

## **Tower Renewal - 10 Year Horizon**

<b>Date:</b>	September 4, 2013
<b>To:</b>	Community Development and Recreation
<b>From:</b>	Executive Director, Social Development Finance and Administration
<b>Wards:</b>	All
<b>Reference Number:</b>	AFS# 18243

### **SUMMARY**

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This report provides an update on the implementation of the Tower Renewal Program which was adopted by City Council at its meeting in July 2010.

The primary focus of the program is to leverage Toronto's 1,200 mid-century apartment buildings to revitalize neighbourhoods and in so doing, improve social equity, generate economic development and improve environmental performance.

This report provides an overview of the work that has been done to date to implement the program, and options to consider for its continued full implementation. The options vary in terms of scope, reach and resources to accelerate program uptake, increase capacity to partner with donors to undertake revitalization initiatives and develop ways and means to leverage private sector investments.

### **RECOMMENDATIONS**

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**The Executive Director, Social Development, Finance and Administration, recommends:**

1. City Council receive this report for information.

## **Financial Impact**

No new financial commitments are required from the City to support the base initiatives outlined in this report.

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

## **Equity Impact**

The recommended Program is intended to assist the City's priority groups including people with disabilities, seniors and low-income residents, as well as women and children. The Program is designed to assist these residents by improving housing conditions and thereby, the economic and social well-being of the stated priority groups.

## **DECISION HISTORY**

At its meeting of November 27, 2012, City Council adopted the report Environment and Energy Efficiency Functions which included advice that the Tower Renewal Office was being transferred to Social Development, Finance & Administration Division.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX25.1>

City Council on July 6, 7 and 8, 2010, adopted Tower Renewal City Wide Implementation.

<http://www.toronto.ca/legdocs/mmis/2010/ex/bgrd/backgroundfile-30935.pdf>

At its meeting of July 11, 2012 City Council adopted Housing Makes Economic Sense - Report from the Private Sector Housing Roundtable endorsed in principle the strategic directions for action on opportunity to create new affordable homeownership to help meet affordable rental housing demand and reinvest in private rental housing communities.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX21.30>

## **ISSUE BACKGROUND**

Over the next decade Toronto will face increased pressures in many areas. Based on current trends we can expect:

- Eroding availability of housing which is in good condition and which is affordable to low and moderate income households
- Increased income disparity, evidenced by increased poverty and neighbourhood segregation.<sup>1</sup>
- Insufficient development investment in mid century neighbourhoods.

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<sup>1</sup> Hulchanski, 2010, <http://www.urbancentre.utoronto.ca/pdfs/curp/tnrn/Three-Cities-Within-Toronto-2010-Final.pdf>

- Poor health due to detrimental features in community design and increased poverty.
- Insufficient investment in social infrastructure in some Toronto neighbourhoods that will increase a variety of challenges, particularly in the area of community safety, and particularly for racialized youth.
- About 100,000 newcomers to arrive in Toronto every year, most of whom will initially be seeking affordable or moderately-priced rental accommodations<sup>2</sup>.
- More than 390,000 tonnes waste from Toronto residential waste pick-up customers to be sent to landfill each year, more than half of which is from multi-unit residential buildings due to low waste diversion rates.<sup>3</sup>

Mid-century apartment buildings and the neighbourhoods around them are at the crux of these challenges. Pressures on social & human development, economic opportunity, health, and physical environment and infrastructure will be particularly felt in communities dominated by older apartment buildings with impacts being felt by many of Toronto's most vulnerable. The building conditions and design of these communities will exacerbate the impacts of many of these challenges.

There is also significant opportunity. The buildings are structurally strong and offer relatively affordable homes and the communities have dynamic social and valuable cultural characteristics. The ways that the buildings and communities need to change to better serve their residents are known and the technologies exist. By continuing to achieve improved apartment building and neighbourhood performance our city will have more jobs, a secure supply of affordable housing and safer places to live, and will experience better health outcomes and improved environmental sustainability.

On July 11, 2012, City Council authorized receipt of a grant from Ontario Power Authority's Energy Efficiency Service Providers Initiative (the EESP Initiative) in the amount of approximately \$500,000.00 to implement an energy efficiency improvement program targeting the City's older high-rise apartment buildings. However, this grant was withdrawn by the Ontario Power Authority due to contract conditions that it required that the City could not agree to. The related programming outlined in the report was not undertaken.

Tower Renewal has initiated a program that connects the opportunities with actions by finding and promoting best practices, identifying and addressing barriers and collaborating with City and external stakeholder programs and services to maximize impacts. The initial program implementation has yielded significant results in obtaining interest in improvements and provided insights into a broader range of opportunities and program refinements to achieve increased effectiveness.

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<sup>2</sup> 2013 Citizenship and Immigration Canada Research Data Mart.

<sup>3</sup> City of Toronto, Solid Waste Management Division, <http://www.toronto.ca/garbage/pdf/2012-graph.pdf>

## COMMENTS

Tower Renewal is an initiative to improve Toronto's 1,200 older, concrete high-rise apartment buildings and the communities that surround them to achieve high environmental, economic, social and cultural levels of performance. This will ensure these communities are resilient and able to provide good quality housing for over 500,000 Toronto residents.

The Tower Renewal initiative was first approved by Council in September 2008 as a pilot, which concluded in 2010. The pilot found that there are tremendous opportunities to dramatically improve performance by making the apartment buildings more efficient, providing better amenities and design features and supporting broader economic opportunities. For instance, with comprehensive building retrofits undertaken throughout the city it is estimated that 30,000 person years of employment would be generated.

Most of Toronto's older high-rise apartment buildings are owned privately. More than 10% (over 130) of Toronto's older high-rise apartment buildings are owned by the City (Toronto Community Housing Corporation) and another 7% are owned by other social housing providers. About 17% (approx. 200 buildings) are condominiums. The large majority, 67% (about 800), are private rental buildings which are owned by individuals, investment partnerships or corporations.

Through technical feasibility studies and business case analysis a 3 pronged approach was approved in 2010, which focused on:

- Supporting improvement actions at sites through collecting and developing best practice information;
- Community revitalization through broad stakeholder engagement and project managing resources for investments; and
- Identifying and finding ways to enable action, such as appropriate financing and land use permissions

### **Tower Renewal Outcomes: Evaluating and Measuring Success**

Ongoing program evaluation is intended to answer key questions and better inform delivery to achieve improved outcomes, including assessing effectiveness in:

- I. Program Uptake: site improvements undertaken
- II. Enabling Positive Change: identifying and addressing reported reasons for actions not being implemented
- III. Collaboration: capitalizing on synergies and leveraging investments to achieve beneficial outcomes
- IV. Social Equity: improvement to housing conditions, economic and social well-being that provide for an equity lens.
- V. Economic Development: creation of employment, availability of training and opportunities for local business

- VI. Environmental Sustainability: impact on resource use, air quality and climate change resilience
- VII. Program Administration & Implementation: successes and challenges to City policies, internal processes, resource requirements and inter-divisional coordination

Going forward the program will develop and embed these measures in work undertaken.

Appendix 1 provides descriptions of the program delivery from 2010 to 2013. The benefits derived from the successes to date have affected about 300 the apartment sites (25%). The improvements that have been achieved are often the first of what can be incrementally better outcomes with continued effort being applied. Based on the experience to date, it is clear that there is widespread interest in achieving more positive change in Toronto's apartment neighbourhoods. Support for the approach comes from a broad spectrum of stakeholders: residents, property managers, apartment building owners, local and city-wide community organizations, funders, elected officials and City Divisions. For instance, all of the property managers that were involved in the initial pilot project continue to participate in the program with additional sites and a broader range of actions.

As well as the direct benefits experienced at apartment buildings and in the immediate area, the city as a whole benefits from positive changes, including improved environmental performance, providing good affordable housing, achieving a greater sense of neighbourhood satisfaction and creating jobs through investments in maintaining and creating housing.

Overall, the program has been successful. It is at a point in its delivery where the number of buildings participating can grow and the types and breadth of action taken can realize a significant impact. To achieve this potential more methodical observation and tracking of outcomes would be beneficial. Examining progress to date has resulted in determining three keys to success and two options for future program delivery.

## **Keys to Success**

### **Site based attention, information and guidance provides value**

- Better decisions are driven by availability of better data collection and analysis, including business case development;
- By taking practical site based actions broad policy objectives are realized and outcomes are tangible;
- With the experience and information derived in this market segment it is possible to have credible and valuable input to a broad range of city programs and policies;
- A customized incremental plan approach allows for practical initial actions, with overall continuity to adding further improvements, including long-term budgeting.
- Integrating a range of initiatives leads to overall higher outcomes by recognizing interdependencies and using them to advantage;

- There is a particular need for the role for mediation and coordination between residents and property owners/managers to enable positive change;
- Local approaches offer strategic partnerships that allow for multi-sector involvement in community initiatives; and,
- New uses (infill) and deep retrofit are huge opportunities to reshape the built environment and incorporate improvements in a cost-effective manner, piggy-backing on work that is already planned.

### **Collaboration, particularly involving residents, is required to achieve best outcomes**

- It is critical to build a communication foundation to engage a wide spectrum of stakeholders including residents, businesses and property owners
- Obtaining commitment from a range of participants that are in a position to benefit from project implementation is needed for continuous improvement results.
- Resident involvement is critical to getting buy-in that will result in achieving long-term beneficial outcomes.
- Greater results can be achieved through integrating projects within a broad context that identifies where varied objectives align or intersect. For example, increasing recycling rates can depend upon residents feeling safe in accessing outdoor recycling storage areas.
- There are numerous city programs and activities that can be utilized to support improvements.

### **Enabling initiatives are needed to achieve continuous improvement**

- There are systemic barriers to action that can be identified and removed or bridged.
- Existing regulations present barriers to the non-traditional approaches needed to achieve improvements
- Making systemic changes requires a commitment of time and so should be part of a long term improvement plan.
- Making systemic changes needs to have a consensus building process among those responsible for the regulation and/or policy to support and implement an alternative approach.
- Using the expertise of partners will build capacity for projects internally and externally.
- Awareness of the opportunities available to meet a range of city objectives through actions and approaches to apartment sites can be strengthened so that strategic objectives are better addressed.

## Future Program Delivery Design

Appendix 2 provides details on program targets projected over the next 10 years.

The current Tower Renewal Program has a staff complement of 5 and related program budget.

Within existing budget resources the projected 2014-2016 annual deliverables include:

- Undertake 1 community revitalization project per year similar to the Recipe for Community project described in Appendix 1. This will have direct impact on residents of between 5 to 20 apartment buildings
- Identify and secure supports to undertake regulatory and policy work that is needed to enable improvements to happen. For example in 2013 research on and development of the Local Improvement Charge Financing mechanism, related program design and Council report preparation was undertaken.
- Instigate site actions by providing basic site performance evaluation and action plan development at about 50 sites per year. This involves taking an inventory of what is available at the site, benchmarking performance and determining logical and practical next steps for improvement.
- Provide tailored supports to 4 to 6 sites per year to achieve significant improvement actions, track results and develop case studies and best practice documentation on these examples.
- Co-ordinate an Inter-divisional team and an External Stakeholder work group that will seek to ensure programs and services pertaining to residents of apartment sites are effectively delivered.
- Undertake a range of minor functions such as participating in initiatives like the Executive Environment Team and The Rental Housing Advisory Committee, providing information presentations to community groups, supporting interdivisional initiatives such as climate change adaptation studies and developing a directory of industry service and equipment providers.

Within the approach taken to date, our findings are that the fastest and greatest improvements are occurring where dedicated follow-up, including priority identification, action planning and on-going coaching, is provided subsequent to the initial assessment and benchmarking. The greatest outcomes in community revitalization projects have occurred where contributions by donors are project co-ordinated to leverage resources from multiple sources.

To enhance outcomes, resources above the current level would be needed to have higher impact at individual sites and have effect on a greater number of sites. Outcomes could include:

- Undertake 3 community revitalization projects per year so that most apartment clusters in Neighbourhood Improvement Areas receive a project, including desirable transformative change through project management of initiatives to encourage new types of land uses at apartment sites.
- Provide 70 sites per year with action plans and provide tailored follow-up supports to 40 sites per year to obtain better performance outcomes by supporting continuous improvement through providing a communication conduit between residents and property owners, track outcomes to ascertain what measures and approaches were most successful and develop and provide timely information on best practice findings.
- Achieve greater program momentum by identifying and leading action on addressing regulatory and policy barriers.
- Involve residents more through participating in community engagement and consultation to determine priorities and assess impacts.
- Develop innovative collaboration and assist in establishing mechanisms between landlords and service providers to deliver needed supports to residents in cost effective ways.

Many of these types of initiatives have been successfully undertaken to date, as highlighted in Appendix 1. However, as there are 1,200 sites to be served, resources must be spread across many sites so only a basic intervention is possible. Should the more intensive level of intervention be supported, it is expected that implementation of actions will be accelerated and due to increased momentum and economies of scale, the overall uptake in the program will increase. Resources to provide for 2 staff and program budget to undertake comprehensive site performance assessments and action plans and community engagement will be required to deliver the more intensive program, with an estimated budget requirement of \$250,000.

## **CONTACT**

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## **SIGNATURE**

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Chris Brillinger  
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## **ATTACHMENTS**

Appendix I – Tower Renewal 2011-2013 Accomplishments  
Appendix II – Next 10 Years of Tower Renewal: Achieving city-wide improvement