

Allenbury Gardens Revitalization – Corporate Actions

Date:	March 1, 2013
To:	Community Development & Recreation Committee
From:	General Manager, Shelter, Support and Housing Administration
Wards:	Ward 33 – Don Valley East
Reference Number:	

SUMMARY

The Allenbury Gardens Revitalization Plan includes the replacement of 127 existing Toronto Community Housing Corporation (TCHC) social housing units. The Plan proposes to demolish and replace 127 rent-geared-to-income (RGI) units and add up to 900 residential condominium units.

At its meeting of February 26, 2013, North York Community Council recommended approval of the applications by Toronto Community Housing to amend the Official Plan and Zoning By-law and for rental housing demolition (NY22.31, *Final Report - Official Plan and Zoning By-law Amendment and Rental Housing Demolition Applications - 3, 5, 11, 17, 21 Allenbury Gardens & 3, 5 Kingslake Road*). The report is scheduled for consideration by City Council on March 21, 2013.

This report recommends the necessary City Council approvals required for the revitalization of Allenbury Gardens as the sole shareholder of TCHC and as the Social Housing Service Manager.

This report also recommends that Council authorise the General Manager, Shelter, Support and Housing Administration to grant future Service Manager consents under subsections 161(2) and (6) and subsection 162 (2) of the *Housing Services Act, 2011* (HSA) to mortgage, encumber, social housing properties. It is expected that such requests will be frequent and ongoing as housing providers, including TCHC, wish to refinance their properties. Such consents are part of the general administration of the social housing system and the City as a designated Service Manager for social housing under the HSA will be required to respond quickly to consent requests. The delegated authority will not

include decisions concerning the redevelopment and/or sale of social housing, which will continue to be made by City Council.

RECOMMENDATIONS

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

- 1) City Council, in its capacity as Shareholder of Toronto Community Housing Corporation (TCHC) and pursuant to the City's Shareholder Direction to TCHC:
 - a. under Section 6.3.1 (c) approve in principle, the revitalization of TCHC's Allenbury Gardens as requested in the communication from TCHC's Chief Executive Officer dated October 12, 2012;
 - b. under Section 6.3.1 (b) approve the sale or lease of land as set out in the communication from TCHC's Chief Executive Officer dated October 12, 2012; and
 - c. under Section 6.3.1 (c) approve any temporary reduction in the number of RGI units during the revitalization of Allenbury Gardens;

on condition that:

 - d. consistent with the rent-geared-to-income (RGI) service level standards, a minimum of 127 units of RGI housing is to be made available in Allenbury Gardens upon completion of the revitalization project;
 - e. the first priority of any net proceeds from the sale or lease of lands in Allenbury Gardens be applied to Toronto Community Housing's capital repair backlog in communities that do not have the opportunity for revitalization; and
 - f. TCHC report annually, through TCHC's *Annual Report* to Council, on the status of the revitalization of Allenbury Gardens and on any tenant and community impacts resulting from the revitalization;
- 2) City Council, in its capacity as Service Manager under the *Housing Services Act, 2011* authorise the General Manager, Shelter, Support and Housing Administration, to grant any necessary Service Manager consents pursuant to the *Housing Services Act, 2011* to:
 - a. the revitalization of Allenbury Gardens;
 - b. all mortgages to be granted by TCHC for the purposes of financing the revitalization of Allenbury Gardens, including future amendments and extensions thereof, in a form approved by the Minister of Municipal

Affairs and Housing, and to cause such consents to be registered under the *Registry Act* or the *Land Titles Act*; and

- c. all future mortgages and developments by third parties of all real property disposed of by TCHC for the purposes of financing the revitalization of Allenbury Gardens and not used for social or public housing, in a form approved by the Minister Municipal Affairs and Housing, and to cause such consents to be registered under the *Registry Act* or the *Land Titles Act*;

subject to:

- d. TCHC and/or the prospective purchasers and lessees of Allenbury Gardens obtaining the various necessary planning approvals and legislative, municipal and corporate consents (including consent of mortgagors, if necessary);
 - e. Approval from the Ministry of Municipal Affairs and Housing (MMAH) and/or Canada Mortgage and Housing Corporation (CMHC) if necessary; and
 - f. TCHC providing a Tenant Relocation and Assistance Implementation Plan, to the satisfaction of the General Manager, Shelter, Support and Housing Administration, that describes TCHC's obligations regarding tenant relocation of Allenbury Gardens tenants for all phases of the revitalization and to provide updates to the Plan as appropriate, pursuant to the requirements set out in Agreements under Section 37 of the *Planning Act* and Section 111 of the *City of Toronto Act*.
- 3) City Council, in its capacity as Service Manager under the *Housing Services Act, 2011* authorise the General Manager, Shelter, Support and Housing Administration to obtain all necessary third party waivers or other authorizations and request the Ministry of Municipal Affairs and Housing to grant any necessary Ministerial consents pursuant to the *Housing Services Act, 2011* to:
- a. all transfers, sales, leases and other dispositions of real property by TCHC for the purposes of the revitalization of Allenbury Gardens;
 - b. all future transfers, sales, leases and other dispositions by third parties of all real property disposed of by TCHC for the purposes of the revitalization of Allenbury Gardens and not used for social or public housing; and
 - c. to cause such consents to be registered by the City Solicitor under the *Registry Act* or the *Land Titles Act*; and

- 4) City Council, in its capacity as Service Manager under the *Housing Services Act, 2011*, delegate to the General Manager, Shelter, Support And Housing Administration, pursuant to Section 17 of the *Housing Services Act, 2011* the power of the City of Toronto as Service Manager to provide written consent to any person under:
 - a. Section 161 (2) of the *Housing Services Act, 2011* to mortgage, encumber, real property that was transferred under a transfer order made under Part IV of the former *Social Housing Reform Act, 2000* (SHRA) or to any extension or amendment of any existing mortgage or encumbrance;
 - b. Section 161 (6) of the *Housing Services Act, 2011* to all future mortgages, encumbrances, of real property that was transferred under a transfer order made under Part IV of the former SHRA or to any extension or amendment of any existing mortgage or encumbrance; and
 - c. Section 162 (2) of the *Housing Services Act, 2011* to mortgage or encumber a housing project subject to the *Housing Services Act, 2011* or to extend or amend any existing mortgage or encumbrance.

Financial Impact

There are no direct financial impacts on the City arising from the adoption of this report. TCHC will be responsible for the total cost of replacing and refurbishing the 127 social housing units and related infrastructure costs as part of the Revitalization Plan.

City Planning staff will report to City Council on any arising financial impacts upon finalization of the Zoning By-law Amendment and Plan of Subdivision applications.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agree with the financial impact information.

Equity Impact

The revitalization of Allenbury Gardens will enhance the quality of housing for low income households in Allenbury Gardens through new and refurbished homes and new local amenities. The revitalization of Allenbury Gardens meets the City of Toronto's priorities and TCHC's objectives for building healthy, liveable communities.

The housing development at 1751 and 1761 Sheppard Avenue East resulted in the construction of new community agency space, Parkway Forest, along Sheppard Avenue East through Section 37 of the Planning Act. Parkway Forest houses 8 small grassroots organizations, most of which serve low-income and equity-seeking area residents. Residents of Allenbury Gardens will continue to access all of the programs and services offered by community organizations operating out of Parkway Forest, and the agencies will continue to serve community priorities. The agencies in Parkway Forest provide a

range of activities including programs for women, mental health support, and prevention and advocacy services.

Recommendation 4 of this report, if adopted by Council, is intended to assist with the timely administration of social housing programs in the City of Toronto. These programs 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 of February 26, 2013, North York Community Council recommended approval of the applications by Toronto Community Housing to amend the Official Plan and Zoning By-law and for rental housing demolition (NY22.31, *Final Report - Official Plan and Zoning By-law Amendment and Rental Housing Demolition Applications - 3, 5, 11, 17, 21 Allenbury Gardens & 3, 5 Kingslake Road*). The report is scheduled for consideration by City Council on March 21, 2013.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.NY22.31>

ISSUE BACKGROUND

TCHC wishes to undertake a revitalization of the Allenbury Gardens community over the next 5 to 10 years. TCHC intends to achieve the revitalization, in part, through the sale or lease of land. The TCHC plan involves replacing the existing 127 social housing townhouses with 127 social housing replacement units, 7 rental housing units and 900 residential condominium units. The proposed development would include building heights ranging from 3 storey townhouses to 9 to 20 storey apartment buildings.

In a letter dated October 12, 2012, TCHC requested the City to consent to the revitalization pursuant to the City's responsibilities as sole shareholder of TCHC and Service Manager under the *Housing Services Act, 2011* (HSA). This report addresses TCHC's request for such consents.

Under the former provisions of the *Social Housing Reform Act* (SHRA) any real property transferred to the City's administration by a transfer order could not be mortgaged or otherwise encumbered, developed or redeveloped without the prior written consent of the Minister of Municipal Affairs and Housing. Effective January 1, 2012 when the HSA replaced the SHRA, City Council in its capacity as Service Manager now has the authority to grant consents with respect to mortgaging, encumbering or redeveloping social housing projects.

COMMENTS

The proposed revitalization of Allenbury Gardens 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. Allenbury Gardens is identified in the HOT Action Plan as a priority for revitalization.

The revitalization plan requires amendments to the Official Plan and Zoning By-Law. In addition, in order for the revitalization to proceed, Council must approve the revitalization in its roles as sole Shareholder of TCHC and as Social Housing Service Manager under the *HSA*.

Sole Shareholder

The City of Toronto is the sole shareholder for Toronto Community Housing Corporation. Council's shareholder relationship with TCHC is set out in the Shareholder Direction. Under Section 6.3.1 the approval of the Shareholder is required to permit TCHC to 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..." Shareholder approval is also required before TCHC can proceed with revitalization projects. This report recommends that Council grant the necessary Shareholder consents subject to TCHC maintaining the same number of RGI housing units in Allenbury Gardens as currently exist there, and investing the net proceeds from the sale or lease of land in Allenbury Gardens in Toronto Community Housing's capital repair backlog in communities that do not have the opportunity for revitalization. It is also recommended that TCHC update Council on the status of the revitalization project as part of its annual report to Council.

Service Manager

As a designated Service Manager for social housing under the *Housing Services Act, 2011* the City is also responsible for ensuring TCHC's compliance with the requirements of the legislation and its regulations. The *Housing Services Act, 2011* requires the Service Manager to consent to the revitalization of public housing projects. In order to proceed with the sale of any lands, TCHC will also require the consent of the Minister of Municipal Affairs and Housing. Lands that are currently social and public housing remain subject to the requirements to obtain consents from the Minister of Municipal Affairs and Housing and the Service Manager, as appropriate, to encumbering, developing and transferring such land unless consent to such future transactions is registered against title. Ministerial guidelines require the City, as Service Manager, to submit a business case and to seek consent from the Minister on behalf of TCHC. This report recommends that the General Manager, Shelter, Support and Housing Administration be authorised to grant any Service Manager consents to the revitalization of Allenbury Gardens pursuant to the provisions of the *Housing Services Act, 2011* and to seek such Ministerial consents.

Requests for consent to mortgage social housing properties have already been to Council under the new HSA and it is expected that such requests will be frequent and ongoing as housing providers, including TCHC, wish to refinance their properties. For example,

TCHC obtained specific Council approval in March 2012 to mortgage the market housing Block 7 of the Phase II Regent Park by Parliament and Gerrard Development Corporation (of which TCHC is a 50 percent shareholder). In July, 2012 Council granted consents related to the revitalization of Alexandra Park and Atkinson Housing Cooperative. In November of 2012, Council granted consents related to the revitalization of Lawrence Heights.

TCHC is proceeding with the redevelopment of Lawrence Heights, Allenbury Gardens, Alexandra Park and the future phases of Regent Park, which redevelopments will necessitate numerous requests for Service Manager consents to encumber their projects. Such consents are part of the general administration of the social housing system and the City as a designated Service Manager for social housing under the HSA will be required to respond quickly to consent requests.

Section 17 of the HSA allows Council to delegate in writing all or some of the powers and duties of the Service Manager under the HSA. To ensure that the City is able to respond quickly and efficiently to future requests to mortgage, encumber, social housing properties, it is recommended that Council authorize the General Manager, Shelter, Support And Housing Administration to grant future Service Manager consents to such requests on behalf of Council under subsections 161(2) and (6) subsection 162 (2) of the HSA. The recommended delegation is limited in scope. City Council will continue to make decisions concerning the redevelopment and/or sale of social housing.

This report was prepared in consultation with the City Manager's Office.

CONTACT

Maria Varlokostas, Acting Director, Social Housing
Shelter, Support & Housing Administration
Phone: 416-338-8224
Fax: 416-696-3718
Email: mvarlok@toronto.ca

SIGNATURE

Phillip Abrahams, Acting General Manager
Shelter, Support and Housing Administration

ATTACHMENT

- Letter from TCHC, dated October 12, 2012