



REPORT FOR INFORMATION

Update on the transfer of 165 Elm Ridge Drive and other properties in the TCHC Agency House portfolio

Date: May 17, 2018

To: City Council

From: Executive Director, Social Development, Finance and Administration

Wards: 13, 17, 18, 19, 21, 27, 28, 30, 31, 32

SUMMARY

On January 31, 2018, City Council adopted EX30.2 which approved the transfer of 26 Agency Houses, owned by Toronto Community Housing (TCHC) to non-profit Agencies operating housing programs at those addresses. Agency Houses that are not transferred through this transfer process they will become part of a larger Request for Proposal that will transfer TCHC's single family homes to non-profit corporations. 165 Elm Ridge Drive is an Agency House.

In order to proceed with a transfer of 165 Elm Ridge Drive to Reena, City staff must complete work on the terms and conditions for sale of all Agency Houses in the TCHC portfolio in a manner that complies with Council's prior direction and which is consistent for all transactions in order that all transferees be treated equitably. This work is underway.

FINANCIAL IMPACT

There is no Financial Impact resulting from this report.

DECISION HISTORY

In January 2018 City Council approved EX 30.2 Implementing Tenants First – TCHC Scattered Portfolio Plan and an Interim Selection Process for Tenant Directors on the TCHC Board. The report included direction to Toronto Community Housing Corporation (TCHC) to work with the City to transfer ownership of Agency Houses ensuring that:

- a) the portfolio is maintained for its current housing purposes;
- b) the portfolio continues to be operated by non-profit corporations;
- c) any transferred asset will revert to the City in the event of any future transfers to a transferee that is not a non-profit or any change in use;

- d) the transaction is structured to support the result of an aggregate net neutral financial impact to Toronto Community Housing Corporation following transfer of the ownership of the entire portfolio;
- e) Toronto Community Housing Corporation Agency Houses to be offered to interested and qualified existing operators at a value determined by a formula that considers the outstanding mortgage on the entire Agency House portfolio and the assessed value of the individual house

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX30.2>

On May 14th, 2018, Executive Committee adopted the following recommendation: "That the Executive Director, Social Development, Finance and Administration be requested to report directly to City Council at its meeting on May 23, 2018, on the next steps on transferring 165 Elm Ridge Drive to Reena - Toby and Henry Battle Developmental Centre, an organization that supports the community inclusion for people with developmental disabilities."

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX34.3>

COMMENTS

Since EX30.2 was adopted all existing operators of Agency Houses have been contacted and informed of Council's decision to transfer ownership. Agencies were asked to indicate their interest in acquiring the Agency Houses. All Agencies indicated interest in a potential transfer of ownership. The Tenants First Project Management Office convened a working group including representatives from Legal Services, Real Estate Services, Shelter, Support and Housing Administration (SSHA) and TCHC to develop a process to transfer these properties and to determine the terms of transfer, price of transfer and specific elements of an ongoing Operating Agreement with the Agencies to include the protections outlined in the recommendation. Work was undertaken with TCHC to determine the existing costs (e.g. outstanding mortgages and penalty fees) associated with the properties that TCHC would be relieved of through transfer of ownership.

Next Steps

- 1) *Determine a transfer price for each property* using a formula that considers major capital work completed to date, outstanding capital repair backlog, number of units, assessed value and the aggregate mortgage balance.
- 2) *Finalize an Operating Agreement working in conjunction with Legal Services and SSHA* to ensure that houses acquired by Agencies are maintained for their current housing purpose, continue to be operated by non-profit corporations, and revert to the City in the event of a proposed change in use or transfer of ownership. The Operating Agreement will also require consent of the City for any transfer and will be registered on title of the property.

3) *Develop and Execute Agreements of Purchase and Sale* based on the transfer price of each property and building on best practices developed through past transfers of TCHC houses to non-profit corporations. TCHC will execute the transfers.

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SIGNATURE

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