THE REGIONAL MUNICIPALITY OF YORK

Housing York Inc.
March 9, 2005
Report of the
General Manager

NORTHWOOD PARK TRANSFER UPDATE

1. RECOMMENDATIONS

It is recommended that:

1. The Corporation enter into the necessary legal agreements as set forth in this report to give effect to the relationship between The Regional Municipality of York and Housing York Inc. for the long-term management of Woodbridge Lane, a 14-unit affordable housing project located at 64 Abel Avenue, in the City of Vaughan and the Chair and the Secretary be authorized to execute these agreements on behalf of the Corporation, subject to the review of the Corporation's Solicitor.

2. The General Manager be authorized to take any further steps and execute any other legal agreements on the Corporation's behalf, subject to the prior review of the Corporation's Solicitor, to give effect to the foregoing.

2. PURPOSE

This report provides a transfer status update of the Northwood Park Co-operative Homes Inc.'s property known as Woodbridge Lane and a description of the agreements required to formalize a long-term relationship between the Region and Housing York Inc. (HYI) as the 14 stacked–townhouse unit for families become part of the management portfolio of the housing corporation.

3. BACKGROUND

On June 2, 2004, the Board of Directors gave approval to enter into an agreement and sale with respect to the property legally described as Part of Lot 7, Concession 7, City of Vaughan and known as Woodbridge Lane.

Northwood Park Co-operative Homes Inc. (the Co-operative) consists of two projects, a 30-unit townhouse project in the Regional Municipality of Peel and a 14-unit townhouse project in the City of Vaughan (64 Abel Avenue, Woodbridge). The Vaughan project has not yet been devolved to the Region by the Province as it was considered a Project in Difficulty and the Province committed to resolving all such projects prior to transfer. As part of the resolution strategy, both the Province and the co-operative agreed that continued ownership by the Brampton based group was not feasible.

4. ANALYSIS AND OPTIONS

4.1 Issues to be Resolved Before Transfer

Regional staff are currently working with the Ministry of Municipal Affairs and Housing and the Co-operative to address the outstanding issues that must be resolved before the Region acquires the property and HYI enters into a lease agreement.

4.1.1 Technical Analysis

To date, the Co-operative has remained under Provincial administration pending remediation of a number of technical issues with the building. The Region hired an engineering firm to conduct a comprehensive building condition audit to ensure that all remediation has been satisfactorily completed. The audit found the property to be in generally satisfactory condition.

To increase site safety, staff propose to install a cover/canopy above the exterior stairs and enclose exterior stairwells leading to second storey units. Both areas experience rain, ice, and snow, creating hazards on the stairs.

The current estimate for the enclosure work is $40,000 and Regional staff will present a business case for provincial funding.

Regional staff have requested information on the property's current capital reserve fund balance and will receive the information prior to transfer. The balance in the fund will be transferred to HYI, at transfer. However, it is reasonable to anticipate that there will be a future shortfall forecasted, consistent with other social housing providers.

4.1.2 Lease—The Regional Municipality of York and Housing York Inc.

While researching and preparing for the property's transfer, a title issue relating to the *Planning Act, 1990* has been identified as HYI owns the adjacent property at 275 Woodbridge Avenue. If HYI purchases the Northwood property, the title would merge with the adjacent property also owned by HYI. This is not acceptable as it would affect the current mortgage security and would negatively impact on the ability of HYI to make changes on the two sites over the long term.

To address the issue it was deemed preferable The Regional Municipality of York take title to the Woodbridge Lane property and on January 12, 2005 Regional Council approved acquisition. A management agreement between HYI and the Region will then be put in place for the property that would see HYI actually manage the property on behalf of the Region.

A lease agreement is required because HYI, as the entity equipped to manage housing projects, will be leasing the building from the Region, as the registered owner of the property.

The lease will be a standard commercial lease with a term of 49 years. The payment provisions will be determined by a nominal rate.

4.1.3 Management Agreement—The Regional Municipality of York and Housing York Inc.

A Property Management Services Agreement will be put in place between the Region and HYI which, for example, delineates the terms under which the Region provides services, particularly those of Regional employees, to HYI.

4.2 Transition Plan

Currently the property transfer is being planned for April 1, 2005. A firm date will not be known until the Region's Purchase and Sale agreement negotiation is complete and the Ministry confirms the necessary legislation is in place to exempt the sale from the land transfer tax.

Transition plans will become formal within a month of the transfer date and will include: staff orientation, property visits, establishing maintenance schedules, setting up financial and administrative functions and scheduling resident orientation meetings. Residents will receive numerous documents and mailings to ensure they are informed of both the transfer and the changes associated with it.

5. FINANCIAL IMPLICATIONS

There are no new financial impacts associated with these agreements. Woodbridge Lane currently receives legislated program funding to operate and HYI will benefit from this same funding. It will allow HYI to effectively manage a property which had been experiencing significant difficulty.

6. LOCAL MUNICIPAL IMPACT

The formalization of these arrangements will ensure a professionally run housing community for the tenants and be an asset for the City of Vaughan.

HYI management of this property will improve its relationship with the neighbouring community.

7. CONCLUSION

The execution of these agreements will clarify the roles and responsibilities of the parties in respect to the transfer of the existing housing property and its operations by HYI.

The Senior Management Group has reviewed this report.

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DM/sd/dm

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