

Clause embodied in Report No. 8 of the Policy and Finance Committee, as adopted by the Council of the City of Toronto at its meeting held on July 22, 23 and 24, 2003.

2**Regent Park Revitalization - City Actions
(Ward 28 - Toronto Centre-Rosedale)**

(City Council on July 22, 23 and 24, 2003, amended this Clause by adding thereto the following:

“It is further recommended that the Toronto Community Housing Corporation be requested to include, in its September 2003 business plan report to Council, the scope, funding and timing of Capital reinvestment in the entire housing portfolio.”)

The Policy and Finance Committee recommends:

- (I) the adoption of the report (June 26, 2003) from the Chief Administrative Officer wherein it is recommended that:**
- (1) Council, as sole Shareholder of the Toronto Community Housing Corporation,**
 - (a) approve the principle of revitalising the Regent Park community, pursuant to section (6.3.1)(c) of the Shareholder Direction, as proposed by Toronto Community Housing Corporation ("TCHC") in the May 8, 2003 report to the TCHC Board of Directors, included as Attachment 1 to this report (the "TCHC Report");**
 - (b) approve the sale and/or long term lease of land as identified in the TCHC Report, pursuant to section (6.3.1)(b) of the Shareholder Direction, on condition that the existing 2087 rent-geared-to-income units be replaced in Regent Park and that any net sale proceeds and any net proceeds from the lease of all or a portion of the lands be applied to the redevelopment of Regent Park, or the construction of new affordable housing, or a combination of these uses;**
 - (c) approve the temporary reduction in the number of rent-geared-to-income units in each phase of redevelopment of Regent Park, pursuant to section (6.3.1)(c) of the Shareholder Direction, as proposed by TCHC in the TCHC Report; and**
 - (d) request the Chief Administrative Officer to work with TCHC to define reporting requirements for Regent Park redevelopment to be included in the Community Management Plan and progress in**

achieving targets to be reported in the Annual Report, and to report back on parameters for TCHC subsidiary corporations;

- (2) Council, as the Municipal Government authorize the City administration to work with TCHC to immediately initiate discussions with the Federal and Provincial levels of government to secure their participation, involvement and cost sharing in the redevelopment of Regent Park and its social development, community improvement and city building initiatives;**
- (3) Council, as the Municipal Government authorize and direct:**
 - (a) the Chief Administrative Officer to:**
 - (i) ensure that the interdepartmental review of the redevelopment proposal for Regent Park is undertaken as a priority, and**
 - (b) the Commissioner of Urban Development Services and the Commissioner of Works and Emergency Services to:**
 - (i) co-lead a senior interdepartmental staff team to co-ordinate the development review and consideration of the TCHC redevelopment proposal, and**
 - (ii) prepare, in co-operation with other departments, a Project Management Strategy for municipal planning, building and development approvals to include the consideration of applications for an Official Plan Amendment, a Secondary Plan, a Community Improvement Plan, a Plan of Subdivision and the use of zoning and “H” provisions to achieve a prescriptive vision but flexible implementation of market and social housing over a 15 year build out;**
 - (c) the Commissioner of Urban Development Services:**
 - (i) ensure that the City's new Development Review Task Force initiative known as STAR - Streamlining The Application Review process facilitates the review of TCHC's applications and meets TCHC's 2004 - 2005 timelines set out in its project management outline,**
 - (ii) receive \$50,000.00 from TCHC in each of the years 2004 and 2005 to be used to assist in offsetting costs to project manage an interdepartmental team reviewing the various applications and undertaking extensive community consultation,**
 - (iii) review development proposals for Phase 1, concurrently with establishing the overall planning framework for Regent Park,**

- (iv) ensure the development review process incorporates the requirements of the Environmental Assessment Act in accordance with Section A.2.9 of the Municipal Class Environmental Assessment,
 - (v) review, in consultation with the Commissioner of Community and Neighbourhood Services, TCHC's relocation strategy for tenants and replacement strategy for units that results in full replacement of rent-geared-to-income units, and report through the Community Council at its first meeting of the new term of Council, and
 - (vi) define in consultation with the Commissioner of Community and Neighbourhood Services and the Commissioner of Economic Development, Culture and Tourism, requirements for a community and services agency impact assessment, and report through the Community Council at its first meeting of the new term of Council;
- (d) the Commissioner of Works and Emergency Services to:
- (i) define the studies, data and analyses required to assess the capacity and functional design of the physical infrastructure within Regent Park and provide the information to the Toronto Community Housing Corporation as it becomes available and no later than by January 15, 2004,
 - (ii) receive \$50,000.00 from TCHC in each of the years 2004 and 2005 to be used to assist in offsetting costs to project manage an interdepartmental team reviewing the various applications and undertaking extensive community consultation, and
 - (iii) co-ordinate future year capital projects to synchronize with the approved construction phasing of the Regent Park redevelopment;
- (e) the Commissioner of Economic Development Culture and Tourism to:
- (i) work with local business and community interests and TCHC to develop a local economic development strategy and report through Economic Development Committee at its first meeting of the new term of Council,
 - (ii) co-ordinate future year capital projects for parkland and community facility development and improvements to synchronize with the timing of Regent Park redevelopment, and

- (iii) engage the Toronto District School Board in developing complementary school and park uses and facilities in the Regent Park community;**
 - (f) the Commissioner of Community and Neighbourhood Services to:**
 - (i) continue to work in partnership with TCHC on the overall housing redevelopment plan and implementation,**
 - (ii) work with TCHC to co-ordinate housing funding requirements for Regent Park redevelopment with the City's housing development strategy,**
 - (iii) work with the community, stakeholders and TCHC to identify opportunities for skills training, community employment and education for residents and support TCHC's efforts to develop a social development plan and programs with the community, and**
 - (iv) co-ordinate future year budget submissions for social services to coincide with the timing of Regent Park redevelopment;**
 - (g) the Chief Financial Officer and Treasurer to:**
 - (i) work with the Commissioner of Community and Neighbourhood Services and TCHC on assessing the implications of implementing property tax exemptions for the new and/or replacement rental housing for a period of fifteen years following construction, and to report back through the Policy and Finance Committee with recommendations in September 2003,**
 - (ii) investigate alternative or lower cost TCHC financing mechanisms with TCHC, and**
 - (iii) assess the financial implications of providing infrastructure support and relief from development charges and to report back through the Policy and Finance Committee with recommendations in September 2003; and**
 - (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto; and**
- (II) the adoption of the recommendations of the Community Services Committee embodied in the communication (July 3, 2003) from the City Clerk, entitled "Toronto Community Housing Corporation - Redevelopment of Regent Park - Approval Under the Social Housing Reform Act, 2000 (Ward 28 - Toronto Centre-Rosedale)", wherein it is recommended that the report dated June 19, 2003, from the Commissioner of Community and Neighbourhood Services respecting**

Toronto Community Housing Corporation - Redevelopment of Regent Park containing the following recommendations, be adopted:

- “(1) the redevelopment of Regent Park and the sale or lease of all or a portion of the housing project be approved by the City of Toronto, as Service Manager, under the *Social Housing Reform Act, 2000* ("SHRA");**
- (2) the Commissioner of Community and Neighbourhood Services be authorized to submit a business case to the Minister of Municipal Affairs and Housing (the "Minister"), on behalf of TCHC, to seek Ministerial approval for the redevelopment of and the sale or lease of a portion or all of the housing project according to Ministerial guidelines under the SHRA; and**
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”**

The Policy and Finance Committee submits the following report (June 26, 2003) from the Chief Administrative Officer:

Purpose:

The report responds to requests from the Toronto Community Housing Corporation to support the revitalization of Regent Park and recommends Shareholder approval and City actions to further the plan for Regent Park's revitalization.

Financial Implications and Impact Statement :

Toronto Community Housing Corporation estimates the cost of revitalizing Regent Park over approximately 15 years at \$454.8 million. TCHC proposes to finance the revitalization from TCHC equity contributions, reallocation of capital subsidy, operating efficiencies, land sales/leases, and mortgage financing totalling \$412.8 million. Contributions of \$42 million are being sought including an estimated \$25 million for infrastructure and \$17 million for community facilities. Financial implications for the City, include:

- (a) no 2003 financial implications;
- (b) pressure on existing staff resources being partially offset by TCHC contributions to enable City resources to be focused on reviewing the redevelopment proposal;
- (c) cost of relief from development application fees and development charges for the development of TCHC units;
- (d) investigating alternative or lower cost TCHC financing mechanisms with TCHC;
- (e) co-ordinating future year City capital improvements and budgets with TCHC redevelopment plans;

- (f) cost of assuming infrastructure costs for roads, sewers, watermains and community services, estimated by TCHC to be \$42 million, to the extent that senior government funding is not obtained for these projects;
- (g) ongoing operating costs for new internal roads, solid waste collection and community services; and
- (h) cost of foregone property taxes from demolished rental units, with new rent-geared-to-income units being exempt from taxation under the City's Municipal Housing Facility By-law.

The financial implications for the City are addressed in more detail in the report.

Upon receipt and review of a detailed business plan, the Chief Financial Officer and Treasurer (in consultation with the Chief Administrative Officer, and other Commissioners) will report on the financial implications, potential funding sources for the \$42 million in requested City contribution for infrastructure and facilities and financial risks associated with the plan.

Recommendations:

Council has three perspectives (Shareholder, Municipal Government and *Social Housing Reform Act*, Service Manager) to consider in addressing Toronto Community Housing Corporation's request to redevelop Regent Park. Recommendations on Service Manager perspectives are proceeding to the Community Services Committee. The following recommendations have been structured to address the Shareholder and Municipal Government perspectives.

It is recommended that:

- (1) Council, as sole Shareholder of the Toronto Community Housing Corporation,
 - (a) approve the principle of revitalising the Regent Park community, pursuant to section (6.3.1)(c) of the Shareholder Direction, as proposed by Toronto Community Housing Corporation ("TCHC") in the May 8, 2003, report to the TCHC Board of Directors, included as Attachment 1 to this report (the "TCHC Report");
 - (b) approve the sale and/or long term lease of land as identified in the TCHC Report, pursuant to section (6.3.1)(b) of the Shareholder Direction, on condition that the existing 2087 rent-geared-to-income units be replaced in Regent Park and that any net sale proceeds and any net proceeds from the lease of all or a portion of the lands be applied to the redevelopment of Regent Park, or the construction of new affordable housing, or a combination of these uses;
 - (c) approve the temporary reduction in the number of rent-geared-to-income units in each phase of redevelopment of Regent Park, pursuant to section (6.3.1)(c) of the Shareholder Direction, as proposed by TCHC in the TCHC Report; and

- (d) request the Chief Administrative Officer to work with TCHC to define reporting requirements for Regent Park redevelopment to be included in the Community Management Plan and progress in achieving targets to be reported in the Annual Report, and to report back on parameters for TCHC subsidiary corporations;
- (2) Council, as the Municipal Government authorize the City administration to work with TCHC to immediately initiate discussions with the Federal and Provincial levels of government to secure their participation, involvement and cost sharing in the redevelopment of Regent Park and its social development, community improvement and city building initiatives;
- (3) Council, as the Municipal Government authorize and direct:
- (a) the Chief Administrative Officer to:
 - (i) ensure that the interdepartmental review of the redevelopment proposal for Regent Park is undertaken as a priority, and
 - (b) the Commissioner of Urban Development Services and the Commissioner of Works and Emergency Services to:
 - (i) co-lead a senior interdepartmental staff team to co-ordinate the development review and consideration of the TCHC redevelopment proposal; and
 - (ii) prepare, in co-operation with other departments, a Project Management Strategy for municipal planning, building and development approvals to include the consideration of applications for an Official Plan Amendment, a Secondary Plan, a Community Improvement Plan, a Plan of Subdivision and the use of zoning and “H” provisions to achieve a prescriptive vision but flexible implementation of market and social housing over a 15 year build out;
 - (c) the Commissioner of Urban Development Services:
 - (i) ensure that the City's new Development Review Task Force initiative known as STAR - Streamlining The Application Review process facilitates the review of TCHC's applications and meets TCHC's 2004 - 2005 timelines set out in its project management outline;
 - (ii) receive \$50,000.00 from TCHC in each of the years 2004 and 2005 to be used to assist in offsetting costs to project manage an interdepartmental team reviewing the various applications and undertaking extensive community consultation;
 - (iii) review development proposals for Phase 1, concurrently with establishing the overall planning framework for Regent Park;

- (iv) ensure the development review process incorporates the requirements of the Environmental Assessment Act in accordance with Section A.2.9 of the Municipal Class Environmental Assessment;
 - (v) review, in consultation with the Commissioner of Community and Neighbourhood Services, TCHC's relocation strategy for tenants and replacement strategy for units that results in full replacement of rent-g geared-to-income units, and report through the Community Council at its first meeting of the new term of Council, and
 - (vi) define in consultation with the Commissioner of Community and Neighbourhood Services and the Commissioner of Economic Development, Culture and Tourism, requirements for a community and services agency impact assessment, and report through the Community Council at its first meeting of the new term of Council;
- (d) the Commissioner of Works and Emergency Services to:
- (i) define the studies, data and analyses required to assess the capacity and functional design of the physical infrastructure within Regent Park and provide the information to the Toronto Community Housing Corporation as it becomes available and no later than by January 15, 2004;
 - (ii) receive \$50,000.00 from TCHC in each of the years 2004 and 2005 to be used to assist in offsetting costs to project manage an interdepartmental team reviewing the various applications and undertaking extensive community consultation; and
 - (iii) co-ordinate future year capital projects to synchronize with the approved construction phasing of the Regent Park redevelopment;
- (e) the Commissioner of Economic Development Culture and Tourism to:
- (i) work with local business and community interests and TCHC to develop a local economic development strategy and report through Economic Development Committee at its first meeting of the new term of Council;
 - (ii) co-ordinate future year capital projects for parkland and community facility development and improvements to synchronize with the timing of Regent Park redevelopment; and
 - (iii) engage the Toronto District School Board in developing complementary school and park uses and facilities in the Regent Park community;

- (f) the Commissioner of Community and Neighbourhood Services to:
 - (i) continue to work in partnership with TCHC on the overall housing redevelopment plan and implementation;
 - (ii) work with TCHC to co-ordinate housing funding requirements for Regent Park redevelopment with the City's housing development strategy;
 - (iii) work with the community, stakeholders and TCHC to identify opportunities for skills training, community employment and education for residents and support TCHC's efforts to develop a social development plan and programs with the community; and
 - (iv) co-ordinate future year budget submissions for social services to coincide with the timing of Regent Park redevelopment;
 - (g) the Chief Financial Officer and Treasurer to:
 - (i) work with the Commissioner of Community and Neighbourhood Services and TCHC on assessing the implications of implementing property tax exemptions for the new and/or replacement rental housing for a period of fifteen years following construction, and to report back through the Policy and Finance Committee with recommendations in September 2003;
 - (ii) investigate alternative or lower cost TCHC financing mechanisms with TCHC; and
 - (iii) assess the financial implications of providing infrastructure support and relief from development charges and to report back through the Policy and Finance Committee with recommendations in September 2003; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting held on October 2, 3, 4, 2001, City Council issued a shareholder direction (the "Shareholder Direction") setting out Toronto Community Housing Corporation's (TCHC) mandate and responsibilities to the City as shareholder ("Shareholder").

The Shareholder Direction recognizes TCHC as an independent business corporation responsible for the management of its business affairs in compliance with the Shareholder Direction and the *Social Housing Reform Act, 2000* (SHRA). TCHC provides, operates and maintains housing, administers rent-geared-to-income assistance programs, provides accommodation for people having special needs and may operate other businesses that are consistent with the Shareholder Direction and the SHRA.

TCHC has broad authority to manage and supervise its business and affairs. TCHC is accountable to Council in its role as the sole Shareholder, through yearly submissions of its Community Management Plan, Annual Report and audited consolidated Financial Statements. TCHC is managed by a 13 member Board of Directors, including Councillors Chow, Duguid, Kelly, and Mammolitti, 2 tenant representatives and 7 community representatives. The Board prepared its first business plan – the Community Management Plan to set the direction for TCHC and it was considered by Council in October 2002. The Community Management Plan notes that the entire TCHC portfolio is being evaluated, and identified the urgent need for re-investment in some buildings and sites and specifically Regent Park.

Section (6.3.1)(b) of the Shareholder Direction provides that TCHC will not, without the approval of the Shareholder, sell real property assets used for the purposes of providing rent-geared-to-income and market housing, or which are zoned or deemed suitable for housing purposes. Section (6.3.1)(c) of the Shareholder Direction requires TCHC to obtain approval for any redevelopment or any material changes in the number or distribution of rent-geared-to-income units.

Regent Park, built between 1948 and 1959, is one of the largest and oldest public housing developments in Canada. It is located at the eastern edge of downtown Toronto and was built in two phases on approximately 69 acres. North Regent Park is bounded by Dundas, Gerrard, River and Parliament Streets. South Regent Park is bounded by Dundas, Shuter, River and Regent Streets. Today, Regent Park is home to approximately 7,500 people and contains 2,087 housing units. Regent Park comprises approximately 4 percent of the TCHC social housing portfolio and 7 percent of its land ownership. Regent Park, is aging and requires significant investment to upgrade buildings and units and to maintain the facilities in a good state of repair. TCHC has advised that building and unit designs are obsolete and no longer respond well to the current needs of households. TCHC has advised that the existing urban design characteristics of the site create significant challenges in maintaining a safe and healthy community.

To address challenges within Regent Park and in collaboration with the City's Let's Build Program, TCHC undertook a planning study prepared by the Regent Park Collaborative Team consultants. The study completed in December 2002, outlines design parameters, a redevelopment strategy and a financial strategy for undertaking a complete redevelopment of Regent Park. The consultants completed additional work in April 2003. There was extensive community consultation undertaken as part of the study preparation. These consultations have provided significant information and generated support from people living in Regent Park. Consultations were also held with the surrounding community, area based community agencies, financial experts, developers, and City of Toronto staff.

On May 8, 2003 the TCHC Board of Directors:

- (1) approved the redevelopment of the Regent Park community, including approval of the revitalization principles and the revitalization strategies;
- (2) authorized staff to seek the approvals of the Shareholder (City of Toronto) for revitalization of Regent Park as proposed in this report;

- (3) authorized staff to seek provincial approvals to proceed with redevelopment of Regent Park, through the housing program Service Manager (City of Toronto);
- (4) approved the creation of a subsidiary corporation with a mandate to undertake the redevelopment of Regent Park and related planning, development and community engagement activities;
- (5) approved the expenditures for planning and community engagement activities for 2003, and the transfer of these funds for these purposes to the proposed development corporation once it is established;
- (6) requested the CEO to report as part of regular quarterly reporting or as required on the progress of implementing the above recommendations; and
- (7) authorized the appropriate TCHC staff to take the necessary action to give effect thereto.

The TCHC Chief Executive Officer, provided an update on plans for the revitalization of Regent Park to the Chief Administrative Officer on April 28, 2003, and to the City's Executive Management Team on May 2, 2003. Since then TCHC staff have been meeting with the Commissioners and their senior staff to provide focussed briefings on the Regent Park proposal.

TCHC is ready to "go" with implementing the redevelopment. Given the significant implications and positive benefits for the City, TCHC is seeking a response from the City in its capacity as a municipal government, as well as its shareholder and service manager capacities. The TCHC proposal to redevelop Regent Park is outlined in detail in the May 8, 2003, report to the Board of Directors and is included in this report as Attachment 1. This staff report presents a consolidated, inter-departmental response to the TCHC's requests for Shareholder, Service Manager and City approvals.

Comments:

Regent Park Revitalization Proposal:

TCHC proposes that over a fifteen-year period, all existing buildings in Regent Park would be demolished and replaced with new rent-geared-to-income housing and additional market housing. TCHC estimates that 4,500 residential units can be accommodated on the site compared to the existing 2,087 units. The proposed plan for Regent Park would reintroduce much of the original street pattern and connect the area with surrounding neighbourhoods. The central feature of the proposal is a large park fronting on Dundas Street. An additional park is proposed adjacent to the Nelson Mandela school grounds.

Regent Park would fundamentally change with the addition of 2,500 new residential units. If the proposal is realized, there will be people with a variety of incomes and housing needs living in Regent Park. There will be townhouses and condominiums, market housing units and co-ops - all integrated with the new replacement rent-geared-to-income units. In addition much needed commercial space, spaces for community economic development and services, and live/work opportunities would become part of this community. This mix of people and uses would create a

new neighbourhood. Part of TCHC's premise is that this form of mixed development has stood the test of time throughout Toronto and has been highly successful in maintaining healthy neighbourhoods.

Most of the funding for the redevelopment is to come from TCHC through on site and portfolio savings and the sale or lease of land on the site no longer required by TCHC. While the majority of funding and responsibility for moving forward rests with TCHC, TCHC is seeking consideration of the following support and assistance from the City:

- (1) approval of the TCHC revitalization principles and the revitalization strategies;
- (2) approvals for sale or lease of land and interim adjustments to the amount of rent-geared-to-income housing;
- (3) support for obtaining provincial approvals for the sale or lease of land;
- (4) creation of a senior interdepartmental team to guide TCHC applications through the City's development review process;
- (5) relief of development fees and charges for the replacement TCHC units consistent with the City policy to waive this for any new non-profit affordable housing;
- (6) relief of property taxes for the replacement TCHC units for the first 15 years of operation as permitted by the Municipal Housing Facilities By-law; and
- (7) City payment or support in securing government funding of \$25 million in infrastructure and \$17 million in community facility costs.

Consideration of TCHC requests:

Staff from Works and Emergency Services, Urban Development Services and Community and Neighbourhood Services have been involved and provided assistance in TCHC's work to test out the feasibility of redevelopment of Regent Park. Additional City staff from all departments have now reviewed TCHC's proposal and support material, including preliminary consultant studies. TCHC's work to date has demonstrated that redeveloping Regent Park is needed, is feasible and can be accomplished by TCHC. There is however, more for TCHC to do in working through the development review process, but before expending this effort, TCHC is touching base with the City to seek confirmation that there is support for proceeding. The overall response is positive and staff have identified the supports the City can provide to TCHC to enable it to work towards the revitalization of Regent Park.

Overall, City staff recognize the potential that redeveloping Regent Park can make to City building. TCHC's proposal demonstrates the vision Council has for the City as expressed in the new Official Plan – to rebuild and create the vibrant and diverse neighbourhood that Toronto prides itself on. Regent Park can provide a legacy for the future in the form of new, quality social housing, opportunities for conventional rental housing, opportunities for seniors housing and a range of ownership options, as well as creating an integrated urban neighbourhood. The

existing community is valued. There are many people living in Regent Park now who want to stay in the neighbourhood after redevelopment and see their community strengths built upon. TCHC's proposal could have a positive ripple effect on the neighbouring communities and the east downtown area. This can be achieved while minimizing the impact on existing tenants through the phasing of development, the acquisition and use of centrally located relocation housing, and the implementation of a sensitive tenant relocation strategy.

Staff recommend that Council identify the review of the Regent Park redevelopment proposal as a corporate priority. This will send a strong message of support to the community and other levels of government and will help mobilize City staff resources to assist TCHC in fulfilling its mandate in a timely manner. A multi-departmental approach is needed to represent the diverse interests involved and high profile of the proposal. With a common mandate, an interdepartmental team can ensure that decision making will occur jointly at a corporate level and in a timely, co-ordinated fashion. The Chief Administrative Officer has identified that the Commissioner of Works and Emergency Services and the Commissioner of Urban Development Services should co-lead this initiative. All departments will be represented on the team. The Commissioners will consult and take into account the inter-jurisdictional issues in formulating the various responses to the TCHC's requests. Staff of the Chief Administrator's Office participating on the team will provide ongoing co-ordination with the Chief Administrative Officer.

Approvals:

The City as the Shareholder must approve the principle of redevelopment of Regent Park before it can proceed. Shareholder approval is also required for the sale or lease of TCHC housing land. Approval is required at this point, as TCHC needs to start to expend significant resources to seek planning approvals and initiate interim housing options for households affected by the initial redevelopment phases.

The nature and timing of TCHC dispositions to developers are not known at the present time; however, it is clear from TCHC's proposal that proceeds from such dispositions are part of the financing plan and a source of funding for the redevelopment. Accordingly, it is recommended that proceeds from land sales or leases be applied to the redevelopment of Regent Park.

The City will consider providing other approvals at later dates, including:

- (i) planning approvals;
- (ii) incentives for the reconstruction of the RGI units and new affordable rental housing; and
- (iii) providing infrastructure for the redevelopment such as roads, parks, and community services and facilities, together with other levels of government.

TCHC also requires the consent of the Ministry of Municipal Affairs and Housing (MMAH) to proceed with redevelopment of social housing, including the sale and/or lease of lands, pursuant to the SHRA. These approvals must be sought by the social housing Service Manager (program

administrator) Shelter, Housing and Support Division, Community and Neighbourhood Services, as recommended in a separate report to the Community Services Committee.

Subsidiary Corporation:

With receipt of Shareholder approval to undertake the studies and work through the planning and development process, TCHC will create a subsidiary corporation to direct the Regent Park revitalization and the related planning, development and community engagement activities. TCHC created a similar development vehicle for the Don Mount Court redevelopment project. TCHC reports that this approach has worked well, as it creates an opportunity to include in the governance of the initiative persons with key skills and the perspectives of key stakeholders. Redevelopment initiatives are complex projects. They benefit from the oversight and direct attention of a Board that includes residential development knowledge, as well as the voices of key community stakeholders. This approach is consistent with advice provided to TCHC that a separate Board can provide the focus on this initiative, and sustain the long term vision for the development that is necessary to attract and retain development partners.

TCHC is to advise Council at the earliest possible opportunity of the creation of the subsidiary corporation proposed by TCHC to oversee the redevelopment of Regent Park. Information related to the purpose, governance, process for appointment of directors, and such other information is required to be provided by TCHC to the City.

Development Review Process and Community Consultation:

TCHC is asking the City to design an expedited review process to put the appropriate City plans and many approvals in place, accommodate flexibility and facilitate the development review process. While it is desirable to move ahead with the revitalization of Regent Park staff will need to assess the application on its Planning merits, as the City does for any application. This assessment can only be made after due process in accordance with the statutory obligations of the *Planning Act*. When a complete application is submitted, a full development review process will be undertaken with opportunities for community consultation, input from civic officials and, ultimately decisions by Council, which can be appealed. This consultation process is important as there is and will be interests from within Regent Park and from outside concerning, among other things, the location, forms and mix of housing types, and other land-uses including the provision of community services and facilities.

The (former) City of Toronto Official Plan, (former) Metropolitan Toronto Official Plan and the new Official Plan provide a policy framework in which to consider TCHC's proposal. Policy compliance will be sought in areas of housing policy - including replacement of conventional rental housing units and relocation and other assistance for tenants; urban design, transportation, community improvement, community services and facilities among other concerns. Consideration of the use of a Regeneration Area designation and the development of a Secondary Plan will define more specifically the local implementation of the policies and the types of uses and form of development. This approach will also afford significant community consultation up front in the development review process.

The existing and adjacent neighbourhood is a community-minded mix of residences and businesses. There are a number of associations and organizations representing various locations and interests. TCHC has initiated consultations with local area residents and businesses, and has shown a willingness to respond to concerns as they are raised. It is expected that TCHC will continue to involve the community as it refines its plans. The study work and consultation work will and should envelop a greater geographic area than just Regent Park and will consider the adjacent neighbourhoods and interests. A meaningful process will be followed to fully debate and explore alternatives and propose recommendations.

The development review framework and approach laid out in the TCHC's attached reports is generally consistent with discussions held with planning staff to date. The City's new Development Review Task Force initiative known as STAR - Streamlining the Application Review Process - will afford the TCHC a streamlined review - up to 9 months for a complex Official Plan Amendment and either 3 or 4 months for straightforward Site Plan Approvals. These are the committed inter departmental timelines which the City would work to achieve.

To supplement the STAR system, it is also recommended that a Project Management Strategy for the development review process for Regent Park be prepared by the Commissioner of Urban Development Services and Commissioner of Works and Emergency Services, in consultation with all other departments. This strategy would define roles, responsibilities and timeframes to for municipal planning, building and development approvals. It would include the consideration of applications for an Official Plan Amendment, a Secondary Plan, a Plan of Subdivision and the use of zoning and "H" provisions to achieve a prescriptive vision but flexible implementation of market and social housing over a 15 year build out.

A TCHC contribution of \$100,000.00 in each of the years 2004 and 2005 facilitates the dedication of resources in Urban Development Services and Works and Emergency Services to the Regent Park redevelopment review. The funds will be used to offset costs of City engaged consultants working directly on the review or to backfill City staff who are working directly on the review.

Tenant Relocation:

Housing for tenants during redevelopment is a key concern for tenant and community agencies. Along with the requirement to replace all rental units currently on the site with new rental replacement units, and to replace all of the RGI subsidies attached to those units, there is also a requirement in the City's new Official Plan that tenants are assisted in this regard (Policy 3.2.1.7). In addition to the usual matters addressed in such tenant assistance plans which have been secured for other redevelopment applications that involved demolition of rental housing, the TCHC proposal for interim housing must assure the continuing ability of tenants to access community services, schools and other services in the neighbourhood.

In order to proceed with each phase of redevelopment, tenants will have to move from their current unit and be re-housed by TCHC. It is likely most tenants affected by the development phases will be accommodated within Regent Park. Other TCHC housing options will be also be available to Regent Park tenants. TCHC is currently exploring options for creating additional RGI units adjacent to Regent Park and in other close by neighbourhoods. As part of the

development review process, TCHC will be required to provide the City with an acceptable housing relocation and tenant assistance strategy. TCHC is preparing a housing relocation plan jointly with residents. City Staff would work with TCHC to help prepare it and recommend to Council conditions of approval.

TCHC's Tenant Relocation Strategy states that "TCHC will make every effort to acquire approximately 280 new RGI units off-site by the end of 2005 to maintain the same number of RGI units in the portfolio throughout the redevelopment process". TCHC is under an obligation in the City/TCHC Operating Agreement, approved under the Shareholder Direction to maintain its RGI portfolio at 2002 levels. The tenant relocation plan will not necessarily require an adjustment to service level standards. Council has stated its intention previously to maintain the current service level standards. Clause 2 of Report No. 4 of the Community Services Committee, as adopted by Council on May 30, 31 and June 1, 2001, when it adopted the Joint Business Transfer Plan, adopted the recommendation that "the number of units that are subsidized, market rent, and rent geared-to-income remain at least at current levels within the portfolio in order to provide stability".

Social Development:

With the Regent Park redevelopment, the City will need to review the current community social infrastructure to determine the strategic investments required to actively support the building of community capacity. The City's Social Development Strategy provides the framework for this work, including community participation in social planning, increasing access to community space and building strategic partnerships among community-based organizations to provide responsive and effective services. This requires an integrated approach ensuring the social infrastructure is planned and funded in a co-ordinated manner. It is recommended that a community and service agency impact assessment be undertaken, with the results reported out to Council. It is also recommended that staff work with the community, stakeholders and TCHC to identify opportunities for skills training, community employment and education for residents and support TCHC's efforts to develop a social development plan and programs with the community.

Parks:

One of the major features of the development is the proposed new 2.42 hectare neighbourhood park. Part of the development involves an additional 2,500 units of market housing, being built and operated by the private sector. It is the regular practice that market housing is required to provide parkland to the City at base condition, i.e. clear of any contaminated materials and below grade obstructions, properly graded and drained, electrical and water to the property lines and street trees. The market housing development is expected to pay all Development Charges applicable under the Development Charges By-law.

Since it is not the intention to provide exemptions for market housing for normal parkland or payments-in-lieu of park requirements, City and TCHC staff will need to ensure mechanisms are in place that will provide appropriate contributions from such development.

Community Economic Development/Improvement:

TCHC's plan creates opportunities for ongoing community development by creating programs for skills development through the redevelopment process, creating programs that build on existing school and other educational programs, and working with community agencies to develop long-term plans to improve community health. There are also opportunities to allocate space for community services, economic development activities and small business incubation within the revitalized Regent Park neighbourhood. Economic Development staff look forward to learning more about this project and as recommended would be working towards developing a local community development plan with TCHC, area residents and businesses.

Community Improvement:

The Community Improvement policies of the former City of Toronto Official Plan and new City of Toronto Official Plan promote the revitalization of communities facing challenges of transition, deficiency or deterioration or for other environmental, social or community economic development reason. Through the adoption of a Community Improvement Plan, innovative and strategic approaches could be used to facilitate the renewal of Regent Park. Incentives to stimulate private investment and/or leverage other public investment could be stipulated in a Plan adopted by Council which could provide some of the tools necessary to achieve the City's objectives and TCHC objectives. The recommended Project Management Strategy to be developed interdepartmentally should include the investigation of a Community Improvement Plan as an implementation tool.

Infrastructure:

TCHC is asking the City to develop a strategy to co-ordinate infrastructure redevelopment and ongoing maintenance that benefit Regent Park redevelopment. It is recommended that future year capital projects be co-ordinated to respect the approved construction phasing of the Regent Park redevelopment.

Staff support the concept plan for re-opening the streets and integrating them into the existing neighbourhood. The existing old sewers and watermains that served this area before the Regent Park development was built need to be assessed for their serviceability. It will also be necessary to prepare detailed technical analysis through the planning process to establish the basis for engineering design and construction phasing of roads, sewers, watermains, energy, and telecommunications infrastructure. It is recommended that the Commissioner of Works and Emergency Services define the studies, data and analyses required to assess the capacity and functional design of the physical infrastructure within Regent Park and provide the information to the Toronto Community Housing Corporation.

The development will need to be designed to incorporate the principles of the Wet Weather Flow Management Master Plan, by minimising reliance on storm sewer connections. Some of the infrastructure will be subject to the provisions of the Municipal Class Environmental Assessment and as recommended it will be important to incorporate the Class EA requirements into the planning process.

Service Manager:

The proposed redevelopment must meet all requirements of the Social Housing Reform Act (SHRA). For example, the approval of the Province for the lease or sale of land must also be sought by the City in its Service Manager capacity.

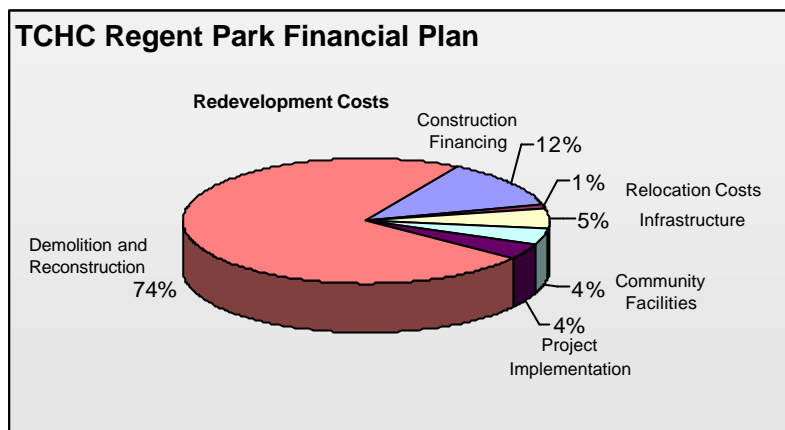
Under the City/TCHC Operating Agreement, TCHC is required to maintain a certain number of RGI units for its total portfolio so that the City, as Service Manager, can maintain its City-wide service level standard. As long as the City can meet its service level standard, it will not be necessary to seek approval from the Province for any interim adjustments to the number of rent-geared-to-income units.

Financial Plan:

Most of the TCHC funding for the redevelopment is to come from on-site savings and the sale or lease of land on the site not required by TCHC and from mortgage financing. TCHC will also contribute to the capital cost of the redevelopment. It will contribute \$3 million a year for 10 years out of corporate operational efficiencies, and \$74 million from operating efficiencies over the course of the redevelopment. The financial plan focuses on the costs and funding sources for the demolition and replacement of the existing rental units as the responsibility for funding the additional new housing will be with the developers of the new housing.

TCHC estimates the cost of revitalizing Regent Park at \$454.8 million. TCHC proposes to finance the revitalization from TCHC equity contributions, reallocation of capital subsidy, operating efficiencies, land sales/leases, and long term debt totalling \$412.8 million. TCHC requires government contributions of \$42 million for infrastructure and community services as summarised in the following chart and table.

TCHC Financial Plan	
Components of Cost and Source of Funds	Dollars (millions)
Construction Cost of 2,087 Units	333.2
Tenant Relocation Cost	6.6
Interest during construction	55.0
Development Corporation	18.0
Total Cost	412.8
Less: Lease/sale of land	-84.7
Less: TCHC reinvestment of operating savings	-73.8
Less: TCHC reallocation of capital subsidy	-37.0
Less: TCHC equity contribution	-30.0
Net Cost	187.3
Amount financed by mortgages	176.7
Capital Shortfall	10.6
Public Infrastructure and Community Facilities Cost	42.0



The financial plan deals only with the demolition and replacement of the 2,087 TCHC units. The financing for the TCHC replacement units is based on:

- (a) reduced operating costs and capital spending for replacement RGI units creating a cash flow ability to support new debt;
- (b) in-year operating cost reduction and capital spending re-allocation at Regent Park and redirecting these expenditures to redevelopment;
- (c) proceeds from the sale and/or long-term lease of land for market unit development;
- (d) TCHC equity contributions achieved through overall-operating efficiencies; and
- (e) Federal and provincial government contributions to the rebuilding of the neighbourhood infrastructure.

Staff agree with this use of City funding of operating subsidies during the redevelopment of Regent Park based on the condition of the existing stock (capital requirements) and the fact the replacement stock will be new and more energy efficient with lower operating costs in the future.

TCHC is asking for consideration of co-ordination in preparing City budget submissions with accommodating timing for Regent Park redevelopment. Staff recommend that where possible Departmental budgets and capital plans respect and take into consideration the timing of regent park redevelopment and co-ordinate the provision of services with the redevelopment.

The TCHC Financial plan assumes TCHC will not be responsible for the cost of new infrastructure and that these costs will be borne by the City or by the federal and provincial governments through infrastructure programs. City support will be given to Regent Park applications for senior government funding for infrastructure funding to the extent that City infrastructure priorities, for transit funding for example, are not compromised.

Exemptions are being sought by TCHC from the City for planning and permit fees and development charges for new rent-geared-to-income development. In addition, real estate tax exemptions are being sought for new rent-geared-to-income units for 15 years. The City needs to develop a strategy on the use of municipal, provincial and federal funding for new affordable housing in Regent Park and to assess the implications of these requests.

The financial plan also proposes non-cash contributions from the City of Toronto in the form of property tax reductions for new RGI units, and the waiving of City development charges and permit fees for the TCHC units and infrastructure program contributions. City revenue losses will be offset by new property tax revenues from the market housing. It will be some years before property taxes are generating off-sets.

It is recommended that that the Chief Financial Officer consider implementing a property tax exemption for the new rent-geared-to-income units for a period of 15 years based on providing a tax exemption for the RGI units by way of the City's Municipal Housing Facilities By-law (By-law No. 282-2002). This By-law also allows for the provision of Development Charge exemptions, as well as grants and loans. There are some conditions for the use of this mechanism and some steps to follow for the tax exemption to be implemented.

Conditions:

- (i) the units must meet the definition of affordability - i.e. have monthly occupancy costs below average rents (defined by reference to CMHC City-wide average rents);
- (ii) units must be rental units, not ownership units (e.g. not condominium registered); and
- (iii) units must be tenanted through the tenant selection process set out in the By-law.

Steps:

- (i) a By-law must be enacted providing authority to enter into a municipal housing project facility agreement;
- (ii) an agreement must be entered into between the City and the housing provider (minimum 10-year term); and
- (iii) a separate by-law must be enacted that provides the property tax exemption.

There also has been some discussion about designating Regent Park as a Community Improvement Plan (CIP) area. The CIP is a feature that is worth exploring for this project. This would allow the tax equivalent grants noted above in addition to other redevelopment related grants. In either case, however, tax equivalent grants would require the City to pay the school tax portion of the taxes.

TCHC is seeking to minimize the cost of borrowing for this project. Interim construction financing and take-out financing of \$232 million will be required. It is recommended that the Chief Financial Officer and Treasurer investigate alternative or lower cost TCHC financing

mechanisms with TCHC in order to obtain the lowest cost of financing possible for the TCHC portion of the redevelopment

Legal:

The City Solicitor will be consulted with respect to necessary legal relationships which need be established, planning applications, and requirements (statutory and otherwise) concerning the redevelopment of Regent Park. TCHC will address any planning or other legal issues raised by the City Solicitor pertaining to the proposed residential development component as may develop. Outside counsel will be retained by TCHC and/or the proposed redevelopment subsidiary for purposes of clearing any title issues, undertaking all real estate transactions for TCHC and dealing with all aspects of the redevelopment such as agreements with the City, developers, utilities etc. TCHC legal costs are included in the total budget for pre-development work.

Conclusions :

Just over a year ago the TCHC Board directed its staff to undertake a review of the financial feasibility and urban design potential for redeveloping Regent Park. In December 2002, the TCHC Board received the Regent Park Revitalization Study and recently additional work was recently completed on the proposal and its financing. On May 8, 2003, the TCHC Board approved the revitalization and requested the City to provide approvals and direction regarding City shareholder, service manager and government functions in order to facilitate the revitalization.

The plan is to improve and reintegrate this neighbourhood with the rest of the City, resulting in a revitalized Regent Park community. This is to be accomplished by the demolition and replacement of 2,087 rent-geared-to-income units and building an additional 2500 new units, creating a community with a mix of assisted rental, market rental and ownership housing. Commercial development, community uses, parks and road connections are also planned.

The redevelopment of Regent Park is intended to occur over a 10 to 15 year period. Most of the TCHC funding for the redevelopment is to come from on-site savings and the sale or lease of land on the site not required by TCHC. The financial plan focuses on the costs and funding sources for the demolition and replacement of the existing units as the responsibility for funding the additional new housing will be with the developers of the new housing.

This report outlines the basis for a City commitment to Regent Park redevelopment as a corporate priority. As Shareholder, Council approval is required for the Revitalization Plan and for the sale or lease of TCHC housing land. It outlines the financial impacts for the City, including impacts on the City Budget and debt servicing. The report discussed the need to review implications of granting housing incentives and recommended the establishment of a senior project management team to assist in guiding and co-ordinating the various departmental activities required. The report recommends that the City develop a strategy to co-ordinate infrastructure redevelopment and ongoing maintenance and senior government funding programs to benefit Regent Park redevelopment. The proposed redevelopment must meet all requirements of the SHRA.

The identification of Regent Park as a corporate priority, the use of the STAR system and TCHC's financial contribution of TCHC to augment city resources should mesh to generally meet the TCHC's 2004 - 2005 timelines set out in their project management outline.

TCHC has a plan and a strategic approach to the needed revitalization of Regent Park that has public acceptance for its implementation. This redevelopment plan has many benefits for the City and the neighbourhood. Revitalization of Regent Park has been a long-sought goal for the community, as well as for many other interests across the City. TCHC's plan provides a new future for Regent Park. The redevelopment of Regent Park will create a new neighbourhood with features that greatly improve the prospects for the long-term health of the neighborhood.

All Departments assisted in the preparation of this report. Toronto Community Housing Corporation staff were consulted in preparing this report and provided input into the preparation of the report.

Contact:

Karen Cooper, Corporate Management and Policy Consultant, Strategic and Corporate Policy Division, Chief Administrator's Office, Tel: (416) 397-5183; Fax: (419) 696-3645; e-mail: kcooper@toronto.ca

Attachments - Report from TCHC Chief Executive Officer to TCHC Board of Directors, May 8, 2003

The Policy and Finance Committee also submits the following communication (July 3, 2003) from the City Clerk, entitled "Toronto Community Housing Corporation, Redevelopment of Regent Park - Approval Under the Social Housing Reform Act, 2000 (Ward 28 - Toronto Centre-Rosedale)":

Recommendation:

The Community Services Committee on July 3, 2003, recommended to the Policy and Finance Committee, and Council, the adoption of the attached report dated June 19, 2003, from the Commissioner of Community and Neighbourhood Services respecting Toronto Community Housing Corporation - Redevelopment of Regent Park - Approval Under the Social Housing Reform Act, 2000 (Ward 28 - Toronto Centre-Rosedale).

Background:

The Community Services Committee had before it the following report and communication:

- (June 19, 2003) from the Commissioner of Community and Neighbourhood Services respecting the redevelopment by the Toronto Community Housing Corporation (TCHC) of Regent Park including the sale or lease of a portion or all of the housing project; and recommending that:

- (1) the redevelopment of Regent Park and the sale or lease of all or a portion of the housing project be approved by the City of Toronto, as Service Manager, under the *Social Housing Reform Act, 2000* ("SHRA");
 - (2) the Commissioner of Community and Neighbourhood Services be authorized to submit a business case to the Minister of Municipal Affairs and Housing (the "Minister"), on behalf of TCHC, to seek Ministerial approval for the redevelopment of and the sale or lease of a portion or all of the housing project according to Ministerial guidelines under the SHRA; and
 - (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and
- (July 3, 2003) from Ms. Ann Dembinski, President, Canadian Union of Public Employees, Local 79, in support of the revitalization of Regent Park, but urging the Community Services Committee to direct that any redevelopment plans include a commitment to keeping the management and administration of Regent Park in public hands; and further that, at the very least, current levels of Parks and Recreation facilities and services are maintained throughout the redevelopment process and after.

(Report dated June 19, 2002, addressed to the
Community Services Committee, from the
Commissioner of Community and Neighbourhood Services)

Purpose:

To seek approval from the Province in accordance with the Social Housing Reform Act, 2000 for the redevelopment by the Toronto Community Housing Corporation ("TCHC") of Regent Park, including the sale or lease of a portion or all of the housing project.

Financial Implications and Impact Statement :

The redevelopment of Regent Park will have no impact on the 2003 annual subsidy amount to be paid to TCHC by the City, as Service Manager, through the Shelter, Housing and Support Division ("SHS"). City Council has approved the 2003 annual budget for SHS, which includes the amount of funding payable to TCHC for that year.

TCHC's financial plan for the redevelopment costs includes reliance on City's social housing funding only to the extent of the regular annual subsidies paid by SHS to TCHC under the City budgetary process. No additional funding is expected to be paid by the City, as Service Manager, to TCHC for the redevelopment. Any future cost implications to other City Departments for roads, sewers, parks and other areas will be reported in subsequent reports from the Chief Administrative Officer.

There are no direct financial implications to the City of Toronto, as Service Manager, with respect to the proposed sale or lease of all or a portion of the site. TCHC will receive the sale or lease proceeds in accordance with any purchase and sale or lease agreement.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the redevelopment of Regent Park and the sale or lease of all or a portion of the housing project be approved by the City of Toronto, as Service Manager, under the *Social Housing Reform Act, 2000* ("SHRA");
- (2) the Commissioner of Community and Neighbourhood Services be authorized to submit a business case to the Minister of Municipal Affairs and Housing (the "Minister"), on behalf of TCHC, to seek Ministerial approval for the redevelopment of and the sale or lease of a portion or all of the housing project according to Ministerial guidelines under the SHRA; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

This is the first report to the Community Services Committee (CSC) related to the redevelopment of Regent Park. A separate report has been prepared by the Chief Administrative Officer requesting shareholder approval for the redevelopment.

Regent Park is a public housing complex included in the transfer of assets from Ontario Housing Corporation to TCHC under the SHRA in January 2001. It is one of the oldest and largest public housing developments in Canada, housing approximately 7,500 residents in 2,087 rent-g geared-to-income (RGI) units over an area covering 28 hectares (69 acres). It is located in Ward 28 at the eastern edge of downtown Toronto and was developed in two phases. North Regent Park was built from 1948 to 1957 and occupies city blocks between Parliament, River Gerrard and Dundas Streets. South Regent Park was built between 1957 and 1959 between Dundas, Shuter, River and Regent Streets. Regent Park is owned and managed by TCHC along with other public and non-profit housing units located throughout the City.

Regent Park is ageing and requires significant investment to upgrade building and unit standards and to maintain the facilities in a good state of repair. Building and unit designs are obsolete and create significant challenges to maintaining a safe and healthy community.

Regent Park has been the subject of a number of previous attempts over the past two decades to revitalize its ageing buildings. In April 2002, the TCHC Board recommended that a study be undertaken on the potential of an urban design approach and financial feasibility of the

redevelopment of Regent Park. A consulting consortium, the Regent Park Collaborative Team who are experts in urban design, development and finance, conducted the study. This report was completed in December 2002 and concluded that it would be beneficial to proceed with redevelopment and that it would be possible with minimal additional government assistance to the project.

The Regent Park Revitalization Plan is sweeping in scope. It proposes replacement of all existing RGI units in a mixed-use development, intensification of the site to include market housing and other non-housing uses. The redevelopment is to be carried out in a phased approach over a 10 to 12-year period. Each phase will affect approximately 200 households. All tenants will eventually be relocated from their current unit and re-housed by TCHC. It is expected that most will be accommodated within Regent Park. Other housing options will also be available to affected tenants during the redevelopment phase that may include creating additional RGI units adjacent to Regent Park and in other close by neighbourhoods.

The financial plans assume that TCHC would be responsible for the cost to demolish and replace the 2,087 RGI units currently on site. New housing costs would be borne by other developers while related infrastructure costs would be borne by the City, Province and Federal governments. TCHC also aims to generate revenue from the sale or leasing of land within Regent Park not required for its housing or other community uses.

In April 2003, the Regent Park Collaborative Team presented an updated report to the TCHC Board that further confirmed the financial feasibility of the study.

Comments:

The redevelopment plans require involvement of the City in a number of different capacities: as sole shareholder under the Shareholder Direction, as Service Manager under the SHRA, and as approval authority for various planning applications. Other City departments will be involved in the redevelopment including Urban Development Services, Works and Emergency Services, Finance and Economic Development, Culture and Tourism.

This report solely addresses the impact of the redevelopment and sale or lease of a portion or all of Regent Park on the City, as Service Manager. Under the SHRA, Ministerial consent is required for the redevelopment and sale or lease of all or a portion of the site. Further, Ministerial guidelines contained in Release No. 20, v.2 titled "Procedures on obtaining Ministerial Consent under the *Social Housing Reform Act, 2000*", require approval from the City, as Service Manager, for the redevelopment and sale or lease of all or a portion of the site. If approved by the City, as Service Manager, the Ministerial guidelines require the City, as Service Manager, to submit a business case to the Minister on behalf of TCHC.

The full details of the redevelopment, including the sale or lease of all or a portion of the housing project are part of an overall urban development plan for the site. TCHC has stated that proceeding with the redevelopment is conditional upon Shareholder and Service Manager approval.

Negotiations between the City, as Service Manager, and TCHC have occurred regarding the funding and administration of TCHC's public and non-profit housing stock as required by the Council approval given at its meeting held October 2, 3, and 4, 2001, Clause No. 1 of Joint Report No. 1 of the Policy and Finance Committee and the Community Services Committee. Operating agreements have been negotiated to ensure that the interests of the City required under the SHRA are met. For example, the agreements will require TCHC to maintain a certain number of households receiving rent-geared-to-income ("RGI") assistance. In the case of Regent Park, all of the units in this housing project are RGI units. TCHC has clearly indicated its intention to replace all RGI units at the site. There will be a temporary reduction in the number of RGI units during each demolition and construction phase of the redevelopment, however, TCHC is committed to replacing these RGI units at the same site or within the community, and the tenants occupying the original units will have the right to return to the site once completed. Furthermore, TCHC will be obligated under the terms of the Operating Agreement, to maintain a defined level of RGI units within its portfolio.

TCHC's financial plan for the redevelopment costs includes reliance on City's social housing funding only to the extent of the regular annual subsidies paid by SHS to TCHC under the City budgetary process. No additional funding is expected to be paid by the City, as Service Manager.

TCHC was consulted in the preparation of this report.

Conclusions:

This report solely addresses the impact of the redevelopment and sale or lease of all or a portion of Regent Park on the City, as Service Manager. Under the SHRA, Ministerial consent is required for the redevelopment and sale or lease of all or a portion of the site. If approved by the City, as Service Manager, the Ministerial guidelines require the City, as Service Manager, to submit a business case to the Minister on behalf of TCHC. This report recommends approval of the Regent Park redevelopment by the City of Toronto, as Service Manager, under the SHRA.

The approval of the Minister of Municipal Affairs and Housing of the redevelopment and the sale or lease of all or a portion of the Regent Park site, is just one approval that will be required in order to make this redevelopment happen. To this end, TCHC will be seeking separate approval for all other aspects of the redevelopment.

Contact:

Phil Brown, General Manager, Shelter, Housing and Support Division,
Tel: (416) 392-7885/Fax: (416) 392-0548; e-mail: pbrown1@toronto.ca

The Policy and Finance Committee also had before it the following report and communications which were forwarded to all the Members of Council with the July 10, 2003, agenda of the Policy and Finance Committee copies of which are also on file in the office of the City Clerk, City Hall:

- (April 28, 2003) report addressed to the Board of Directors, Toronto Community Housing from the Chief Executive Officer, Toronto Community Housing, entitled "Report on the Regent Park Revitalization Study (TCHC:200330);
- (June 25, 2003) from Mr. Alan Broadbent, Chairman and CEO, Avana Capital Corporation;
- (July 2, 2003) from Mr. Robert G. Keel, Rupert Community Residential Services of Toronto Inc.;
- July 4, 2003) from Mr. John Sewell;
- (July 8, 2003) communication from Ms. Diane MacLean;
- (July 9, 2003) communication from Mr. Mitchell Cohen, President, The Daniels Corporation; and
- (July 10, 2003) communication from Mr. Russ Armstrong, President, Canadian Union of Public Employees, Local 79.

Mr. Derek Ballantyne, CEO, Toronto Community Housing Corporation, made a presentation to the Policy and Finance Committee in connection with the foregoing matter and filed a copy of his presentation materials in regard thereto.

The following persons appeared before the Policy and Finance Committee in connection with the foregoing matter:

- Ms. Diane MacLean; and
- Mr. John Sewell.