



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Update and Next Steps of Proposed Redevelopment of
Seaton House and Revitalization of George Street**

Date:	June 18, 2013
To:	Executive Committee
From:	Brenda Patterson, Deputy City Manager, and Roberto Rossini, Deputy City Manager and Chief Financial Officer
Wards:	Ward 27
Reason for Confidential Information:	Proposed or pending acquisition of lands for municipal or local board purposes
Reference Number:	

SUMMARY

As previously reported to City Council, Seaton House, a 543-bed City-operated emergency shelter for men located at 339 George Street, is in critical need of redevelopment due to the building's aging condition and its challenges in providing appropriate emergency shelter programs. Shelter, Support and Housing Administration (SSHA) and Long-Term Care Homes & Services (LTCHS) are partnering to recommend an innovative project that responds to community need and addresses both the need to redevelop Seaton House and the need for a long-term care home in downtown Toronto. The divisions are recommending the co-location of services in a new facility on George Street to more effectively address the needs of both short-term homeless men and an aging vulnerable population.

At its meeting of November 30, 2009 City Council gave the General Manager of SSHA the authority to negotiate a public interest partnership with Spike/KMAI to redevelop Seaton House along with adjacent properties to the south. Those negotiations were not successful. This report provides an update on activities since 2009.

Staff have consulted stakeholders representing a broad range of interests in relation to the proposed redevelopment. SSHA retained a consultant to conduct a feasibility study of options for redevelopment. Recommendations in this staff report take into account

feedback received from stakeholder consultations as well as the consultant's findings and represent staff's advice on what will meet the needs of the homeless and vulnerable residents of Toronto served by SSHA within the George Street neighbourhood and LTCHS within the Toronto Central Local Health Integration Network (LHIN) downtown area.

This report seeks Council authority to move forward with the redevelopment plans for Seaton House, including the purchase of private properties adjacent to the shelter, in partnership with LTCHS.

The recommended option, based on the consultant's report, includes approximately 100 emergency shelter beds, in line with best practices, as well as a long-term care home (estimate based on 162 beds) and 24,000 square feet of space for community services. The consultant's study only investigated preliminary massing options. The exact number of beds for both the emergency shelter and long-term care home as well as space for associated community services will be refined as more detailed plans are developed. The preferred option would also include surplus land on the north end of the site which could be developed for affordable housing with support services for former shelter residents and/or include a private sector partnership to help offset overall development costs.

One of the redevelopment objectives is to find more appropriate permanent housing for Seaton House residents. Men residing in the Long Term Program and Annex/Infirmary Program (approximately 250 residents) could be eligible for long-term care or assisted living homes, housing with supports or housing allowances. The redeveloped shelter would accommodate approximately 100 men from the Emergency Shelter program, leaving approximately 140 residents that could be absorbed into transitional housing programs or the emergency shelter system. SSHA will develop and implement a transition plan for all residents of Seaton House over the next four years.

In addition to providing more effective services to homeless people and vulnerable individuals, the proposed redevelopment can act as a catalyst for the Downtown East Revitalization Strategy, contributing to a safer and healthier neighbourhood. The redevelopment is consistent with the goals and principles of Council's Housing Opportunities Toronto (HOT) ten year affordable housing strategy and the Toronto Seniors Strategy.

If Council adopts the recommendations put forward in this report, staff will report back on the status of the redevelopment by the second quarter of 2015 and prior to recommending any final decision. The earliest date to begin construction is estimated to be 2017. In the interim, SSHA would continue with stakeholder consultations and retain a consulting team to continue with the redevelopment plans, planning approvals and detailed costing.

RECOMMENDATIONS

It is recommended that:

1. City Council approve in principle the redevelopment of Seaton House and authorize the General Manager, Shelter, Support and Housing Administration, in consultation with the General Manager, Long-Term Care Homes & Services, to undertake the necessary due diligence required to proceed with the recommended option outlined in this report, including:
 - a. Develop detailed plans for new facilities to include an emergency shelter, a long-term care home and a service hub;
 - b. Consider potential uses of any surplus land for affordable housing with support services and a private sector partnership to help offset overall development costs;
 - c. Retain the professional services of a consulting team to continue with redevelopment plans, including but not limited to a heritage study, planning studies and approvals, site and building plans and approvals, detailed costing and the preparation of a procurement process;
 - d. Ensure that existing shelter beds are replaced as most appropriate for shelter clients' needs and in the context of the Housing Stability Service Plan to be brought forward to Council in the fall of 2013; and
 - e. Consult with the Province regarding the proposed uses and timing of the redevelopment of the provincial lands opposite the Seaton House property;
2. The Offers to Sell to the City from the owners of the properties outlined in Confidential Attachment E of this report, be accepted substantially on the terms and conditions as outlined therein, and on such other terms and conditions as may be acceptable to the Chief Corporate Officer and in a form satisfactory to the City Solicitor;
3. City Council authorize the public release of the confidential information and recommendations in Attachment E upon the closing of all of the project transactions;
4. City Council direct that the 2013 Approved Capital Budget (CHSO31) for Shelter, Support and Housing Administration be increased by the acquisition price of the properties as outlined in the Confidential Attachment E, funded from the Land Acquisition Reserve Fund (LARF) (XR-1012);
5. City Council authorize severally each of the Chief Corporate Officer and the Director of Real Estate Services to accept the Offers on behalf of the City;

6. City Council authorize the City Solicitor to complete the transactions contemplated in the Offers to Sell on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable;
7. City Council authorize the Director of Real Estate Services to enter into negotiations with the owners of the remaining properties required to effect the development as proposed, and to report to Council at a later date if necessary;
8. City Council direct the General Manager, Long-Term Care Homes & Services to meet with Ministry of Health and Long-Term Care (MOHLTC) and Toronto Local Health Integration Networks (LHINs) regarding an approval process that will enable the City of Toronto to incorporate the Seaton House project into its multi-year redevelopment plan and take advantage of partnership opportunities;
9. City Council direct the General Manager, Long-Term Care Homes & Services to report to Community Development and Recreation Committee on how the Seaton House redevelopment can be integrated into the division's overall long-term care home capital redevelopment strategy and service plan; and
10. City Council direct the General Manager, Shelter, Support and Housing Administration to report back on the status of the redevelopment and related financing plans by the second quarter of 2015 and that final approval of a redevelopment proposal be subject to Council approval of an acceptable financing and budget plan.

Financial Impact

Short-Term Capital Budget Impact

This report recommends that the lands to the south of Seaton House be purchased on the terms set out in Confidential Attachment E and that the necessary funds be drawn from the Land Acquisition Reserve (LARF).

As of December 31, 2012 the LARF had a balance of \$138.4 million. Adoption of the recommendations in this report would reduce the LARF by the amounts detailed in Confidential Attachment E and increase the 2013 Shelter Development/Redevelopment project cost (included in the 2013-2022 Approved Capital Plan for SSHA) by the equivalent amount, with the additional funding requirement allocated to the 2013 cash flow budget. The funds would be transferred to account CHS031 for the acquisition and stabilization of the properties adjacent to Seaton House.

Longer-Term Capital Budget Impact

The Financial Feasibility Study carried out for the City by Creva Group has forecast that the redevelopment option for Seaton House recommended by this report will have a total cost of between \$63 million and \$83 million. This amount does not include the cost of acquiring the lands to the south of Seaton House, which is discussed in Appendix E. The scope of the report did not include potential provincial recoveries or optimization of bed configuration, each of which require further review.

In 2013, Council approved funding of \$21.850 million in the SSHA ten year capital plan for the redevelopment of Seaton House and other shelter sites. The ten year capital plan for SSHA is fully debt funded. The approved 2013 cash flow for this project is \$0.314 million.

Provincial construction funding is available, subject to the requisite approvals, which will offset a portion of the long-term care home component of the project cost. In 2007, the Provincial Government announced a capital renewal strategy for long-term care homes in Ontario with a B or C structural classification that will require six of Toronto's long-term care homes to be redeveloped or retrofitted over the next 10 - 15 year period. As part of this strategy, the city will receive funding over a 25-year period from the MOHLTC based on the number of beds redeveloped in each home.

Detailed estimates of the capital costs along with a funding and financing plan will be presented to Council after the design phase of the project has been completed. Accordingly, final approval of the proposed redevelopment plan would be subject to Council approval of an appropriate financing and budget plan.

The proposed facility will not replace every one of the 543 shelter beds provided by the Seaton House facility. Approximately 100 beds would be replaced in the new shelter, with other shelter residents accommodated either in long-term care or housing with supports. As recommended in this report, other existing shelter beds will be replaced as most appropriate for shelter clients' needs and in the context of the Housing Stability Service Plan, which will be presented to Council in the fall of 2013. The Housing Stability Service Plan, which outlines the new Provincial funding model, will discuss opportunities to convert a portion of the Provincial subsidy into housing allowances. Consequently, it is anticipated that displaced Seaton House residents will be accommodated in transitional or supportive housing, or another type of long term housing.

Potential Variances in the Forecast Net Capital Costs

The capital cost forecast prepared by Creva Group for the Feasibility Study is an initial estimate, intended to provide a "ballpark" indication of costs and to aid in comparing the redevelopment options which were examined. There is potential for a revision in the forecast capital costs when an elemental costing approach is applied, based on more detailed service level and architectural plans as the initiative moves forward.

The City's net contribution towards the final capital costs will depend on the funding that is realized from the MOHLTC for the long-term care component of the project. The MOHLTC funding contribution has not yet been determined.

Operating Budget Impact

The recommended development is based on a partnership between SSHA and LTCHS. As a result of this joint development approach, it is anticipated that SSHA and LTCHS will share a portion of collective resources in order to achieve operational efficiencies. For example, one kitchen and one laundry area could serve both the emergency shelter and the long-term care home. The combined expertise of SSHA and LTCHS provides an opportunity to enhance services to under-served individuals in a shared location and strengthen the expertise within each division.

A forecast of the operating budget impact of these efficiencies will be prepared and provided to Council after the design phase of the project is completed and would be prior to Council final approval of the project as per Recommendation 10.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity Impact

The emergency shelter system in Toronto serves equity-seeking groups such as seniors, people with disabilities, individuals with mental health issues, the working poor and other vulnerable groups. Effective operation of the shelter system is important in ensuring that temporary accommodation is available to a variety of equity-seeking groups.

LTCHS is committed to delivering exemplary care and service to residents and clients with a specific goal to respond to emerging community needs and serve vulnerable individuals. By addressing community needs through leveraging partnerships, both public and private, available resources can be aligned to provide better care and service and meet the needs of specific resident and client groups.

DECISION HISTORY

At its meeting of August 5, 2009 City Council adopted a ten year affordable housing plan, "Housing Opportunities Toronto". The plan sets out Council's strategic directions to guide Toronto's housing services. Redeveloping selected emergency shelter sites is an action identified for implementation in that report.

<http://www.toronto.ca/affordablehousing/hot.htm>

The first report about the potential redevelopment of Seaton House was adopted by City Council at its meeting of November 30, 2009. Council directed the General Manager, SSHA to negotiate a non-binding proposal for a public interest partnership with Spike/KMAI for the redevelopment of Seaton House and properties to the south. It also

directed the General Manager to consult with Build Toronto and with Toronto Community Housing Corporation (TCH), owners of 291 George Street, regarding the redevelopment and to conduct consultations with a wide variety of internal and external stakeholders. The General Manager was to report back on these negotiations and activities. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.CD28.1>

At the meeting of October 30, 31 and November 1, 2012 Council adopted Executive Committee report EX23.15, *Changes to Provincial Funding Approaches for Homeless Prevention and Social Assistance Programs: Implementation Strategies and Issues*. The report provided an overview of the provincial changes to homelessness services programs administered by the City and outlined an implementation strategy to help meet the City's long-term strategic goals, while maintaining services to vulnerable residents wherever possible. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX23.15>

On January 22, 2013, an information report on Downtown East Revitalization Initiatives from the Social Development, Finance and Administration and City Planning divisions was received for information by the Toronto East York Community Council. The report referred to the potential Seaton House redevelopment as an important element for the advancement of a successful housing strategy in that neighbourhood. <http://www.toronto.ca/legdocs/mmis/2013/te/bgrd/backgroundfile-53970.pdf>

On April 3, 2013, City Council adopted recommendations related to the number and use of emergency shelter beds in the shelter system. The staff report identified the need and opportunity for the redevelopment of Seaton House. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD19.1>

This report recommends the redevelopment of Seaton House men's shelter on George Street in a partnership between SSHA and LTCHS, to include an emergency shelter, a long-term care home and a service hub. The recommendation is based upon the preferred option resulting from a feasibility study. This option requires a larger footprint than the existing City properties. The staff report therefore recommends the purchase of additional properties adjacent to Seaton House, with the potential uses of any surplus land for affordable housing with support services and a private sector partnership to help offset overall development costs.

ISSUE BACKGROUND

Redevelopment of Seaton House

George Street is located in the Garden District neighbourhood. The Garden District is bounded by Yonge Street, Sherbourne Street, Carlton Street and Queen Street East. Just east of this district is Regent Park which is undergoing a massive revitalization. The northernmost block of George Street consists of a mix of residential and non-residential uses. Two large institutional buildings, Seaton House and the vacant former provincial detention centre building across the street, are a large presence. The scale and proximity

of these institutional uses are not typical of residential areas and the existing developments present challenges to the street. Refer to the map, Appendix A.

While parts of George Street were redeveloped in the early 1990s to provide non-profit and co-operative housing and private town homes, some residential properties on the street are in a serious state of deterioration. Specifically, most of the eight properties directly south of Seaton House are in a state of disrepair and are vacant. Of the eight properties, seven have been designated under the Ontario Heritage Act by City Council. Just south of those derelict properties is a large building owned by TCH. This 132 bachelor-unit rental building at 291 George Street is for single adults. At the southernmost corner of the block is Filmore's Hotel, an adult entertainment establishment. Loitering, drug-related and other anti-social activity on the street create real and perceived issues of personal safety and undermine confidence in the street. Revitalization is needed not only for Seaton House, but also that block of George Street, in order to improve the safety and the public space on the street and in the immediate neighbourhood.

Seaton House, located at 339 George Street is a 543-bed emergency shelter for homeless men operated directly by the City of Toronto. While the men staying at Seaton House share a common experience of homelessness, they also experience a wide variety of complex health, mental health and addictions issues. Seaton House was built in 1959 as an office building and over its life has housed a welfare office, a children's services office, a men's residence and a men's shelter. The building was not constructed for residential use and even with renovations over the years the layout and condition of the building are a barrier to effective service delivery. The aging structure is reaching the end of its serviceable life and needs to be replaced. An overview of the current programs and services at Seaton House is presented in Appendix B.

Following Council authority in 2009 to negotiate a public interest partnership, staff commenced a series of meetings with Spike/KMAI representatives regarding possible physical and financial models for the redevelopment of the site at 339 George Street and the properties to the south, which were at that time owned or under contract to Spike/KMAI. While there was goodwill on both sides to proceed with a partnership and while some progress was made, significant issues remained regarding the properties and negotiations were terminated.

During 2012, SSHA conducted due diligence on the City-owned properties, including Phases I and II Environmental Site Assessments, an updated property assessment, pre-demolition designated substance surveys and demolition estimates.

Redevelopment of the City's Long-Term Care Homes

In 2007, the Provincial Government announced a capital renewal strategy for long-term care homes in Ontario with a "B" or "C" structural classification. Six of Toronto's long-term care homes were included in this classification and need to be redeveloped or retrofitted over a 10-15 year period. The provincial strategy makes it mandatory for

designated homes to meet compliance with the updated long-term care home design standards.

LTCHS is currently developing a comprehensive and coordinated plan for redevelopment to ensure construction, demolition and redevelopment are completed with only minimal disruption to residents and minor impact on overall service level and is investigating opportunities to co-locate with other City services and/or partners to create community hubs and create strategic alliances that can respond to community need. Included in this plan is a downtown long-term care home that would provide the opportunity for vulnerable individuals with complex needs to age in place.

One of the recommendations within *The Toronto Seniors Strategy: Towards an Age-Friendly City*, under the Social Participation theme, identifies that LTCHS will develop a Capital Renewal Strategy for its B and C homes that includes community space as part of their design to support the creation of community hubs.

COMMENTS

This report recommends taking advantage of a unique opportunity to implement an innovative partnership between SSHA and LTCHS to provide services in a more effective, efficient and comprehensive way to homeless, formerly homeless and vulnerable individuals in a downtown setting.

A redevelopment of Seaton House would include a new and more efficient purpose-built emergency shelter with potential to co-locate long-term care beds and share programs and services where feasible, as well as affordable housing with supports on adjacent surplus lands. The aim of this initiative would be to reduce the number of shelter beds on George Street and replace them as appropriate for shelter clients' needs in the context of the Housing Stability Service Plan. A service hub would be integrated to provide community agencies and the community at large with programming space.

Current City lands are insufficient to implement this co-development and the acquisition of the derelict properties immediately adjacent to Seaton House would be required to go forward. To provide a mix of living opportunities and contribute to a healthy community, any surplus property could be sold to market housing to finance construction or alternatively, developed for affordable housing. The affordable housing option could offer support services for former shelter residents and a private sector partnership could help offset overall development costs.

The redevelopment proposal supports service integration and is consistent with Toronto's Housing First approach and the Toronto Seniors Strategy. The proposal is also consistent with LTCHS plans to develop new community hubs and strategic alliances. Such a redevelopment would also be a catalyst for the Downtown East Revitalization Strategy, thus contributing to a safer, healthier neighbourhood.

Why Redevelop?

The Structure

The current layout and condition of Seaton House are barriers to effective service delivery. The building is not fully accessible, making it extremely difficult to navigate for residents with mobility issues. The ventilation system is inadequate and limits the ability to improve communicable disease management. Continuing to do patchwork state of good repair investments, estimated to be \$8 million over the next 10 years, would not address the fundamental need for an entirely new purpose-built facility and is not an efficient option in the long run. The building is reaching the end of its serviceable life and needs to be replaced.

The structure's size and monolithic appearance are considered by many to be major obstacles to any revitalization of the neighbourhood. While there are a number of factors that contribute to the problems on that section of George Street, Seaton House is considered to be one key component and unless significant physical and program changes take place, prospects for other neighbourhood improvements will be severely limited.

Seaton House Residents

At the George Street site, Seaton House serves up to 543 residents across four different programs that specialize in providing services to residents with different needs. Residents either self-identify as requiring temporary shelter or are referred to Seaton House from hospitals, jails and other institutions, as well as from other men's shelters. The Emergency Hostel Program is the largest program, with 240 beds, followed by the Long Term Program with 134 beds and the Annex/Infirmarium Program with 114 beds. The O'Neill Program, focussing on first-time homeless men and newcomers, is able to serve up to 55 men at any given time. Extensive services are provided on site by SSHA staff and community partner agencies. Refer to Appendix C for high-level client profiles.

While the goal of Seaton House is to provide temporary shelter, some of the programs are designed to allow longer stays and in fact many of the residents have come to consider Seaton House their home and stay for months or years. This is particularly the case with residents in both the Long Term and Annex/Infirmarium programs. Residents who remain for a longer period of time at Seaton House may have come from or previously been referred to other housing or to long-term care homes. However, due to insufficient supports and combinations of health, mental health, behavioural and/or addictions issues, they often return to Seaton House which provides them with the basic supports and services. There is an insufficient supply of housing with supports in the community and the waiting lists are long. Most long-term care homes do not have sufficient resources to be able to integrate people with addictions or behavioural issues. The Seaton House facility, inadequate as it is, has become *de facto* long term and/or supportive housing or long-term care for many of its residents.

The concentration of a large number of homeless men under one roof creates issues for the facility and for the neighbourhood. In spite of the commitment and hard work carried out daily by staff and despite the fact that the majority of residents are men who work to stabilize their lives in the face of complex and extreme challenges, the large number of vulnerable and sometimes volatile residents impacts negatively on the daily life of residents and staff, as well as the surrounding neighbourhood. In spite of the success stories for many Seaton House residents, many residents and former residents describe the building and its size as having a negative effect on their psychological health and getting in the way of making life changes.

One of the redevelopment objectives is to find more appropriate permanent housing for Seaton House residents. Men residing in the Long Term Program and Annex/Infirmary Program (approximately 250 residents) could be eligible for long-term care or assisted living homes, housing with supports or housing allowances. The redeveloped shelter would accommodate approximately 100 men from the Emergency Shelter program, leaving approximately 140 residents that could be absorbed into transitional housing programs or the emergency shelter system. SSHA will develop and implement a transition plan for all residents of Seaton House over the next four years.

North George Street

As previously noted, the northernmost block of George Street is an area with many issues. The combination of the men's shelter, the vacant provincial building, the TCH building and the dilapidated houses south of Seaton House tends to attract illicit and anti-social activities such as drug dealing and drinking in public. While these may involve some Seaton House residents, it appears that other people come to this area due to an apparent higher tolerance level for such behaviour on this part of George Street. As reported by local residents, the current situation is considered a "magnet" for illicit activities on the street and in the area, activities which would not be tolerated in other neighbourhoods.

The City Planning Division struck the North George Street Working Group (NGSWG) in response to direction from City Council to form a working group in relation to the Downtown East Planning Study. The goal of the NGSWG, which met six times from November 2012 to April 2013, was to bring together public and private stakeholders to engage in a conversation about issues along George Street. The group identified loitering, drug-related and other anti-social activity on the street as creating real and perceived issues of personal safety and undermining confidence in the street. The group linked many of the issues on George Street in part to Seaton House and its high concentration of shelter beds and services for homeless men.

While there is general support and openness for the provision of services for homeless people, local residents express the strong desire to have these services spread out across other areas of downtown Toronto and the entire city, to allow for a better integration of all residents in all neighbourhoods. A conclusion reached by the NGSWG is that the issues on George Street require comprehensive solutions and that the redevelopment of

Seaton House with input from the local community is a key factor for the revitalization of the downtown east.

Community Need for Downtown Long-Term Care

Residents in the downtown area have been losing access to long-term care beds as providers, both private and not-for-profit, faced with the challenge of redeveloping on existing sites or acquiring another property, have chosen to relocate due to the escalating costs of real estate¹. This geographic area also has more under-served and hard-to-serve populations and throughout the long-term care system, acuity and complexity of resident need continues to increase.

LTCHS is committed to sustaining service levels. With MOHLTC funding available, redevelopment of the City's long-term care homes is an excellent opportunity to consider co-location of other City services, creating community hubs and forming strategic alliances.

Within the Toronto Central LHIN, two downtown City long-term care homes, Fudger House (250 beds) and Castlerview Wychwood Towers (456 beds) need to be redeveloped. Neither home has the land capacity to redevelop while occupied and temporary closure during construction would negatively impact the critical community need and the active community partnerships. The opportunity exists for LTCHS to transfer a number of these beds to a new site, which would enable service levels to be maintained while beds are redeveloped within the City. LTCHS currently estimates that a total of 288 long-term care beds could be transferred and redeveloped at the George Street location.

The LTCHS capital renewal plan and strategy supports the *Seniors Strategy* and the City's *Working Group on Vulnerable Individuals* and will explore a unique service model to serve vulnerable individuals, maintain the City's presence in the downtown area and provide a continuum of high quality long-term care services.

Stakeholder Consultations

An initial series of consultation sessions were held from February 2012 to May 2013 with a broad range of internal and external stakeholders, in focus groups and interviews. In total, well over 400 individuals were consulted, including residents and staff of Seaton House, CUPE Local 79 representatives, other City staff², more than 40 service partners, other community agencies and non-profit housing providers and residents' groups. TCH and Build Toronto were also consulted on the redevelopment options. Upon City Council

¹ Based on 2010 data, Toronto Central - LHIN has the third lowest number of long-term care beds per population 75+ across all LHINs. In the past decade more than 830 beds have been downsized, closed, moved and returned to the MOHLTC.

² Including City Planning, LTCHS, Affordable Housing Office, Social Development, Finance & Administration, Toronto Public Health, Toronto Public Library, Emergency Medical Services, Toronto Police Service, Toronto Fire Service.

approval of the project, consultations will continue to help establish program and design needs.

Overall, canvassed stakeholders are in agreement that there is an overconcentration of homeless people and/or individuals requiring supports in the Garden District neighbourhood and in particular on George Street between Gerrard Street East and Dundas Street East. It is generally also agreed that Seaton House as a structure is too large, too old, has too many residents and is limited in its ability to serve the residents well. Stakeholders agree that the needs are great and the resources to serve the concentration of vulnerable and homeless persons are insufficient. The urgency of moving forward is clear, although with caution and only with a well-planned and implemented strategy. Homeless people must continue to have access to emergency shelter and support services and the redevelopment needs to be comprehensive, aligned with City policies and the well-being of the neighbourhood.

Best Practices in Other Jurisdictions

A number of shelter developments in other jurisdictions point to best practices for the redevelopment of Seaton House. Refer to Appendix D for examples. These examples illustrate a number of common themes for successful shelter developments, including best practices that have informed the staff report:

- Ideal shelter size in the range of 80-120 units;
- Integration of services and programs within a building or on a site; and
- Provision of a range of services on-site for residents and neighbours.

Feasibility Study

In order to assess the viability of redeveloping Seaton House, SSHA undertook a study on feasible options. The study – led by Creva Group Ltd providing financial advice, DTAH architects, and R.E. Millward and Associates providing planning advice – looked at the development potential on the Seaton House lands, the lands immediately adjacent to Seaton House and an off-site test location on Jarvis Street. Using high level massing envelopes and a detailed evaluation matrix, the study analyzed potential redevelopment options, taking into consideration SSHA's primary goals for the redevelopment. All of the massing envelopes utilized a mid-rise typology in order to minimize impacts on George Street, adjacent streets and Allan Gardens. The study strongly weighted the rehabilitation of the heritage houses, in part, due to the need to improve the conditions on the street and recognition that investment on the Seaton House site should be leveraged with other development to best realize the benefits of revitalization.

The study highlighted the opportunity for redevelopment to accomplish a number of key outcomes, including: contributing to the revitalization of George Street; creating an emergency shelter on the site that better meets the needs of clients; enhancing a Housing First approach for Seaton House; developing new long-term care housing in the

downtown; and creating the opportunity to leverage remaining land on the site to create a social and economic demographic mix on George Street.

As part of the study, the consulting team identified three development scenarios that could best utilize available land and achieve some of the basic programmatic needs. All redevelopment options included space for community services and programming in the form of a service hub. Creating surplus land was prioritized as part of the development scenarios in order to allow for a mix of shelter and long-term care and other housing on the site.

The three options were compared using a detailed evaluation matrix. This matrix assigned the following weights to the general assessment categories:

Weighting Used for Option Evaluation Scoring			
Category	Available Marks	% of Total Marks	Description
Public Interest	40	16	Achievement of planning, heritage and city-building objectives
Operational Viability	48	20	Achievement of objectives for shelter and long-term care operations
Community	28	11	Achievement of safety, traffic and appearance objectives
Costs	52	21	Cost of developing new facility, retaining necessary heritage features in existing buildings, and providing temporary client housing during construction
Private Sector Participation	8	3	Amount of surplus land potentially generated
Procurement	44	18	Achievement of target in-service date and ability to create acceptable deal structure
Risk	28	11	Risk associated with construction and development deal
Total:	248	100%	

The following chart summarizes the options put forward by the consultant group together with the scores achieved by each of these options:

	Option 1	Option 2	Option 3
Development Statistics	New Shelter facility is developed on approx. ½ of existing Seaton House property	New Shelter & LTC facilities are developed utilizing all of existing Seaton House property	New Shelter & LTC facilities are developed on Seaton House property & adjacent lands
Height	6 storeys	8 storeys	5 storeys
Shelter Beds	240	240	96
LTC Beds	0	176	162
Service Hub (sf)	1,281	8,116	23,799
Surplus Land (sf)	37,082	0	23,538
Development Costs (excluding land costs & potential value of surplus lands)	\$14M – \$20M	\$70M – \$95M	\$63M – \$83M
Option Evaluation Score	181	174	187

Two of the options looked at redevelopment on only the Seaton House site, i.e. existing City land. Given the lack of long-term care beds and the intensity of a 240 shelter bed building, the first option did not best meet the program needs for a smaller, higher quality shelter co-located with long-term care beds. The second option was not as desirable from a built form perspective, as it would not align as well with the scale of the street. Further, option two does little to change the use on the street as nearly the same numbers of vulnerable men would continue to be housed on that section of George Street. Neither of these options addressed the heritage houses adjacent to the site.

The study concluded that the preferred development option for Seaton House would need to utilize both the existing Seaton House lands and the lands to the south of Seaton House. The heritage houses would be incorporated into the new development. The preferred option includes approximately 100 emergency shelter beds, in line with best practices, as well as at least 162 long-term care beds and 24,000 square feet of space for community services. Given the study only investigated preliminary massing options, it is expected that the exact number of beds for both the emergency shelter and long-term care home and space for the community services will be refined as more detailed plans are developed. The preferred option would also include surplus land on the north end of the site which could be developed for affordable and/or market housing.

The preferred option, which integrates both an emergency shelter and long-term care home on the site and incorporates the heritage houses, was scored highly due to some of the following factors:

- Provides for an urban form and scale that is compatible with the existing neighbourhood;

- Allows for aging in place and a range of housing options on site;
- Addresses and incorporates the heritage houses on the site;
- Promotes safety on the site and street;
- Has the opportunity to phase the development, which will assist with the relocation of Seaton House clients;
- Establishes social and economic mix on the site through greater diversity of genders, ages and incomes;
- Provides for quality indoor and outdoor amenity space internal to the emergency shelter, helping to reduce anti-social activity on the street; and
- Creates surplus land on the site that can be used for other residential uses.

The TCH property at 291 George Street, a five-storey building constructed in 1986, was considered by the consultant for redevelopment potential with a mid-rise typology. As a redevelopment would potentially add only 2 storeys, it was felt that this was not an option worthy of further consideration.

While achieving many programmatic needs of clients for shelter support and/or long-term care, the preferred option will require coordination of several City divisions in order to fulfill program integration and address the heritage properties. The study also noted that restoration of the heritage properties could potentially increase development costs and slightly extend the construction timeline. However, the opportunities for innovation associated with this option outweighed the noted risks. The development options in the feasibility study would require planning approvals including Official Plan and Zoning By-law amendments, as well as Site Plan Approval. The Downtown East Planning Study currently underway provides an opportunity to engage with City Planning Division in a transparent manner to ensure appropriate consideration for the development potential of the site.

Acquisition of Adjacent Properties

The highest-scored development option is premised on the acquisition of the adjacent properties to the south of Seaton House. This includes the properties for which City staff have negotiated the Offers recommended herein together with additional properties for which staff are seeking authority to negotiate acquisitions and report back to Committee and Council if necessary, for further approval.

The terms and conditions of the recommended Offers to Sell are set out in Confidential Attachment E. The majority of the properties proposed to be acquired are subject to heritage designation. Heritage Preservation Services has been involved in the staff discussions to date and will continue to be actively involved going forward.

The purchase of these properties and the revitalization of Seaton House will enhance the Garden District and will be a key factor in the revitalization of the Downtown East. The City will become a leader in the restoration and adaptive reuse of some very significant heritage properties, rare surviving examples of residential architecture in the city and will demonstrate the ability to reuse heritage structures. If the properties are not purchased at this time, secured and stabilized, the risk of losing them altogether through demolition by neglect is significant.

SSHA will ensure that a qualified heritage professional will be part of the consultant team to address the appropriate integration of the heritage properties into the overall scheme at the design stage. The proposal will be accompanied by a Heritage Impact Assessment that will identify how the properties are being appropriately conserved in keeping with the City's Heritage Policies in the Official Plan, the Council approved *Standards and Guidelines for the Conservation of Historic Places in Canada*, and the requirements of the Planning Act and the Provincial Policy Statement. The assessment will also consider any heritage impacts on the adjacent heritage properties. Heritage Preservation Services in the City Planning Division will review the proposal and report back to the Toronto Preservation Board and City Council as required under the *Ontario Heritage Act*.

Unique Opportunity for Innovative Service Delivery

The combined expertise of SSHA and LTCHS provides an opportunity to enhance services to under-served individuals in a shared location and strengthen the expertise within each division. SSHA and LTCHS would share some resources to achieve efficiencies. For example, one kitchen and one laundry area could serve both the emergency shelter and the long-term care home. LTCHS has a demonstrated ability to support residents that are not well served by other long-term care operators.

The City will explore with various stakeholders including the MOHLTC, Toronto Central LHIN, the Province and the Toronto Central Community Care Access Centre additional opportunities for specializing in the needs of formerly homeless individuals.

A service hub could include medical services, a resource centre, meeting space, a teaching kitchen, a social enterprise initiative or other uses that benefit the residents and the local community. Other precedents such as the Regent Park revitalization and the CAMH redevelopment indicate the potential of such initiatives, while of a different scale.

Options for use of surplus lands include affordable housing with supports if funding becomes available or leverage for a private sector partnership. If housing with supports becomes an option, this site may be able to accommodate Seaton House residents among others. If the land is leveraged to the private sector, SSHA would seek alternative sites for housing with supports, pending access to funding.

With the federal renewal of the Investment in Affordable Housing Program and the Homeless Partnering Strategy from 2014 to 2019 there is a “window of opportunity” to

lever government funding to develop housing with support services for formerly homeless residents. Likewise a private sector partnership to construct market housing would also lever funds to support the overall project.

While not being considered for inclusion in the redevelopment, SSHA is engaged in discussions with TCH regarding their site at 291 George Street. Both parties are exploring a partnership in order to provide housing for Seaton House residents.

Housing Opportunities Toronto (HOT)

The recommendations in this report are consistent with the Housing Opportunities Toronto (HOT) Action Plan 2010-2020 which was adopted by City Council August 5, 2009. The HOT plan contains recommended actions by the three levels of government to promote and maintain affordable housing. A number of actions are aimed at helping homeless and vulnerable people find and keep housing. The HOT plan identifies that the redevelopment of selected shelter sites is necessary to assist individuals to move from homelessness to housing. The plan states that “redevelopment will revitalize the surrounding neighbourhoods and create mixed-use housing developments that may include private market housing, social housing, innovative long-term care, health care and supportive housing models and emergency shelter beds.” Specifically, the HOT plan identifies the following actions to meet this objective:

- “5. Expand Toronto’s Housing First approach to help people living on the street or in shelters find permanent affordable housing by:
 - d. Redeveloping selected emergency shelter sites into a combination of innovative long-term care, health care, supportive and affordable housing and emergency shelter programs.”

Further, the plan specifically addresses the need for housing for formerly homeless seniors. The plan recommends that the city:

- “11. Develop strategies to help seniors live independently in existing social and rental housing by:
 - a. Creating new models of housing and supports and long-term care for vulnerable and formerly homeless seniors with complex needs.”

Toronto Seniors Strategy

The recommendations in this report are also consistent with the Toronto Seniors Strategy which City Council adopted at its May 7, 8, 9 & 10, 2013 meeting. The Toronto Seniors Strategy seeks to improve services, social inclusion and quality of life for older adults in Toronto, including equity seeking groups such as women, LGBT communities, persons with disabilities, individuals with mental health issues, those who are homeless and other potentially vulnerable groups in the City of Toronto.

Action 5 (b) of the strategy states “Shelter, Support & Housing Administration will ensure community consultations on the proposed redevelopment of Seaton House include input on programs, services and design elements that would best meet the needs of homeless older adults”. Further, Action 16 (a) recommends SSHA “encourage the Ministry of Health and Long-Term Care to recognize and support the needs of older adults using emergency shelters, street respite and street outreach programs by improving the access of this group of older adults to Long-Term Care programs and initiatives and other supports while staying in shelters/living on the street”.

Development of a Housing Stability Service Plan

In 2012, the Province introduced the Community Homelessness Prevention Initiative (CHPI), a new flexible funding program for a range of homelessness services, including emergency hostels, the rent bank and the Community Homelessness Prevention Program. As part of this change, the City is currently developing a five-year service plan that will identify the vision for the homeless service system and the short-term implementation steps and change management approaches required to achieve that transformation. As identified in the report *Changes to Provincial Funding Approaches for Homeless Prevention and Social Assistance Programs: Implementation Strategies and Issues* adopted by City Council in October 2012, development of the service plan will be guided by the following principles:

1. A Housing First approach focused on solutions that help people to find and maintain permanent housing
2. A client-centred approach focused on achieving positive outcomes for clients
3. Accessible, integrated and administratively streamlined service delivery that focuses on ease of access for clients
4. Gradual system change over time that limits negative service impacts and focuses on helping the most vulnerable
5. Proposals consistent with Council policy, including Housing Opportunities Toronto
6. Engagement of community stakeholders and clients in developing priorities and solutions

The service plan will consider the distribution of beds in the shelter system, including the implications of a potential redevelopment of Seaton House.

Downtown East Revitalization Strategy

On November 29, 2011 City Council provided a number of directions with respect to a planning study and a revitalization study for the Downtown East area. The redevelopment of Seaton House is a key element for the advancement of a successful housing strategy in that neighbourhood. A project management team of staff from across City divisions will develop a coordinated strategy that maximizes existing resources and identifies opportunities for collaboration. The team will ensure consistent alignment between the Downtown East Revitalization and Seaton House redevelopment.

The northernmost block of George Street, between Gerrard Street East and Dundas Street East, is designated Neighbourhoods in the Official Plan. To the west and south are Jarvis Street and Dundas Street East which are designated Mixed Use Areas. To the east is Pembroke Street which is also designated Neighbourhoods.

The North George Street Working Group is informing the strategy. An information report was received by the Toronto and East York Community Council on January 22, 2013.

Garden District Heritage Conservation District Study

In October 2012, City Council authorized a Heritage Conservation District Study for the Garden District area. The study area boundaries currently exclude Seaton House and include the adjacent properties. The boundaries will be assessed by the consultant team as part of their assessment of the neighbourhood. Should the study process recommend Council designate the properties under Part V of the Ontario Heritage Act, a Heritage Conservation District Plan will be prepared that will include guidelines for development.

Conclusion

SSHA has a unique opportunity to serve the homeless, formerly homeless and vulnerable people in the downtown area and through a partnership with LTCHS to integrate long-term care services on George Street with an innovative proposal. The initiative would consist of the redevelopment of Seaton House into a new purpose-built facility to include a smaller emergency shelter reflecting best practices, a long-term care home and a service hub, with surplus lands available for affordable and/or market housing. The proposed project represents a new model of service provision to homeless and formerly homeless people with complex needs and addresses unmet needs of an aging vulnerable population.

The proposed project is aligned with the City's Housing Opportunities Toronto ten year affordable housing strategy, SSHA's service review, LTCHS Service Review, Toronto Seniors Strategy and the Downtown East Revitalization Strategy. This report recommends the acquisition of lands adjacent to Seaton House in order to achieve the goals outlined. Not only would derelict heritage houses be rehabilitated, but they would have the potential to become the centre-piece of the redevelopment. The neighbourhood would benefit from an increased gender and population mix and a healthier, safer

environment. While service provision for homeless people is enhanced, the entire downtown east neighbourhood would benefit from this catalyst to its revitalization.

If City Council approves the recommendations in this report, staff would proceed with the acquisition of the private properties adjacent to Seaton House. The heritage buildings would be secured and stabilized for three to five years until construction begins. Staff would continue to explore and design a collaborative model of program delivery in consultation with the local community and other stakeholders. SSHA would procure a consulting team to continue with redevelopment plans. Staff will develop a transition plan and report back to council with an update by mid-2015. It is estimated that construction would commence by early 2017.

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ATTACHMENTS

Appendix A – Map
Appendix B – Current Programs and Services
Appendix C – High-Level Client Profiles
Appendix D – Examples of Best Practices
Appendix E – Confidential Attachment