



Leslie Nymark Service Manager Consent

Date: October 5, 2017

To: Community Development and Recreation Committee

From: General Manager, Shelter, Support and Housing Administration

Wards: Ward 33 - Don Valley East

SUMMARY

Toronto Community Housing Corporation (TCHC) has embarked on a revitalization of its Leslie Nymark community. The project will replace 121 existing Rent-Geared-to-Income (RGI) units, 115 in the revitalized Leslie Nymark community and 6 offsite at Allenbury Gardens, and develop 498 market units.

As part of the revitalization, on August 7, 2017, TCHC submitted a request to Shelter, Support and Housing Administration (SSHA) for consent to transfer lands in connection with the redevelopment. TCHC is proposing that lands identified as Block 3 be transferred to Scala Residences Inc. ("Scala") to be developed as a 17-storey condominium building. Scala will hold the title in trust for a partnership consisting of TCHC and developer subsidiaries. TCHC will use the proceeds from the sale of market-priced units in revitalization to help cover the cost of replacement social housing units. The request has no financial implications to the City.

This report recommends that City Council as Service Manager grant consent for the transfer of selected TCHC properties to Scala Residences Inc. as part of the Council-approved Leslie Nymark Revitalization and authorize the General Manager, SSHA, as Service Manager to provide the necessary consents for future transfers associated with the Leslie Nymark Revitalization.

RECOMMENDATIONS

The General Manager, Shelter, Support and Housing Administration, recommends that:

1. City Council acting as Service Manager under the Housing Services Act, 2011 (HSA), consent pursuant to subsection 161 (2) of the HSA, to the transfer by Toronto Community Housing Corporation (TCHC) of Block 3 (the "Market Lands") in the draft Plan of Subdivision prepared by J.D.Barnes July 5, 2016 attached hereto as Attachment 2 (the "Plan of Subdivision") to Scala Residences Inc. ("Scala") subject to the following conditions:

- (i) registration of the Plan of Subdivision;
- (ii) TCHC shall reimburse the Service Manager for all provincial housing costs attributable to the Market Lands that the Service Manager shall be responsible for pursuant to the Housing Services Act, 2011;
- (iii) TCHC shall have advised the General Manager, Shelter, Support and Housing Administration of the proposed closing date and undertakes to advise the General Manager, Shelter, Support and Housing Administration of any extension of the closing date or dates for such sale;
- (iv) TCHC shall provide the General Manager, Shelter, Support and Housing Administration with details of the transfer to Scala and of the Partnership within ten (10) days of closing, including copies of all registered transfers, declarations of trust, trust agreements and the relevant parcel registers, so that the General Manager, Shelter, Support and Housing Administration may apply to the Province to advise Canada Mortgage and Housing Corporation of the sale and removal of the Market Lands from the social housing portfolio;
- (v) TCHC shall use the net financial proceeds to fund a portion of the cost of construction for the replacement social housing in Leslie Nymark; and
- (vii) such other conditions that the General Manger, Shelter, Support and Housing Administration considers reasonable and necessary to carry the recommendations adopted by Council;

2. City Council authorize the General Manager, Shelter, Support and Housing Administration, to:

- (i) advise the Minister of Housing pursuant to section 163 of the HSA of the consent provided on behalf of Council as Service Manager to the transfer of the Market Lands to Scala and to request that these lands be removed from the social housing portfolio;
- (ii) provide as required Service Manager consent pursuant to subsection 161 (2) of the HSA on terms and conditions satisfactory to the General Manager, Shelter, Support and Housing Administration, and in a form satisfactory to the City Solicitor, to any construction financing proposed by or on behalf of Scala; and
- (iii) Provide as required Service Manager consent pursuant to subsection 161(2) of the HSA on terms and conditions satisfactory to the General Manager, Shelter, Support and Housing Administration, and in a form satisfactory to the City Solicitor, to future transfers of the Market Lands by or on behalf of Scala; and

3. City Council authorize the General Manager, Shelter, Support and Housing Administration, to provide, on behalf of the City, acting as Service Manager under the HSA, consents pursuant to subsection 161 (2) of the HSA to transfers by Toronto Community Housing Corporation in the future as part of the redevelopment of Leslie

Nymark, consistent with the prior redevelopment decisions by City Council, on terms and conditions satisfactory to the General Manager, Shelter, Support and Housing Administration, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The recommendations included in this report have no financial implications for the City. The costs of the Leslie Nymark Revitalization will be fully funded by TCHC.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

EQUITY IMPACT STATEMENT

The recommendations in this report, if adopted by Council, support the revitalization of social housing communities in the City of Toronto. The revitalization initiatives serve equity-seeking groups who live in social housing, such as women, seniors, people with disabilities, individuals with mental health issues, the working poor and other vulnerable groups.

DECISION HISTORY

At its meeting held on March 31 and April 1, 2016, City Council, acting as the sole shareholder of TCHC, approved the revitalization of TCHC's Leslie Nymark community as required by Section 7.3.1 (c) of the City's Shareholder Direction to TCHC. At the same meeting, City Council, in its capacity as Service Manager, authorized the General Manager, SSHA, to provide the Service Manager consent required under the HSA for the redevelopment of TCHC's Leslie Nymark community and also authorized the General Manager, SSHA to grant any necessary Service Manager consents pursuant to the HSA for all mortgages to be granted by TCHC for the purposes of financing the revitalization.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CD10.1>

COMMENTS

Leslie Nymark Consent Request

In March 2016, City Council, acting as the sole shareholder of TCHC, approved the revitalization of the Leslie Nymark community. At the same time, City Council approved the Official Plan Amendment and Zoning By-law Amendment applications for the redevelopment of Leslie Nymark, an isolated social housing community facing significant capital repair and renovation backlogs.

The revitalization is comprised of one phase consisting of 121 rental replacement units - 115 in the revitalized Leslie Nymark community and 6 offsite in the Allenbury Gardens community - and 498 market units. As part of the revitalization, TCHC is replacing all demolished social housing units and tenants are receiving assistance with relocation.

TCHC has submitted a request to the General Manager, SSHA, for consent to transfer lands in connection with the redevelopment of Leslie Nymark. TCHC is proposing that title to the lands identified as Block 3 (the "Market Lands") on a draft Plan of Subdivision be transferred to Scala Residences Inc. ("Scala"), to be developed as a 17-storey condominium building consisting of 498 dwelling units. TCHC is requesting that Service Manager consent be granted for this transfer prior to November 15, 2017 in order to meet construction timelines.

The Board of Directors of Scala consists of two nominees of TCHC and two nominees of the developer. Scala will hold title to the Market Lands in trust for the Leslie Nymark Revitalization Partnership (the "Partnership"). The Partnership is a general partnership between Leslie Nymark Development Corporation, a wholly owned subsidiary of TCHC, and Tridel Builders Inc., a subsidiary of the developer, as equal partners. Scala will be holding such title as a simple nominee of the Partnership, as partnerships are unable to hold registerable title to lands under Ontario law. Use of a nominee corporation will facilitate registration of title in an entity controlled jointly by TCHC and its developer partner, the execution of construction agreements with contractors, construction financing with lending institutions and as the condominium declarant to establish the condominium corporation to transfer title to condominium purchasers.

Once construction is complete, the market condominium development will become a condominium corporation pursuant to the *Condominium Act* upon satisfaction of the conditions of approval and registration of the Declaration on title to the Market Block. Upon formation of the condominium corporation, Scala will transfer individual units to purchasers who have purchased their units pursuant to Agreements of Purchase and Sale entered into the Scala.

TCHC will construct rental housing on Blocks 1 and 2 (the "Retained Lands"). Block 4 consists of public park lands and will be conveyed to the Toronto and Region Conservation Authority, as highlighted in Attachments 1 and 2.

Replacement Units

The 121 rental units formerly located on the Leslie Nymark lands have been demolished. They will be replaced with 115 rental units, to be located in two 3-storey townhouse blocks and one 4-storey apartment building to be constructed on the Retained Lands. The six remaining rental replacement units will be accommodated at Allenbury Gardens, a nearby TCHC community undergoing revitalization, located in the northwest quadrant of Sheppard Avenue East and 404 Don Valley Parkway.

All 121 households formerly residing at 1-69 Adra Villaway, 1-53 Grado Villaway and 1-29 Tomar Villaway have been relocated in accordance with the rights and supports provided for under the City approved Tenant Relocation and Assistance Implementation Plan (TRAIP), including the right to return.

Benefits to the City

Many benefits to TCHC and TCHC tenants will be realized as a result of this project in addition to the construction of 121 replacement units - 115 in the Leslie Nymark community and 6 offsite in the Allenbury Gardens community.

The revitalization will meet Toronto Green Standards Tier 1 and implement additional energy and water saving measures in new buildings, reducing environmental pressures on the City's infrastructure.

A new Privately Owned Public Space and improved access to the ravine will facilitate better integration with the surrounding community. Amenity spaces within the replacement rental building will provide new gathering spaces for tenants.

The revitalization also creates opportunities for scholarships, community economic development and jobs for Leslie Nymark and TCHC tenants. Tridel has committed to hiring TCHC residents for 10 percent of site staff positions, \$100,000 to establish an endowment fund, and is working with its partners, contractors and consultants to create training and job opportunities for residents.

In addition, the partnership agreed in the Section 37 Agreement to provide certain other benefits, including payment of \$1,100,000 for improvements to the East Don River Trail system, streetscape improvements along the west side of Leslie Street, an on-site public art installation, \$200,000 for eligible on-site improvements and \$900,000 to be directed for such purposes as determined by the Chief Planner.

Approving Consent for this Request

The *Housing Services Act, 2011* gives Service Managers the authority to make specific consent decisions that were formerly the purview of the Minister of Housing. These decisions include transfers of certain housing projects, under subsections 161 (2) and 162 (2) of the HSA.

The Minister of Housing has issued a Ministerial Directive imposing certain conditions on Service Manager consent, in addition to any other criteria a Service Manager may assess in considering whether to grant consent under subsection 161 (2) or 162 (2) of the HSA for the transfer of a housing project or land where it is located. The Directive states:

1. The Service Manager shall ensure that:

(a) residents of the housing project are advised of, and consulted on, the proposed transfer, and

(b) any identified adverse impacts on residents are appropriately mitigated.

2. The Service Manager shall ensure that net financial proceeds generated from the transfer will be used to support the delivery of a transferred housing program or in furtherance of another housing-related purpose contemplated in the Service Manager's housing and homelessness plan.

TCHC has submitted all documents required for the review of their request for Service Manager consent for the transfer of Block 3 of Leslie Nymark. City staff have reviewed the request using the previous guidelines used by the Ministry of Housing to grant Ministerial consent for transfers of social housing. The request is consistent with the Council-approved revitalization plan for Leslie Nymark.

The request also meets the requirements of the Ministerial Directive related to consultation with residents and mitigation of adverse impacts, and ensuring the net financial proceeds support the delivery of a transferred housing program. There are no financial implications for the City.

The proposed revitalization of Leslie Nymark is part of TCHC's real estate investment strategy for maintaining its stock of housing in a state of good repair. Consistent with Housing Opportunities Toronto, Council's ten year plan for affordable housing, Council is committed to supporting the efforts of TCHC to implement its real estate investment strategy.

In October 2012, Council adopted Putting People First, Transforming Toronto Community Housing that made several recommendations concerning leveraging land assets through infill and revitalization. Revitalization initiatives provide an important city building opportunity by improving the quality of life of TCH residents while physically transforming former public housing neighbourhoods into mixed-income, mixed-use communities.

Revitalization also has a positive influence on the capital repair backlog. As communities are revitalized, all deferred capital maintenance that contributes to the backlog within those communities is eliminated. The TCHC Ten-Year Capital Plan incorporates the reduction in the capital backlog associated with the sale of assets and revitalization sites. By investing to replace the existing units with new energy efficient high quality housing as part of revitalizing the entire community, TCHC eliminates the current capital repair backlog and can direct the savings to other TCHC communities.

CONTACT

Doug Rollins, Director
Housing Stability Services
Shelter, Support and Housing Administration
Tel: 416-392-0054
Email: Doug.Rollins@toronto.ca

SIGNATURE

Paul Raftis
General Manager (I)
Shelter, Support and Housing Administration

ATTACHMENTS

Attachment 1: Leslie Nymark Site Plan
Attachment 2: Draft Plan of Subdivision