directly from the City of Toronto to the purchaser(s).
- (8) Sale Properties which are vacant will be sold publicly through the MLS system.

Single Family Houses:

- (1) Houses which are occupied are to be first offered for sale to the tenant and if a successful offer is not forthcoming then the property shall be listed for sale publicly on the MLS system. The timing of such a listing will be determined by the CEO, Toronto Housing Company.
- (2) In-situ tenants, unwilling or unable to buy, will be offered alternative rental accommodation with the Toronto Housing Company in a location as close as possible to the current tenancy.
- (3) Houses which are vacant shall be listed for sale publicly on the MLS system.

Fourplex Properties:

- (1) Units in which the tenants who have been resident in the fourplexes along Hubbard and Wineva for a minimum of ten years not be sold during the tenancy of the original tenant, should they choose not to purchase their units.
- (2) THC will proceed with separation of units into duplexes when there is a firm offer in place or when both units in a duplex are vacant.
- (3) Where both units of a duplex are empty, the property be listed on MLS and sold publicly.
- (4) Where both units of the duplex are to be purchased by the two tenants these be sold to them at appraised market value.
- (5) When only one of the tenants is interested in purchasing the entire duplex, the THC will request the non purchasing tenant to relocate to a vacant unit in close proximity and the move will be at the THC expense. (Subject to the conditions noted in the first point above regarding tenants of 10 or more years)

- (6) As units in duplexes become vacant, these duplexes will be offered for sale publicly. This will require the remaining sitting tenant in one of the duplex units, if they wish to remain a THC tenant, to be relocated elsewhere in the portfolio. Alternately, they may choose to become a tenant of the new owner of the property.

Revised

Schedule 1

Proposed Sales Process Property Houses Portfolio

General:

- (1) All in-situ tenants in units within the buildings to be sold will be offered the opportunity to purchase their building as a whole in common with the other tenants of the building.
- (2) Toronto Housing Company (“THC”) will issue tenants a letter of Interest and Waiver of Purchase once Council approval of the amended Property Houses transaction is given.
- (3) Tenants in units within the properties to be sold will have 14 days to confirm or waive their interest in purchasing.
- (4) Tenant(s) will be given 60 days to submit an Offer to Purchase together with a 5 percent deposit.
- (5) Offers of purchase will be submitted to the City of Toronto, c/o Mr. Derek Ballantyne, Chief Executive Officer, Toronto Housing Company. Offers will be approved as per City procedures.
- (6) The sale price of the Sale Properties to be sold to tenants exercising a right to purchase, will be at fair market value as appraised by independent professional real estate appraisers as at the date of THC sending Offers to interested tenants.
- (7) Title to properties to be sold will be transferred directly from the City of Toronto to the purchaser(s).
- (8) Sale Properties which are vacant will be sold publicly through the MLS System.

Single Family Houses:

- (1) Houses which are occupied are to be first offered for sale to the tenant and if a successful offer is not forthcoming then the property shall be listed for sale publicly on the MLS system. The timing of such a listing will be determined by the CEO, Toronto Housing Company.
- (2) In-situ tenants, unwilling or unable to buy, will be offered alternative rental accommodation with THC in a location as close as possible to the current tenancy.

- (3) Houses which are vacant shall be listed for sale publicly on the MLS system.

Fourplex Properties:

- (1) THC will proceed with a physical separation of fourplexes into duplexes when a firm offer for the purchase of one half of a fourplex, made in accordance with the procedures in this Schedule 1, is received or when both units are vacant.
- (2) Potential duplexes (that is along Hubbard Blvd and Wineva Ave.) in which the tenant in at least one unit has been a resident for a minimum of ten years and which neither tenant chooses to purchase, shall not be sold during the tenancy of such tenants, so long as both units are occupied.
- (3) When only one of the tenants is interested in purchasing the entire duplex, the THC will offer the non-purchasing tenant the opportunity to relocate to a vacant unit in close proximity at THC expense. If the non-purchasing tenant has been resident for less than ten years, the the City will sell the duplex to the other tenant, and the non-purchasing tenant may choose to relocate or become a tenant of the new owner of the property. However, if the non-purchasing tenant has been resident for a minimum of ten years and does not wish to relocate, the City will not sell the duplex.
- (4) When no tenant in a duplex wishes to purchase, but one of the units becomes vacant, the duplex will then be offered for sale on the open market. This will require the remaining tenant in the occupied duplex unit, who does not wish to purchase, to be relocated elsewhere in the portfolio if she/he wishes to remain a THC tenant, whether or not such tenant has been a resident for ten years or more. Alternatively, she/he may choose to become a tenant of the new owner of the property.
- (5) Where both units of a duplex are empty, the property be listed on MLS and sold on the open market.

The Administration Committee also submits the following report (June 24, 1999) from the Chief Executive Officer, Toronto Housing Company Inc.:

At its meeting of June 24, 1999 the Board of the Toronto Housing Company Inc., had before it a Board Report (June 21, 1999) Property Houses Transfer. The Board of Directors passed the following resolutions with respect to the attached report.

On Motion Made by: Councillor Michael Feldman,

Seconded by: Catherine Bertucci-Menchetti, the Board of Directors adopted the report without amendment.

- (1) That the Board of Directors forward this report to the Administration Committee and City Council with the recommendation that Council grant approval of the changes to the transaction outlined in this report, that Council declare all of the property houses surplus

in accordance with such changes and that the appropriate city officials carry out whatever actions are necessary to give effect to Bylaw No. 551-1998;

- (2) that the Toronto Housing Company accept a conveyance of the Property Houses upon the terms set out in Clause No. 3 of Report No. 4 of The Corporate Services Committee, as amended, of the Property House portfolio, except for the 15 properties required to be sold as described in the said clause (“the Sale Properties”);
- (3) that, subject to City Council’s concurrence, the Toronto Housing Company through the Chief Executive Officer, offer for sale and accept offers to purchase respecting the Sale Properties, on the City’s behalf;
- (4) that the Toronto Housing Company accept from the City the proceeds from the sale of the Sale Properties;
- (5) that the Toronto Housing Company continue to manage the Sale Properties under the Property House Leases until each Sale Property is sold, respectively; and
- (6) that the appropriate Toronto Housing Company officials be authorized to take the necessary actions to give effect thereto.

(Report dated June 21, 1999, addressed to the
Board of Directors, Toronto Housing Company Inc.
from the Chief Executive Officer, entitled
“Property Houses Transfer”)

Recommendations:

It is recommended that:

- (1) the Board of Directors forward this report to the Administration Committee and City council with the recommendation that Council grant approval of the changes to the transaction outlined in this report, that Council declare all of the property houses surplus in accordance with such changes and that the appropriate city officials carry out whatever actions are necessary to give effect to Bylaw No. 551-1998;
- (2) the Toronto Housing Company accept a conveyance of the Property Houses upon the terms set out in Clause No. 3 of Report No. 4 of The Corporate Services Committee as amended, of the Property House portfolio, except for the 15 properties required to be sold as described in the said clause (“the Sale Properties”);
- (3) subject to City Council’s concurrence, the Toronto Housing Company through the Chief Executive Officer, offer for sale and accept offers to purchase respecting the Sale Properties, on the City’s behalf;
- (4) the Toronto Housing Company accept from the City the proceeds from the sale of the Sale Properties;

- (5) the Toronto Housing Company continue to manage the Sale Properties under the Property House Leases until each Sale Property is sold, respectively; and
- (6) the appropriate Toronto Housing Company officials be authorized to take the necessary actions to give effect thereto.

Background:

The property houses portfolio consists of 60 properties owned by the City of Toronto which have been under lease to the Toronto Housing Company (THC) for the purpose of market rental accommodation on a cost-pass-through basis. The properties are predominantly houses and contain 105 residential units. The portfolio is managed without any capital or operating subsidies.

Recently Toronto City Council approved Clause No. 3 of Report No. 4 of the Corporate Services Committee (CSC), as amended, declaring the City's Property Houses surplus and recommending conveyance of the portfolio to the Toronto Housing Company. Approval is based on the Company's proposal for the Property Houses (A Plan for the Property Houses - Maximizing Housing Opportunities for Low Income Tenants). The Toronto Housing Company's Report proposes a self-financing plan to continue managing the portfolio as affordable rental accommodation. The goal of the Property Houses Plan is to preserve and retain the most needed larger family units and create from sale revenues the resources for internal cross-subsidies for as many rent-geared-to income (RGI) units as possible. The proposed operating plan was based on the retention of 45 properties and the disposal of 15, utilizing sale proceeds to pay down debt, repairing some properties, funding capital reserves and creating RGI subsidies.

The following are the properties that are to be sold, as per Clause No. 3 of Report No. 4 of The Corporate Services Committee, as amended and approved by City Council:

125 Roxborough Street Detached 2 Storey, 3 bedroom house;
213 Crawford Street Semi-detached 2-storey, 4-bedroom house;
217 Crawford Street Detached 2 1/2 storey, 4-bedroom house;
1 Hubbard Boulevard;
3 Hubbard Boulevard Detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units;
5 Hubbard Boulevard;
7 Hubbard Boulevard detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units;
9 Hubbard Boulevard;
11 Hubbard Boulevard detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units;
13 Hubbard Boulevard Detached 2-storey, 4-bedroom house;
15 Hubbard Boulevard Detached 3-storey walkup apartment with 17 bachelor units;
2 Wineva Avenue;
4 Wineva Avenue Detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units;

6 Wineva Avenue ; and

8 Wineva Avenue detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units.

The criteria for selection on the sale list included properties with the highest market value, small unit size and one investment rental property that is likely to remain as rental stock if sold. The 45 properties not sold will be retained for affordable housing purposes and managed on a self-financing basis.

In accordance with the Toronto Housing Company's Report and CSC/Council direction the properties will be sold at market value and in accordance with the City's disposal policy. The Toronto Housing Company will offer these 15 properties for sale in accordance with Clause No. 3 of Report No. 4 of The Corporate Services Committee, as amended, subject to the further amendments by this report.

Reasons for Recommendations:

Recommendation No. (1):

Changes to the transaction as originally approved by Council are proposed as outlined below in order to rationalize the portfolio of Property Houses and provide a process by which the Sale properties can be disposed of:

(A) Properties on Disposal List (Sale properties) not to be transferred:

The properties on each of Wineva and Hubbard respectively abut each other. Under the Planning Act, the Toronto Housing Company may not sell any of these individual properties without the consent of the Committee of Adjustment if it owns abutting land. On the other hand the City is exempt from these provisions of the Planning Act. Because the City has decided that these properties should be sold and because the Toronto Housing Company may not do so without the Committee of Adjustment's consent, we recommend to Council that the Wineva and Hubbard properties not be transferred to the Toronto Housing Company but be sold directly by the City. The same procedure should be followed with the properties at 213 and 217 Crawford Street. Although the Roxborough property is a single unit, it should be retained by the City for the purpose of sale in a manner consistent with the other properties. The Toronto Housing Company through its Chief Executive Officer will act as the City's agent in offering the properties for sale and negotiating and accepting offers. In keeping with the intent of the original Plan the City should not retain the net proceeds of Sale but should provide them to the Toronto Housing Company under its granting powers. The net proceeds of the sales are intended to be used to retire the mortgage debt, effect needed capital repairs and provide a fund for the provision of rent assistance to low income households.

(b) First right of Offer to Purchase by Tenants:

Clause No. 3 of Report No. 4 of The Corporate Services Committee recommended that consideration only be given to those Offers to Purchase from the tenants in duplex, triplex or fourplex buildings made collectively by all of the tenants living in each such building on the terms and conditions outlined in the report of the City Solicitor to CSC dated November 20,

1998. The Toronto Housing Company requests that Council give approval to the procedure that failing to receive a joint offer by all the tenants in a building, the Toronto Housing Company be allowed to receive an Offer to purchase the entire building by any tenant in such building. This modification will allow the possibility that some but not all tenants in a building are interested in a joint Offers to Purchase and that all interested tenants have the opportunity to purchase. All Offers to Purchase will still have to be made jointly by all interested tenants. This reflects the intention of the City Solicitor's Report of November 20, 1999, to leave the organizational process to the tenants of each multiplex by offering to sell them their buildings collectively giving the residents full autonomy in an area which affects them vitally.

Recommendation No. (2):

As per the proposed changes to the transaction described above, the Toronto Housing Company will accept conveyance of 45 properties to be retained. The proposed sale list includes 15 properties as described above.

Recommendation No. (3):

The Toronto Housing Company will manage the disposition process as recommended by Council and CSC Report No. 4 as amended. However, this will be implemented by acting as the City's agent on all aspects of the sales (see Recommendation No. (1) above).

Recommendation No. (4):

Closing of each sale transaction is between the City and the Purchaser and proceeds will be collected by the City. Therefore, the City under its granting powers will provide the proceeds of sale to the Toronto Housing Company.

Recommendation No. (5):

The existing lease arrangement for the Sale Properties will remain in place and the Toronto Housing Company will continue to manage and operate each Sale Property until sold.

Update:

The Toronto Housing Company is in the process of implementing Council's recommendations. The intention is to move very quickly with the sale of selected properties (as early as September 1999). This will permit the Toronto Housing Company to move towards operating the portfolio as envisioned in the Plan - eliminating mortgage debt, introducing some RGI assistance and adding new subsidized housing units to the assisted housing portfolio.

The property Houses Business Plan recommended that tenants have the opportunity to purchase their buildings at market value. Recommendation No. (2) of Clause No. 3 of Report No. 4 of The Corporate Services Committee, as amended, recommended that prior to tenants being offered any duplex, triplex or fourplex building (or any portion thereof) within the Property House portfolio, the Toronto Housing Company obtain confirmation from the Commissioner of Planning and Urban Development Services (UPDS) that the proposed use of the property as ownership housing does not contravene any current or contemplated City policy respecting the conversion of rental housing.

Staff requested this confirmation. On June 1, 1999, the Commissioner of UPDS responded based on the interpretation of Council's newly adopted Official Plan policies, which limit, where appropriate the conversion and demolition of rental housing. The Commissioner concluded that in light of the content of the report adopted by Council and of the Toronto Housing Company's articles of incorporation, the proposed transaction is not inconsistent with the object of, and should, therefore, not be restricted by policy 135.1 of the Official Plan ^{1/}. Based on our proposed implementation beginning September 1999 of the Property Houses Business Plan the Commissioner does not anticipate the emergence of any new policies that would conflict with our Business Plan and the related property transaction by year's end.

Consultants have been retained to conduct building condition inspections on all properties and real estate appraisals on those to be sold. Staff is also obtaining advice from experienced local Real Estate brokers with respect to pricing and marketing. This will occur during June and July. Staff is consulting with the City's Real Estate Services in respect to the City's Disposal Policy and their experience in the disposition of the Spadina and Scarborough properties. Subsequently we will prepare a disposal strategy to ensure the Company's interests are protected. The information produced by the inspections, appraisals and real estate opinions will assist us in determining a fair market value for each property to be sold and in developing a multiyear capital works plan for those properties to be retained.

The Toronto Housing Company recognizes that the sale of these properties will be disruptive to tenants. For those not interested or in a position to purchase, the Toronto Housing Company will offer alternative market rental housing or assisted housing as required in the Company's portfolio. All tenants will receive a communication informing them of the transfer of ownership of the 45 properties from the City to the Toronto Housing Company. Tenants of buildings on the sale list will receive further information regarding the sale process and providing more details as soon as a definite schedule is determined.

Next Steps:

^{1/} Conversion and Demolition of Rental Housing. It is the policy of Council: 135.1 to preserve, maintain and replenish the supply of residential buildings, and particularly rental buildings, across the City of Toronto by restricting the demolition of residential property and the conversion of rental units to condominium, by discouraging the conversion of rental units to equity co-operative, and by encouraging new rental housing production.

Completing the real estate transaction and the disposal processes require several steps by the Toronto Housing Company and the City. A general schedule is proposed below.

Property Houses Transfer and Disposal of Sale Properties	Task Start or Completion
<p>Toronto Housing Company</p> <ul style="list-style-type: none"> <li data-bbox="204 516 1169 695">- Board pass a motion accepting conveyance of the portfolio and approve Report to be forwarded to the Administration Committee and City Council with the recommendation that Council grant approval of the changes to the transaction as outlined in this Report. <li data-bbox="204 732 1029 768">- Complete Building Condition Inspection of all properties <li data-bbox="204 806 1127 842">- Complete Real Estate Appraisals and Real Estate Brokers advice <li data-bbox="204 879 1003 915">- Update Councillors: details Sale Process and Schedule <li data-bbox="204 953 1166 1024">- Start notices: Tenants Letter of Interest to Purchase or Waiver to Purchase (30 days) <li data-bbox="204 1062 1166 1176">- Start tenants offer of alternative rental housing (90 days); start relocation of interested tenants to alternative rental housing in the THC portfolio (120 days) <li data-bbox="204 1213 1166 1285">- Start to solicit joint Offers to Purchase from in-situ tenants, negotiate, receive joint Offers (30 days) <li data-bbox="204 1323 1013 1358">- List any properties with no Offer to Purchase by tenants <li data-bbox="204 1430 1052 1465">- Start marketing, receiving Offers from the public (90 days) <li data-bbox="204 1503 1166 1617">- Complete revision of Property Houses Business Plan for the ongoing management of the retained houses and obtain Board approval <li data-bbox="204 1654 1107 1690">- Complete Sale of all Properties: maximum closings (120 days) <li data-bbox="204 1728 500 1764">- City of Toronto <li data-bbox="204 1801 1166 1873">- Administration Committee recommends approval of THC's Report – June 21, 1999 	<ul style="list-style-type: none"> <li data-bbox="1196 554 1377 590">June 21, 1999 <li data-bbox="1196 732 1354 768">July 2, 1999 <li data-bbox="1196 806 1354 842">July 9, 1999 <li data-bbox="1196 879 1370 915">July 14, 1999 <li data-bbox="1196 953 1377 989">July 19, 1999 <li data-bbox="1196 1100 1409 1136">August 31, 1999 <li data-bbox="1196 1213 1409 1249">August 30, 1999 <li data-bbox="1196 1323 1419 1394">September 1, 1999 <li data-bbox="1196 1430 1382 1465">October, 1999 <li data-bbox="1196 1503 1419 1575">December 20, 1999 <li data-bbox="1196 1654 1360 1690">March, 2000 <li data-bbox="1196 1801 1370 1837">July 13, 1999

- Council approves THC's Report - June 21, 1999	July 27, 1999
- Advertisement by Facilities and Real Estate Services of the City surplus land declaration respecting the entire Property Houses Portfolio (1 week)	July, 1999
- Start Conveyance of title to the Toronto Housing Company in the following stages. (1) The City will convey to the Company the properties released from the leases and to be retained by THC (in appropriate steps as determined by the City Solicitor). (2) The Company will offer the 15 properties for sale on the City's behalf and will continue to operate each of under the leasehold arrangements pending the sale and conveyance of the 15. (completion time determined by sales)	August, 1999
- Receive transfer of net sale proceeds from City (based on estimated closings)	March, 2000

Conclusion:

Meeting the need for affordable housing without senior government financial assistance is a significant challenge for the Toronto Housing Company. The Company took the initiative to justify a financially viable option to retain City-owned assets that are much needed for affordable housing. It proposed a plan to more effectively use the Property House portfolio while maximizing the housing available to low income families. The principles include a self-financing approach to the capital and operating expenses, which is contingent upon the sale proceeds from the sale of some of the properties. We expect some adjustments may be required as the next steps develop and will continue to update you on a regular basis.

The Administration Committee also submits the following report (September 1, 1999) addressed to the Administration Committee from the Chief Executive Officer, Toronto Housing Company Inc.:

Recommendations:

It is recommended that:

- (1) Recommendations Nos. (2), (4), (5), and (6) of the Report (June 21, 1999) from the Chief Executive Officer of Toronto Housing Company Inc., entitled A Property House Transfer as adopted by the Board of Directors of the Toronto Housing Company Inc., on June 24, 1999, be adopted;

- (2) Recommendations Nos. 1 and 3 therein be deleted and the following substituted there for:
- “(1) that City Council grant approval to the changes to the transaction outlined in the report (June 21, 1999) of the Chief Executive Officer of the Toronto Housing Company Inc., and declare the Property Houses surplus, and that all steps necessary to comply with By-law No. 551-1998 be taken;”
 - “(3) that the sale of the four single unit properties located at 125 Roxborough Street, 213 Crawford Street, 217 Crawford Street and 13 Hubbard Boulevard be administered by the Toronto Housing Company Inc., on the City’s behalf, and that the Chief Executive Officer of the Toronto Housing Company Inc., report to the October 5, 1999 meeting of the Administration Committee on a disposal strategy respecting the remaining eleven properties to be sold,” and
- (3) the appropriate City and Toronto Housing Company officials be authorized and directed to take the necessary actions to give effect to the foregoing.

Background:

The Toronto Housing Company Board of Directors forwarded to the Administration Committee of July 13, 1999 resolutions based on a THC report dated June 24, 1999 for Council approval. These resolutions recommended approval of some changes to the transfer of the 60 property houses as originally approved by Council. These changes were proposed to facilitate a process by which the 15 Sale Properties could be disposed. The essence of the proposed changes on the June 24, 1999 report is twofold. First; that the City retain the title of the 15 properties approved for sale and any other adjacent property to facilitate the severance consent for each individual transaction; and, in keeping with Council’s original intention, that the Housing Company sell the properties acting on behalf of the City and receive the net proceeds of the sales. Second; that the first right of purchase by tenants be modified to so that in the case of multiple-unit properties that right can be exercised by all interested tenants.

The Administration Committee deferred consideration on July 13 and may decide again to defer consideration of this matter on September 7, 1999 to a future meeting. The current deferral was requested by the local Councillor from Ward 26 to ensure that the needs of the current tenants, in the properties to be sold, that do not wish to purchase receive consideration. The Toronto Housing Company is in the process of discussing options for tenants in that situation. These options may result in the phasing of the sale of some of the multiple-unit properties. Therefore, this report proposes such amendment. It recommends the approval of the necessary modifications as described in the June 24, 1999, amending the approval to proceed with the sale of only the four single-unit properties. The details of the arrangement to proceed with the

approved sale of the 11 remaining properties on the sale list will be the subject of a subsequent report at the next Administration Committee.

Reasons for Amendment to Recommendation No. (3):

The Toronto Housing Company will manage the disposition process as recommended by its Board, Council and CSC Report No. 4 as amended. However, this will be implemented in two phases. The first phase will proceed with the sale of 4 single-unit properties.

Phase 1 Sale

- 125 Roxborough Street Detached 2 Storey, 3 bedroom house
- 213 Crawford Street Semi-detached 2-storey, 4-bedroom house
- 217 Crawford Street Detached 2 1/2 storey, 4-bedroom house
- 13 Hubbard Boulevard Detached 2-storey, 4-bedroom house

Local councillors for Ward 26 (which includes the Wineva and Hubbard Properties) would like to ensure that the sale of the properties provides some protection for continuation of tenancy during an appropriate period of time for those seniors and long term tenants who are not interested in purchasing their properties. Therefore, the second phase of the sale, which includes the sale of the remaining 11 multiple-unit properties, will proceed after options for addressing these tenancy issues have been developed and discussed with both the tenants and the local councillors.

Phase 2 Sale

- 1 Hubbard Boulevard and, 3 Hubbard Boulevard
Detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units
- 5 Hubbard Boulevard and, 7 Hubbard Boulevard
Detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units
- 9 Hubbard Boulevard and, 11 Hubbard Boulevard
Detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units
- 2 Wineva Avenue and, 4 Wineva Avenue
Detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units
- 6 Wineva Avenue and, 8 Wineva Avenue
Detached 2-storey fourplex house. Each semi-detached duplex with 2-2 bedroom units
- 15 Hubbard Boulevard
Detached 3-storey walkup apartment with 17 bachelor units

Update and Next Steps:

We expect that some adjustments will be required to the sale process. The Toronto Housing Company staff has been meeting with all tenants to discuss their interest toward purchase, relocation or other tenancy arrangements. Based on these discussions, it is proposed to go ahead with the sale of the 4 single-unit properties and defer the sale of the remaining multi-unit

properties. The intention is to discuss with the local Councillors and, the affected tenants of the multi-unit properties, an approach to sales, relocations and other tenancy arrangements that will be acceptable for the majority of the tenants in them. Staff will prepare a disposal strategy to ensure the Toronto Housing Company's interests are protected and present these recommendations at the next Administration Committee meeting of October 5, 1999.

Completing the real estate transaction and the disposal process requires several steps by the Toronto Housing Company and the City. A revised schedule describing the Phase 1 Sale (four properties) is described below.

Property Houses Transfer and Disposal of Sale Properties	Task Start or Completion
Toronto Housing Company	
- Board passed a motion accepting conveyance of the portfolio and approve Report to be forwarded to the Administration Committee and City Council with the recommendation that Council grant approval of the changes to the transaction as outlined in June 24, 1999 Report	June 21, 1999
- Meet with tenants and Councilors to discuss purchase or relocation and sale process, price and schedule	July-Sept, 1999
- Amended Report to Administration Committee recommending approval of Phase 1 Sale including 4 single-unit properties	Sept. 7, 1999
- Phase 2 Sale Report to Administration Committee recommending approval of Phase 2 Sale including 11 multi-unit properties	Oct. 5, 1999
- Start Phase 1 Sale notices: Tenants Letter of Interest to Purchase or Waiver to Purchase (15 days),	Oct. 7, 1999
- Start Phase 1 Sale Process to tenants offer of alternative rental housing (90 days); start relocation of interested tenants to alternative rental housing in the THC portfolio (90 days),	Nov 1, 1999
- Start to solicit Phase 1 Offers to Purchase from in-situ tenants, negotiate, receive Offers (30 days),	Nov 1, 1999
- List any Phase 1 properties with no Offer to Purchase by tenants	Dec 1, 1999
- Start Phase 1 Sale marketing, receiving Offers from the public (90 days)	Jan, 2000
- Complete Sale of Phase 1 Properties: maximum closings (120 days)	April, 2000
- Phase 2 Sale would follow a similar process and scheduling after approval	

City of Toronto	
- Administration Committee deferred approval of THC's Report (June 21, 1999)	July 13, 1999
- Administration Committee recommends approval of THC June 21, 1999 as amended	Sept 7, 1999
- Council approves THC (June 21, 1999) as amended by THC Report September 7, 1999,	Sept 28-30, 1999
- Advertisement by Facilities and Real Estate Services of the City surplus land declaration respecting the entire Property Houses Portfolio (1 week)	October 1, 1999
- Start Conveyance of title to the Toronto Housing Company in the following stages. (1) The City will convey to the Company the properties released from the leases and to be retained by THC (in appropriate steps as determined by the City Solicitor). (2) The Company will offer 4 single-unit properties for sale (Phase 1 sale) on the City's behalf and will continue to operate each of under the leasehold arrangements pending the sale and conveyance of the 11 remaining multi-unit properties (Phase 2 Sale). Completion time will be determined by timing of Phase 2 Sales.	October 15, 1999
- Receive transfer of net Phase 1 sale proceeds from City (based on estimated closings).	April, 2000

Conclusion:

The approval of the sale of 4 units will permit the Toronto Housing Company to start moving towards operating the portfolio as envisioned in the Plan. The 45 properties to be retained in the portfolio are carrying a significant debt and require a multiyear capital work plan for which there are currently no reserves. Meeting the need to operate affordable rental housing without government financial assistance is a significant challenge. The approval to proceed with the sale of 4 properties and defer the sale of the remaining 11 properties is a compromise that will allow us to introduce, as soon as possible, a minimal portion of the revenues required in the approved Business Plan.

The Administration Committee also submits the following report (September 24, 1999) from the City Solicitor, entitled "Property Houses - Resale Restrictions":

Purpose:

To report on the appropriate means to ensure evidence that the person(s) claiming the right as tenants to purchase the Property Houses are, in fact, tenants, and further to report on methods of imposing restrictions on “flipping” properties for a five year period from the date of transfer by the City.

Funding Sources, Financial Implications and Impact Statement:

The imposition of resale restrictions for a five year period on properties to be sold at market value would likely depress the net sale proceeds which the City would otherwise receive and transfer to Toronto Housing Company Inc. (“THCI”). THCI would, therefore, likely receive fewer funds than contemplated by the business plan contained in the report (March 11, 1999) of the Chief Executive Officer, THCI, contained in Clause No. 3 of Report No. 4 of The Corporate Services Committee, adopted by City Council, without amendment, at its meeting of April 13, 14 and 15, 1999. The City would also have to pay registration fees for each Repurchase Agreement, as well as on the annual renewal of each. In addition, funds would have ultimately to be made quickly available from non-budgeted sources to enable the repurchase of properties in a timely manner in those situations in which repurchase rights are exercised.

Recommendations:

It is recommended that:

- (1) the tenancies of the Property Houses, for the purpose of giving to tenants the first right to negotiate purchases, be determined in accordance with the procedures described in this report;
- (2) resale restrictions not be imposed on the sales of any of the Property Houses to tenants; and
- (3) the appropriate City and THCI officials be authorized and directed to take the necessary actions to give effect to the foregoing.

Council Reference/Background/History:

At its meeting of July 13, 1999, the Administration Committee had before it a letter dated July 9, 1999 from the Chief Executive Officer (“CEO”) of THCI setting out the resolutions adopted by the THCI’s Board of Directors at its meeting of June 24, 1999 with respect to the Property Houses and enclosing a copy of the CEO’s report (June 21, 1999) to the Board entitled “Property Houses Transfer” which was the basis for the said resolutions. The Administration Committee deferred consideration of the matter to its meeting of November 2, 1999 and, further, requested the City Solicitor to submit a report to its meeting of October 5, 1999 “on the appropriate means to ensure evidence of past residential tenancy up to the current time, and to impose restrictions on flipping the properties by way of Option or First-Refusal Agreement or otherwise, to be in effect for a five year period from the date of transfer”.

Comments and/or Discussion and/or Justification:

(A) Proof of Tenancy:

The Administration Committee's request for a report relates to the fifteen properties which are intended to be offered first for sale to their respective tenants. It is therefore necessary to determine that the persons who purport to take advantage of the privilege of that first entitlement to purchase are, in fact, the bona fide tenants of the premise in question.

The situations in which it is easiest to determine the identity of the tenants are those in which the occupants of a unit are named tenants under a written lease. In such cases, the existence of the lease will constitute evidence of the tenancy. In order to substantiate such evidence, it is recommended that tenants under written leases who wish to enter into purchase negotiations with the City should first be required to sign a Statutory Declaration which contains a statement as to (i) the date when the tenancy commenced; (ii) the names of all of the tenants of the unit; and (iii) the tenants living in the unit as their principal residence on a full time basis.

There may be other situations in which formal leases cannot be found but other written materials exists in the THCI's file which provide evidence of the occupants' tenancy, such as an Offer to Lease or an Application to Lease signed by the current occupants. It is recommended that statutory declarations substantiating the evidence of tenancy should be obtained in these cases as well.

On the other hand, there may be unusual situations in which there is no documentary evidence in the THCI's files showing the current occupants to be the tenants of a unit, yet the THCI has accepted rent payments from the current occupants over a period of time. This could happen, for example, in a situation in which a tenant takes in one or more people to share the unit without THCI's consent and subsequently moves out, leaving the other occupants in possession. In such cases, if THCI knew or had ample opportunity to determine that it had never approved of the remaining occupants as tenants, but nevertheless accepted regular rent payments and otherwise treated them as tenants, these occupants are, in effect, tenants due to THCI's acquiescence. Because the facts are not definitive in such cases, it is particularly important that the occupants, if they wish to negotiate a purchase from the City, provide Statutory Declarations substantiating the evidence of tenancies that have been acquiesced to.

There will be situations which will not fall clearly into any of the categories described above. For example, a tenant may have originally signed the Lease when single, but is now occupying the unit with a spouse. It is recommended in such a case that, upon providing the City with adequate proof of spousal status in accordance with applicable law, such person, with the original tenant's consent, be recognized as a tenant and given the same rights to purchase as any other married tenant(s). The potential variations in factual situations is great and each such case will have to be dealt with according to its facts. As in the above cases, we recommend that appropriate substantiating Statutory Declarations be obtained.

(B) “Anti-Flipping” Measures:

Generally, where a property is bought at full market value, the purchaser expects to acquire all attendant rights of property ownership along with that purchase (often legally referred to as the entire “bundle of sticks”), one of which is the entitlement to enjoy any increase in the value of the property over time due to market forces. Conversely, what a purchaser also buys is the risk of a decrease in that value, again due to market forces.

Accordingly, if the properties are to be sold at fair market value, it would be inconsistent with normal sales and conveyancing practices to impose on title to such lands an entitlement for the City to re-purchase the properties at the initial sale price, which may be far less than that which the open market might disclose at the time of the re-sale.

The corollary, of course, is that should Council determine to proceed with such a restriction, since the purchaser would not then be acquiring the entire “bundle of sticks” referred to above, such decision would likely have a downward influence on the initial selling price, (i.e., as the purchaser would be precluded, during the term, from realizing any potential capital appreciation). That is, the purchaser would not pay “full price” as the “stick” representing the normal entitlement to sell the property at increased market value would not form part of the bundle of entitlements being purchased.

The City’s right to repurchase would be triggered by the occurrence of an event indicating the owner’s intention to sell the property, usually in response to receiving a favourable Offer to Purchase. However, such a repurchase arrangement is fraught with practical difficulties and costs. The very existence of the arrangement may, in fact, deter the making of offers and thus operate unfairly to owners attempting to sell their property. The arrangement is also difficult to enforce, as it is only triggered by an event in which the City has no involvement. If the City determines to proceed with this type of arrangement, it will incur the cost (in addition to the cost of staff time) of the individual registration of the Option or Right of First Refusal Agreements and of the required registration of an annual renewal of each such Agreement during the term. In the event that City ultimately determines not to re-acquire the property (in situations, for example, where the market value has fallen below the City’s initial selling price), those amounts are not recoverable, and simply become money “thrown away”.

The imposition of this type of restriction may also well inhibit or deter mortgage lenders from becoming involved with the acquisitions by the tenants. The reluctance of mortgage lenders to become involved would likely be compounded by the fact that certain of these transactions will, in any event, be more complex than is usual insofar as they will involve joint forms of ownership by two or more persons. Any lenders who do wish to become involved in spite of such a repurchase arrangement with the City will undoubtedly wish to negotiate different terms, most notably a higher interest rate.

If City Council decides, notwithstanding the recommendations contained herein, to impose resale restrictions on the sale of Property Houses to tenants who exercise a first entitlement to purchase, it should do so by requiring such tenants to enter into agreements, in a form and content satisfactory to the City Solicitor, which give the City the right to repurchase the property in the event that the owner has indicated its intention to sell. As part of any such decision, City Council should also decide that the repurchase price should be the original sale price.

Conclusions:

There will likely be cases in which proof of tenancy will not be ascertainable from the existence of a formal Lease. These tenancies will have to be established upon a review by the THCI of the relevant facts, and the basis of all decisions in this regard will be contained in the reports recommending the individual sales.

To date, there has been no Council directive to sell the properties in question at any value less than fair market value. Accordingly, for sales which are transacted at market value, the imposition of resale controls is inappropriate because the purchaser expects to be purchasing the right to freely dispose of the property. Such controls would reduce the return that could be obtained from the proposed sales and would most likely reduce the ability of purchasers to obtain financing. However, if the City decides to impose such restrictions, it should do so through a right to repurchase.

Contact Name:

Stanley Emerson
Telephone: 392-8736
Fax: 397-5624

The Administration Committee also submits the following communication (October 27, 1999) from Councillor Joe Pantalone, Trinity Niagara:

Recommendation:

It is recommended that 185 Crawford Street be added to the revised Sale Properties list along with the four vacant single family dwellings on Crawford Street and Havelock Avenue.

Without commenting on the substance of the Toronto Housing Company's report, I would like to add 185 Crawford Street to the list of properties being sold. The tenants at this location have consistently indicated that they have a strong interest in buying.

I have discussed the above with the Chief Executive Officer of the Toronto Housing Company and he is supportive of this recommendation.

Thank you for your attention to this matter.

The Administration Committee also submits the following communication (November 1, 1999) from Councillor Sandra Bussin, East Toronto:

That the Proposed Sale Process outlined in the October 14, 1999 report recommended by the Board of Directors of the Toronto Housing Company to the Administration Committee be amended so that all the units of the fourplexes along Hubbard Boulevard and Wineva Avenue not be sold during the tenancy of the original tenants, should they choose not to purchase their units, regardless of length of time of tenancy, removing the minimum 10 year residency requirement.

The Administration Committee submits the following communication (August 26, 1999) from Councillor Sandra Bussin, East Toronto:

As you will recall, during our July committee meeting, it was agreed that my request to defer the agenda item dealing with the transfer of the "City Property Houses" to the Toronto Housing Company because of my concern that the interests of the long term tenants of the Wineva and Hubbard property houses in my ward, had not been satisfactorily addressed in the housing company's proposal to sell these properties.

Since then, I have met with the tenants and housing company officials on several occasions. The result of these meetings and discussions has led me to conclude that we will require more time to work out a framework to address tenant concerns. Toronto Housing Company officials have only recently met with tenants to ascertain their interest in buying their own units. In my meetings with tenants, the majority have clearly indicated that purchasing their unit is not an option they can pursue financially. Therefore, I do not regard the Toronto Housing Company's first right to refusal sales offer to tenants to be realistic or fair.

Therefore, I am requesting that this item be deferred again. We require more time to work out an honest and equitable approach to the tenants' concerns. In many cases, the tenants of the Wineva and Hubbard properties are long term residents and seniors who have been faithfully paying their rent to the city for many years. I believe this committee and the City must ensure that these tenants are given every consideration in their request to maintain their residency in the community.

The Administration Committee also submits the following communication (August 18, 1999) from Councillor Tom Jakobek, East Toronto.

As you know on September 7, 1999, your Administration Committee was to consider the disposition of the "property houses" in the old City of Toronto.

On August 17, 1999, I met with representatives of the housing department and the tenants. While the meeting was informative it also raised a number of concerns and errors which need to be investigated.

I believe progress is being made and I hereby request that the Item be deferred one more time so that it can be properly put before you.

Please confirm the deferral and ensure that the tenants can address the Committee “if necessary” in order to try and resolve some of the matters before it goes back to your Committee. Unfortunately, summer vacation and staff changes at the Housing Company have made it very difficult for all of the parties to meet.

The Administration Committee reports, for the information of Council, having also had before it:

- (i) a communication (September 7, 1999) from Mr. Howard Tessler, Executive Director, Federation of Metro Tenants Associations, writing on behalf of the Board of Directors of the Federation of Metro Tenants’ Association, and urging the Administration Committee and Council to prevent the loss of 17 units of affordable housing that currently exists on Hubbard Boulevard in Ward 26 of the City of Toronto; and
- (ii) the following motion tabled by the Administration Committee at its meeting on October 5, 1999:

Moved by Councillor Sandra Bussin:

“It is recommended that Property House tenants residing at Nos. 1, 3, 5, 7, 9, 13, and 15 Hubbard Boulevard, and 2, 4, 6 and 8 Wineva Avenue, who have exercised a first right of entitlement to purchase be required to enter into agreements to be registered on title as a first charge, in a form and content satisfactory to the City Solicitor, which give the City the right to repurchase the property, at the City’s original sale price, in the event that the tenant intends to sell the property during a five-year period following the date of transfer.”

The following persons appeared before the Administration Committee in connection with the foregoing matter:

- Ms. Margo Davidson;
- Ms. Lisa Walter;
- Ms. Lisa Wyndels;
- Ms. Sharon Sayliss;
- Councillor Tom Jakobek, East Toronto; and
- Councillor Pam McConnell, Don River.

(City Council on November 23, 24 and 25, 1999, had before it, during consideration of the foregoing Clause, the following report (November 16, 1999) from the Chief Executive Officer, Toronto Housing Company:

At its meeting of November 15, 1999, the Board of Directors of the Toronto Housing Company Inc., had before it, a report (November 15, 1999) from the Chief Executive Officer, respecting the Property Houses Transfer.

The Board of Directors recommended that City Council adopt the attached report (November 15, 1999) from the Chief Executive Officer, respecting Property Houses Transfer.

(Report dated November 15, 1999, addressed to the Board of Directors, Toronto Housing Company Inc. from the Chief Executive Officer, Toronto Housing Company Inc.)

Recommendations:

It is recommended that the Board of Directors approve the following recommendations:

- (1) that this Report be forwarded directly to City Council at its meeting scheduled for November 23, 1999 with the recommendation that Council approve the changes to the transaction as set out in Clause No.1 of Report No.7 of the Administration Committee (November 2, 1999) as amended by this Report; and that Council declare the Property Houses surplus in accordance with such terms, as amended, and that the appropriate city officials be authorized and directed to take whatever actions are necessary to give effect to By-law No. 551-98 with respect thereto,*
- (2) that the sale of the surplus Property Houses properties proceed as outlined in Schedule 1. Revised as attached to this Report,*
- (3) that the Property Houses property located at 185 Crawford Street be added to the list of Sale Properties in response to the request made of the Administration Committee by Councillor Pantalone on October 27, 1999,*
- (4) that the Toronto Housing Company accept a conveyance of the Property Houses upon the terms set out in Clause No.1 of Report No.7 of The Administration Committee, as amended, except for such of those properties as are to be offered for sale as determined by Council,*
- (5) that, with respect to the Property Houses property located at 13 Hubbard Boulevard:*
 - (a) the tenant be offered the right to purchase the vacant property located at 125 Roxborough Street West instead of the 13 Hubbard Boulevard property;*
 - (b) the proposed “anti-flipping” clause not apply to the sale of the property; and*
 - (c) it be offered for sale on the M.L.S. when vacant; and*

- (6) *that the appropriate City and Toronto Housing Company officials be authorized and directed to take the necessary actions to give effect to the foregoing.*

Background:

THC Report (THC:99091) on the Disposal of the Property Houses approved with amendment. by the Administration Committee.

On October 18, 1999 the Board of the Toronto Housing Company (“THC”) approved a Report (THC:99091) which outlined a number of modifications to the original Council authority for the disposal of the Property Houses which was received in April 1999. This Report was forwarded to the Administration Committee for its review and approval. At its meeting, held on November 2, 1999, the Administration Committee approved the Report from THC subject to several amendments.

The Committee also requested that Housing Company staff prepare a revised Schedule 1 incorporating the Committee's recommendations to the Property Houses transaction in consultation with the City Solicitor. A copy of the recommendations of the Administration Committee to City Council is attached to this report for the information of the Board, together with a revised Schedule 1 incorporating the Committee's recommendations.

Amendments by the Administration Committee:

The amendments made by the Administration Committee to the sale procedure recommended by the Toronto Housing Company were proposed by the local Councillors from the Beaches area in response to tenants' concerns and are, as they are worded, only applicable to the properties on Wineva Avenue and Hubbard Boulevard. These changes are summarized below, the effect of the change on the original procedure approved by THC follows in italics:

- (1) *It is proposed that the properties located at 2,4,6 and 8 Wineva Ave and at 1,3,5,7,9 and 11 Hubbard Boulevard be sold only when vacant and that the first entitlement to purchase be extended to only those tenants currently in place today. The earlier process provided that a building could be sold if there was only one tenant remaining, if that was a tenant of less than 10 years, as long as they were offered alternate housing elsewhere in the portfolio.*
- (2) *The Committee has inserted a condition that will require non-purchasing tenants to relocate within the Wineva/Hubbard envelope in order to facilitate sales on these properties, unless the tenant is elderly or unable medically to do so. Any moving expenses are to be paid by THC. Previously, relocation options extended to tenants having less than 10 years tenancy were within the portfolio. Restricting relocation to within the Wineva/Hubbard will have the effect of considerably slowing down the sales in the Beach area. Exempting elderly tenants from relocation is effectively the same as exempting 10-year plus tenants from relocation as originally proposed by THC.*

- (3) *The Committee has inserted an anti-flipping condition to be applied to the sale of 13 Hubbard Boulevard should it be purchased by the current tenant. This is a new condition that is applicable only to 13 Hubbard Blvd., Should the tenant purchase the building and want to sell within five years, then the tenant would be obliged to sell it back to the City at the original purchase price.*
- (4) *The Committee has requested that appropriate staff assist the tenants at 15 Hubbard in their attempt to form a housing co-operative*
- (5) *In the event that 15 Hubbard is sold as a Housing Co-operative and that co-op fails, the Committee has requested that a clause be inserted in the Purchase Agreement that would require title to the property to revert to the City.*

Additional Information Requested by the Administration Committee:

The Administration Committee has requested that the Chief Executive Officer of the THC submit directly to City Council, for its meeting scheduled to be held on November 23, 1999, a supplementary report containing information on:

- (a) *Which houses can be sold immediately*

Only the properties that are current vacant can be sold immediately. In order to implement the Business Plan for the Property Houses, the following properties will be offered for sale through MLS immediately after Council approve the amended plan:

- *125 Roxborough Street West*
- *114 Havelock Street*
- *187 Crawford Street*
- *195 Crawford Street*
- *225 Crawford Street*
- *8 Wineva Avenue*

The sale of 8 Wineva Avenue will proceed more slowly than the sale of the vacant single family buildings, as the property must be severed from 6 Wineva Avenue. This is currently the only vacancy among the Wineva/Hubbard properties. There may be some sales of properties to tenants during 2000. However it is anticipated that these sales will proceed more slowly particularly in the Wineva/Hubbard area. Revenue from the sale of the vacant properties is estimated to be \$2,000,000. Assuming Council approval by the end of 1999, it should be possible to sell all of these properties by mid 2000. Although some further sales of tenanted buildings in 2000 is likely, it is difficult to predict the timing of these transactions. It is probable that the overall phasing of the sales of the Beaches properties may take 10 years or longer.

- (b) *Phasing Plan Addressing Tenant Concerns*

The amendments to the sales process recommended by the Administration Committee will enable elderly tenants along Wineva and Hubbard to remain in their apartments indefinitely. Although it is possible to relocate younger tenants, relocation must be within Wineva/Hubbard envelope.

These amendments provide additional protection to the tenants along Wineva and Hubbard that do not wish to exercise their option to purchase. Tenants that do wish to purchase their units may not be able to do so if the tenant sharing the duplex does not wish to purchase their unit, and does not wish to relocate to another unit. The impact of phasing of sales of properties will be a phasing of the overall Plan implementation (capital repairs and development of a rent-geared-to-income fund

(c) The Cost of Capital Repairs

The major effect of these changes is that the full implementation of the Property Houses Business Plan will likely be delayed for five to ten years. The plan, as approved by Council in April 1999, was designed to respond to Council's question of how many and what type of houses would have to be retained to rent to as many low-income households as possible. The plan proposes that about 75% of the properties in the Property Houses portfolio be retained for affordable housing and that the balance of the portfolio be sold. The revenue generated by the sale is to be used to pay off the portfolio debt, to seed a capital reserve and to create an internally funded Rent-Geared- to-Income subsidy reserve. The plan is contingent upon a minimum of \$3,900,000 (net) from estimated sale proceeds.

The initial sales revenue will enable the portfolio mortgage debt to be retired. However, the revenue generated from the first phase of sales will not be sufficient to fully fund capital or subsidy reserves. Capital repairs in the Property Houses portfolio will be delayed. No new rent-geared-to-income subsidies will be offered to tenants until there are sufficient funds to do so.

Reasons for Recommendations:

Recommendation 1

Recommendation 1 refers this report to Council for approval. As the report proposes changes to THC report No. 99091 (Property Houses Transfer) and modifications to the recommendations made in Report 7 Clause No. 1 of the Administration Committee, the matter requires approval of the Board of Directors.

Recommendation 2

The Toronto Housing Company will manage the disposition process as recommended by its Board, Council and Administration Committee (Report No. 7 Clause No. 1 as amended). The Administration Committee has recommended several changes to the sales process approved by the Board of Directors on October 18, 1999. These changes are discussed elsewhere in this Report and the full sales process is outlined in detail in the attached Revised Schedule 1 (November 8, 1999) which incorporates the recommendations made by the Administration Committee in Report 7 Clause No 1. A few more changes to Revised Schedule 1 will be required if Council approval is given to Recommendations 3 and 5 of this Report.

The first phase of the sales will proceed with the sale of the 8 single-unit properties (including 5 vacant houses). It is also proposed that the five 4-unit buildings along Hubbard Boulevard and Wineva Avenue be duplexed in order to provide greater flexibility in responding to tenants; this would be done at the time of sale. Duplexes would be sold as they become vacant and elderly tenants would be allowed to remain in their units until they chose to leave. It is proposed that 15 Hubbard Avenue be retained as part of the THC portfolio unless the building is sold to the tenants as a non-profit housing co-operative. A further report to the Board on the possible co-oping of 15 Hubbard is anticipated in early 2000.

Recommendation 3

The Councillor for Ward 23 requested of the Committee that the property located at 185 Crawford St be added to the list of Sales Properties. This was not dealt with by the Administration Committee on November 2, 1999, it is recommended that 185 Crawford St be added to the sales list and that the number of properties to be sold be increased to 19 properties as listed elsewhere in this report. Additional sales revenues will allow for greater implementation of the Property Houses Plan by the THC.

Recommendation 4

The original Council authority approving the disposition of the Property Houses was conditional upon the Toronto Housing Company agreeing to accept a conveyance of the portfolio. At its last meeting on October 18, 1999 the Board of Directors approved acceptance of a conveyance of the Property Houses portfolio all but 18 properties to be sold. The current recommendation is a re-wording of the earlier one to reflect the possible addition of 185 Crawford Street.

Recommendation 5

At Administration Committee, a request was made to insert an "anti-flip" clause in the purchase agreement if it is sold to the tenant in order to eliminate the possibility of a "windfall profit" being made should the property be resold within five years. Imposing such a condition is problematic, it is difficult to monitor, would likely reduce the selling price of the property below market value and would require the establishment of a repurchase reserve. Both Toronto Housing Company staff and City Legal staff did not support the "anti-flip" clause for the reasons stated above.

It is proposed that, the tenant's right to purchase 13 Hubbard be transferred to the vacant property at 125 Roxborough Street West. The tenant has written the Housing Company requesting the opportunity to purchase 125 Roxborough rather than 13 Hubbard. The proposed switch is a mutually agreeable solution, eliminating concerns that centred on the future disposition of 13 Hubbard and alleviating concerns expressed to the THC regarding real estate "flipping". This solution would also eliminate the need for the THC or the City to establish a re-purchase reserve for this property.

Conclusion:

The approval of the revised sale process will permit the Toronto Housing Company to start moving towards operating the portfolio as envisioned in the Business Plan. However, the phasing of sales of the Beaches properties will result in only a partial implementation. The plan

requires a minimum \$3,900,000 in net sales revenue. It is anticipated that the sale of the vacant single properties can be completed by the middle of 2000 and that the net revenue generated by these sales should enable THC to retire the Property Houses portfolio debt. However additional revenue from future phases of sales will be required to establish reserves for capital repairs and internal subsidies.

Revised List of Sales Properties (November 15, 1999)

2 Wineva Avenue 4 Wineva Avenue		Detached 2 Storey, fourplex, Each semi-detached duplex has 2/2 bdr units
6 Wineva Avenue 8 Wineva Avenue	Vacant	Detached 2 Storey fourplex, Each semi-detached duplex has 2/2bdr units
1 Hubbard Blvd 3 Hubbard Blvd		Detached 2 Storey fourplex, Each semi-detached duplex has 2/2 bdr units
5 Hubbard Blvd 7 Hubbard Blvd		Detached 2 Storey fourplex Each semi-detached duplex has 2/2 bdr units
9 Hubbard Blvd 11 Hubbard Blvd		Detached 2 Storey fourplex, Each semi-detached duplex has 2/2 bdr units
13 Hubbard Blvd		Detached, 2 Storey, 4 bdr house
125 Roxborough St. West	Vacant	Detached, 2 Storey, 4 bdr house
114 Havelock St	Vacant	Detached 2 -1/2 Storey 5 bdr house
187 Crawford St	Vacant	Semi-Detached 2 -1/2 Storey 6 bdr house
195 Crawford St.	Vacant	Semi-Detached 2 Storey 3 bdr house
213 Crawford St		Semi-detached, 2 Storey. 3 bdr house
217 Crawford St		Detached 2 -1/2 Storey, 4 bdr house
225 Crawford St.	Vacant	Semi-Detached 2-1/2 Storey 5 bdr house
185 Crawford. St (addition requested by Councillor Pantalone)		Semi-Detached 2-1/2 Storey duplex - 1/3bdr/1/1bdr

Revised

Schedule 1

*Proposed Sale Process
Property Houses Portfolio*

General:

- C All in-situ tenants in units within the buildings to be sold and who are listed in the attached list will be offered the opportunity to purchase their building as a whole in common with the other tenants of the building.
- C Toronto Housing Company (“THC”) will issue tenants a letter of Interest and Waiver of Purchase once Council approval of the amended Property Houses transaction is given.

- C *Tenants in units within the properties to be sold will have 14 days to confirm or waive their interest in purchasing.*
- C *Tenant(s) will be given 60 days to submit an Offer to Purchase together with a 5% deposit.*
- C *Offers of purchase will be submitted to the City of Toronto, c/o Mr. Derek Ballantyne, Chief Executive Officer, Toronto Housing Company. Offers will be approved as per City procedures.*
- C *The sale price of the Sale Properties to be sold to tenants exercising a right to purchase, will be at fair market value as appraised by independent professional real estate appraisers as at the date of THC sending Offers to interested tenants.*
- C *Title to properties to be sold will be transferred directly from the City of Toronto to the purchaser(s).*
- C *Sale Properties which are vacant will be sold publicly through the MLS System.*

Single Family Houses:

- C *These are: 125 Roxborough Avenue West, 114 Havelock Street, 187, 195, 225, 213 and 217 Crawford Street, 13 Hubbard Blvd.*
- C *Houses which are occupied are to be first offered for sale to the tenant and if a successful offer is not forthcoming then the property shall be listed for sale publicly on the MLS system. The timing of such a listing will be determined by the CEO, Toronto Housing Company.*
- C *In-situ tenants, unwilling or unable to buy, will be offered alternative rental accommodation with THC in a location as close as possible to the current tenancy.*
- C *Houses which are vacant shall be listed for sale publicly on the MLS system.*
- C *If the tenant residing at No. 13 Hubbard Boulevard exercises a first right of entitlement to purchase, the tenant shall be required to enter into one or more agreements to be registered on title as a first charge, in a form and content satisfactory to the City Solicitor, which gives the City the right to re-purchase the property, at the City's original sale price, in the event that the tenant intends to sell the property during a five year period following the date of transfer.*

Fourplex Properties:

- C *These are: 2/4 and 6/8 Wineva Avenue, 1/3, 5/7 and 9/11 Hubbard Blvd.*
- C *THC will proceed with a physical separation of fourplexes into duplexes when a firm offer for the purchase of one half of a fourplex, made in accordance with the procedures in this Schedule 1, is received or when both units are vacant.*
- C *Tenants at Nos. 1, 3, 5, 7, 9 and 11 Hubbard Avenue and Nos. 2, 4, 6 and 8 Wineva Avenue who are not interested in purchasing their building shall be requested to move within the envelope of these properties in order to make possible the sale of some of these properties, except for tenants who are elderly or are medically unable to move. (All such alternative units are called "Alternative Units".) All tenants who move to an Alternative Unit at THC's request shall be compensated for their moving and other incidental costs.*
- C *Duplex buildings inhabited by one or more tenants who are not interested in purchasing shall not be sold if one or both of the tenants are elderly or medically unfit to move or if*

- an Alternative Unit is unavailable for occupancy.*
- C *When only one of the tenants is interested in purchasing the entire duplex and the non-purchasing tenant does not wish to move to an Alternative Unit and such non-purchasing tenant is neither elderly nor medically unable to move, the City will sell the duplex to the other tenant, and the non-purchasing tenant will become a tenant of the new owner of the property.*
 - C *When one of the units in a duplex becomes vacant, and the remaining tenant does not wish to purchase the building and such tenant does not wish to move to an Alternative Unit but is neither elderly nor medically unable to move, the property shall be offered for sale on the open market. This will require the remaining tenant in the occupied duplex unit to become a tenant of the new owner of the property.*
 - C *Where both units of a duplex are empty, the property shall be listed on MLS and sold on the open market.*

15 Hubbard Boulevard

- C *15 Hubbard Boulevard shall be retained within the THC portfolio and the appropriate staff shall continue assisting the tenants at 15 Hubbard Boulevard in their attempt to formulate a co-operative.*

- C *The Administration Committee's recommendation was as follows:*

C

"(III) that the City Solicitor be instructed to ensure that if the property at 15 Hubbard Blvd. Is converted into a co-op that the City is able to recapture the property if the co-op fails."

However the recommendation is premature at this time given that the legal and financial structure related to a possible sale to a co-operative has not been established. Accordingly, the concerns raised by this recommendation should be dealt with at such time as a sale to a co-operative is recommended to City Council.

List of Tenants:

*213 Crawford St
 217 Crawford St
 1 Hubbard 101
 1 Hubbard 102
 3 Hubbard 301
 3 Hubbard 302
 5 Hubbard 501
 5 Hubbard 502
 7 Hubbard 701
 7 Hubbard 702
 9 Hubbard 901
 9 Hubbard 902
 11 Hubbard 1101*

11 Hubbard 1102
13 Hubbard
2 Wineva Ave 21
2 Wineva Ave 22
4 Wineva Ave 41
4 Wineva Ave 41
6 Wineva Ave 61
6 Wineva Ave 62

[Please note that the list of tenants noted in Schedule 1 contains personal information and is subject to the provisions of the Municipal Freedom of Information and Protection of Privacy Act.]