

### Lawrence Heights Phase 1B Service Manager Consent

**Date:** August 25, 2017

**To:** Community Development and Recreation Committee

**From:** General Manager, Shelter, Support and Housing Administration

**Wards:** Ward 15

#### SUMMARY

---

Toronto Community Housing Corporation (TCHC) has embarked on a multi-phase plan to revitalize its Lawrence Heights community. The project will replace 1,208 Rent-Geared-to-Income (RGI) units that require renewal and develop approximately 4,792 market units on 60.5 hectares of land.

As part of the Phase 1B revitalization, on July 6, 2017, 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 Block 1 be transferred to Yorkdale Residences II Inc. ("YRI") to be developed as a mixed-use condominium building with integrated townhouses and retail space at grade. 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 Yorkdale Residences II Inc. as part of Phase 1B of the Council-approved Lawrence Heights Revitalization and authorize the General Manager, SSHA, as Service Manager to provide the necessary consents for future transfers associated with the Lawrence Heights Revitalization.

#### RECOMMENDATIONS

---

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

1. City Council authorize the General Manager, Shelter, Support and Housing Administration (the "General Manager"), to provide on behalf of the City 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 Yorkdale Residences II Inc.:

a. that Part of Block 1, on a draft plan of subdivision, designated as Parts 1-7 inclusive and Part 10 on the draft Strata Plan (collectively "Market Lands") received from Toronto Community Housing Corporation;

Subject to the following conditions:

i. registration of the Strata Plan;

ii. TCHC shall reimburse the Service Manager for all provincial housing costs attributable to the Market Lands that the Service Manager shall be responsible for pursuant to the *Housing Services Act, 2011*;

iii. TCHC shall have advised the General Manager of the proposed closing date and undertakes to advise the General Manager of any extension of the closing date or dates for such sale;

iv. TCHC shall provide the General Manager with details of the transfer to Yorkdale Residences II Inc. within ten (10) days of closing, including copies of all registered transfers and the relevant parcel registers, so that the General Manager may apply to the Province to advise Canada Mortgage and Housing Corporation of the sale and removal of the Market Lands from the social housing portfolio;

v. TCHC shall use the net financial proceeds to fund a portion of the cost of construction for the replacement social housing in Lawrence Heights Phase 1B; and

vi. such other conditions that the General Manger considers reasonable and necessary to carry the recommendations adopted by Council;

2. City Council authorize the General Manager to:

a. advise the Minister of Housing pursuant to section 163 of the HSA of the consent provided on behalf of Council as Service Manager to the transfer of the Market Lands to Yorkdale Residences II Inc. and to request that these lands be removed from the social housing portfolio; and

b. provide as required Service Manager consent pursuant to subsection 161 (2) of the HSA on terms and conditions satisfactory to the General Manager, and in a form satisfactory to the City Solicitor, to any construction financing proposed by or on behalf of Yorkdale Residences II Inc.; and

3. City Council authorize the General Manager to provide, on behalf of the City, acting as Service Manager under the HSA, consents pursuant to subsection 161 (2) of the HSA to transfers by Toronto Community Housing in future phases of the redevelopment of Lawrence Heights, consistent with the prior redevelopment decisions by City Council, 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 have no financial implications for the City. The costs of the Lawrence Heights 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**

---

At its meeting held October 30, 31 and November 1, 2012, City Council, in its capacity as Service Manager, provided the Service Manager consent required under the HSA for the redevelopment of TCHC's Lawrence Heights community and authorized the General Manager, SSHA to grant any necessary Service Manager consents pursuant to the HSA for all mortgages to be granted by TCHC for the purposes of financing the revitalization.

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

At its meeting held on July 6, 7 and 8, 2010 City Council, acting as the sole shareholder of TCHC, approved the revitalization of TCHC's Lawrence Heights community as required by Section 6.3.1 (c) of the City's Shareholder Direction to TCHC.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.CD34.8>

## **COMMENTS**

---

### **Lawrence Heights Phase 1B Consent Request**

In July 2010, City Council, acting as the sole shareholder of TCHC, approved the multi-phase revitalization of the Lawrence Heights community. The project will replace 1,208 Rent-Geared-to-Income (RGI) units that require renewal and develop approximately 4,792 market units on 60.5 hectares of land. As part of the revitalization, TCHC is replacing all demolished social housing units and tenants are receiving assistance with relocation.

On July 6, 2017, TCHC submitted a request to the General Manager, SSHA, for consent to transfer lands in connection with the redevelopment of Lawrence Heights. TCHC is proposing that lands identified as part of Block 1 be transferred to Yorkdale Residences II Inc. ("YRI") to be developed as a mixed-use condominium building with integrated townhouses and retail space at grade. TCHC has also entered into a Project Management Agreement with Heights Development Inc. ("HDI"). TCHC will use the proceeds from the land sales to fund costs associated with building the replacement rental housing. TCHC is requesting that Service Manager consent be granted for this transfer prior to October 15, 2017 in order to meet construction timelines.

The property to be transferred is located at 1 Leila Lane, at the southeast intersection of the Allen Expressway and Ranee Avenue, with frontages along Ranee Avenue to the north and Varna Drive to the east, as highlighted in Attachment 1. The property has a total land area of approximately 8,338 square metres.

The 31-unit rental apartment building on the property was demolished in April 2017. TCHC relocated the residents in the rental building, supported by a City approved Tenant Relocation and Assistance Implementation Plan (TRAIP). The TRAIP for Phase 1 of the Lawrence Heights Redevelopment contains rights and supports to assist the tenants with their relocation. The TRAIP provides tenants with the option to remain in Lawrence Heights throughout the construction period and the right to return to one of the new TCHC replacement units.

### **Strata Plan**

The development on the property consists of a 15-storey condominium with 308 units, a two-storey base building with over 1200 square metres of commercial space at grade, an 8-storey rental replacement building with 78 units and two levels of shared underground parking with 422 vehicle spaces and 228 bike spaces. The 78 new replacement units will consist of 51 apartment units and 27 townhouses, including 69 much needed larger 3, 4 and 5 bedroom family sized units. The construction and exterior design of the residential buildings will not distinguish between TCHC rental units and market units.

Due to the integrated nature of the market and rental housing, and the parking garage that extends below both buildings, construction of both will proceed together, shortly after shoring and excavation. TCHC expects to register a Strata Plan in September 2017. Upon the transfer of the Market Lands, TCHC will reserve or be granted easements by YRI for a number of shared spaces in the Plan, including pedestrian and vehicular access, garbage loading area and service and maintenance.

### **Approving Consent for this Request**

The *Housing Services Act, 2011* gives 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 subsections 161 (2) and 162 (2) of the HSA.

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 subsection 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.*

TCHC has submitted all documents required for the review of their request for Service Manager consent for the transfer of part of Block 1 of Lawrence Heights Phase 1B (Parts 1-7 inclusive and Part 10). 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 Lawrence Heights.

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. There are no financial implications for the City.

### **Authority for Future Lawrence Heights Transfer Consents**

Phase 1 of the redevelopment of TCHC's Lawrence Heights community will consist of five sub-phases, as highlighted in Attachment 2. Construction is underway on Phase 1A and this report recommends City Council authorize the General Manager, SSHA, to provide Service Manager consent for the transfer of the Market Lands associated with Phase 1B. The Lawrence Heights revitalization will also include Phases 2-4, which were approved by City Council at its meeting held on July 6, 7 and 8, 2010 in the report Lawrence Heights Revitalization - Corporate Implementation Actions and Social Development Plan.

Requests for transfer consent are one of the final steps required for each phase of the revitalization projects and, given the complexity of the planning and construction processes, is often required urgently in order to meet construction timelines and finalize bank financing. In addition, the residents of Lawrence Heights and members of the surrounding community are expecting construction to proceed on a timely basis as a critical component of the overall Lawrence Heights revitalization.

To ensure the City's responsiveness to future TCHC requests for transfer consent, this report recommends that City Council authorize to the General Manager, SSHA, subject

to the requests being consistent with the Council-approved revitalization plan for Lawrence Heights and meeting the conditions set out in the Ministerial Directive described above, to provide Service Manager consent for any future transfers associated with the Lawrence Heights redevelopment.

In addition, Service Manager consent for any future transfers will consider the following criteria:

- a. City Council has adopted recommendations authorizing the appropriate Official Plan amendments and Zoning By-law amendments to authorize the appropriate demolition and construction of replacement social housing and market development on the transferred lands;
- b. The General Manager is satisfied with the plans to replace social housing units formerly located on the transferred lands;
- c. The execution and delivery of any Agreement pursuant to Section 37 of the Planning Act authorized by Council affecting the transferred lands;
- d. City Council has approved any required application to demolish existing structures relating the phase of redevelopment of Lawrence Heights pursuant to Municipal Code Chapters 667 and 363 and that the owner has entered into and registered one or more Section 111 Agreement(s) to secure the conditions imposed by Council pursuant to such approvals; and
- e. The registration of the appropriate Plan of Subdivision.

## **CONTACT**

---

Doug Rollins, Director  
Housing Stability Services  
Shelter, Support and Housing Administration  
Tel: 416-392-0054  
Email: Doug.Rollins@toronto.ca

## **SIGNATURE**

---

Paul Raftis, General Manager (I)  
Shelter, Support and Housing Administration

## **ATTACHMENTS**

---

Attachment 1: Lawrence Heights Block 1B

Attachment 2: Lawrence Heights Phase 1 - Sub-Phases