



**STAFF REPORT  
ACTION REQUIRED**

**Long-Term Care Homes & Services Capital Renewal Strategy**

<b>Date:</b>	November 20, 2013
<b>To:</b>	Community Development and Recreation Committee
<b>From:</b>	General Manager, Long-Term Care Homes & Services
<b>Wards:</b>	All
<b>Reference Number:</b>	

**SUMMARY**

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Long-Term Care Homes & Services (LTCHS) has developed a capital renewal strategy to address the mandatory redevelopment of five (5) of its long-term care homes. As directed by City Council on July 16, 2013 in the report "Update and Next Steps of Proposed Redevelopment of Seaton House and Revitalization of George Street", LTCHS is reporting back on how the Shelter, Support and Housing Administration (SSHA) redevelopment of Seaton House and revitalization of George Street can be integrated into LTCHS' overall capital renewal strategy and service plan to more effectively address the needs of an aging vulnerable population in downtown Toronto.

This report seeks authorization for LTCHS to proceed with its capital renewal planning based on the proposed framework, which includes integrating and co-locating services as part of the George Street Revitalization (GSR) Project. The capital renewal strategy has been developed within the context of the City's current long-term care bed inventory.

**RECOMMENDATIONS**

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It is recommended that:

1. City Council approve in principle the Long-Term Care Homes & Services recommended capital renewal plan and authorize the General Manager, Long-Term Care Homes & Services, to undertake the necessary due diligence required to proceed with planning based on the framework and strategy as outlined in this report; and

2. City Council direct the General Manager, Long-Term Care Homes & Services to report back on the status of the overall LTCHS capital renewal plan and financing requirements as part of the George Street Revitalization Project by the second quarter of 2015 in consultation with the General Manager, Shelter, Support and Housing Administration.

## Financial Impact

In 2007, the Provincial Government announced a capital renewal strategy for long-term care homes in Ontario with a B or C structural classification. As a result, six (6) of Toronto's long-term care homes were classified as B or C and require redevelopment or retrofitting over an estimated 10 to 15 years, beginning in 2009. One home, Kipling Acres, is currently under redevelopment and construction is targeted for completion in 2015. *The Long-Term Care Homes Act, 2007* obligates older long-term care homes to upgrade specific components of their physical plants to meet new design standards and safety requirements.

The 2014 - 2023 Capital Budget and Plan Request for LTCHS is \$132.356 million, which includes \$50.0 million for redevelopment of Kipling Acres to be completed in 2015; \$81.910 million distributed over 10 years for capital maintenance, including State of Good Repair (SOGR) and Health & Safety projects; and \$0.450 million in 2014 to conduct planning studies related to the George Street Revitalization Project and the division's proposed capital renewal strategy and plan.

The estimated cost to redevelop and retrofit the City's remaining five (5) homes is \$332.5 million of which roughly half of the funds will be contributed by the Ministry of Health and Long-Term Care (MOHLTC). The costs to redevelop these five (5) homes require substantial planning, including feasibility studies, and are therefore not included in the 10-Year Capital Budget and Plan Request.

Based on the LTCHS proposed framework, it is estimated that \$271.5 million, comprised of \$116.5 million for the George Street Revitalization project (2014 - 2019) and \$155.0 million for the Castlevue Wychwood Towers Redevelopment project (2018 - 2023), would be required within the next 10 years. The cost of construction would be cost shared with the MOHLTC as shown in the chart below. An additional \$61.0 million is estimated for Seven Oaks starting in 2024. The potential sale or alternative use of two surplus properties has not been factored into the above cost estimates.

(In Thousands)	Project Cost	MOHLTC Funded	City Funded
<b>Capital Redevelopment Projects</b>			
George Street Revitalization (LTC Homes)	116,500	50,107	66,393
Castlevue Wychwood Towers Redevelopment	155,000	66,810	88,190
<b>Total</b>	<b>271,500</b>	<b>116,917</b>	<b>154,583</b>

It should be noted that the current LTCHS Capital Maintenance plan and budget includes \$15.0 million related to SOGR for Castleview Wychwood Towers, Fudger House and Carefree Lodge, of which \$9.0 million could be avoided if the George Street Revitalization and Castleview Wychwood Towers projects in this report proceed as proposed.

The City will be required to provide upfront funding for the re-development projects, however as part of the Provincial Government's capital renewal strategy, per diem funding is available for approved projects and is provided over a 25 year period following completion and occupancy to help off-set the construction costs. The construction per diem base is \$13.30 and a premium of \$1.00 is added for meeting the Leadership in Energy and Environmental Design (LEED) Silver environmental standard. Not-for-profit providers (including municipalities) are eligible to apply for a grant up to \$250,000 for each capital project.

An opportunity exists for the GSR project to be linked to the mandatory redevelopment of at least one of the City's long-term care homes. This portion of construction would qualify for debt recovery of the portion of costs the province funds toward the redevelopment of long-term care homes.

Castleview Wychwood Towers, a 456 bed home, does not have 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 the majority of these beds to the George Street site, which would enable service levels to be maintained while long-term care beds are redeveloped within the City.

This capital renewal strategy presents a plan that would maintain the current service levels (beds) but reduce the overall number of homes, resulting in surplus properties in prime locations. Cost avoidance of in-budget capital maintenance and improved operating efficiencies would also be realized.

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

## **Equity Impact**

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

City Council on July 16, 17, 18 and 19, 2013, unanimously adopted the report, "Update and Next Steps of Proposed Redevelopment of Seaton House and Revitalization of George Street".

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX33.17>

The report recommends an approval in principle for the redevelopment of Seaton House and that necessary due diligence be undertaken by SSHA and LTCHS to develop detailed plans for new facilities on George Street to include an emergency shelter, a long-term care home and a service hub. The report also directs the General Manager, LTCHS, to report to the 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.

City Council on May 7, 8, 9, and 10, 2013, adopted without amendment the report, "The Toronto Seniors Strategy" to address the needs of an aging population and make Toronto more age-friendly through services provided by City divisions, agencies and corporations.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD20.1>

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 its design to support the creation of community hubs.

## ISSUE BACKGROUND

### **Service Efficiency**

Recommendation #9 in the Service Efficiency Study for the Long-Term Care Homes & Services division, as presented to the City Manager in August 2012, recommends a focus on the redevelopment of homes, consolidating to fewer homes, shifting to continuing care campuses and selling surplus lands. Consolidating the City's existing number of beds into fewer homes will potentially achieve operational efficiencies, as well as free up properties for reutilization or sale.

[http://www.toronto.ca/torontoservicereview/pdf/ltchs\\_ses.pdf](http://www.toronto.ca/torontoservicereview/pdf/ltchs_ses.pdf)

### **Redevelopment of the City's Long-Term Care Homes**

Six of Toronto's long-term care homes (1,569 of its 2,641 Ministry approved beds) need to be redeveloped or retrofitted over a 10-15 year period commencing in 2009. The provincial strategy makes it mandatory for designated homes to be in compliance with the updated long-term care home design standards.

In 2007, the provincial government announced plans to redevelop 35,000 older long-term care beds in five (5) phases over a 10-15 year period, with about 7,000 beds being redeveloped every two to three years. This phased approach presents a challenge for service providers, including the City of Toronto, who operate multiple sites because planning

dependencies are subject to MOHLTC approval within each phase. LTCHS, along with other long-term care providers, has expressed concern with the phased approach and has received optimistic feedback from the MOHLTC that system-wide planning will be supported.

As the proposed LTCHS Capital Renewal Strategy and redevelopment require approvals from Toronto City Council, the Ministry and the LHINs, flexibility in the process outlined for the long-term care homes in need of redevelopment is required.

The City of Toronto has six (6) homes classified as either B or C. Each of the homes requires redevelopment or retrofitting.

Home	Ward	# of Beds	Structural Classification	Last Renovation	Initially Constructed
Bendale Acres	38	302	A	1995	1965
Carefree Lodge	24	127	C	1991	1967
Castleview Wychwood Towers	21	456	C	1975	1975
Cummer Lodge	24	391	A	2000	1970
Fudger House	28	250	B	1985	1965
Kipling Acres	2	337	B	In process	1959
Lakeshore Lodge	6	150	C	1990	1990
Seven Oaks	43	249	C	1988	1988
True Davidson Acres	31	187	A	2005	1973
Wesburn Manor	3	192	A	2004	2004

Redevelopment of Kipling Acres (Ward 2) is in progress. The LTCHS plan for the remaining five sites is conceived to coordinate redevelopment and ensure construction, demolition and redevelopment are completed with minimal disruption to residents and have minimal impact on overall service levels.

LTCHS has established these guiding principles within its redevelopment planning process:

- Deliver current level of service (2,641 Ministry approved beds) to support high-quality specialized resident-focused care while seeking to maximize cost savings and efficiencies.
- Promote and preserve partnerships, including ethno cultural, volunteer and community linkages.
- Respond to emerging community needs and serve vulnerable individuals.
- Minimize resident disruption related to capital renewal.
- Advance the Toronto Seniors Strategy with a City-wide commitment to care (Compassion, Accountability, Respect and Excellence) by strategically locating its homes throughout the City and by providing community hub space in support of healthy aging.

LTCHS has identified the following challenges and opportunities and is committed to maintaining flexibility within its capital renewal strategy.

- The allocation of long-term care beds across the City of Toronto homes crosses the boundaries of 5 Local Health Integration Networks (LHINs) each with their own local service priorities.
- Development and redevelopment of long-term care homes require approvals from City Council, the Ministry of Health and Long-Term Care and the Local Health Integration Networks.
- Newer and more energy efficient building systems help address climate change and efficient service delivery is attainable with co-location of services in community hubs.

## **COMMENTS**

LTCHS is committed to sustaining service levels and addressing the overall need for long-term care within Toronto. The division's current level of service supports high-quality specialized resident-focused care while promoting and preserving partnerships, including cultural and community linkages, responding to emerging community need and serving vulnerable individuals.

### **Community Need for Downtown Long-Term Care**

Residents in the downtown area have been gradually losing access to long-term care beds as several 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 estate<sup>1</sup>. 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 leaving the City as a primary service provider in this area.

The City has land options in the downtown core, including the current Seaton House and George Street properties and the existing Fudger House and Castlevue Wychwood Towers sites that will provide the required “swing” space to facilitate building without resident displacement and loss of services.

### **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

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<sup>1</sup> 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.

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 providers.

Redevelopment of Seaton House and the George Street site allows LTCHS to coordinate redevelopment with SSHA without having to acquire new land and without having to temporarily close a home while it is redeveloped and continues to address service needs in the downtown core for hard to serve and vulnerable individuals.

### **Proposed LTCHS Redevelopment Strategy**

In line with the 2013 "Update and Next Steps of Proposed Redevelopment of Seaton House and Revitalization of George Street" report, LTCHS is proposing a redevelopment strategy plan to address mandatory redevelopment of the City's long-term care bed inventory that includes a long-term care home as part of the Seaton House/George Street revitalization.

#### **George Street, Ward 27**

Build a 384 bed long-term care home, emergency shelter (redeveloped Seaton House) and service hub at the George Street location. When complete, decant residents from Castlevue Wychwood Towers (Ward 21) to vacate the existing home. Approximately 72 beds would be held in abeyance during the Castlevue Wychwood Towers reconstruction. Service planning in collaboration SSHA and the Toronto Central LHIN is underway.

#### **Castlevue Wychwood Towers, Ward 21**

Demolish existing Castlevue Wychwood Towers and re-use site to build up to a 512 bed long-term care home. When complete, decant Fudger House (Ward 29) and Carefree Lodge (Ward 24) residents, making both properties available for other City of Toronto use. Beds in abeyance would be returned to service. Potentially, approximately 63 beds from Lakeshore Lodge (Ward 6) could also be transferred.

#### **Carefree Lodge, Ward 24**

Carefree Lodge has strong ties to the community and while its existing location is not ideal for the redevelopment of a long-term care home, there may be an opportunity for LTCHS to explore potential community partnerships and acquire nearby land. Further study is needed.

#### **Lakeshore Lodge, Ward 6**

Lakeshore Lodge is located on land that is under a 99 year lease (January 1988 to December 2086) with Humber College of Applied Arts and Technology. Further review of the options for the Lakeshore Lodge site is required. This could be to decant residents and vacate or the site could be retrofitted or redeveloped in partnership with Humber College. In initial discussions with Humber College there is a potential partnership for opportunities that could include shared spaces, co-location of college services including teaching/living labs. As leaders in excellence and groundbreaking services, LTCHS wants to explore with the MOHLTC the potential of establishing a centre for learning, research and innovation.

### **Seven Oaks, Ward 43**

Potentially, about 87 beds from Lakeshore Lodge (Ward 6) could be transferred and added to Seven Oaks, increasing the home's capacity from 249 to 336 beds. Further review of the options for the Lakeshore Lodge site is required.

### **Surplus Properties**

As noted above, with the development of 384 long-term care beds at George Street and the 512 long-term care bed redevelopment of Castleview Wychwood Towers, Carefree Lodge (127 beds) and Fudger House (250 beds) could become surplus properties. Physically, neither Fudger House nor Carefree Lodge can be retrofitted to meet the new long-term care design standards. Both homes would require full redevelopment and there are constraints that would add cost to these two redevelopment projects. Yet, their locations, Fudger House is in a Heritage area on Sherbourne Street south of Wellesley, and Carefree Lodge is on a ravine on Finch Avenue at Bayview, make them desirable locations for other City, community or commercial use.

### **Community & Stakeholder Consultation**

Community and stakeholder consultation will investigate opportunities to co-locate with other City services and/or partners to create community hubs and strategic alliances that can respond to community need including language, culture and neighbourhood.

LTCHS has a long-established commitment to partnering with the community and inviting the community to collaborate with us in planning enhancements to our care and service programs and in achieving positive outcomes. Part of this outreach includes the Ward Councillors who regularly attend in-home functions and have introduced neighbourhood relationships to help shape the unique culture of each of the homes while promoting public accountability.

In meetings with the MOHLTC and the Toronto Central LHIN, there is support to incorporate the Seaton House project into the LTCHS capital renewal plan and to explore partnership opportunities which can be integrated into the division's overall long-term care home redevelopment strategy. Discussions to explore enhanced service options for hard to serve individuals, as referenced in the "Update and Next Steps of Proposed Redevelopment of Seaton House and Revitalization of George Street" report are also underway with key stakeholders.

### **Current LTCHS Redevelopment**

MOHLTC, Central West LHIN and City Council approved redevelopment of Kipling Acres (337 beds) as part of the province's first capital renewal phase. The first phase of the 192 bed redevelopment project is well underway with completion targeted for December 2013 and includes co-location of Children's Services. The second phase of the home's redevelopment includes the remaining 145 long-term care beds and incorporates hub space that will enable Parks, Forestry & Recreation to co-locate West Acres Seniors Program as part of the hub space. LTCHS has demonstrated an inclusive approach to capital renewal planning with the Kipling Acres project, utilizing a community reference group to provide input on design and use of the space to benefit the North Etobicoke community.



Similar approaches will guide capital renewal planning over the next 10 to 15 years as LTCHS plans the GSR Project, Castlerview Wychwood Towers redevelopment and the remaining homes. Likewise, consultation with Carefree Lodge, Fudger House, Seven Oaks and Lakeshore Lodge stakeholders, partners in care and the community at large will guide the transition of care location for residents and staff and identify possible re-use of the sites, including City of Toronto, community, private and/or retrofitting for additional long-term care use to address the needs of an aging population.

The City has land options in the downtown core, providing required “swing” space to facilitate building without resident displacement. LTCHS is committed to seeking to maximize cost savings and introduce efficiencies while maintaining high quality care and services for residents and clients entrusted to our care. Consolidating the City's beds into fewer homes enables LTCHS to improve operations, maintain its high care and service standards and produce both capital and operating cost savings for the City.

### **Discussions with MOHLTC and LHINs**

As directed by City Council, the General Manager, Long-Term Care Homes & Services, has met with the MOHLTC Capital Investment Branch to discuss the approval process and to provide an overview of the proposed capital renewal plan that incorporates the GSR Project into the LTCHS overall redevelopment strategy. The proposed framework and strategy was well received. In addition, staff discussed the need for an increase in construction per diem funding, highlighted the need for the MOHLTC to remove LHIN boundary impediments and presented the requirement that the City of Toronto long-term care home capital renewal strategy be considered as one redevelopment initiative involving multiple sites as opposed to being treated as separate projects approved in phases. It is anticipated that the City will be receiving a favourable response to each of these requests.

Initial consultations with the LHINs are underway regarding capital redevelopment planning and the multi-LHIN boundary issue as to ensure the City of Toronto is able to properly service plan by transferring beds across LHIN boundaries where needed to meet the needs of the people of the City of Toronto.

## **CONCLUSION**

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, forming strategic alliances and producing budget savings and efficiencies.

The City must redevelop five of its homes and the mandatory redevelopment allows for a complete capital renewal strategy and opportunity to engage, plan and carefully build, re-build and consolidate, while taking advantage of provincial funding to offset costs the City would ultimately incur, with minimal impact on residents, staff and families and maximal integration with community, private and City partners.

The plan takes into consideration only the need to redevelop the City's current long-term care bed inventory and is not intended to preclude the possibility the City may want to increase the number of long-term care beds it operates in the future as preserving long-term care services is a critical community need especially with an aging population.

Approval of this report will allow LTCHS to proceed with its capital renewal planning based on the proposed framework. Details on the George Street redevelopment part of the capital renewal strategy will be included in the SSHA and LTCHS report back to City Council in mid 2015.

## **CONTACT**

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## **SIGNATURE**

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## **ATTACHMENT**

Map: Long-Term Care Homes & Services – Home Locations