

Request for Authority to Negotiate a Public Interest Partnership for Redevelopment of the Seaton House Shelter and Revitalization of the George Street Neighbourhood (Ward 27)

Date:	October 23, 2009
To:	Community Development and Recreation Committee
From:	General Manager, Shelter, Support and Housing Administration
Wards:	27
Reference Number:	

SUMMARY

This report recommends that Council authorize staff to negotiate with Spike Capital Corporation, Kearns Mancini Architects and others with interests in the adjacent privately owned properties to the south (collectively, “Spike/KMAI”) to develop a non-binding proposal for redevelopment of the City-owned property at 339 George St, currently the site of the Seaton House shelter, together with the adjacent privately-owned properties to the south, and report back to Committee and Council for approval.

The redevelopment of this portion of George Street would provide more appropriate on-site facilities for the provision of shelter, housing and support services for single, adult men who are homeless. The redevelopment would also provide additional affordable and market housing and contribute to the revitalization and development of a healthier neighbourhood along this section of George Street.

Redeveloping selected emergency shelter sites into a combination of innovative long-term care, health care, supportive and affordable housing and emergency shelter programs is an action identified for implementation by the City in the Housing Opportunities Toronto Action Plan for Affordable Housing, which was adopted by Council in August 2009.

RECOMMENDATIONS

The General Manager, Shelter, Support and Housing Administration, recommends that:

1. Council authorize the General Manager, Shelter, Support and Housing Administration, to negotiate with Spike Capital Corporation, Kearns Mancini Architects (collectively, “Spike/KMAI”) to develop a non-binding proposal for a public interest partnership for the redevelopment of the Seaton House shelter property and the adjacent properties to the south, which Spike/KMAI has indicated they own or have under contract, into a purpose built facility(s) that may include affordable housing units, supportive housing units, emergency shelter and long-term care beds for the homeless as well as private market uses appropriate for the area;
2. Council exempt Spike/KMAI’s proposal from the Unsolicited Proposal Policy and the procurement sections of the Public Interest Partnership Framework, on the basis of Spike/KMAI’s interest in the adjacent residential properties to the south of Seaton House, which places Spike/KMAI in a unique position to assist the City with this redevelopment proposal;
3. Council authorize the General Manager, Shelter, Support and Housing Administration, to consult with Build Toronto regarding its participation and potential role in the proposed redevelopment, if any, and to involve Build Toronto in the proposal development, if appropriate;
4. Council authorize the General Manager, Shelter, Support and Housing Administration, to consult with Toronto Community Housing Corporation regarding the potential to include the social housing building to the south at 291 George St in the proposed redevelopment;
5. Council authorize the General Manager, Shelter, Support and Housing Administration, to consult with Seaton House staff, Seaton House residents, other appropriate City staff, CUPE Local 79 representatives, and the local community in developing affordable housing, supportive housing, emergency shelter and long-term care beds for the homeless and related support services in the context of a new purpose built facility; and
6. the results of the negotiations with Spike/KMAI, and the redevelopment proposal, including program details, private market components, projected costs, a transition plan, sources of funding and timelines, be brought back to Committee and Council for approval.

Financial Impact

The approved 2009 Approved Capital Budget for Shelter, Support and Housing Administration includes \$350,000 to identify development/redevelopment opportunities

within the emergency shelter system. Expenditures related to the proposal development will be paid from within this amount.

Staff will report out on the results of the negotiations with Spike/KMAI, the redevelopment proposal, projected costs and sources of funding, once the negotiations and due diligence processes have been completed.

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

DECISION HISTORY

This is the first report on the redevelopment of Seaton House.

In the Housing Opportunities Toronto Ten-Year Affordable Housing Action Plan approved by Council on August 5, 2009, action 5d. states that the City will: “Expand Toronto’s Housing First approach to help people living on the street or in shelters find permanent affordable housing by...redeveloping selected emergency shelter sites into a combination of innovative long-term care, health care, supportive and affordable housing and emergency shelter programs.”

COMMENTS

The Challenge

Seaton House is an emergency men’s shelter directly operated by the City, with 580 beds located at 339 George St (see map in Appendix A). Many of the men staying at Seaton House have a variety of complex health, mental health and addictions issues and within the shelter there are distinct programs designed to provide services to client groups with very different needs. Built 50 years ago, the building was not designed for clients with the range of complex needs that Seaton House has evolved to serve, and the physical infrastructure and layout of the building is an impediment to effective service delivery. As an older building, it is also beginning to show significant wear and tear.

To the south of Seaton House there are a number of dilapidated buildings operating as rooming houses together with several run-down historic homes which are neglected and/or vacant and boarded up. The block has a lack of “eyes on the street” as the court house at 311 Jarvis backs onto the west side of George St and there are few commercial or retail uses currently in place in the area. There is a significant amount of street activity on this section of George St. because of the large number of vulnerable people in the area. Drug activity and trafficking by people from outside the area is a constant concern.

The Opportunity

Redeveloping this portion of George Street would provide a much needed opportunity to improve facilities and services for vulnerable homeless men. A new purpose built facility designed to address the multiple needs of the clients would better enable staff to assist

more homeless men to move into permanent housing with the appropriate supports to meet their needs. This supports further implementation of the City's Housing First approach to addressing homelessness which is based on the principle that the best way to end homelessness is to provide people with permanent housing.

The redevelopment would also contribute to the revitalization of the George Street neighbourhood and provide additional affordable and market housing. The proposed development would be a mixed use community with affordable housing units, supportive housing units, emergency shelter and long-term care beds for the homeless as well as private market uses appropriate for the area. This redevelopment would complement the nearby \$6.3 million streetscape improvement plan recently approved by Council to improve the urban design, landscaping and pedestrian environment on Jarvis St to the west of George St. It would also bring new residents to the area and create a revitalized community street space which would attract additional development opportunities to the surrounding neighbourhood.

Vision for New Facilities and Enhanced Services at Seaton House

It is envisioned that the new facility would be purpose built and designed to allow for the provision of appropriate services for homeless men, including those with complex physical health, mental illness and addiction issues. The new building and enhanced services proposed may include:

- a long term care program specifically designed for Seaton House clients with complex needs developed in partnership with the Long Term Care Homes and Services Division;
- infirmary and health care beds for homeless men with addictions and mental health issues;
- transitional shelter beds and supportive housing units for current Seaton House clients who are able to maintain housing with supports appropriate to their needs;
- improved layout of beds to support the privacy, dignity and security of emergency shelter users;
- expanded recreational and common spaces;
- enhanced and expanded programming space to provide additional counselling, housing and employment assistance; and
- private market uses appropriate for the area, possibly including commercial office space, private market housing, student housing, community services and retail uses.

A Short History of Seaton House

Seaton House only houses three kinds of men: somebody's father, somebody's brother, or somebody's son.

Seaton House began operating as an emergency men's shelter in its current location in 1959. The original Seaton House was opened in 1931 at 320 Seaton Street for men who were unemployed during the Great Depression. During the Second World War, the upper level of the St. Lawrence Market was converted into a shelter for veterans returning from the war. Later it was determined that the building was unsuitable for the purpose, and a new facility was built at 339 George St in 1959 to replace both locations. Originally, the new Seaton House housed the District Community Service Centre (welfare offices), the Seaton House shelter and men's residence. The men's residence, which was for men who were considered 'long term unemployable' was open year round, while the shelter for men who were temporarily unemployed was open only in the winter months.

The capacity of the site has varied over the years. The highest capacity was reached in the late 1980's with between 800 and 900 beds. During the 1990's, a number of studies, both internal and external, recommended significant changes to improve the services offered to clients at Seaton House. In 1999 a new mission statement was developed with the participation of clients and staff, and a number of new programs were created to serve the distinct needs of the variety of client groups within Seaton House. During this period three satellite sites offering specific programming at different locations were developed and the capacity at the George St. site was reduced to the current 580 beds.

Current Services

There are several distinct programs serving different client groups within Seaton House, including those who are homeless for the first time and newcomers to Canada, those who are struggling with addictions, mental illness and other complex and acute health conditions, those who were previously hospitalized and who may need additional supports, as well as the regular Hostel Program which provides emergency shelter to men who have been evicted or those who move between temporary and precarious housing situations. Each client at Seaton House has access to supports that will allow them to develop a case plan that addresses their housing, financial, legal and family issues. Details of the current services are included in Appendix B.

Current Funding

The total 2009 operating budget for Seaton House is \$25.4 mil Gross, \$16.3 mil Net. Seaton House operates as a 24/7 service, 365 days a year. There are 254.8 FTE staff, including 159.8 client support workers, shift supervisors and counsellors, 19 management and administrative support staff, 11 nursing staff, and 65 maintenance and dietary staff.

The Need for Re-Development

All current City owned and directly operated shelters are being considered for possible redevelopment by staff. Through Facilities and Real Estate Division, an independent firm has been retained to conduct appraisals of these properties to assist in establishing priorities for redevelopment. As the largest shelter in the City, and with the physical infrastructure that is least suited to its current use, Seaton House has been identified by staff as the first priority for redevelopment in order to improve services for clients, address significant issues with the physical infrastructure of the Seaton House building, and contribute to revitalization of the George Street neighbourhood.

Services for Clients

The proper and rightful role of the emergency shelter system is to provide emergency shelter for people who have temporarily lost their housing. Such a role requires only provision of basic services of room and board, as well as housing assistance to help people find another permanent place to live. However, Toronto's emergency shelter system has now become the system of last resort for the most vulnerable and marginalized people in the community because other orders of government have failed to provide the medical, mental health and rehabilitation services that these individuals so desperately need.

The majority of clients who rely on Seaton House for shelter and other services have complex physical and mental health issues. These are men who have often been referred from other institutions, such as prisons, hospitals, emergency rooms, psychiatric hospitals and long term care homes, because these systems have failed to provide appropriate housing or address the complex needs of these individuals. A recent needs assessment survey conducted by researchers from St. Michael's Hospital and CAMH analysed the medical and mental health needs of Seaton House clients who had stayed at the Seaton House shelter for more than 28 days. This research found that 60.2% of clients have a physical health condition, 33% have a diagnosed mental health condition, 34.9% have an alcohol use issue, 49.6% have a substance use issue and 17.8% have a concurrent disorder (both mental illness and addiction). The survey also found that in order to maintain housing in the community, 10.3% of clients require some form of long term care or residential care for individuals with complex needs, 42.9% would require intensive case management supports or assertive community treatment with or without on-site housing supports, and 29.6% would require case management supports. Just 17.2% were identified as being able to maintain housing without some level of supports.

Redevelopment of the site would support further implementation of the Housing First approach which is now the foundation for all services and programs to address homelessness in the City of Toronto. The Housing First approach is based on the principles that the best way to end homelessness is to provide people with permanent housing and that homeless individuals, even those with complex mental health and addiction issues, can successfully maintain housing with the appropriate supports in place. Seaton House already operates on a Housing First model and assists many men annually to move into housing in the community. A redevelopment which allowed for

the construction of a purpose-built facility with services to meet the complex needs of clients, including a mix of supportive housing, long term care beds and emergency shelter services, would better enable staff to assist more homeless men to move into permanent housing with the appropriate supports to meet their needs. Redevelopment of the shelter would support implementation of the City's Housing Opportunities Toronto Ten Year Action Plan for Affordable Housing.

Building Issues

The physical infrastructure and layout of the Seaton House building no longer meets the needs of the clients and poses a significant impediment to efficient and effective client service. At 50 years of age, the building is also beginning to show significant wear and tear.

The total estimated square footage of the current building is 100,000 sq ft., with four stories in the main building, as well as the O'Neill program in a smaller adjacent building (a retrofitted former bath house). The buildings have undergone renovations over the years. The most recent was in 1999, when the specialized programs described in Appendix B were introduced. However, the effectiveness of these renovations for the specialized programs was significantly constrained by the fact that the renovation was limited to working within the existing building envelope – one that was never intended for the types of services that are currently being provided.

In the main building, long, narrow central corridors lead to the dorm rooms that house between 4 and 40 men and various program offices. The building layout is difficult to navigate, which can be confusing for clients and makes it challenging for staff to monitor activity in some areas of the building.

Although a large proportion of the clients in the long term and infirmary programs have significant mobility issues, there is only one elevator in the building. Accessibility in many areas is difficult for men with serious health and mobility issues.

There is no air conditioning in the dorm rooms where up to 580 men sleep in communal dorms, and air ventilation and temperature control is a challenge, particularly in the summer months. Further, the existing ventilation system does not meet TB control guidelines that were recently developed by Toronto Public Health and Shelter, Support and Housing Administration, and will have to be upgraded if the building is not redeveloped. Replacement of the ventilation system has been estimated to cost \$1.5 million.

The building lacks programming space, which makes it difficult to conduct workshops or training with clients or to provide clients with access to computers that are required for job and housing searches. As well, there is limited recreational or common space to accommodate the number of clients on each floor. For example, there is only one lounge area on the main floor for use by up to 250 men in the second floor hostel program. There is also insufficient outdoor common space for clients to socialize or engage in

recreational activities. The only outdoor space available for clients is a narrow area between the building and the sidewalk on George St. This lack of appropriate outdoor spaces for recreation means that clients frequently congregate on the sidewalk area in front of the building, which creates pedestrian traffic congestion and contributes to the perception of negative street activity.

Seaton House is the largest emergency shelter in Toronto. Having such a large number of men housed in one building which was intended to serve a less challenging clientele for shorter periods of time, creates an environment that limits the efficiency and effectiveness of service delivery. As described in Appendix B, Seaton House offers several distinct programs to serve the complex needs of different client groups, however, all of these programs operate within the same building and clients with very diverse needs share common spaces such as the entranceway, outdoor space, and dining areas.

Physical infrastructure that was designed for the specific needs of each of these client groups, provided sleeping areas with a smaller number of beds per room, and would allow for program areas to be more physically separated would provide greater privacy, dignity, and more effective services for these vulnerable clients.

Neighbourhood Context

Seaton House is located at 339 George Street, on the east side of the street between Gerrard and Dundas Streets just east of Jarvis. Allen Gardens is to the north on Gerrard St, and Filmores Bar is to the south on Dundas.

Directly opposite Seaton House on the west side of the street, the court house at 311 Jarvis backs onto George St, creating a lack of “eyes on the street” for that portion of the block. There are no retail or commercial uses currently in place on the street.

Adjacent to the south side of Seaton House are a number of dilapidated buildings operating as rooming houses and several run-down historic homes which are vacant and boarded up. South of these is a TCHC building for single adults (291 George St.). The Schoolhouse Shelter, owned by the City and operated by Dixon Hall, is directly to the north of Seaton House. The Jenny Green Housing Co-operative with townhouses and apartments is located south of Seaton House on the opposite (west) side of the street.

The north end of the street, particularly during warmer weather, experiences significant street activity. Because of the large number of vulnerable people in the area, including Seaton House clients, drug trafficking by people from outside the area is a constant issue.

To the west of George St., Council has recently approved a \$6.3 million streetscape improvement plan to enhance the urban design, landscaping and pedestrian environment on Jarvis St. A redevelopment of this portion of George St. would further contribute to this initiative to improve outdoor community street space and enhance amenities in this section of downtown Toronto.

Unsolicited Proposal from Spike Capital Corporation

In 2008, staff received an unsolicited inquiry from Jonathan Kearns, the president of Spike Capital Corporation, who advised that Spike Capital Corporation has purchased or have under contract the residential properties to the south of Seaton House (295, 297, 299, 299R, 301, 301A, 303, 305, 309 and 311 George St). The unsolicited inquiry concerned the potential interest in forming a public interest partnership with the City to develop the sites together as a large-scale redevelopment of this section of George St.

Jonathan Kearns is also a principal at Kearns Mancini Architects Inc., a well known architectural firm that has been working in Toronto for nearly three decades. They have a history of working on revitalization projects which incorporate environmental, community and public interests, including Regent Park, the Rivertowne redevelopment, and the Centre for Addiction and Mental Health (CAMH) campus.

The initial proposal from Spike/KMAI envisions a major redevelopment of George Street's east side, including the Seaton House site and the properties to the south owned by Spike Capital Corporation, into a mix of private market housing, student housing, commercial space, supportive and affordable housing and emergency shelter beds. At the north end of the site, closest to Gerrard St, Spike Capital Corporation has suggested that market rent housing would be possible. The redevelopment could also include affordable housing and some office space for commercial or community uses. The existing heritage buildings, including two houses with heritage designation which are some of the oldest in the city, built in the 1850's, would be preserved and renovated.

Spike/KMAI has suggested the City consider the redevelopment as an eco-architectural project incorporating green energy generation such as rooftop wind turbines, solar thermal panels, and methane driven generation, as well as geothermal heating and cooling. The development could also incorporate an urban agriculture project at roof level, with at least one rooftop greenhouse. Food produce grown could be sold at an on-site grocery store or used in an on-site educational cooking program with clients.

Rationale for Negotiations with Spike/KMAI

Staff have been aware for some time of the need to redevelop Seaton House, both to improve the quality of services offered to clients and to improve the program's interface with the street and local community. However, the condition of the properties directly to the south of Seaton House was always identified as a barrier to moving forward. Without addressing these essentially derelict properties, investing large amounts of time and resources into developing the City's property at 339 George St. would likely meet with limited success in changing the environment for clients or the local community.

Redeveloping the privately owned lands at the same time as the City-owned property would allow for creation of a mixed-use development with a seamless integration of the Seaton House shelter, community services, affordable housing, private market and commercial uses.

Because of their interest in the lands adjacent to the south of the Seaton House property, Spike Capital Corporation is in a unique position to work with the City to develop a proposal that can provide for a comprehensive redevelopment of the site with a potential financial advantage to the City.

Council has approved an Unsolicited Proposals Policy and the Toronto Office of Partnerships has developed a framework for development of Public Interest Partnerships. For the reasons identified above, this report recommends that Council exempt the proposal from the Unsolicited Proposal Policy and the procurement section of the Public Interest Partnership Framework. However, negotiations will reflect other portions of the PIP Framework, particularly around articulating the public interest objectives and protecting the City's interests. Competitive RFPs may be issued for other components of the redevelopment, as appropriate.

Role of Build Toronto

Build Toronto was created at the direction of Council in November 2008 with a mandate to develop underutilized and surplus City real estate to unlock the value of the properties, stimulate job creation in key sectors and regenerate Toronto's neighbourhoods. While the Seaton House property is not surplus to operational needs, it is recommended that Build Toronto be consulted to determine its potential participation and role, if any, in the negotiations with Spike Capital Corporation, development of the proposal and, if it proceeds, in the redevelopment project itself.

Local Councillor Support

The local councillor has been consulted on this report regarding development of a proposal for public interest partnership redevelopment and is in full support.

Redevelopment Proposal

This report recommends that staff report back to Committee and Council on the results of the negotiations with Spike/KMAI, and the redevelopment proposal, including program details, private market components, projected costs, sources of funding and timelines. The proposal for redevelopment will also include a transition plan to ensure clients continue to receive services throughout the redevelopment process.

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ATTACHMENTS

Appendix A: Map

Appendix B: Current Services