



**STAFF REPORT  
ACTION REQUIRED**

**Update on Settlement Negotiations with Christie Gardens**

<b>Date:</b>	October 4, 2016
<b>To:</b>	City Council
<b>From:</b>	General Manager, Shelter, Support and Housing Administration Deputy City Manager & Chief Financial Officer
<b>Wards:</b>	Ward 21
<b>Reference Number:</b>	

**SUMMARY**

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As directed by the Community Development and Recreation Committee ("CDRC") on September 20, 2016, this report from the General Manager, Shelter, Support and Housing Administration ("SSHA") provides an update on the status of negotiations with Christie Gardens Apartments and Care Inc. ("Christie Gardens") for a \$5,500,000 settlement of their obligation to provide rent-geared-to-income assistance under the terms of an existing Social Housing Agreement.

As directed by CDRC, this report also recommends interim funding for the non-profit organization Humewood House to purchase 55-57 Humewood Drive. Interim funding is recommended from the Social Housing Stabilization Reserve Fund (XQ1106), in advance of the Christie Gardens settlement funds being received by the City. Humewood House will house young, low-income, pregnant and parenting women and their children at 55-57 Humewood Drive.

Up to \$2,500,000 in interim financing from the Social Housing Stabilization Reserve Fund will be advanced to Humewood House, subject to the execution of the settlement agreement by Christie Gardens.

This is a time-sensitive matter as Humewood House is scheduled to close the purchase 55-57 Humewood Drive on October 21, 2016

## **RECOMMENDATIONS**

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**The General Manager, Shelter, Support and Housing Administration and Deputy City Manager & Chief Financial Officer recommend that:**

1. City Council authorize the General Manager, Shelter, Support and Housing Administration, in consultation with the Director, Affordable Housing Office, and the Deputy City Manager and Chief Financial Officer, to secure interim funding up to \$2,500,000 from the Social Housing Stabilization Reserve Fund (XQ1106), to permit Humewood House to complete the purchase of 55-57 Humewood Drive in advance of the settlement funds being received by the City, subject to the execution of a settlement agreement between the City and Christie Gardens Apartments and Care Inc.
2. City Council amend the 2016 Approved Operating Budget for Shelter, Support and Housing Administration by \$2,500,000 gross, zero net.
3. City Council direct the General Manager, Shelter, Support and Housing Administration, to aggressively pursue the settlement with Christie Gardens and repay \$2,500,000 to the Social Housing Stabilization Reserve Fund (XQ1106), once the City receives the settlement money from Christie Gardens.

### **Financial Impact**

The uncommitted balance of the Social Housing Stabilization Reserve Fund (XQ1106) is \$22.6 million. The funding can be used on a temporary basis to expedite the purchase of 55-57 Homewood Drive. To receive the money from the reserve, the 2016 Council approved operating budget for SSHA must be amended by \$2,500,000 gross and zero net.

Once the settlement funds have been received, an equal amount, up to \$2,500,000 will be returned to the same reserve.

Consistent with existing City housing policies, a staff report describing the affordable housing proposal at 55-57 Humewood Drive will be submitted for Council consideration at a future date.

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

### **DECISION HISTORY**

At its meeting on September 20, 2016, Community Development and Recreation Committee considered item CD14.14 "Update on the Settlement with Christie Gardens"- Letter from Councillor Joe Mihevc, Ward 21 - St. Paul's West. This item was forwarded for consideration by City Council on October 5, 2016.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CD14.14>

At its meeting on July 12, 2016, City Council adopted CD13.2 "Authorization to Amend Christie Gardens' Social Housing Agreement" where Council authorized the acceptance and distribution of settlement funds from Christie Gardens to fund the purchase of 55-57 Humewood Drive, and authorized the General Manager, Shelter, support and Housing Administration in conjunction with the Director, Affordable Housing Office to take necessary steps to work with Humewood House to facilitate the acquisition and development of affordable housing.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CD13.2>

## **ISSUE BACKGROUND**

City Council at its July 12, 13 and 14, 2016 meeting approved the acceptance of \$5,500,000 from Christie Gardens as a one-time payment in settlement of their obligation to provide rent-geared-to-income assistance under the terms of an existing Social Housing Agreement.

Council also authorized the Director, Affordable Housing Office, in consultation with the General Manager, SSHA to allocate up to \$2,500,000 from the Christie Gardens' settlement to the non-profit group Humewood House, to fund the purchase of 55-57 Humewood Drive for affordable housing for young pregnant and parenting women.

Following the above Council decision, Humewood House was successful in making an offer to purchase 55-57 Humewood Drive, with an initial sales closing on September 30, 2016.

Humewood House, working with the current property owner, has negotiated an extension on the closing to October 21, 2016 in order to provide City Council the opportunity to consider interim funding for the purchase.

The City has reached an agreement to finalize the settlement with Christie Gardens and expects the formal documents signed by October 6, 2016. Christie Gardens is finalizing financing arrangements allowing it to complete the transaction.

## **COMMENTS**

### **Interim financing will be subject to the execution of the Christie Gardens settlement agreement**

SSHA and Christie Gardens have been actively working to expedite the execution of the settlement agreement in the amount of \$5,500,000. Interim financing will only be advanced to Humewood House for the purchase 55-57 Humewood Drive upon the execution of the settlement agreement between the City and Christie Gardens.

## **The 55-57 Humewood Drive sales closing is time-sensitive**

55-57 Humewood Drive is currently vacant and the existing owner is incurring maintenance costs. As there were other offers on the property, the owner is unlikely to provide a further extension of the sales closing beyond October 21, 2016.

The Humewood House development proposed at 55-57 Humewood Drive has also qualified for federal/provincial affordable housing funding. Due to the timelines attached with the funding program, any delay in the acquisition which may impact the start of construction, will jeopardize funding eligibility and project viability.

By providing the recommended interim funding, Humewood House will be able to complete the purchase of 55-57 Humewood Drive by the closing date of October 21, 2016, and provide new affordable housing for young pregnant and parenting women.

### **CONTACT**

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### **SIGNATURE**

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Rob Cressman  
Acting General Manager  
Shelter, Support and Housing  
Administration

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Roberto Rossini  
Deputy City Manager &  
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