



**Under One Roof: A Housing Solution for Women and Children at 389 Church Street**

<b>Date:</b>	June 16, 2015
<b>To:</b>	Executive Committee
<b>From:</b>	General Manager, Shelter, Support and Housing Administration
<b>Wards:</b>	Ward 27
<b>Reference Number:</b>	

**SUMMARY**

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This report recommends that the residential property at 389 Church Street owned by Toronto Community Housing be renovated to create one and two bedroom affordable homes for women and children. It also proposes that the building provide transitional housing and shelter space for a three to four year period to address the needs of women and children impacted by the need for two community operators to re-locate their housing and shelter services.

The current thirteen-storey building consists of 274 rooms with shared kitchen and bathroom facilities in 66 units. This housing form is out-dated and has resulted in the building being under-occupied with 78 residents currently living in the building representing roughly a 30% occupancy rate.

The report recommendations propose the building be modernized and renovated over time to create approximately 132 self-contained one and two bedroom units. Prior to the start of construction existing residents will be provided with a number of housing options including re-locating to new units, re-locating during the construction period, transfers to other housing developments and provision of long-term housing allowances to move to a location of their choice.

Over the shorter term the report recommends that up to eight floors be set aside to continue to provide one floor for the Fred Victor Centre women's program, and up to seven other floors be renovated to accommodate the YWCA Beatrice House transition housing program and the Red Door WoodGreen Family Shelter women and children's shelter and housing program. On an interim basis this initiative would service clients who were identified as part of the requirement for additional supports to women and children

identified in SSHA's Shelter Infrastructure Strategy. The initiative also supports Council's strategic goal of reducing TCHC's overall capital repair backlog.

After completing more extensive due diligence over the summer, City staff will report to Council in September with more details on the project structure, model, project costs, and sources of funding.

## **RECOMMENDATIONS**

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

1. approve in principle the modernization and renovation of 389 Church Street over time to create permanent affordable housing consisting of one and two bedroom units with the interim provision of up to eight floors for transitional housing and shelter services for women and children, and authorize the General Manager, SSHA, to undertake additional due diligence and report to Executive Committee and Council in the fall of 2015 on the necessary next steps and capital budget requirements and sources of capital and operating funds required to undertake this initiative, including consideration of Section 37 funding from local developments and third party donations;
2. request the General Manager, SSHA, to continue working with Toronto Community Housing Corporation, the YWCA, WoodGreen Red Door Family Shelter, and the Fred Victor Centre to reach an agreement on such matters as:
  - a. support to be provided to current residents through the overall process;
  - b. scope and timing of the modernization and renovation plans;
  - c. capital and operating budget funding sources;
  - d. oversight and budget control for the modernization and renovation plans;
  - e. ongoing management of the building; and
  - f. over-time conversion of the transition and shelter uses at 389 Church Street to permanent housing; and
3. authorize the General Manager, SSHA, and Director of Real Estate Services to negotiate a long-term lease with TCHC at a nominal cost, which may be assignable to a non-profit operator.

## **Financial Impact**

The financial impacts of the renovation of 389 Church Street have not been determined at this time. Preliminary estimates indicate that interior retrofits to the residential floors and common areas could require investments of over \$10.0 million. Staff will undertake further due diligence and report back to Executive Committee in the fall of 2015 with details on the current state of good repair backlog for 389 Church Street, retrofit needs, costs, proposed sources of funding and an implementation plan with expenditure timelines, including any need for 2015 investments.

Should there be a need for any 2015 expenditures, these costs will have to be considered in the context of other 2015 City priorities and the overall investment plan within the context of the 2016 Budget process.

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

## **Equity Impact**

Housing and homelessness services, including Toronto's social housing and shelter systems, serve equity-seeking groups including women, children, seniors, people with disabilities, individuals with mental health and/or substance use issues, the working poor, and other vulnerable groups. Ensuring there is a range of housing and shelter options for women and children assists vulnerable residents to move back into permanent, stable housing. It also supports the City's poverty reduction efforts.

## **DECISION HISTORY**

At its meeting on May 5, 6 and 7, 2015, City Council adopted EX5.12 "Securing a Future for the Red Door Shelter." The report provided City Council with an update on the work undertaken by staff to secure a long-term home for the WoodGreen Red Door Family Shelter as part of the redevelopment of 875 Queen Street East. While the site is being redeveloped, a temporary space is needed for the Red Door Shelter to ensure continuity of service within the family shelter sector.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX5.12>

At its meeting on March 31, April 1 and 2, 2015, City Council adopted CD2.2 "Infrastructure and Service Improvement Plan for the Emergency Shelter System" which sets out an infrastructure and service improvement plan to guide the transformation of the emergency shelter system and requested staff to identify sites for 15 additional emergency shelters over the next five years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD2.2>

At its meeting of December 16, 17, and 18, 2013 City Council unanimously adopted CD25.10, *2014-2019 Housing Stability Service Planning Framework* (HSSPF). The HSSPF includes a Strategic Directions to continue to maintain a strong emergency shelter

system and to create housing opportunities for vulnerable households in Toronto. The Framework also identified key actions focused on leveraging shelter and housing assets to create a range of housing solutions and to ensure services are responsive to specific client groups including women.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD25.10>

At its meeting of August 5 and 6, 2009, City Council adopted The *Housing Opportunities Toronto Affordable Housing Action Plan 2010-2020* (HOT Plan). The HOT Plan introduced the Toronto Housing Charter which includes a policy statement about all residents having access to a safe, secure, affordable, well-maintained, and affordable home, and requests that the provincial government implement a fully funded long-term affordable housing plan consistent with the City's 10 year Action Plan.

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-08-05-cc38-dd.htm>

## **ISSUE BACKGROUND**

389 Church Street is an underutilized 13-storey residential building on the north-east corner of Church and Granby Streets just south of Carlton Street in Ward 27. The property is owned and operated as social housing by the Toronto Community Housing Corporation (TCHC). TCHC has a contract with Greenwin Properties for day-to-day property management at this site.

The building was constructed in 1973 as a student residence for young women. It was designed as shared housing with a pod-like configuration including 274 tenant spaces in 66 units. Tenants have their own individual bedrooms but share washroom and kitchen facilities.

The building's layout of mostly shared accommodation has not adapted well to its current use as social housing for rent geared to income (RGI) residents. Currently, the building has 78 TCHC women residents which represents a 30% occupancy level. In addition to the physical constraints TCHC has been challenged in keeping the building in a good state of repair given the overall backlog of repairs within its housing portfolio.

A 2007 building condition audit found the building to be in fair to poor condition. In 2015, TCHC is investing approximately \$1 million in state of good repair at 389 Church Street, including replacing the roof and repairing walls and upgrading accessibility in common areas of the building. Work planned for 2016 is still under review by TCHC.

At the present time Fred Victor Centre operates a women's transition to housing program on the second floor. This program will move into a permanent location on Dundas Street East in two phases in mid and late 2015.

COTA Health also operates a drop-in for men with mental health issues in programming space on the main floor which is accessed through a separate entrance off Granby Street.

TCHC has been seeking a way to address the challenges of the building and improve the living conditions for the residents as part of their overall re-investment strategy. The strategy includes efforts to identify poor performing or underutilized assets, in order to develop and implement plans to improve performance through creative uses of property, and consideration of asset sale or long term lease where deemed appropriate. In this context, in 2014 the Deputy City Manager, Cluster A and staff from SSHA, Real Estate Services and the Affordable Housing Office began discussions with TCHC about the ownership, management and operation of 389 Church Street.

At the same time, City staff have been working to increase housing and shelter options for women and children in need. As part of this work discussions have also been held with the YWCA Toronto, Red Door WoodGreen Family Shelter and Fred Victor Centre about the contribution they could make in modernizing and renovating 389 Church Street to address the urgent housing and shelter needs of women and children. Through this process the YWCA Toronto as an experienced operator of housing for women and children has expressed an interest in becoming the long-term manager of the property.

## **COMMENTS**

389 Church Street presents a unique opportunity for the City to partner with community agencies on a women-centred initiative to meet both short-term and long-term needs for affordable housing, transitional housing and shelter under one roof. The vision is to modernize and repair the under-occupied building in the downtown core into revitalized affordable housing within a supportive women-centred environment.

To accomplish this work the building would be modernized and renovated over time to create approximately 132 self-contained one and two bedroom units of affordable housing. Over the shorter term up to eight floors would be set aside and renovated as necessary for three community based operators that provide transitional housing and shelter services for women and children. This would include continuing to accommodate the Fred Victor Centre while providing temporary space for both the YWCA Beatrice House transitional housing and WoodGreen Red Door Family Shelter. Once these programs wind down at 389 Church Street the building would be fully permanent affordable housing. Proposed renovations to accommodate temporary uses will be done with a view to the end use as housing within self-contained units.

This proposed revitalization is consistent with the Strategic Directions set out in the *2014-2019 Housing Stability Service Planning Framework* to create housing opportunities by leveraging existing social housing assets as well as with the City's affordable housing goals set out in the HOT Plan.

The transformation of 389 Church Street, as envisioned above, will require significant investments to upgrade and retrofit the building. At present, apart from TCHC's state of good repair investments, these expenditures are not budgeted. While detailed costs are in the process of being determined preliminary estimates indicate that interior retrofits to residential floors and common areas could require investment of over \$10 million. This is

consistent with the overall cost of renovating a 13 storey building of this age and condition.

## **Staff Work to be Undertaken**

The current parties to discussions about the future of 389 Church Street support the overall vision outlined above. However, all partners need to seek direction and approval from their Boards of Directors to formalize their commitment to the redevelopment of 389 Church Street. Endorsement of the project vision by City Council will support those efforts.

It is recommended that City Council approve in principle the modernization and renovation of 389 Church Street over time to create permanent affordable housing consisting of one and two bedroom units with the interim provision of up to eight floors for transition housing and shelter space for women and children.

It is further recommended that City Council authorise staff to undertake additional due diligence over the summer months and report to Council through Executive Committee in the fall with details on a proposed lease and management structure for the building, retrofit needs, costs and proposed phasing, a proposed funding plan, including consideration of Section 37 funding from local developments and third party donations, and a plan to engage and support the existing tenants.

## **CONCLUSION**

This report provides an action plan for the future of the TCHC property at 389 Church Street. Most importantly it seeks to address the backlog of repair issues in a building with 78 residents. It also proposes to modernize and repair the property so that it is fully used for permanent housing, transition housing and shelter for women and children.

Upon the adoption of this report City staff will continue their due diligence with TCHC and other parties to develop the business case for the proposed modernization and repairs and report to Council this fall for approval. This will include reporting on the overall modernization and repair program, the project participants, the design options, the project operating and capital budget, as well as the potential sources of funding.

## **CONTACTS**

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**SIGNATURE**

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