Reaffirming Shareholder Direction to Toronto Community Housing Corporation to transfer Agency Houses - by Councillor Ana Bailão, seconded by Councillor Joe Cressy

* This Motion has been deemed urgent by the Chair.
* This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.

Recommendations
Councillor Ana Bailão, seconded by Councillor Joe Cressy, recommends that:

1. Council direct the Board of Directors, Toronto Community Housing Corporation to instruct its Chief Executive Officer to transfer ownership of the Toronto Community Housing Corporation Agency House portfolio to non-profit corporations as approved by City Council on January 31 and February 1, 2018 in Item EX30.2 in each case at a below-market transfer price determined by the City Manager.

Summary
On January 31 and February 1, 2018 City Council adopted Item EX30.2 which gave Shareholder direction to Toronto Community Housing Corporation to transfer the Rooming House and Agency House groupings of Toronto Community Housing Corporation's scattered portfolio to non-profit agencies.

City staff began working with Toronto Community Housing Corporation staff in February 2018 to determine how these transfers will take place.

Part 1.e. of EX30.2 was intended to provide a framework for equitably allocating the outstanding value of the mortgages on the Agency Houses amongst the Agencies who would be offered the opportunity to purchase them. City staff have created a formula to allocate the sum of the current value of outstanding mortgages of the Agency House portfolio pro rata to each individual Agency House based on the assessed value of each house relative to the assessed value of the Agency House portfolio.

Additionally Toronto Community Housing Corporation has allocated $1 million in 2018 from its Tenants First budget for transaction fees associated with these transfers.

Part 1.d. of Item EX30.2 directs that the “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.” Toronto Community Housing Corporation has recently informed the City that their interpretation of "net neutral financial impact" includes recovery of the capital value of each house, assessed at Fair Market Value. As this was not the intention of the Council decision and is not reasonable given the decision that properties be transferred to non-profits that are largely not in the position to pay Fair Market Value, it is requested that City Council clarify its intention through this Motion.

Additionally, a motion was adopted at the Executive Committee on May 14, 2018 that requested an update on the transfer of the Agency House at 164 Elm Ridge Drive. An update from the Executive Director of Social Development, Finance and Administration was received by City Council on May 23, 2018.

On July 19, 2018, Interim City Manager Giuliana Carbone sent the Toronto Community Housing Corporation Chief Executive Officer a letter (attached) outlining the City's position that Shareholder direction has been obtained, and asking for confirmation that Toronto Community Housing Corporation would proceed with the transfers. Having not received confirmation, a reaffirmation of the Shareholder Direction received through the adoption of EX30.2 is required.

Decision History

On January 31 and February 1, City Council adopted "Implementing Tenants First - Toronto Community Housing Corporation (TCHC) Scattered Portfolio Plan and an Interim Selection Process for Tenant Directors on the Toronto Community Housing Corporation Board" which gave Shareholder Direction to transfer TCHC's Rooming House and Agency House portfolios.


On May 14, 2018, the 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

**Background Information (City Council)**

Member Motion MM44.123
(July 19, 2018) Letter from the Interim City Manager to the Chief Executive Officer, Toronto Community Housing Corporation
(http://www.toronto.ca/legdocs/mmis/2018/mm/bgrd/backgroundfile-119492.pdf)