



TORONTO STAFF REPORT

April 10, 2000

To: Administration Committee

From: Commissioner of Community and Neighbourhood Services and
Commissioner of Corporate Services

Subject: Declaration as Surplus
1978 Lake Shore Boulevard West & Adjoining Lands
Ward 19 - (High Park)

Purpose:

To secure authority to declare 1978 Lake Shore Boulevard West and adjoining lands surplus to municipal requirements; and to undertake negotiations of a long-term lease, capital grant and second mortgage for the development of affordable housing.

Financial Implications and Impact Statement:

Development of the site for affordable housing will require the foregoing of the immediate revenue from the sale of the land. Current appraised value is \$310,000.00. No support is required from the capital budget. The proponent has requested that City fees and charges for development and building permits and approvals be waived. This request will be subject to the approach that Council will be considering at a later date. Ongoing emergency shelter costs could be significantly reduced.

All of the above will be reported on in detail at the time the terms and conditions of the proposed long-term lease arrangement are submitted for approval.

Recommendations:

It is recommended that:

- (1) the property known municipally as 1978 Lake Shore Boulevard West together with the adjoining parcel of land to the north, be declared surplus to the City's requirements, with the intended method of disposal to be by way of a long-term lease with the Fred Victor Centre for affordable housing;
- (2) all steps necessary to comply with By-law 551-98 be taken;

- (3) authority be granted to enter into negotiations with the Fred Victor Centre for a 49 year lease, capital grant and second mortgage generally in accordance with the terms and conditions outlined in the body of this report, and to report back on the results of such negotiations; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

As part of the Toronto Harbour Commissioners transfer of lands, title to 1978 Lake Shore Boulevard West was transferred to the former City of Toronto in 1995. The property is located at the northwest corner of Lake Shore Boulevard West and Windermere Avenue. The site is improved with a one-storey brick service station constructed by Joy Oil in 1937 and designated a historical site by By-law No. 415-89 in June of 1989. It is the only surviving Joy Oil gas station in the City. The site is now leased on a month-to-month basis and the current tenant (Olco) is responsible for remediation of the site to industrial standards. Immediately to the north of this property is a remnant parcel of vacant land acquired by the former Municipality of Metropolitan Toronto for transportation purposes.

The site was circulated to the City's Agencies, Boards, Commissions and Departments to ascertain whether or not the subject site could be declared surplus to the City's requirements. Shelter, Housing & Support staff of Community & Neighbourhoods Services identified this site as being suitable for development of affordable housing pursuant to the Council approved "Housing First Policy".

As a further implementation of the Council's affordable housing strategy, the *Let's Build* program was introduced in October 1999 with a Request for Expressions of Interest (REI) for the development of four City properties, including 1978 Lake Shore Boulevard West. The primary objectives of *Let's Build* are to:

- produce rental units for households that would otherwise be unable to secure accommodation that would be affordable to them,
- produce home-ownership units that are affordable to modest-income households who are first-time buyers that will occupy the homes, and
- demonstrate the impact on affordability of any City capital cost write-downs.

Comments:

Two submissions were received for the development of 1978 Lake Shore Boulevard West in response to the REI. Both were selected for the second stage, a Request for Proposals (RFP). Staff and the Reference Group of the Capital Revolving Fund reviewed the proposals received for Affordable Housing according to the criteria set out in the RFP. The proposal from the Fred Victor Centre was evaluated as being in the best interests of the municipality.

The Fred Victor Centre proposal would provide for the development of 42 units of efficiency housing for single people with a total floor space of 17,800 square feet. Rents would be at the shelter component of social assistance or 30% of income. Financial support from the City would all be up-front with no ongoing operating subsidies. The City would provide a 49 year lease of the site at nominal cost and, from the Capital Revolving Fund for Affordable Housing (a reserve fund), a capital grant of \$15,000 per unit and a second mortgage of \$357,894. The majority of the costs would be provided by private first mortgage financing, to be serviced by the rents.

All normal municipal and planning processes, including the obtaining of any approvals required under the *Planning Act*, will continue to apply. In addition, the historically designated Joy Oil building is to be retained and incorporated into the development.

Further negotiations are required with the proponent to determine and finalize the terms and conditions of the lease, capital grant, second mortgage, environmental issues, etc. in order to achieve the objectives of the Housing First Policy, while protecting the City's interests.

In order to proceed with the negotiations for the proposed long-term lease, the City must comply with the procedures governing disposal of property. Section 193(4) of the *Municipal Act* requires that, before selling any property (including any lease of 21 years or more), Council must declare the property to be surplus by by-law or resolution passed at a meeting open to the public, give notice to the public of the proposed sale and obtain at least one appraisal of the market value of the property, unless exempted by regulations passed under the legislation.

Details of the site are as follows:

Subject Property:	1978 Lake Shore Boulevard West & adjoining parcel	
Legal Description:	Part of Block 3, Plan D1409	
Approximate Dimensions:	Frontage on Lake Shore Blvd:	100' (30.5 m)
	Flankage on Windermere Ave:	130' (40 m)
Approximate Site Area:	13,000 sq. ft. (1,208 m ²)	
Zoning:	CR T2.0 C2.0 R1.0	
Official Plan:	Open Space	
Improvements:	One-Storey brick automotive service station	

The Property Management Committee has reviewed this matter and concurs with the recommendations of this report.

Conclusions:

To comply with the *Municipal Act* and in order to proceed with the negotiations for the proposed long term lease, capital grant and mortgage arrangements with the Fred Victor Centre for the development of affordable housing, City Council should declare 1978 Lake Shore Boulevard West and adjoining parcel surplus to the City's requirements.

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List of Attachments:

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