



REPORT FOR ACTION

Strengthening Rexdale Community Hub Board Governance

Date: October 6, 2017

To: Community Development and Recreation Committee

From: Executive Director, Social Development, Finance and Administration

Wards: Ward 1 - North Etobicoke

SUMMARY

The purpose of this report is to provide an update on the review of the Rexdale Community Hub (RCH) with the intent of identifying an appropriate governance model and required resources.

The Rexdale Community Hub is a 77,000 square foot multi-service facility located at 21 Panorama Court in Ward 1 in North Etobicoke. In 2009, the City acquired the property from the TCDSB to create a community hub and entered into lease agreements with eleven community service tenants to implement the hub initiative.

Since its opening in 2012, the tenants formed the RCH Board to administer and manage the hub. However there is no formal agreement between the City and RCH Board that recognizes the Board's role in managing the facility. This report recommends that the City enter into an agreement with the RCH Board that outlines the roles and responsibilities of both parties in operating the RCH.

To support the management of the RCH, this report identifies the required resources to support the sustainability of the Board.

RECOMMENDATIONS

The Executive Director, Social Development, Finance & Administration (SDFA) recommends that:

1. City Council authorize the Executive Director, Social Development, Finance and Administration to negotiate and execute on behalf of the City an agreement with the Rexdale Community Hub Board for a 10 year term with respect to the administration and management of the Rexdale Community Hub, which agreement shall have terms and conditions acceptable the Deputy City Manager, Internal Services and be in a form acceptable to the City Solicitor.

FINANCIAL IMPACT

The request for ongoing funding for the Rexdale Hub is comprised of two sources: 1) ongoing funding of \$155,000 available from the 2018 Community Partnership Investment Program base budget; 2) and \$145,000 from the additional Community Partnership Investment Program funding request approved by Council, which is included for consideration through the 2018 budget review process in accordance with Council direction in CD22.6 "Impact of Community Partnership and Investment Program Grants and Social Development, Finance and Administration Request for Approval of New Initiatives Report."

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

DECISION HISTORY

The Below Market Rent Policy establishes criteria for the City to lease City owned or City managed property for community use.

At its meeting on October 1, 2, and 3, 2002, Council adopted "A Policy for City-Owned Space Provided at Below-Market Rent" as the first step in rationalizing how City-owned space is provided to community and cultural organizations.

(<http://www.toronto.ca/legdocs/2002/agendas/council/cc021001/pof13rpt/cl001.pdf>)

At the December 11, 12 & 13, 2007 meeting of City Council, staff was directed to prioritize discussions with the Toronto Catholic District School Board about securing the former Father Henry Carr Catholic School site for a community health centre/community hub.

<http://www.toronto.ca/legdocs/mmis/2007/cd/bgrd/backgroundfile-9011.pdf>

In the 2008 Capital Budget process, City Council designated \$1.0 million in capital funding for the creation of a multi-service community hub in Rexdale through the Partnership Opportunities Legacy Fund. These funds resided within the Social Development, Finance & Administration (SDFA) envelope of Facilities & Real Estate's capital budget.

http://www.toronto.ca/budget2008/pdf/bn_cap_commitment_to_priority_neighbourhoods.pdf

At its meeting on August 5, 2009 Council authorized the acquisition of property at 21 Panorama Court from the Toronto Catholic District School Board (TCDSB) for the purposes of a multiservice community hub in the Jamestown/Rexdale priority neighbourhood. Council approved for leases to eleven (11) community organizations.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.CC38.9>

On October 2, 2017, City Council directed the Executive Director, Social Development, Finance and Administration to include in the 2018 budget submission an additional

\$450,000 to Community Services Partnership Budget to support ongoing partnership development, for consideration in the 2018 budget process.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD22.6>

On October 2, 2017, City Council approved a motion from the Community Development and Recreation Committee on Board Governance at the Rexdale Community Hub that directed staff to consult with Rexdale Community Hub Board and tenants to review and identify an appropriate City governance model for the RCH and required resources, and report back to the October 23, 2017 meeting of the Community Development and Recreation Committee.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD22.13>

COMMENTS

Community Service Hub Development:

In June 2007, the City of Toronto and United Way Toronto worked with eleven community-based organizations, led by Albion Neighbourhood Services and Rexdale Community Health Centre, to develop the business case and secure funding to create an effective multiservice hub in North Etobicoke based on identified community needs. The vacant former Father Henry Carr Catholic School was determined to be the most cost effective, available opportunity. The City purchased the school from the TCDSB and contributed \$4.79M in capital costs. The City's contribution leveraged an additional \$8.9M in external funding to transform the old school into a renovated, improved community facility to house a wide range community and health services for North Etobicoke residents.

Since opening in 2012, the Hub has become an important community gathering place. Services offered include Toronto Employment and Social Services employment centre, family resource programs; children and youth programs, primary care and health promotion; congregate dining and healthy cooking; settlement and newcomer services; civic engagement; legal services; housing support; arts, music and culture programs; and multi-purpose community space designated for use by small and emerging resident groups.

As the landlord, the City determines tenancies, rent and operating costs and capital and state of good repair requirements. At the beginning of the RCH, there was no single agency on site acting as landlord or landlord's agent. Given the size of the facility and scope of programs and services, the tenants had to invent a management system and way to pay for front desk staffing, room bookings, security, Wi-Fi, property management including maintenance, cleaning, and management of common areas, strategic planning, tenant coordination and service integration. As a result, they formed the RCH Board as a charitable corporation with a volunteer board of directors. Its sole function is to manage the facility with a view to honouring the community's wishes. The Board consists of 4 representatives from tenant agencies, 3 community residents and 3 members at large to fill any gaps in capacity and skills.

While the Board has assumed responsibility for managing the facility on behalf of the City and tenants, there is no formal agreement authorizing the Board's role. The Board has asked for recognition in carrying out its functions so that it will have legal authority to make decisions that impact the hub.

The RCH Board administration budget is \$618,867 of which \$318,867 is derived from the UWTYR, Hub tenant partners and other fundraising opportunities. The tenants contribute approximately \$3.52 per square foot of their leased space or approximately \$144,838 in total per year to finance the Board operations. With the increasing costs year to year to operate the facility, the tenants are experiencing financial challenges as their funding is geared to programs and individual organizational administration. City funding for Board operations and Hub management depends on temporary and one time funding. This funding approach is not sustainable and can jeopardize the viability of the RCH.

In response to these fiscal pressures a Members Motion was passed at the September 11, 2017 meeting of the Community Development and Recreation Committee that directed the Executive Director, Social Development, Finance and Administration to consult with Rexdale Community Hub Board and tenants to review and identify an appropriate City governance model for the RCH and required resources, and report back to the October 23, 2017 meeting of the Community Development and Recreation Committee.

Community Hub Governance Model:

The combined annual operating budget invested in the community in 2016 from the RCH tenants was approximately \$26,330,000. This represents a significant investment in a neighbourhood improvement area that experiences high levels of unemployment, low income and social assistance, diabetes and mental health. However, the Hub's increasing operating costs result in fiscal pressures on tenants to rely on program dollars to cover core administrative costs for managing the Hub.

Staff from SDFA consulted with the City Manager's Office to review City governance model options for the RCH. It was found that the RCH service and governance structure did not align with any of City's Service Agency or Community Based Service Agency governance models. It was recommended that an agreement be established that would create a formal relationship between the City and the RCH Board.

The RCH Board and tenants were consulted in the governance options for the RCH and endorse an agreement with the City as the best approach in managing Hub operations.

Under the proposed agreement the RCH Board would operate the Hub in accordance with City policies including:

- Development of policies and procedures relating to building management
- Adherence to the Occupational Health & Safety Act
- Creating a safe and welcoming environment

- Coordinating service planning and delivery
- Identification of potential tenants for vacant spaces
- Collaboration among tenants and stakeholders
- Compliance with City leases and agreements
- Completion of work orders and service contracts
- Allocation of common spaces, meeting rooms
- Engagement of community stakeholders and residents.

Proposed 2018 Resources to Sustain RCH Hub

Table 1 identifies the 2018 administration budget of \$618,867 for the RCH Hub Board. The Board receives approximately \$318,867 in core funding through contributions from UWTYR, Hub Partners and other fundraising opportunities. The City currently provides \$155,000 in funding resulting in a shortfall of \$145,000.

Table 1: RCH Hub Board Administration Budget Proposal

INCOME		2018
UWTYR Grants		\$153,000
Hub Partner Contribution		\$144,838
Board Raised Funds		\$ 21,029
SUBTOTAL		\$318,867
<i>Proposed City of Toronto CPIP ongoing funding</i>	Current grant ends December 2017	\$155,000
TOTAL		\$473,867
EXPENSES		
Salaries and Benefits		\$322,000
Materials and Supplies		\$56,169
Equipment		\$25,000
Services and Rents		\$179,698
Hub Special Events & Programs		\$36,000
TOTAL		\$618,867
Surplus(Deficit)		(\$145,000)

Through the 2018 budget process, Council will consider an increase to the Community Partnership and Investment program of \$450,000. Should Council approve an increase to the Community Partnership and Investment Program, the first priority for allocation will be to address the \$145,000 shortfall noted above.

The City depends on the provision of programs and services by the RCH in the Rexdale community to promote neighbourhood and resident wellbeing. By investing in the RCH Board, the City can help secure a viable and sustainable community hub in Rexdale.

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SIGNATURE

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