



Regent Park Phase 3 Service Manager Consent

Date: February 14, 2017

To: Community Development and Recreation Committee

From: General Manager, Shelter, Support and Housing Administration

Wards: Ward 28

SUMMARY

Toronto Community Housing Corporation (TCHC) has embarked on a multi-phase plan to redevelop Regent Park, the country's largest social housing community. TCHC is halfway through the revitalization that will replace 2,083 Rent-Geared-to-Income (RGI) units and develop approximately 5,417 market units within a 70 acre site. Affordable rental units form part of the revitalization plan with 636 new affordable units added and will continue to be included as funding becomes available.

As part of the Phase 3 revitalization, on December 2, 2016, TCHC submitted a request to Shelter, Support and Housing Administration (SSHA) for consent to transfer lands in connection with the redevelopment. TCHC is proposing that lands identified as part of Market Blocks 2 and 3 be transferred to Daniels Regent Development Corporation (Daniels) to be developed as condominiums. TCHC will use the proceeds from the land sales to fund costs associated with building the replacement rental housing. The request has no financial implications to the City.

This report recommends that City Council as Service Manager grant consent for the transfer of selected TCHC properties to Daniels as part of Phase 3 of the Council-approved Regent Park Revitalization.

RECOMMENDATIONS

The General Manager, Shelter, Support & Housing Administration (SSHA) recommends that:

1. City Council, acting as Service Manager under the Housing Services Act, 2011 (HSA), consent pursuant to subsection 161 (2) of the HSA, to the transfer by Toronto Community Housing Corporation (TCHC) to Daniels Regent Development Corporation and any future transfer by Daniels Regent Development Corporation or by any successor in title of:

- a. Part of Block 2, Plan 66M-2529 (the "MPlan") designated as Parts 3, 4 and 5 on Plan 66R-29036 (collectively "Market Block 2S"); and
- b. Part of Block 3, Plan 66M-2529, designated as Parts 8, 9 and 10 on Plan 66R-29036 (collectively "Market Block 3S");

Subject to the following conditions:

1. TCHC shall reimburse the Service Manager for all provincial housing costs attributable to Market Block 2S and Market Block 3S that the Service Manager shall be responsible for pursuant to the Housing Services Act, 2011;
2. TCHC shall advise the City of any extension of the closing date or dates for such sale;
3. TCHC shall provide the City with details of the transfer to Daniels Regent Development Corporation within ten (10) days of closing, including copies of all registered transfers and the relevant parcel registers, so that the City may apply to the Province to advise Canada Mortgage and Housing Corporation of the sale and removal of Market Block 2S and Market Block 3S from the social housing portfolio; and
4. TCHC shall use the net financial proceeds to fund a portion of the cost of replacement social housing in Regent Park Phase 3.

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

- a. advise the Minister of Housing pursuant to section 163 of the Housing Services Act of the consent provided by Council as Service Manager to the transfer of Market Block 2S and Market Block 3S to Daniels Regent Development Corporation and to request that these lands be removed from the social housing portfolio; and
- b. provide Service Manager consent to any construction financing proposed by or on behalf of Daniels Regent Development Corporation on terms and conditions satisfactory to the General Manager, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The recommendations included in this report will have no financial implications for the City. The costs of the Regent Park Redevelopment will be fully funded by TCHC. The City may make financial contributions as required.

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

EQUITY IMPACT STATEMENT

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

DECISION HISTORY

On March 20, 2014 City Council approved proceeding with Phase 3 of the Regent Park Redevelopment.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.TE30.10>

On October 30, 2012, City Council provided the necessary Service Manager consents under the Housing Services Act for Blocks 5, 7 and 9 of Regent Park Redevelopment Phase 2.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CD16.3>

At its meeting of March 5, 6 and 7, 2012, City Council provided the Service Manager consent required under the HSA to Parliament and Gerrard Development Corporation to grant a mortgage to the Royal Bank of Canada securing a parcel of land that is part of Phase 2 of the Regent Park Redevelopment project described as Block 7 of plan 66M-2491.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CC19.1>

On August 25, 2010, City Council approved proceeding with Phase 2 of the Regent Park Redevelopment.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.TE36.18>

City Council approved the revitalization of Regent Park at its meeting held July 22, 23, 24, 2003.

<http://www.toronto.ca/legdocs/2003/agendas/council/cc030722/pof8rpt/cl002.pdf>

COMMENTS

Regent Park Phase 3 Consent Request

In January 2003, City Council, acting as the sole shareholder of TCHC, approved the multi-phase revitalization of the Regent Park community. The Regent Park revitalization will replace 2,083 rent-geared-to-income units and develop approximately 5,417 market units within the 70 acre site. As part of the revitalization, TCHC is replacing all demolished social housing units and tenants are receiving assistance with relocation.

TCHC has successfully completed Phase 1 of the revitalization. Phases 2 and 3 are currently under construction and the revitalization is anticipated to be completed in five or fewer phases.

On December 2, 2016, TCHC submitted a request to the General Manager, SSHA, to seek Ministerial consent to the transfer of Market Blocks 2S and 3S in connection with the redevelopment of Regent Park.

The proposed transfer of Market Blocks to Daniels for condominium developments will provide TCHC with proceeds from the land sale to help fund the costs associated with building replacement rental housing. The sale of the Market Blocks to Daniels reduces TCHC's exposure to risk by securing land value upfront and allows TCHC to set time lines for developing rental housing for its residents.

The two parcels to be transferred, referred to in this report as Blocks 2S and 3S, are the southernmost parts of Blocks 2 and 3 on Plan 66M-2529, the subdivision plan for Phase 3 of the Regent Park revitalization registered in December, 2015. Blocks 2 and 3 are bounded by Oak Street to the north, River Street to the east, Dundas Street East to the south and Sumach Street to the west. Tubman Avenue, a public street to be conveyed to the City of Toronto as part of TCHC's subdivision agreement, divides the two blocks. Please refer to Attachment 1.

The Regent Park Secondary Plan, adopted in 2005 and amended as part of the Phase 3 rezoning process in 2014, contemplated the development of four buildings on Blocks 2 and 3 with a private laneway dividing each block into northern and southern portions. The northernmost part of each block will remain under TCHC's ownership, to be developed as replacement rental housing, whereas the southern parts are to be conveyed to Daniels for the development of two market condominiums.

All tenants living in the rental buildings within Blocks 2 and 3 were relocated in 2015 supported by a City approved Tenant Relocation Assistance Plan (TRAIP).

The rental buildings that occupied the site were demolished in 2015. The two TCHC replacement rental buildings and one of the two market condominiums to be developed are currently in the site plan approval process. The second market condominium is still in the design phase.

Change to the Housing Services Act, 2011

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

Previously, the HSA required the City, acting as Service Manager on behalf of a housing provider, to obtain the consent of the Ministry of Housing for any transfer of social housing. Now, the required consent for these transactions rests with the Service Manager, except for specified transfers where the required consent is that of the Minister.

These legislative amendments came into effect on January 1, 2017 and are intended to enhance the ability of Service Managers to make decisions to better meet local housing needs in a more timely and efficient manner.

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

1. The Service Manager shall ensure that:

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

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

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

Council has previously delegated to the General Manager, SSHA, Service Manager authority to provide consent to mortgages of social housing. If City Council consents to the transfers, the General Manager will provide the necessary Service Manager consent for Daniels to obtain construction financing.

Approving Consent for this Request

TCHC has submitted all documents required for the review of their request for Service Manager consent for the transfer of Market Blocks 2S and 3S. City staff have reviewed the request using the previous guidelines used by the Ministry of Housing to grant Ministerial consent for transfers of social housing. The request is consistent with the Council-approved revitalization plan for Regent Park.

The request also meets the requirements of the Ministerial Directive related to consultation with residents and mitigation of adverse impacts, and ensuring the net financial proceeds support the delivery of a transferred housing program.

TCHC has already completed the tenant consultations required under the Ministerial Directive. Specifically, tenants who were relocated as part of Phase 3 met individually with relocation staff to discuss the relocation process. These consultations began in

2013, and as of 2015 all tenant households were relocated. TCHC continues to meet quarterly with tenants in both Tenant Update meetings and Community Update meetings, providing updates on construction, building design, and local employment opportunities. Families currently waiting for new units are also invited to any Regent Park-wide consultations and updates.

TCHC also completed a Tenant Relocation Assistance Plan (TRAIP) to mitigate hardship to tenants caused by redevelopment. Implementation of the TRAIP is monitored by SSHA.

TCHC will be using the proceeds from the land sale to fund some of the costs associated with building the replacement rental housing. There are no financial implications for the City.

TCHC has committed to opening one or more replacement buildings per year and reducing the amount of time households are relocated out of Regent Park. The transfer of Market Blocks 2S and 3S will assist TCHC to secure the appropriate funding to meet its business plan forecasts for beginning construction of the replacement rental buildings and meeting its timeline commitments to families who were relocated out of Regent Park.

CONTACT

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SIGNATURE

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ATTACHMENT

Attachment 1: Regent Park Blocks 2S and 3S