



STAFF REPORT ACTION REQUIRED

250 Davenport Road – Corporate Actions

Date:	October 5, 2016
To:	Community Development and Recreation Committee
From:	General Manager, Shelter, Support and Housing Administration
Wards:	Ward 20
Reference Number:	

SUMMARY

Toronto Community Housing Corporation (TCHC) is using the proceeds from the sale of a portion of the land at 250 Davenport Rd. to revitalize the existing high-rise social housing apartment building onsite. The proposed new development on the severed land is a 28-storey condominium building with six integrated townhouses plus two back-to-back townhouse blocks. 354 residential units (315 in the new condo building and 39 new townhouses) are proposed on the west portion of the site. The existing 25-storey TCHC social housing apartment building (449 units) will be retained and 11 existing TCHC townhouses on Pears Avenue will be demolished and rebuilt in a 3-storey residential building.

This report recommends the necessary City Council approvals required for the new development at 250 Davenport as the sole shareholder of TCHC and as the Social Housing Service Manager.

At its meeting of October 13, 2016, Toronto East York Community Council will consider an application for Rental Housing Demolition and Conversion under Section 111 of the *City of Toronto Act* (Chapter 667 of the Municipal Code) along with the rezoning application for the demolition of the rental housing units. The City Planning report and this report will be considered simultaneously by City Council on November 8 and 9, 2016.

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):
 - a. approve in principle, pursuant to Section 7.4.1 (c) of the City's Shareholder Direction to TCHC, the revitalization of TCHC's 250 Davenport Rd. site as requested in the communication from TCHC's President and Chief Executive Officer (Interim) dated May 3, 2016;
 - b. approve, pursuant to Section 7.4.1 (b) of the City's Shareholder Direction to TCHC, the sale of a portion of the 250 Davenport lands as set out in the communication from TCHC's President and Chief Executive Officer (Interim) dated May 3, 2016;

on condition that:

- c. consistent with the service level standards, a minimum of 460 units of rent-geared-to-income (RGI) housing is to be made available at 250 Davenport; and
 - d. TCHC report annually, through TCHC's *Annual Report* to Council, on the status of the revitalization of 250 Davenport 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 redevelopment of a portion of 250 Davenport;
 - b. all mortgages, encumbrances and developments to be granted by TCHC for the purposes of financing the revitalization of 250 Davenport, including future amendments and extensions thereof, in a form approved by the Minister, 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 250 Davenport and not used for social or public housing, in a form approved by the Minister, and to cause such consents to be registered under the *Registry Act* or the *Land Titles Act*; or

- d. subject to proclamation of anticipated amendments to the *Housing Services Act*, any transfers, mortgages and redevelopment of 250 Davenport by TCHC;
- subject to:
- e. TCHC and/or the prospective purchasers of 250 Davenport lands obtaining the various necessary planning approvals and legislative, municipal and corporate consents (including consent of mortgagors, if necessary);
 - f. any necessary approval from the Ministry of Housing for the sale of a portion of 250 Davenport lands as required under Section 161 of the *Housing Services Act* prior to its amendment and/or Canada Mortgage and Housing Corporation (CMHC) if necessary; and
 - g. TCHC providing a Tenant Relocation and Assistance Implementation Plan (TRAIP), to the satisfaction of the General Manager, Shelter, Support and Housing Administration, that describes TCHC's obligations regarding tenant relocation of 250 Davenport 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*; and
3. City Council, in its capacity as Service Manager under the *Housing Services Act, 2011* authorise the General Manager, Shelter, Support and Housing Administration, and subject to proclamation of anticipated amendments to the *Housing Services Act* to request the Ministry of Housing to grant any necessary Ministerial consents pursuant to the *Housing Services Act, 2011* to:
- a. all transfers, leases and other dispositions of real property by TCHC for the purposes of the revitalization of 250 Davenport lands;
 - b. all future transfers, leases and other dispositions by third parties of all real property disposed of by TCHC for the purposes of the revitalization of 250 Davenport 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*.

Financial Impact

There are no direct financial impacts on the City arising from the adoption of this report. TCHC and the developer will be responsible for the total cost of replacing the 11 townhouse units and refurbishing the 449 social housing units.

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 has reviewed this report and agrees with the financial impact information.

Equity Impact

The redevelopment at 250 Davenport will help to transform and improve existing and aging housing for low income households. The proceeds from the sale of a portion of the land are being used to revitalize the existing TCHC building through energy efficiency upgrades, including new windows and balcony doors and improvements to the heating, cooling and building systems. These improvements will ultimately improve the quality of life for residents, while improving the existing open spaces around the building.

DECISION HISTORY

The City's ten year affordable housing plan, *Housing Opportunities Toronto*, was approved by City Council at its meeting of August 5 and 6, 2009. The report identifies a key City action to "support the efforts of Toronto Community Housing to implement its Real Estate Asset Investment Strategy" and "support and participate in the revitalization of 13 social housing communities."

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-08-05-cc38-dd.htm>

On November 10, 2015, Toronto and East York Community Council received the *Zoning Amendment Application and Rental Housing Demolition & Conversion - Preliminary Report* for 250 Davenport Rd., and directed Planning staff to schedule a community consultation meeting with the Ward Councillor. This meeting took place on May 2, 2016.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.TE12.36>

In its letter dated May 3, 2016, TCHC requested the City to consent to the revitalization of 250 Davenport Rd. pursuant to the City's responsibilities as sole shareholder of TCHC and Service Manager under the *Housing Services Act, 201* (HSA). This report addresses TCHC's request for such consents. (See Attachment 1)

TCHC's application for the necessary approvals under the *Planning Act* to amend the Zoning By-law and approve the Rental Housing Demolition is the subject of a separate report, which was considered by Toronto and East York Community Council on October 13, 2016, and will be considered by Council on November 8 and 9, 2016.

In October 2012, Council adopted [Putting People First, Transforming Toronto Community Housing](#), a report which recommended that TCHC leverage land assets through infill, revitalization and sale, explore mixed funding, develop strategic partnerships, and provide home ownership opportunities for residents.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX23.4>

ISSUE BACKGROUND

Toronto Community Housing Corporation (TCHC) wishes to undertake a revitalization of the 250 Davenport Rd. site. TCHC intends to achieve the revitalization through the sale of land a portion of the land onsite. The TCHC plan involves demolishing and replacing 11 existing social housing townhouse units and revitalizing the existing high-rise apartment building.

COMMENTS

The proposed revitalization of 250 Davenport Rd. is part of TCHC's efforts to reduce their capital repair backlog, which currently sits at \$2.6 billion and is growing every year. As this site is revitalized, all deferred capital maintenance that contributes to the backlog within the community is eliminated. The TCHC Ten-Year Capital Plan incorporates the reduction in the capital backlog associated with the sale of assets and revitalization sites. By investing in and revitalizing existing units with energy efficiency measures, TCHC is working towards eliminating the current capital repair backlog and can direct these savings to other TCHC communities.

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

The revitalization initiatives at 250 Davenport have actively engaged local residents through community meetings, workshops and door-to-door outreach. The social and economic development plan for 250 Davenport, *Transition 250*¹, was created by a working group comprised of local residents, community agency partners and TCHC staff. *Transition 250* is a plan that allows TCHC to focus on actions beyond physical improvements that need to be in place to make 250 Davenport a healthier place for all to live. As part of the project, TCHC and its development partners at 250 Davenport will be creating employment, education and scholarships, economic and other opportunities for residents in value of approximately \$1.5 million.

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.

¹ Included in Attachment 1

Sole Shareholder Role

Council's shareholder relationship with TCHC is set out in the Shareholder Direction. Under Section 7.4.1, Shareholder approval 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 under Section 7.4.1(c) before TCHC can proceed with revitalization projects or changes to the number of RGI units.

This report recommends that Council grant the necessary Shareholder consents subject to TCHC maintaining the same number of RGI housing units as currently exist at 250 Davenport, and investing the net proceeds from the sale of a portion of the land in the revitalization project as the first priority. It also recommends that TCHC update Council on the status of the revitalization project as part of its annual report to Council.

Service Manager Role

As the designated Service Manager for social housing under the HSA, the City is also responsible for ensuring TCHC's compliance with the requirements of the legislation and its regulations. The HSA requires the Service Manager to consent to the revitalization of social housing projects. In order to proceed with the sale of any lands, TCHC will also require the consent of the Ministry of Housing. Lands that are currently social and public housing remain subject to the requirements to obtain consents from the Ministry 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.

Bill 204, Promoting Affordable Housing Act, 2016, has received first reading in the legislative assembly. Schedule 3 sets out certain proposed amendments to the *Housing Services Act*. Section 161 currently applies with respect to real property that was transferred under a transfer order made under Part IV of the Social Housing Reform Act, 2000 (the "former Act"). Under that section and unless specified exceptions apply, a person may mortgage or develop the real property only with the consent of the Service Manager in whose service area the property is located and may transfer the real property only with the consent of the Minister. Section 161, as re-enacted, limits its application to designated housing projects that were transferred under a transfer order made under Part IV of the former Act. Under section 161, as re-enacted, the housing provider may transfer, mortgage or develop the designated housing project or the land where it is located only with the consent of the Service Manager in whose service area the designated housing project is located. Consent is not required for prescribed transactions or activities.

This report recommends that the General Manager, Shelter, Support and Housing Administration, be authorised to grant any Service Manager consents to the

redevelopment at 250 Davenport Road pursuant to the provisions of the HSA, including transfers to develop condominiums and mortgages to obtain financing.

CONTACT

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SIGNATURE

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ATTACHMENT

1. Request for Consent from City of Toronto and Ministry of Municipal Affairs and Housing (now the Ministry of Housing) for Revitalization of 250 Davenport Rd. - Letter from TCHC, dated May 3, 2016