



REPORT FOR ACTION

Allenbury Gardens Plan 2a Service Manager Consent

Date: January 3, 2018

To: Community Development and Recreation Committee

From: General Manager, Shelter, Support and Housing Administration

Wards: Ward 33 - Don Valley East

SUMMARY

Toronto Community Housing Corporation (TCHC) has embarked on a two-phase plan for the revitalization of its Allenbury Gardens community. TCHC is halfway through the revitalization that will replace 127 existing Rent-Geared-to-Income (RGI) units and develop approximately 900 market units. Phase 2 includes 97 of the replacement RGI units, comprised of 28 townhouse units and 69 apartment units, as well as close to 500 market units. TCHC will use the proceeds from the sale of land and market-priced units during the revitalization to help cover the cost of replacement social housing units.

As part of the Phase 2 revitalization, on October 31, 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 1 and Part 2 on Plan 66R-29296 be transferred to Vivo Residences Inc. in order to obtain third party construction financing to commence demolition of the existing buildings and construction of the rental and market 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 Vivo Residences Inc. as part of Phase 2 of the Council-approved Allenbury Gardens Revitalization and authorize the General Manager, SSHA, as Service Manager to provide the necessary consents for future transfers associated with the Allenbury Gardens Revitalization.

RECOMMENDATIONS

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

1. City Council acting as Service Manager under the Housing Services Act, 2011 (HSA), pursuant to subsection 161 (2) of the HSA, provide consent for:

a) the transfer by Toronto Community Housing Corporation (TCHC) of legal title to Part 1 and Part 2 on Plan 66R-29296 to Vivo Residences Inc. (Vivo) as bare trustee on behalf of TCHC and the Allenbury Gardens Revitalization General Partnership (the Partnership);

b) the transfer by TCHC of the beneficial interest in Part 1 and in part of the below grade portion of Part 2, Plan 66R-29296 (collectively the "Market Block") to the Partnership;

subject to the following conditions:

i) TCHC shall reimburse the Service Manager for all provincial housing costs attributable to the Market Block that the Service Manager shall be responsible for pursuant to the HSA;

ii) TCHC shall have advised the General Manager, SSHA, of the proposed closing date and undertakes to advise the General Manager, SSHA, of any extension of the closing date or dates for such sale;

iii) TCHC shall provide the General Manager, SSHA, with details of the transfers to Vivo and to the Partnership within ten (10) days of closing, including copies of all registered transfers, declarations of trust, trust agreements and the relevant parcel registers, so that the General Manager, SSHA, may apply to the Province to advise Canada Mortgage and Housing Corporation of the sale and removal of the Market Block from the social housing portfolio;

iv) TCHC shall use the net financial proceeds to fund a portion of the cost of construction for the replacement social housing in Allenbury Gardens Phase 2a; and

v) such other conditions that the General Manger, SSHA, considers reasonable and necessary to carry out the recommendations adopted by Council;

2. City Council authorize the General Manager, SSHA, to:

a) advise the Minister of Housing pursuant to section 163 of the HSA of the consent provided to the transfer of the Market Block to Vivo and to request that these lands be removed from the social housing portfolio;

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

c) provide as required Service Manager consent pursuant to subsection 161 (2) of the HSA on terms and conditions satisfactory to the General Manager, SSHA,

and in a form satisfactory to the City Solicitor, to future transfers of the Market Block by or on behalf of Vivo pending the removal of the Market Block from the social housing portfolio; and

d) provide as required Service Manager consent pursuant to subsection 161 (2) of the HSA on terms and conditions satisfactory to the General Manager, SSHA, and in a form satisfactory to the City Solicitor, to the re-transfer to TCHC by or on behalf of Vivo of Part 2 and that part of the below grade portion of Part 2 not transferred to the Partnership (collectively the "Retained Lands"); and

3. City Council authorize the General Manager, SSHA, 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 TCHC in the future as part of the redevelopment of Allenbury Gardens, consistent with the prior redevelopment decisions by City Council, on terms and conditions satisfactory to the General Manager, SSHA, 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 Allenbury Gardens Revitalization will be fully funded by Toronto Community Housing Corporation.

The Acting 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 on April 3, 2013, City Council, acting as the sole shareholder of Toronto Community Housing Corporation (TCHC) and as Service Manager under the Housing Services Act, 2011 (HSA), adopted without amendment the recommended approvals required for the revitalization of Allenbury Gardens. This included authorizing the General Manager, Shelter, Support and Housing Administration to grant future Service Manager consents under subsections 161 (2) and (6) and subsection 162 (2) of the HSA to mortgage, encumber, social housing properties (CD19.4 - Allenbury Gardens Revitalization - Corporate Actions, Ward 33).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD19.4>

At its meeting on February 26, 2013, North York Community Council recommended approval of the applications by TCHC to amend the Official Plan and Zoning By-law and

for rental housing demolition (NY22.31, Final Report - Official Plan and Zoning By-law Amendment and Rental Housing Demolition Applications - 3, 5, 11, 17, 21 Allenbury Gardens & 3, 5 Kingslake Road). City Council also approved the Official Plan Amendment and rezoning application for the revitalization of Allenbury Gardens at its meeting held on March 21, 2013.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.NY22.31>

COMMENTS

Allenbury Gardens Phase 2a Consent Request

In April 2013, the City Council, acting as the sole shareholder of Toronto Community Housing Corporation (TCHC) and as Service Manager under the Housing Services Act, 2011 (HSA), approved the multi-phase revitalization of Allenbury Gardens, an isolated and aging social housing community facing social and economic challenges as well as significant capital repairs. In March 2013, City Council also approved the Official Plan Amendment and rezoning application.

The 2.96 hectare Allenbury Gardens site is located east of Don Mills Road, north of Fairview Mall and west of Highway 404 as detailed in Attachment 1. The Allenbury Gardens Revitalization Plan is comprised of two phases including the replacement of 127 TCHC Rent-Geared-to-Income (RGI) units and adding approximately 900 residential market units. As part of the revitalization, TCHC is replacing all demolished social housing units and tenants are receiving assistance with relocation.

The social housing replacement apartment building (Building C) will be located next to the public park, ensuring that it has good access to services and amenities. As there are limited options for locating the social housing replacement apartment building and due to the unique need of TCHC to receive money for the market units prior to building all of the social housing units, the majority of the social housing replacement units are being provided in Phase 2.

On October 31, 2017, TCHC submitted a request to the General Manager, SSHA, for consent to transfer lands in connection with the redevelopment of Allenbury Gardens. TCHC is proposing that legal title to Part 1 and Part 2 of Plan 66R-29296 be transferred to Vivo Residences Inc. (Vivo) in order to obtain third party construction financing to commence demolition of the existing buildings and construction of the rental and market housing. TCHC also requested consent to the transfer of the beneficial interest in Part 1 and part of the below portion of Part 2 (collectively the "Market Block") to the Allenbury Gardens Revitalization General Partnership (the Partnership) for the provision of additional parking for the market units.

TCHC is requesting that Service Manager consent be granted for this transfer prior to March 1, 2018 in order to meet construction timelines.

Allenbury Gardens Revitalization General Partnership

The Partnership is a general partnership between Allenbury Gardens Development Corporation, a wholly owned subsidiary of TCHC, and FRAM Allenbury Gardens

Development Inc., a subsidiary of the developer, FRAM Building Group (FRAM), as equal partners. Vivo will be holding such title as a simple nominee of the Partnership, as partnerships are unable to hold registerable title to lands under Ontario law. Use of a nominee corporation will facilitate registration of title in an entity controlled jointly by TCHC and FRAM, its developer partner, the execution of construction agreements with contractors, construction financing with lending institutions and as the condominium declarant to establish the condominium corporation to transfer title to condominium purchasers.

The Board of Directors of Vivo consists of two nominees of TCHC and two nominees of the developer, FRAM. Vivo will hold title to the Market Lands in trust for the Partnership. Vivo will also hold the above grade portion of Part 2 and the below grade portion of Part 2 comprising the TCHC parking (collectively the "Retained Lands") in trust for TCHC.

The Partnership has agreed to build additional underground parking beneath TCHC Building C beyond the parking required for Building C. This additional parking will satisfy the parking requirements in the future market condominiums. Accordingly, TCHC will retain part of the first parking level in the below grade portion of Part 2 for TCHC parking and will convey the balance of the first parking level and the lower parking levels to the Partnership for the parking forming part of the Market Block or future condominiums on the balance of the site.

TCHC will retain beneficial ownership in the Retained Lands. Legal title to the Retained Lands will be retransferred to TCHC upon completion of the buildings on the Market Block and the Retained Lands, when an as-built R-Plan can be prepared which will accurately show the limits of the strata title. TCHC and the owner of the Market Block will enter into a Shared Facilities Agreement providing for sharing of costs and reciprocal easements for support, maintenance and access over part of Part 1 and Part 2 as required.

Once construction is complete, the market condominium development will become a condominium corporation pursuant to the Condominium Act upon satisfaction of the conditions of approval and registration of the Declaration on the title to the Market Block. Upon formation of the condominium corporation, Vivo will transfer individual units to purchasers pursuant to Agreements of Purchase of Sale entered into with Vivo.

Replacement Units

The revitalization plan stipulates that TCHC shall provide and maintain 127 replacement social housing units on the subject site for a period of at least 25 years, all of which will have Rents-Geared-to-Income (RGI). The two-phase plan maintains the same number of RGI units and the identical distribution of bedrooms as the original RGI community. The original units were all located in townhouses, while the revitalization plan distributes the units between townhouses and apartment units.

Phase 1 of the revitalization is almost complete with the demolition of 57 RGI units and the construction of 30 replacement RGI units, all of which are townhouse units and ready for occupancy.

In preparation for the final demolition, the last 60 RGI households have been successfully relocated with no evictions and in accordance with the Tenant Relocation Assistance and Implementation Plan (TRAIP) which was approved by the City. The TRAIP includes the right of RGI households to return to a replacement social housing unit within Allenbury Gardens.

Table 1: Demolition and Construction Plan by Phase

	Phase 1	Phase 2	Total
Demolition of RGI units	57	70	127
Construction of new RGI units	30	97	127 *
New market units	430	~495 (anticipated)	~925

*There are an additional six (6) pre-planned offsite RGI replacement units from the Leslie Nymark revitalization project being built at Allenbury Gardens as part of Building C; this will result in a final total of 133 RGI units on the Allenbury Gardens site.

Benefits to the City

The revitalization of Allenbury Gardens will enhance the quality of housing for low income households in Allenbury Gardens through the construction of 127 replacement units and new and updated local amenities. The revitalization of Allenbury Gardens meets the City of Toronto’s priorities and TCHC’s objectives for building healthy, liveable communities.

Allenbury Gardens' revitalization will provide enhanced amenity spaces such as a court yard, open space and access to parks facilitating integration with the surrounding community. Residents of Allenbury Gardens will continue to access all of the programs and services offered by community organizations operating out of Parkway Forest, and the agencies will continue to serve community priorities. The agencies in Parkway Forest provide a range of activities including programs for women, mental health support, and advocacy services.

Revitalization is one of TCHC's key strategies to address its capital repair backlog and further the City's priorities for improving social housing stock. Proceeds from the sale of land and market-priced units in revitalization help to cover the cost of replacement units and to fund capital repairs elsewhere in the TCHC's portfolio, removing a significant City liability.

In addition to meeting Toronto Green Standards Tier 1, revitalization also implements additional energy and water saving measures in new buildings reducing the environmental pressures on the City's infrastructure.

FRAM has committed to hiring TCHC residents for 10% of site staff positions, \$70,000 to establish a scholarship fund, and working with its partners, contractors and consultants to create training and job opportunities for residents and support participation in other community economic development initiatives.

Approving Consent for this Request

The HSA 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 to 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 to the transfer of the Market Block and the Retained Lands of Allenbury Gardens. City staff have reviewed the request to ensure compliance with the Ministerial Directive. The request is consistent with the Council-approved revitalization plan for Allenbury Gardens.

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.

The proposed revitalization of Allenbury Gardens is part of TCHC's real estate investment strategy for maintaining its stock of housing in a state of good repair. Consistent with Housing Opportunities Toronto, Council's ten year plan for affordable housing, Council is committed to supporting the efforts of TCHC to implement its real estate investment strategy.

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

Revitalization also has a positive influence on the capital repair backlog. As communities are revitalized, all deferred capital maintenance that contributes to the

backlog within those communities 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 to replace the existing units with new energy efficient high quality housing as part of revitalizing the entire community, TCHC eliminates the current capital repair backlog and can direct the savings to other TCHC communities.

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SIGNATURE

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ATTACHMENT

Attachment 1: Allenbury Gardens Phase 2 Site Plan