



## STAFF REPORT ACTION REQUIRED

### George Street Revitalization – Recommended Scope and Approach

<b>Date:</b>	October 5, 2015
<b>To:</b>	Executive Committee
<b>From:</b>	Deputy City Manager, Cluster A Deputy City Manager & Chief Financial Officer
<b>Wards:</b>	All Wards
<b>Reference Number:</b>	

#### **SUMMARY**

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In July 2013, City Council approved in principle the revitalization of George Street through the co-location of long-term care, shelter services and a community service hub in a new facility to replace Seaton House. Staff were authorized to undertake the necessary due diligence required to proceed with the recommended option and to report back in 2015 with more detailed design, related costs and financing plans, and a transition plan for Seaton House clients.

This report outlines the due diligence and stakeholder and community engagement that has been completed during the past two years. That work has culminated in the proposed project outlined in this report: development of a 600,000 square foot multi-purpose facility that will provide a continuum of care for vulnerable men and women, with strong links to the local community. The project, which is intended to be a catalyst to the revitalization of George Street and the adjacent Garden District neighbourhood, includes:

- Demolition of the existing Seaton House;
- New construction, integrating the adjacent designated heritage buildings, to accommodate:
  - a 100 bed emergency shelter program;
  - a 378 bed long-term care home program;
  - a 130 bed transitional assisted living program;
  - 21 units of affordable housing with supports; and
  - a community service hub;

- Transition plan for Seaton House residents that includes the acquisition of properties offsite for the temporary accommodation of capacity that will be replaced in the new George Street facility, and permanent replacement of the remaining capacity in new facilities and supportive housing units.

It is recommended that City Council endorse the project and refer it to the 2016 Capital Budget process. It is further recommended that City Council authorize staff to retain consultants to conduct an analysis of project procurement and delivery options and report back to Council through Executive Committee by June 2016 with a recommended delivery model.

The recommended project supports several Council priorities and strategic directions including those set out in the Strategic Plan, Housing Opportunities Toronto (HOT) 10 year plan, Toronto Poverty Reduction Strategy, Toronto Seniors Strategy, Housing Stability Service Plan, Downtown East Revitalization Strategy and Toronto Green Standard. It also provides an opportunity to address three concurrent needs:

- Seaton House, with its aging physical plant and an environment that does not meet the needs of vulnerable men experiencing homelessness, is in critical need of redevelopment;
- The City must redevelop designated long-term care homes to ensure compliance with the provincial government's updated mandatory design standards; and
- The combination of abandoned buildings and illicit activities on George Street has resulted in an air of neglect and has raised concerns for community safety.

## **RECOMMENDATIONS**

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The Deputy City Manager, Cluster A and the Deputy City Manager & Chief Financial Officer recommend that:

1. City Council endorse the project scope for the George Street Revitalization as outlined in Attachment 1 and the Seaton House transition plan Option Two as outlined in Attachment 3 of this report, and forward them to the City Manager for consideration with other City priorities as part of the 2016 budget process;
2. City Council authorize the Chief Corporate Officer to retain procurement option consultants at an estimated cost of \$100,000 (net of all taxes and charges) to conduct an analysis of project procurement and delivery options;
3. City Council direct the Chief Corporate Officer to report back by June 2016 on the recommended delivery model, the implementation funding needed and the resulting refined capital cost estimates for the George Street Revitalization as

outlined in Attachment 1 and the Seaton House transition plan Option Two as outlined in Attachment 3 of this report;

4. City Council authorize the Chief Corporate Officer to enter into an amending agreement with PRISM Partners Incorporated, to extend the term and add additional services for Project Stage One (i.e. due diligence stage) to the current agreement, subject to the following conditions:
  - a. that the agreement include an extension term of October 1, 2015 to February 29, 2016;
  - b. that those additional services as generally set out in Attachment 2 to this report which can be performed within the timeframe indicated in 4a above, be added to the current agreement upon such other terms and conditions as satisfactory to the Chief Corporate Officer;
  - c. that the total cost of the additional services for October 1, 2015 to February 29, 2016 is \$244,444 (net of all taxes and charges), increasing the value of the contract from \$618,000 (net of all taxes and charges) to \$862,444 (net of all taxes and charges); and
  - d. that the agreement be on terms and conditions satisfactory to the Chief Corporate Office and in a form satisfactory to the City Solicitor;
  
5. City Council authorize the Chief Corporate Officer to enter into an amending agreement with Montgomery Sisam Architects Inc., to extend the term and add additional services for Project Stage One (i.e. due diligence stage) to the current agreement, subject to the following conditions:
  - a. that the agreement include an extension term of October 1, 2015 to February 29, 2016;
  - b. that those additional services as generally set out in Attachment 2 to this report which can be performed within the timeframe indicated in 5a above, be added to the current agreement upon such other terms and conditions as satisfactory to the Chief Corporate Officer;
  - c. that the total cost of the additional services for October 1, 2015 to February 29, 2016 is \$500,000 (net of all taxes and charges), increasing the total value of the contract from \$1,095,650 (net of all taxes and charges) to \$1,595,650 (net of all taxes and charges); and
  - d. that the agreement be on terms and conditions satisfactory to the Chief Corporate Office and in a form satisfactory to the City Solicitor;

6. Subject to approval of the project as part of the City's annual budget processes, City Council authorize the General Manager, Long-Term Care Homes & Services to enter into an agreement with the Ministry of Health and Long-Term Care for the development of a long-term care home as part of the George Street Revitalization;
7. Subject to approval of the project as part of the City's annual budget processes, City Council authorize the General Manager, Long-Term Care Homes & Services to reduce the number of preferred accommodation beds at the George Street Revitalization long-term care home and apply for the provincial basic accommodation premium;
8. City Council authorize the Chief Corporate Officer to negotiate with the Province of Ontario for the terms of possible rights to acquire the property and buildings at 311 Jarvis Street and 354 George Street ("Family Court Buildings and Detention Centre") for the construction of affordable housing and other uses, to report back on negotiations, and to explore with Infrastructure Ontario a partnership for project management services under an Alternative Financing and Procurement delivery model for those lands; and
9. City Council direct the General Manager, Long-Term Care Homes & Services and the General Manager, Shelter, Support & Housing Administration to continue working with both the Ministry of Municipal Affairs and Housing (MMAH) and the Ministry of Health and Long-Term Care (MOHLTC) to enable the George Street Revitalization model to be implemented and to maximize opportunities for increased funding and coordination of services for vulnerable people with complex health care needs.

## **Financial Impact**

The financial impacts of this report pertain to the recommendations which immediately amend the scope of work for the due diligence stage of the project (Recommendations 2, 4 and 5).

Due to the complexity and risk associated with this large capital project, more due diligence is required. Therefore staff recommend that the scope of work and the contracts for the project management consultants and the architect consultants be amended to add further services (Recommendations 4 and 5). The architects and project management will proceed with the scope of work as outlined in Attachment 2. This work would be considered an extension of the current plan and not a change in scope.

The analysis of the project procurement and delivery options is a change to the scope (Recommendation 2).

Table One outlines the estimated costs to amend the existing contracts and add a new one.

Table One: Estimated Costs to Amend Existing Contracts and Add One Contract

	<b>Approved to Date</b>	<b>Additional Request</b>	<b>Total</b>
Project Management	\$618,000	\$244,444	\$862,444
Architect Consultants	\$1,095,650	\$500,000	\$1,595,650
Consultants (project procurement analysis and delivery options)		\$100,000	\$100,000
<b>Total</b>	<b>\$1,713,650</b>	<b>\$844,444</b>	<b>\$2,558,094</b>

As of September 30, 2015, the uncommitted balance in the George Street Revitalization (GSR) capital budget is \$0.852 million. There are sufficient funds available in the 2015 Approved Capital Budget to finance the amendments.

All other recommendations that have capital budget impacts are to be referred to the Capital Budget process.

The preliminary capital cost estimates of redeveloping Seaton House and revitalizing George Street are in the range of \$300 to \$500 million. These preliminary estimates need to be further refined through the recommended analysis of procurement and project delivery options.

The base (low) estimate of \$300 million for the George Street site is the result of the due diligence from the team of consultants and stakeholders. The numbers are from Hanscomb Consulting, PRISM Partners Inc., Mettko (scheduling consultants), Montgomery Sisam Architects Inc. and their consultants, Gillam Group Inc. (constructability consultants), with extrapolated information from Kipling Acres for Furniture, Fixtures & Equipment and Information Technology.

In addition, City staff have estimated that \$50 million is required to transition Seaton House clients during the construction phase and to relocate approximately 200 permanent beds which will not return to George Street.

The total cost for GSR would be the estimated cost of the George Street site, depending on the preferred procurement option, plus \$50 million for transition. That would bring total project costs to a range of \$350 to \$550 million.

Table Two outlines the estimated cost of each component at the high range of the scale.

Table Two: Summary of Preliminary Cost Estimates – High End (in nominal \$ millions)

	<b>Emergency Shelter 100 Beds</b>	<b>Long-Term Care Home 378 Beds</b>	<b>Assisted Living 130 Beds</b>	<b>Housing 21 units</b>	<b>Community Hub</b>	<b>Total for George Street Site</b>
Land	0.0	0.0	0.0	0.0	0.0	0.0
Construction/Renovation	60.3	261.5	75.6	11.0	36.1	444.5
Design	4.2	17.7	5.2	0.7	2.5	30.3
Project Management	2.0	8.5	2.5	0.3	1.2	14.5
Other	1.5	6.3	1.8	0.3	0.8	10.7
<b>Total</b>	<b>68.0</b>	<b>294.0</b>	<b>85.1</b>	<b>12.3</b>	<b>40.6</b>	<b>500.0</b>

Table Three provides the range of estimates plus the transition costs.

Table Three: Summary of Preliminary Cost Range Estimates from Low to High

	<b>Total for George Street Site</b>			<b>Transition/Relocation (additional for any option)</b>
	<b>Low</b>	<b>Mid</b>	<b>High</b>	
Land	0.0	0.0	0.0	20.0
Construction/Renovation	266.7	355.6	444.5	26.0
Design	18.1	24.0	30.3	2.0
Project Management	8.7	11.6	14.5	0.5
Other	6.5	8.8	10.7	1.5
<b>Total</b>	<b>300.0</b>	<b>400.0</b>	<b>500.0</b>	<b>50.0</b>

The long-term care home component will be eligible for funding from the MOHLTC. Funding is based on the MOHLTC Construction Funding Subsidy Policy for Long-Term Care Homes, 2015, providing a per diem amount for a 25-year period. Funding begins effective on the first day a resident is admitted to the new building and will continue for 25 years. The amount is based on \$16.65 base construction per diem plus \$1.00 additional per diem if LEED Silver is achieved. The total for the 25 years is \$60,879,262 (\$17.65 X 378 beds X 365 day/year X 25 years).

The City must upfront the full cost of construction before any provincial contribution is forthcoming. The provincial subsidy is spread out over 25 years and only begins when the construction period ends, so the actual present value of the provincial \$60.88 million would be much less in terms of today's dollars.

The City is proposing to allocate \$3.15 million in funding for 21 affordable housing units from Toronto's allocations of the federal/provincial Investment in Affordable Housing Program Extension (2014 – 2020). This would cover a portion of the total capital costs required to construct the housing component of the project.

The balance of costs for the GSR project would be largely debt-funded.

### **Transition and Relocation Costs**

While George Street is under construction, the clients of Seaton House must relocate to other newly acquired space. There will be no significant cost for the transition of residents from Castleview Wychwood Towers to the George Street site. Current long-term care residents will remain where they are until the long-term care beds on George Street open.

City Council on December 16, 17 and 18, 2013, adopted the following in its consideration of CD25.8, "Long-Term Care Homes and Services Capital Renewal Strategy":

*"City Council direct that, as a prerequisite, any plan that is presented ensures that no hostel bed is lost either for the long term or for the construction period, and that the General Manager, Long-Term Care Homes and Services work with the General Manager, Shelter, Housing and Support to this end."*

The George Street Revitalization will provide:

- 378 long-term care beds
- 100 emergency shelter beds
- 130 transitional assisted living beds
- 21 units of affordable housing

Seaton House currently provides over 600 shelter beds for men. GSR will accommodate the return of approximately 200 Seaton House clients once construction is complete, which means 400 men must be permanently relocated. As noted in Section IV of the report, the preferred transition plan would begin by moving 200 men into permanent housing with supports. Another 200 clients will need to be permanently relocated into new shelter sites. And lastly, the remaining 200 will need temporary accommodation until the new site opens.

To accommodate the 400 beds that must be relocated, the GSR capital budget will include funding for the purchase and development of 200 permanent beds and funding for leasehold improvements to accommodate another 200 beds during the construction period.

The cash flow of the transition/relocation expenses is dependent on the construction schedule of the procurement option. The transition costs would mostly need to be expensed before the demolition of Seaton House.

Further, the project schedule is based on a number of assumptions with the transition of Seaton House residents to newly acquired or leased properties being the most critical

milestone. There are significant risks associated with the project in the event the transition plan does not proceed as planned.

**Operating Impact**

There would be no operating impact to LTCHS but SSHA will require a service enhancement to better meet the needs of the clients. The annual operating impact of the preferred option is expected to be \$9.0 million with an FTE increase of 34.6.

Table Four summarizes the current operating budget and the additional operating impact.

Table Four: Seaton House Current Operating Budget and Additional Operating Impact

	<b>Seaton House</b>	<b>Additional Operating Impact</b>	<b>Total</b>
Salary and Benefits in \$M	\$18.7	\$2.4	\$21.1
Non-Payroll in \$M	\$3.4	\$6.6	\$10.0
Total Operating Budget	\$22.1	\$9.0	\$31.1
FTEs	211.8	34.6	246.4

This would include \$3.4 million for a new purchase of service agreement for 150 units of supportive housing. Refer to Attachment 3 for additional details regarding the Seaton House transition plan including a comparison of options and the operating impact.

**The Option of a Federal Public-Private Partnership (P3)**

Public-Private Partnerships (P3s) use the expertise of the private sector and the discipline and incentives of capital markets to deliver public infrastructure projects. Staff investigated the potential of a federal P3 for this project in order to access the P3 Canada Fund. The only project component that would be eligible is affordable housing and only if the value is \$100 million or more. As the affordable housing portion of the George Street project is estimated at approximately \$11 million, the federal P3 option is not available.

Staff will continue to explore possibilities of other capital funding sources, including but not limited to, Section 37 funding, Section 42 funding, funding for heritage restoration projects and potential private sector partnerships.

Refer to Attachment 4 for additional long-term care funding information.

All costs presented in this report reflect the recommended project scope. Any further scope changes directed by City Council would impact the cost.

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



## Equity Impact

The emergency shelter, long-term care and community support systems in Toronto serve equity-seeking groups including seniors, people with disabilities, individuals with mental health and/or substance use issues, the working poor and other vulnerable groups. Effective operation of the shelter and long-term care systems is important to ensuring that appropriate accommodation is available to a variety of equity-seeking groups and contributes to the City's Poverty Reduction Strategy.

The project recommended in this report will create a facility that assists shelter residents to stabilize their lives and move back into permanent housing as quickly as possible. It will provide a safe, healthy and comfortable environment that promotes independence, mobility, and individuality for long-term care and assisted living residents.

The service hub will serve people in the community in an environment where they are comfortable and safe. An open door policy will ensure all vulnerable populations and community members at large are welcomed as valued members in a mutually supportive environment.

## DECISION HISTORY

At its meeting of July 16-19, 2013, City Council unanimously adopted a staff report, *Update and Next Steps of Proposed Redevelopment of Seaton House and Revitalization of George Street*. Council approved in principle the redevelopment of Seaton House and authorized the General Manager of SSHA, in consultation with the General Manger of LTCHS, to undertake the necessary due diligence required to proceed with the recommended project and directed staff to report back in 2015 on the status of the redevelopment, related financing plans and a transition plan for Seaton House clients. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX33.17>.

At the meeting on December 16-18, 2013, City Council adopted the report, *Long-Term Care Homes & Services Capital Renewal Strategy* with an amendment to potentially acquire land nearby or in neighbouring Ward 24. The report sought authorization for LTCHS to proceed with its capital renewal planning based on the proposed framework and to undertake necessary due diligence to proceed with planning based on the framework and strategy, which include integrating and co-locating services as part of the GSR project.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD25.8>

Various reports have been adopted related to the Downtown East Revitalization Strategy and the Planning Study that initiated the strategy. GSR is a vital component of the strategy and some of the key reports are noted below.

- a. On November 29, 2011, City Council provided a number of directions with respect to a planning study and a revitalization strategy for the downtown east area. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.TE11.43>

- b. At its meeting of July 17, 2014, the Toronto Preservation Board received the *Garden District Heritage Conservation District Study* and affirmed that the area be designated under Part V of the Ontario Heritage Act and provided direction to proceed with a Heritage Conservation District Plan.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.PB33.21>
- c. On August 25, 2014, City Council adopted the *Downtown East Revitalization Action Plan*. The purpose of the plan is to guide reinvestment and redevelopment appropriately given the complexity of the surrounding communities and the vulnerability of a large number of local individuals.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.CD31.12>
- d. City Council, on February 18, 2015, adopted *City Planning: Final Report – Downtown East Planning Study – Official Plan Amendment*, for the lands bounded approximately by Jarvis Street, Carlton Street, Sherbourne Street and Queen Street East.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.TE4.8>

At its meeting of August 25, 2014, City Council adopted the report *Project Management Contract Award for the Proposed Redevelopment of Seaton House and Revitalization of George Street*. Council authorized the engagement of PRISM Partners Inc. for project management services to develop and manage the scope of work, schedules, budgets and stakeholder management required for the overall delivery of the project.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44.12>

Further to the authority granted by Council in July 2013, an RFP for architectural consultant team services was issued in November 2014 and nine firms submitted bids. Five proponents were interviewed and on February 11, 2015, Bid Committee awarded RFP No. 9118-14-7261 to Montgomery Sisam Architects in Association with Hilditch Architect for Stage One of GSR.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.BD12.4>

At its meeting on March 31, 2015, City Council adopted *Infrastructure and Service Improvement Plan for the Emergency Shelter System*. The report sets out an infrastructure and service improvement plan to guide the transformation of the emergency shelter system, reflecting the City's Housing First approach. The report identified the need for six new shelter sites over the next two years as a result of the GSR project. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD2.2>

City Council on May 5, 2015, adopted as amended, report CD3.7 titled *Provincial Funding for Enhanced Long-Term Care Home Renewal Strategy*, requesting the Minister of Health and Long-Term Care include a construction funding escalation factor above the fixed rate per diem to account for inflation. The report provides information on the increased flexibility and funding now available from the MOHLTC. Redevelopment of

the City's long-term care homes identified for mandatory redevelopment is an excellent opportunity to meet the current and future care and service needs of seniors.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD3.7>

## **ISSUE BACKGROUND**

At its meeting of July 16-19, 2013, City Council approved in principle the redevelopment of Seaton House and revitalization of George Street. Council authorized staff to undertake the necessary due diligence required to proceed with the project and directed staff to report back in 2015 on the status of the redevelopment, related financing plans and a transition plan for Seaton House clients. This report responds to Council's direction and proceeds to the October 20, 2015 meeting of Executive Committee and November 3, 2015, meeting of City Council with a related staff report, *Long-Term Care Homes & Services Capital Renewal Plan*.

This report describes:

- I. The Drivers for Revitalization
- II. Opportunities and Benefits
- III. Due Diligence to Date
- IV. Transition Plans
- V. Project Implementation

Refer to Attachment 5 for a site map.

## **COMMENTS**

### **I. The Drivers for Revitalization**

The George Street Revitalization project supports many of the City's strategic policies and priorities including Council's Strategic Plan, SSHA's and LTCHS' Strategic Directions, the Poverty Reduction Strategy, Toronto Seniors Strategy, Housing Opportunities Toronto, Toronto Strong Neighbourhood Strategy 2020, Healthy Toronto by Design and the Downtown East Revitalization Action Plan. In addition, GSR supports the Province of Ontario's Renewed Poverty Reduction Strategy and the Premier's Community Hub Framework. Refer to Attachment 6 for further details regarding these and other strategic policy alignments.

However, the three principal drivers for the project are: (1) Seaton House in need of redevelopment, (2) the LTCHS mandatory Capital Renewal Plan, and (3) a neighbourhood in need.

#### **1. Seaton House in Need of Redevelopment**

Seaton House, built in 1959, is a 634-bed City-operated men's shelter located at 339 George Street. In addition to providing emergency shelter, Seaton House has become a

*de facto* provider of supportive housing and long-term care for hundreds of individuals with concurrent physical health, mental health, behavioural and substance use challenges, many of whom cannot find housing with appropriate support elsewhere in the city. There are now four distinct shelter programs in Seaton House, each serving a unique client population, spread over 100,000 square feet on four floors with a staff complement of 211 Full-Time Equivalents (FTEs). The concentration of over 600 men, many with extremely complex conditions and needs under one roof is not conducive to the support required to move men from homelessness into permanent housing in the community.

Seaton House has open dorm-style rooms with shared washroom facilities for residents. The lack of privacy and personal space generates tension among residents. The building is equipped with a large industrial kitchen and two main dining rooms which are not large enough to accommodate all residents at the same time. As a result, men have to stand in line and wait for a seat to become available, which further contributes to a tense environment.

The structure is reaching the end of its serviceable life and needs to be replaced. The building is not fully accessible, making navigation extremely difficult for residents with mobility issues and those who use devices such as electric scooters, wheelchairs and walkers. The ventilation system is inadequate and limits communicable disease management.

## **2. LTCHS Capital Renewal Plan**

Six of Toronto's 10 long-term care homes (1,569 of its 2,641 Ministry approved beds) must be redeveloped or retrofitted over a 10-15 year period commencing in 2009 to meet compliance with new design standards under the Province's mandatory redevelopment strategy. The first home to be redeveloped, Kipling Acres, is nearing completion.

The GSR project is a catalyst for the redevelopment of the remaining homes as it allows for a new long-term care home to be integrated with the emergency shelter, transitional assisted living facility and community service hub on an existing City-owned site (Seaton House) without having to acquire additional land in the downtown core.

The LTCHS plan coordinates redevelopment and ensures construction, demolition and redevelopment are completed with minimal disruption to residents, and have minimal impact on overall service levels yet provide flexibility to meet the needs of current and future residents, adapt to changes in the long-term care sector and respond to emerging priorities.

A separate report on the *Long-Term Care Homes & Services Capital Renewal Plan*, has been forwarded to Executive Committee for consideration.

### 3. **A Neighbourhood in Need**

George Street is in the Garden District neighbourhood in Toronto's downtown east. The area has historically been home to vulnerable individuals with complex needs arising from mental illness, substance use, poverty, unemployment and/or homelessness, among other challenges. It continues to have a high number of shelters, drop-in centres, rooming houses and subsidized housing.

The northernmost block of George Street consists of a mix of residential and non-residential uses. Two large institutional buildings, Seaton House and the vacant former provincial youth detention centre, dominate the street. Toward the south end of the block, Toronto Community Housing Corporation (TCHC) owns a 132 bachelor unit rental building for single adults. Parking lots, extensive paving and underused and abandoned buildings all work to deter animation along George Street. They also bolster a negative image of the street and create conditions that foster illicit activities in the area. The area appears foreboding and unwelcoming, raising serious safety concerns in the local community.

While all these factors contribute to the problems on the street, Seaton House is considered to be a key component that needs transformation and, unless significant physical and program changes take place, prospects for other neighbourhood improvements will be severely limited.

## II. **Opportunities and Benefits**

The George Street Revitalization project offers a number of unique opportunities that will benefit people who are homeless, other vulnerable residents of the city and the local community. These include:

1. Improving Outcomes through Shared Services
2. Developing an Innovative Model of Integrated Service
3. Revitalizing a Community, Reclaiming our History and Neighbourhood

### 1. **Improving Outcomes through Shared Services**

The project vision is: *“to create a centre of excellence that promotes new approaches to integrated service delivery and exemplifies innovative partnerships, research and education. George Street will be transformed with a dynamic range of housing, programs and services to meet the unique and complex needs of homeless, vulnerable and elderly individuals in our community.”*

The downtown east area of Toronto has a historic role as an inclusive place for vulnerable populations. This role will be reinforced with resources from multiple City divisions and community service partners co-located at one site. This will provide opportunities to share resources, knowledge, experience and expertise to more effectively serve vulnerable clients and residents. The centre of excellence will create learning

opportunities for those who work on-site and for service partners and researchers. The service hub will provide volunteer opportunities for the local community.

The building's design includes provisions to aid staff in the efficient delivery of care. A shared staff area will be conveniently located at the mid-point between all primary programs. This configuration provides an excellent opportunity for cross-pollination between the partner divisions. Furthermore, the hub will offer opportunities for on-site or visiting community partners to interact.

Combining the expertise of SSHA and LTCHS in a shared location will enhance services to under-served individuals and enable operating efficiencies.

## **2. Developing an Innovative Model of Integrated Service**

The physical co-location of programs will provide for a more coherent provision of services in partnership with the broader community. The continuum of care, tailored to each client's changing needs over time, will allow for streamlined assessment for clients accessing the shelter or transitional assisted living programs. It will facilitate cross-program case management, reduce barriers to service and allow for better service and referrals. The continuum of care will extend to the long-term care home and the affordable housing units. Individuals will be able to move seamlessly from one program to another when they meet eligibility criteria.

Services in the hub will complement these programs, ranging from housing help to resource and learning centres, to employment opportunities. Each program in the new facility will incorporate the principles of harm reduction. Programs will be provided in environments that recognize and address physical and mental health issues, poverty, education, language, culture, nutrition and social isolation in a barrier-free setting. GSR will offer safe, dignified and respectful places to live that afford comfort and opportunity to residents and foster a culture of health and well-being across the greater community.

Two specialized units in the long-term care home will be developed by LTCHS and SSHA for men and women from the shelter system who are eligible for long-term care but require additional supports due to their particular behavioural issues or other circumstances. This collaboration will ensure residents receive the services that best meet their needs as they age.

## **3. Revitalizing a Community, Reclaiming our History and Neighbourhood**

The George Street Revitalization project provides a unique opportunity to transform the neighbourhood while serving as a catalyst for revitalization in the Garden District to provide a quality public realm and superior building design and heritage conservation. The redevelopment of the site will create a safe, inviting and vibrant place that reinstates the scale and rhythm of the greater neighbourhood. All users of programs and services will be welcome and safe. This project considers the building, site and streetscape comprehensively. Multiple entrances, new pathways, strong indoor-outdoor connections,

dedicated landscaped areas and usable and flexible outdoor spaces all work to de-institutionalize George Street. The restoration of heritage-designated properties revives the community's rich urban history.

While the Garden District contains some of Toronto's most valued and well-preserved heritage resources, it is also undergoing significant change. In recognition of the need to protect these resources, a Heritage Conservation District (HCD) Plan is currently under development.

The development site contains several properties that are designated under Part IV of the Ontario Heritage Act and one additional property that has been flagged as worthy of preservation. The City of Toronto is committed to the preservation of the heritage properties as part of the overall redevelopment of the site and the properties will be integrated into the new construction.

### **III. Due Diligence to Date**

Following Council's decision in July 2013, work has been undertaken to develop project scope, schedule and cost, engage stakeholders, develop a transition plan, acquire adjacent properties and consult with the Province regarding the lands opposite Seaton House.

#### **1. Project Structure and Management**

The project was initially divided into two stages: Project Stage One is the due diligence phase culminating with a report to Council in the fall of 2015. Project Stage Two is the project implementation phase that begins if Council approves the project.

A project charter was drafted and a Project Executive Committee was established, comprising the heads of six City divisions (SSHA, LTCHS, SDFA, AHO, the Chief Corporate Officer and Corporate Finance). A City project team representing three divisions was also established in 2014. This team works closely with a Program and Design Committee made up of City staff from the six divisions represented on the Project Executive Committee. In addition, many other City divisions are involved as required as internal City stakeholders. Refer to the project organization chart in Attachment 6.

In conjunction with City staff, PRISM Partners Inc. began working as project management consultants in September 2014 and led the procurement of a Functional Programming Consultant, Architectural Consultant Team, Cost Consultant, Scheduling Consultant, Arborist and Constructability Review Consultant in order to finalize the scope, schedule and cost.

#### **2. Project Controls**

Six project controls were implemented for due diligence: Scope, Schedule, Cost, Quality, Peer Review and Risk Management.

a. ***Scope***

Bessant Pelech Inc. was engaged in November 2014 as a Functional Programming Consultant. The Functional Programming Consultant prepared a Functional Program for the purpose of understanding scope and informing the preliminary design.

The Functional Program Report identifies spaces and adjacencies, staff resources/FTEs and volumes for service-related activities for each of the six program areas. The Functional Programming Consultant prepared a written Program of Requirements including special and functional requirements and relationships, flexibility, expandability, special equipment, systems and site requirements. The Functional Program Report was developed with the project's Program Committee to ensure that the “integrated vision” was achieved.

For more details on the project scope, including the site, proposed programs and design approach, refer to Attachment 6.

b. ***Schedule***

METTKO was engaged in April 2015 as a Scheduling Consultant tasked with the development of materials necessary to support and validate the City’s objectives of achieving schedule certainty for the complete GSR project.

The Scheduling Consultant developed a master schedule that includes a Work Breakdown Structure (WBS) based on agreed work packages and an index to identify and record in sufficient detail the work elements, their relationships, linkages and dependences, required to meet project implementation goals and timelines.

c. ***Cost***

Hanscomb Ltd. was engaged in April 2015 as a Cost Consultant to develop both Class “D” and Class “C” estimates as defined by the Canadian Institute of Quantity Surveyors (33% of Design Development documents complete) necessary to support and validate the City’s objective of achieving better cost information for the complete GSR project in order to support decision-making and proceed with implementation. The Class “D” estimate was based upon the Architectural Consultant Team’s Schematic Design Submission. The Class “C” estimate was based upon the Architectural Consultant Team’s Detailed Design Submission. Class "D" estimates have a range of plus/minus 20-30% while Class "C" estimates are within plus/minus 15-20% range.

d. ***Quality***

Montgomery Sisam Architects Inc. and Hilditch Architect, the Architectural Consultant Team awarded the contract by Bid Committee, were tasked with utilizing the Functional Program to develop a complete Schematic Design Submission, a Modified Detailed



Design Submission (33% Design Development) and a Design Brief necessary to support and validate the City's objectives of determining the project scope, cost and schedule.

The Architectural Consultant Team worked with the Functional Programmer and stakeholders throughout the Schematic Design and Modified Detailed Design phases in order to validate the functional requirements and to establish a viable design.

In addition to Montgomery Sisam Architects and Hilditch Architect, the following consultants/services were engaged as part of the team:

- *Accessibility for Ontarians with Disabilities Act (AODA) Consultant;*
- Building Code, Fire Code and Life Safety Consultant;
- Civil engineering (site services);
- Electrical engineering;
- Food Service, Laundry and Waste Management Consultant;
- Geotechnical engineering;
- Heritage Architect;
- Landscape Architect;
- Mechanical engineering;
- Planning Consultant;
- Structural engineering;
- Sustainable Energy Consultant;
- Traffic/Transportation Consultant;
- Vertical Transportation Consultant; and
- Constructability Consultant.

A list of consultant firms is included in Attachment 6.

e. ***Peer Review***

Gillam Group Inc. was engaged in June 2015 as Constructability Review Consultant to review the project from a construction management perspective. The Constructability Review Consultant independently reviewed the respective consultants' work in regard to schedule, quality and cost. Following the review, joint meetings were held to validate assumptions, timelines, design and estimates to make revisions as necessary.

f. ***Risk Management***

Issues, risks and risk mitigation strategies were identified and discussed at each weekly project team meeting throughout the due diligence period. Each week, the Issues Log and Risk Register was updated as required. Depending upon potential risk impact, items were flagged for escalation as required (Program Committee, Project Executive Committee, etc.).

### **3. Stakeholder Engagement**

With the intent to undertake extensive community engagement, a 'stakeholder universe' was identified in the early stages of the project. This ever-evolving document was further developed into a communications and engagement plan and strategy. A broad range of stakeholders, both internal and external to the City, have been engaged in a variety of ways and have collectively shaped the program and design into a single common vision. These stakeholders, in particular the existing clients and staff with their service partners, also provided input into the transition plan for Seaton House clients. A project website was set up in 2014 [www.toronto.ca/newgeorge](http://www.toronto.ca/newgeorge) as was a dedicated mailbox [newgeorge@toronto.ca](mailto:newgeorge@toronto.ca).

The local Ward Councillor has been involved since her first term on Council, has had input into developments and has been kept informed by staff about the project.

Further details on stakeholder engagement are provided in Attachment 6.

### **4. Acquisition of Adjacent Properties**

In July 2013, Council authorized the acquisition of five properties adjacent to and south of Seaton House, funded from the Land Acquisition Reserve Fund (LARF). Those vacant properties (295, 297, 299, 301A, and 305 George Street) were acquired in April of 2014. Four of the five buildings are designated under Part IV of the Ontario Heritage Act, and have been stabilized and secured, thereby protecting them for repurposing into the project. The City demolished the non-heritage property at 299 George Street and the vacant land will also form part of the project. There are three remaining properties required for the redevelopment: 303, 309 and 311 George Street. The City is in the process of settling the expropriation to acquire these properties. Once acquired, they too will be stabilized and secured until redevelopment begins.

### **5. Surplus Land for Affordable Housing**

The 2013 staff report adopted by Council recommended that any surplus land be considered for affordable housing with a private sector partnership to help offset development costs. Due to program requirements, no surplus land is available at the site. Therefore, no private sector partnerships were pursued for the City properties.

### **6. Partnership with the Province of Ontario**

As directed by Council in 2013, staff met with Infrastructure Ontario (IO) officials to explore acquisition options with respect to the Family Court Buildings and Detention Centre at 311 Jarvis Street and 354 George Street and opposite Seaton House (refer to map, Attachment 5). In spring 2022, the Province will move their operations to a new site on Chestnut Street and the provincial properties will be vacant and surplus to provincial needs. That plan coincides with the City's interest to acquire the properties

and enter into a partnership with the Province to develop the site for affordable and mixed housing.

The goal of the transaction of the lands at 311 Jarvis Street/354 George Street is to reach an arrangement to meet provincial and City objectives regarding affordable housing. This proposal benefits both the City and the Province as partners in two community planning objectives: the development of affordable housing and the revitalization of a neighbourhood.

This report recommends that the Chief Corporate Officer be authorized to negotiate with the Province of Ontario on the possible rights to acquiring 311 Jarvis Street and 354 George Street for affordable housing and other uses, to report back on negotiations, and to explore with Infrastructure Ontario a partnership for project management services under an Alternative Financing and Procurement delivery model for those lands.

## 7. **Business Case**

As part of the due diligence, Prism Partners Inc., the project management consultants for this project, was contracted to prepare a business case for continued investment in the GSR project. The business case in part informed the financial impact statement.

The business case sets out the business needs and key drivers; identifies a range of potential solutions to satisfy the business needs and key drivers; conducts both quantitative and qualitative analyses; draws conclusions and recommends the solution that best aligns with the needs and drivers.

The business case tested four scenarios:

- (a) Proceed with the implementation of the GSR project;
- (b) Proceed only with the redevelopment of Seaton House as a 600-bed shelter facility remaining at George Street;
- (c) Do not proceed with the implementation of the GSR project but develop 378 long-term care beds elsewhere in the City to enable the planned LTC capital renewal plan; and
- (d) Do nothing.

The business case concluded that Scenario (a) was the only one that best realizes the intended project vision, achieves best practices related to shelter redevelopment, provides a viable solution for the current state situation, aligns most fully with the City's strategic policies and achieves full alignment with the business needs and key drivers.

The status quo cannot continue. Both sponsoring divisions must redevelop their respective sites. Should GSR not proceed, this would have to be done independently.

Furthermore, the social impacts of not proceeding with the project would include:

- Compromised service delivery by various City divisions and their community partners for a range of vulnerable residents;
- Disruption of the LTCHS capital renewal plan, impacting the number of available long-term care beds in the downtown core ;
- Continued capital investment for State of Good Repair in a facility that must be replaced;
- Continuation of service provision to men who are homeless in an inadequate facility during the development of new plans for its replacement;
- Continued strain on health services (emergency responders and hospital emergency services) due to the inability to respond effectively to the needs of clients in distress;
- A deferral of neighbourhood revitalization, continuing issues with community safety; and
- Further deterioration of heritage buildings temporarily secured and stabilized.

#### **IV. Transition Plans**

The GSR project requires planning for three transitions: LTCHS, the Schoolhouse Shelter run by Dixon Hall and Seaton House, including plans for client transition and replacement of shelter capacity.

##### **Transition Plan: LTCHS**

A staged approach to address mandatory redevelopment of long-term care homes is addressed in the Long-Term Care Homes & Services Capital Renewal Plan before Executive Committee and Council. Current long-term care residents will remain where they are until the long-term care beds on George Street open. Residents will then move, vacating an existing site so that it can be prepared for redevelopment. The City, as an operator with multiple homes facing redevelopment, must sequence projects. By sequencing redevelopment and utilizing available land options, LTCHS will minimize resident displacement and disruption during capital renewal. A new long-term care home built on George Street will be the catalyst for sequencing redevelopment. The MOHLTC has provided very positive informal feedback on the concept and design of the GSR long-term care home.

## **Dixon Hall – Schoolhouse Shelter**

Dixon Hall currently operates a 40-bed overnight emergency shelter for men directly north of Seaton House at 349 George Street. As noted in the *Infrastructure and Service Improvement Plan for the Emergency Shelter System* adopted by Council in March 2015, the Schoolhouse building will be incorporated into the plans for GSR and therefore current programs and services need to be vacated by July 2017. The City is working with Dixon Hall to find a suitable space for their permanent relocation to ensure ongoing operation of this shelter program at another site.

## **Seaton House Transition Plan and Replacing Shelter Capacity**

The Seaton House transition plan provides a framework to successfully relocate clients, programs and employees from 339 George Street by mid-July 2017. A key element of this plan is to ensure the emergency shelter beds at Seaton House are replaced and that permanent housing solutions are provided for residents where possible.

The proposed revitalization and the need to vacate Seaton House have presented an opportunity to assess client needs against the services currently being provided at Seaton House and against best practices. This process helps develop a transition plan that not only responds more effectively to the service needs of the clients, but is also in line with the goals of the *Housing Stability Service Planning Framework* adopted by Council in December 2013.

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

## **Seaton House Transition Options**

Given the City's goal to provide housing stability through long-term housing solutions, an option to rebuild one large structure on George Street to shelter over 600 men is not viable. Like the current Seaton House, it would compromise service effectiveness and client outcomes.

As described in detail in Attachment 3, staff reviewed two alternative options for the provision of accommodation to replace the capacity at Seaton House: (1) six shelter sites, each with approximately 100 beds, and (2) a purchase of service agreement for 150 units of supportive housing and four shelter sites that can accommodate 100 to 125 beds.

While Option One ensures that all beds will be replaced, it recreates the status quo within the shelter system. It does not recognize that many of the men currently living at Seaton House could be living independently with the right kind of community supports. Option One also carries a significant capital investment in securing six sites and the challenge of finding suitable real estate in a very competitive market.

Option Two aligns better with the City's housing stability objectives and Housing First principles. It replaces the true emergency beds at Seaton House and provides a range of shelter and housing options that match individual client need with appropriate supports.

The model used by a purchase of service agency provides third party oversight of supportive housing offering room and board and per diems cost-shared with the MOHLTC. Option Two also has lower one-time capital costs and ongoing operating impacts than Option 1. Based on a comparison of options, staff recommend that City Council endorse Option Two as the preferred transition approach in GSR.

A variety of other system transformative initiatives continue to be implemented throughout the larger emergency and transitional shelter system. Such initiatives include the Hostels to Homes Program, new funding models for purchase of service agencies and new policies and procedures to better coordinate access into and transition out of the system. As well, SSHA continues to address occupancy pressures in the shelter system by working with shelter providers to manage new development to either replace or add new beds in the various sectors.

## **V. Project Implementation**

### **Project Procurement and Delivery Options**

In order to manage risk for this project, it is recommended that Council authorize the Chief Corporate Officer to retain procurement option consultants at an estimated cost of \$100,000 (net of all taxes and charges) to conduct an analysis of project procurement and delivery options.

The options, comparing a City-delivered project with various Alternative Financing and Procurement (AFP) models, will include a quantitative Value for Money (VFM) analysis for each scenario and identify the qualitative benefits that are expected with each outcome such as cost, completion date and the differing levels of risk.

The total capital cost estimate for the construction portion is dependent on the preferred procurement solution. Each solution carries a different level of risk and cost certainty. The higher the risk transfer to an AFP model, the greater the cost. However, opting for an AFP delivery model may provide greater construction and cost certainty. Staff will report back by June 2016 with a recommended delivery model and vehicle, refined estimated costs and a schedule corresponding to the recommended model.

### **Interim Project Management and Design Needs**

In the interim, to maintain project management services, minimize schedule impact, and allow work to continue on securing additional City approvals pending the report back on the delivery model, it is recommended that the Chief Operating Officer be authorized to amend the Scope of Work and extend the contracts of the two consultants currently engaged with the project: PRISM Partners Inc. and Montgomery Sisam Architects Inc. The duration of the amended Scope of Work would be from October 1, 2015 to February 29, 2016. The amended Scope of Work is detailed in Attachment 2.

## **Project Schedule**

The project schedule addresses the detailed timelines required for design, City approvals, transition of Seaton House residents to new accommodation, demolition of Seaton House, construction of new facilities, commissioning and close-out. Although a preliminary schedule is presented here, it will be revised subject to the recommended procurement and delivery options analysis.

As a result of the Scheduling Consultant's and Constructability Review Consultant's analysis, demolition of Seaton House would commence within the third quarter of 2017 based upon the following assumptions:

- The project is undertaken by a City-delivered model, not an AFP model;
- City Council approves project implementation by June 2016;
- The current Architectural Consultants continue with project implementation;
- Design Development (Modified Detailed Design to General Contractor Tender Documents) takes approximately 18 months;
- Seaton House clients are relocated to the new shelters by Q2 2017; and
- Site Plan/Re-Zoning Approvals takes 13 months.

Demolition and construction of the new facility would be approximately 42 months in duration with substantial completion the second quarter of 2021. It is expected that the program areas will be operational within the second and third quarters of 2021. A revised schedule will be presented when staff report back on the results of the procurement analysis.

## **Regulatory Approvals**

Regular consultations will continue to take place with authorities having jurisdiction to ensure timelines are in line with current City divisional policies, requirements and standards. At this early conceptual stage, project staff have worked with many City divisions, seeking feedback on the conceptual design.

On March 31, 2015, City Council approved the Downtown East Planning Study and adopted the Official Plan Amendment No. 82 (OPA82). OPA 82 established an area specific policy in the Official Plan for the Garden District. The OPA recognizes that public institutional uses such as Seaton House "will continue to play an important role in the Garden District, delivering services and supporting the current and future needs of residents." The OPA provided specific guidance for the city block containing the GSR proposal. It established minimum setback and angular plane requirements for

development on the block. (Official Plan Amendment 82 has been appealed to the Ontario Municipal Board by a number of property owners.)

City Council also directed that the Garden District Area Specific Policy be considered for amendment when the zoning application for GSR was brought forward if “modifications to the built form permitted by the Policy are required to implement (the) Council approved redevelopment of Seaton House.”

City Planning staff are continuing to work with the project staff to prepare a design which mitigates the impact of the proposal on lands to the east and responds to heritage objectives.

As the development site contains properties that are designated under the Ontario Heritage Act, the GSR project is required to conform to the heritage policies in the *Planning Act* and in the Growth Plan for the Golden Horseshoe, along with the City's Official Plan heritage policies. Heritage Preservation Services (HPS) staff in the City Planning Division have reviewed the project's preliminary design and are supportive of the proposal to conserve and incorporate the majority of the heritage properties on the site. However, staff have raised initial concerns about aspects of the design. These include the proposed demolition of the two fire damaged houses, transition to the heritage buildings and the massing of both the proposed long-term care component and the shelter component.

The City Planning team has proposed modifications to the design in an effort to address these concerns. These modifications would result in a reduction of the project's Gross Floor Area (GFA) premised on modifications to the proposed floor plate. Should Council endorse the recommendations in this report, the proposal will be required to proceed through a full heritage review. This review will take place as part of the Official Plan Amendment and Rezoning process. Following this review, HPS staff will be required to report to Toronto City Council on the proposal and to make recommendations under the Ontario Heritage Act. The Toronto Preservation Board and Toronto and East York Community Council will be consulted as part of the reporting process.

### **Continuing Stakeholder Engagement**

An extensive stakeholder engagement process has accompanied the development of this project since inception. If Council adopts this report, engagement will continue until the project is completed. The next phase begins with detailed design development and vehicles will be in place to ensure that community and City stakeholders will continue to have input.

### **Change Management**

A change management strategy is being developed to support the transition plan and will go hand in hand with the engagement process. The communication strategy that is already in place will continue to be adapted as the project is implemented so that all



stakeholders are kept as fully informed as possible through every stage of the project. A comprehensive change management strategy with a robust communication and engagement plan will support a successful transition for residents, staff and stakeholders. Such a strategy is particularly important when supporting vulnerable populations through a long-term change process such as GSR.

A comprehensive staff training plan will also be developed and implemented as part of the change management strategy. It will address any potential areas of service integration to ensure a seamless experience for the clients and residents of the GSR.

### **Governance Model Options**

In the spirit of innovation as expressed in the project's vision statement, GSR provides opportunities to deliver higher quality services to the city's most vulnerable individuals, in partnership with the community. While each of the programs will have its own level of autonomy, effective operation of the overall facility, realization of shared service efficiencies and fidelity to the project's vision all require a dedicated organizational structure. Staff are examining a variety of models and best practices in order to develop a sound governance model for the new facility. The governance principles will address efficiency, innovation, integration and community engagement.

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### **SIGNATURES**

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Giuliana Carbone  
Deputy City Manager

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Roberto Rossini  
Deputy City Manager and  
Chief Financial Officer

### **ATTACHMENTS**

- Attachment 1: Outline of Project Scope
- Attachment 2: Amended Scope of Work for Stage One for Project Consultants
- Attachment 3: Seaton House Transition Plan: Rationale and Analysis of Options
- Attachment 4: Additional Long-Term Care Funding Information
- Attachment 5: Site Map
- Attachment 6: George Street Revitalization – Project Overview

## **Attachment 1: Outline of Project Scope**

### **Principles**

- Commitment to community and client engagement and improved outcomes
- Integrated and coordinated delivery of services across all programs
- Overarching harm reduction policy with program-specific procedures
- An inviting, safe and secure building and environment for residents, staff and visitors
- Honouring all gender identities and gender expressions
- Flexible and adaptable design for changing future needs
- Restoring heritage buildings and integrating them into the facility
- Making the surrounding area safer
- Integrating George Street into the larger city as a Garden District connection between Allan Gardens and Moss Park

### **General Information**

- Eight-storey complex stretching from Glenholme Place (north laneway) to the laneway south of 295 George Street
- Approximately 56,000 square metres (SM)/600,000 square feet (SF) of development (including parking) on a footprint of 7,800 SM/81,800 SF/1.9 acres
- Leadership in Energy and Environmental Design (LEED) Silver
- Toronto Green Standard – Tier Two; requires 5% renewable energy

### **Programming**

- Separate entrances for each program area
- 378 long-term care beds
- 100 emergency shelter beds
- 130 transitional assisted living beds
- 21 affordable housing units
- Community service hub at street level along George Street

### **Long-Term Care**

- 378 beds for men and women, operated by LTCHS and following a conventional layout of twinned Resident Home Areas
- Located at the north end of the site
- Pending provincial approval, up to 64 beds in two specialized units for formerly homeless people eligible for long-term care and requiring additional supports
- The adult day program/gathering place located on the ground floor provides flexible program space and connectivity to the exterior and the hub
- The great hall is a double-height lobby space on the ground floor with elevator access up

- Two interior courtyards start on the third floor which provide natural light to the interior and hub space below

### **Emergency Shelter**

- 100 beds for men, operated by SSHA
- At the south end of the site; sleeping rooms on the second and third floors
- Each floor is divided into two pods with a total of two quad rooms, fifteen shared/double rooms and four private rooms (each room with ensuite bathroom), with client lounge and staff spaces dedicated in each pod
- Programming space includes a lounge and music therapy studio located on the ground floor
- Dining areas provide flexible programming space and clear outside views to the back of designated heritage property at 305 George Street to the west and the walled garden to the east (designated outdoor space for shelter residents)

### **Transitional Assisted Living**

- 130 beds for men and women, operated by SSHA
- At south end of site, above the emergency shelter
- Include managed alcohol and infirmary programs
- Five floors (floors four to eight), 26 beds per floor
- Each floor has 12 shared rooms and two private rooms with kitchen, dining and living areas
- A minimum of two balconies on each floor to provide outdoor access
- Main health services (ICFHT/ICHA) located on second floor and accessible also via the community service hub
- Administrative space likely shared between assisted living and emergency shelter (location to be finalized)

### **Affordable Housing**

- Although due to the size of the building's footprint there was no surplus land for affordable housing on this site, it has been possible to incorporate 21 units of affordable housing into the second floor on the east side
- The affordable housing is comprised of 19 self-contained studio apartments, two one-bedroom apartments, amenity space with balconies, and office space
- It provides a next step to full independent living for men, women and transgender people referred from the shelter, transitional assisted living and long-term care
- It is proposed to be leased to a non-profit agency for a nominal sum, providing supports to the residents and assisting them to stabilize and develop a long-term housing plan
- Residents have access to supports and services available in the community service hub and assisted living health services

## **Community Service Hub**

- Formal and informal partnerships with local service agencies offer client-specific services and those for the neighbourhood in dedicated spaces along the interior “Main Street”
- The “Main Street” runs most of the north-south length of the site offering an intuitive public route through the ground floor, connecting critical program spaces (from the long-term care home at the north end to the assisted living and emergency shelter at the south end) and heritage buildings with a variety of large and small spaces, shared program spaces and access to programmable outdoor spaces along George Street
- 23,000 SF of new build, 33,500 SF of restored heritage properties for a total of 56,500 SF (10% of total SF of project)

## **Heritage Properties**

- 295 and 297 George Street (Fegan Boys’ Home, Salvation Army, 1886-1948), integrated as part of the emergency shelter
- 305 George Street (Thomas Meredith, 1850s), a “standalone” building requiring interior restorations, utilized as part of the community service hub
- 301A/303 George Street (1911) are badly damaged by fire
- 309 and 311 George Street (late 1880s) to be partially integrated as part of the community service hub
- 349 George Street – Schoolhouse Shelter (Allan Public School, 1886) will be a “standalone” that may be utilized as part of the community service hub

## **Enhanced Public Realm**

- George Street will change from a narrow fence-lined sidewalk with basic pedestrian infrastructure and limited green features to a contemporary curbless design
- The public spaces will be designed with additional trees, landscaping and street furniture along the length of the new building using Crime Prevention Through Environmental Design (CPTED) principles

## **Underground Parking / Vehicular Access**

- 164 underground parking spots (accessed via rear laneway)
- Three receiving docks and a separate waste removal dock (accessed via laneway)

Further details on project scope are available in Attachment 6.

## **Attachment 2: Amended Scope of Work for Stage One for Project Consultants**

The agreement with PRISM Partners Inc. for project management services as authorized by Council on August 25, 2014, was structured in two parts. The first, not exceeding a value of \$618,000 (net of all taxes and charges), corresponded to the scope of work for Project Stage One ending September 30, 2015.

The agreement with Montgomery Sisam Architects Inc. was awarded by Bid Committee on February 11, 2015, for a total value of \$1,095,650 (net of all taxes and charges), ending approximately September 30, 2015.

This report recommends amending the scope of work to add additional services for Project Stage One for both PRISM Partners Incorporated and Montgomery Sisam Architects from October 1, 2015 to February 29, 2016.

The total cost of the amended scope of work for Stage One for PRISM Partners Inc. would be \$244,444 (net of all taxes and charges) for the period of October 1, 2015 to February 29, 2016.

The total cost of the amended scope of work for Stage One for Montgomery Sisam Architects Inc. would be \$500,000 (net of all taxes and charges) for the period of October 1, 2015 to February 29, 2016.

Specific joint tasks to be undertaken by PRISM Partners Inc. and Montgomery Sisam Architects Inc. and its consultant team during this period include:

- a. Develop documents for the Official Plan Amendment, rezoning and Site Plan Application processes to the extent necessary to lead to a successful rezoning application.
- b. Plan and implement any additional stakeholder sessions that may be required.
- c. Review the GSR deliverables from Project Stage One to ensure compliance with AFP requirements, and plan/initiate a seamless transition process, should the 2016 staff report recommend an AFP delivery model.
- d. Ongoing discussions with Community Planning regarding outstanding issues and requested considerations.

Specific tasks to be undertaken by PRISM Partners Inc. during this period include:

- a. Assist in undertaking the tender process for the Project Procurement Options Analysis.
- b. Review and update the current schedule and costs, should the 2016 staff report recommend a City-delivered model.

Specific tasks to be undertaken by Montgomery Sisam Architects Inc. and its consultant team during this period include:

- a. Due diligence in order to comply with City Planning recommendations.
- b. Advance heritage work in preparation for negotiations with Heritage Preservation Services for the required Heritage Impact Assessment.
- c. Re-engagement of specific stakeholder groups to provide updates regarding recommendations provided by City Planning /Heritage Preservation Services.

## **Attachment 3: Seaton House Transition Plan: Rationale and Analysis of Options**

### **The Current Model and its Challenges**

At full capacity there are 634 transition and emergency shelter beds at Seaton House as follows:

Seaton House 4 <sup>th</sup> Floor ("Long Term" - Transition)	140 beds
Seaton House 3 <sup>rd</sup> Floor ("Annex" - Transition)	140 beds
Seaton House 2 <sup>nd</sup> Floor (Hostel - Emergency)	240 beds
Seaton House 1 <sup>st</sup> Floor ('Flex' beds - Emergency)	54 beds
O'Neill Program (Transition)	60 beds

The average occupancy in 2014 for these programs was 94% indicating they are an essential component of Toronto's shelter system.

While there are operational and staffing efficiencies resulting from sheltering more than 600 individuals in one large facility, service effectiveness and client outcomes are compromised. It is very challenging for staff to spend quality time with residents to develop housing case plans. There can be long wait times for service, reduced housing opportunities and longer shelter stays. Other limitations of this large facility have been described in Section I. The current situation does not remotely reflect best practices of client care for vulnerable people experiencing homelessness and has often been referred to as 'warehousing' vulnerable men. Since its opening in 1959, Seaton House has had a significant social impact on the neighbourhood and local residents. This model of shelter is not consistent with the City's goal of reducing emergency shelter stays and achieving permanent housing solutions.

### **Changing Client Needs**

The population of Seaton House has changed from those who were unemployed and required short-term emergency assistance to a population composed largely of men with significant mental health and substance use issues, many of whom have experienced years of institutionalization in mental health, health care and correctional facilities. There has also been an increase in the seniors' population, many suffering from mobility issues and chronic health conditions and who were discharged from the health care and corrections systems without proper supports or case plans. Seaton House is the place of last resort for many men who have experienced homelessness and whose complex needs cannot be appropriately met or supported in other single men's shelters in the city.

### **Need for Health Care Services**

Significant pressure has been placed on the shelter system to address the gap in the health and housing systems for people who cannot live independently and who have no other permanent housing options. Without adequate health care funding, Seaton House moved away from its original short-term emergency shelter mandate to one that delivers a range

of health-related services and the provision of longer term admissions. Many clients, especially those in the Long-Term and Annex Managed Alcohol/Infirmarary programs, require health and personal care support which fall outside the normal mandate of shelter services. Front-line staff assist clients with bathing, changing clothes, grooming, using the washroom, etc. Although arrangements are made with CCAC to bring supports in-house, the hours are limited and some clients require more services than what CCAC is funded to provide. City nurses deliver nearly 1,000 medications daily to men who require additional support for their health conditions and the Inner City Family Health Team provides several clinics for visiting physicians. The client population and services are similar to long-term care homes but without the appropriate funding, resources or expertise.

### **Community Care Access Centre Needs Assessment**

In preparation for the GSR transition plan, City staff, the Inner City Family Health Team and Toronto Central CCAC conducted a joint assessment of 120 Seaton House residents in the 3<sup>rd</sup> floor Annex/Infirmarary program. The results were revealing: 42 of the 120 individuals (35%) require 24-hour nursing and personal care support and are therefore eligible for long-term care (LTC). Of these, only seven will most likely be referred to LTC as they have access issues. The remaining 35 individuals are highly unlikely to be accepted in LTC due to significant behavioural issues associated with mental health and substance use issues, smoking and those who would refuse services all together. This group of clients would benefit from specialized programs in LTC with an emphasis on harm reduction and a managed alcohol program.

The assessment also found that 49 of the 120 individuals (40%) do not require 24-hour nursing support and could live independently in the community with high, intensive supports. This group of clients has been in the shelter system for many years and will likely not be successful without such support. They will require personal support for hygiene, house cleaning, meals, laundry, and activity programs. This group of clients would benefit from a room and board housing option or high supportive housing with onsite supports.

Finally, the results indicate that 27 of the 120 individuals (23%) can live independently in the community with low intensity supports. They do not need 24-hour support but would benefit from occasional visits from follow-up workers.

Further assessments for the remaining residents are scheduled to continue before year end.

### **GSR Transition Plan**

The GSR project and the resulting need for additional shelter programs to replace the 600 beds at Seaton House provides an opportunity to make significant improvements that follow best practices in the physical layout of shelters and program and service delivery. SSHA's experience with managing shelters along with consultations with stakeholders,



the community, neighbourhood residents and shelter clients has indicated that recreating the current Seaton House of 600 beds is not advisable. There is an opportunity to learn from the Seaton House experience and invest in a new model of shelter with sites of approximately 100 beds with specialized services that will respond to the individual clients' needs.

The need to transition clients from George Street also provides an excellent opportunity to review case histories of all men at Seaton House and to identify appropriate housing options and required supports. SSHA is working with LTCHS to explore access opportunities for residents at Seaton House who require long-term care but also need a harm reduction approach to services. SSHA has also secured pilot funding from the Ministry of Community and Social Services to support 25 men with developmental challenges when they move from Seaton House into permanent housing with specialized supports.

Closing beds in the emergency shelter program will not occur until replacement beds have been created elsewhere in order to manage occupancy in the single men's sector.

### **New Shelter Sites, New Model**

The new shelter sites will incorporate existing best practices of Housing First approaches to build on clients' strengths and foster self-determination to facilitate their transition out of the shelter system and into permanent housing with the right level of supports. SSHA operates a 100-bed shelter at Women's Residence for single women and that shelter provides a reasonable comparison for space use, FTE's, salaries and benefits, operational costs and program design. The women at Women's Residence are comparable to the male population at Seaton House and therefore the Women's Residence model and budget are used as benchmarks for the new men's shelter sites.

This new model of service will be client-centred and goal-oriented with stronger housing outcomes that are in line with SSHA's [2014-2019 Housing Stability Service Planning Framework](#) and strategic directions. Smaller shelter sites with a healthy space design will allow City staff to focus on assisting shelter residents to achieve housing stability. The physical build of each facility will provide clients with dignity, respect and privacy. A move away from heavily institutional settings to smaller programs with fewer clients supports these goals.

The new model will also provide appropriate levels of health support for clients through enhanced and innovative partnerships with the Inner City Family Health Team and the Inner City Health Associates.

### **Option One – Six 100-bed Shelters**

This option is for six shelter sites, each with approximately 100 beds and each with a capacity for 10 flex beds as required. All shelters would be operated by City staff. Two of the shelter properties would be leased to accommodate programs which would

ultimately return to the new George Street site, while the other four properties would be purchased and remain as City assets over the long term.

The table below shows how current programs would be distributed among the six shelter sites.

Temporary Shelter 1	Temporary Shelter 2	Permanent Shelter 1	Permanent Shelter 2	Permanent Shelter 3	Permanent Shelter 4
100 Beds Emergency	90 beds Transitional	100 beds Emergency	100 beds Emergency	100 beds Emergency	110 beds Transitional
<ul style="list-style-type: none"> <li>• General admission criteria</li> <li>• Hostel client profile</li> <li>• Moves back to George St.</li> </ul>	<ul style="list-style-type: none"> <li>• Criteria-based admission</li> <li>• Managed Alcohol Program &amp; Infirmary</li> <li>• Moves back to George St.</li> </ul>	<ul style="list-style-type: none"> <li>• General admission criteria</li> <li>• Hostel client profile &amp; O'Neill program</li> </ul>	<ul style="list-style-type: none"> <li>• General admission criteria</li> <li>• Hostel client profile</li> </ul>	<ul style="list-style-type: none"> <li>• General admission criteria</li> <li>• Hostel client profile</li> </ul>	<ul style="list-style-type: none"> <li>• Criteria-based admission</li> <li>• Long Term Program client profile</li> </ul>

The costs to implement Option One are outlined below:

	One-Time Capital Costs	Ongoing Operating Costs
Acquisition Costs (each of 4 permanent locations is approximately 30,000 sq.ft.)	\$40,000,000	
Lease Costs		\$1,500,000
Renovation Costs	\$34,398,000	
Architectural Fees	\$2,867,000	
Project Management Fees	\$750,000	
Incremental Salary & Benefits		\$8,222,000
Incremental Operating (non salary)		\$1,075,000
Furniture	\$2,198,000	
Total	\$80,213,000	\$10,797,000

### Option Two – Four 100-Bed Shelters and Maximizing Housing Options

This option is for four shelter sites, each with approximately 100 beds and with the flexibility of increasing capacity by 25 beds if required. All shelters would be operated by City staff. Two of the shelter sites would be leased to accommodate programs which will ultimately return to the new George Street site, while the other two properties would be purchased and remain as City assets over the long term.

In addition to the acquisition of new shelters, staff would pursue permanent housing options for men assessed in need of intensive supports to maintain housing in the community. Since the City does not operate affordable or supportive housing, SSHA proposes to work with a current purchase-of-service (POS) community agency to expand the number of beds available in their portfolio.

A POS agency will provide oversight to a sector of cost-shared supportive housing. Funded by the MOHLTC and the City, the agency's portfolio currently includes 931 units

of shared and single rooms. Staff are exploring the addition of 150 single units with access to on-site supports including a meal program. This option provides permanent housing solutions and suitable supports for men who have resided at Seaton House for many years. This model mirrors a service that is already cost-shared between the City and the Province. If the program is expanded in this manner, the City will approach the Province to request additional cost-sharing.

SSHA will allocate housing allowances using existing divisional housing allowances to target Seaton House residents who are able to live independently with moderate ongoing support. Additional City-employed housing workers would be required for the period until Seaton House closes to provide time-limited tenancy support. Housing follow-up case workers would be provided by community agencies.

The table below shows how current programs would be distributed among the four shelter sites:

Temporary Shelter 1	Temporary Shelter 2	Permanent Shelter 1	Permanent Shelter 2
100 beds Emergency	100 beds Transitional	100 beds Emergency	100 beds Transitional
<ul style="list-style-type: none"> <li>General admission criteria</li> <li>Hostel client profile</li> <li>Moves back to George St.</li> </ul>	<ul style="list-style-type: none"> <li>Criteria-based admission</li> <li>Managed Alcohol Program &amp; Infirmary</li> <li>Moves back to George St.</li> </ul>	<ul style="list-style-type: none"> <li>General admission criteria</li> <li>Hostel client profile &amp; O'Neill program</li> </ul>	<ul style="list-style-type: none"> <li>Criteria-based admission</li> <li>Long Term Program client profile</li> </ul>

\*if required, each site could go up to a maximum of 125 beds without adjusting staffing levels

The costs to implement Option Two are reviewed below:

	One-Time Capital Costs	Ongoing Operating Costs
Acquisition Costs (each of 2 permanent locations is approximately 30,000 sq.ft.)	\$20,000,000	
Lease Costs		\$1,500,000
Renovation Costs	\$22,932,000	
Architectural Fees	\$1,912,000	
Project Management Fees	\$500,000	
Incremental Salary & Benefits		\$2,383,000
Incremental Operating (non salary)		\$436,000
Furniture	\$1,466,000	
POS Funding		\$3,412,000
200 Housing Allowances		Already budgeted for
Housing and follow-up staff		\$1,277,000
Total	\$46,810,000	\$9,008,000

\*One-time start-up costs of \$300,000 would be required for the POS services

Further details on the Seaton House transition plan are available in Attachment 6.

## **Attachment 4: Additional Long-Term Care Funding Information**

### **Province's Community Health Capital Program**

The MOHLTC is moving forward with consultations on a Community Health Capital Program (CHCP) Policy, details of which are expected later this year. The policy is intended to unify various capital investment policies, provide expanded project eligibility criteria, consistent capital cost share and space standards, and expedite the capital planning and implementation process. Under this new policy framework, LTCHS projects that integrate community health services, potentially through community hubs, may be eligible for additional funding over and above the Provincial Construction Funding Subsidy (CFS) for long-term care homes. LTCHS will monitor this emerging policy and maximize funding opportunities for integrated community service hubs as part of the GSR project.

### **Long-Term Care Basic Accommodation Premium**

There are three types of accommodation in long-term care homes: basic, semi-private and private accommodation. The rates for basic accommodation and the maximum rates that can be charged for preferred accommodation are set by the MOHLTC and regulated under the *Long-Term Care Homes Act (LTCHA), 2007*.

All long-term care homes must administer their resident fee policies in keeping with the amounts and protocols prescribed in legislation. The basic accommodation fee is applicable to all residents and is the same throughout Ontario. Accommodation rates are reviewed and adjusted annually (normally July 1<sup>st</sup>) by the MOHLTC. The ceiling rates for private and semi-private accommodation rooms in LTC homes built in compliance with the Ontario Long-Term Care Design Manual may charge residents additional rates of \$25.00 and \$12.00 per day, respectively, above the basic accommodation rate.

The LTCHA requires that each LTC home must provide basic accommodation for at least 40 percent of the residents living in the home. The remaining percentage of residents (60 percent or less) may be offered preferred (private and semi-private) accommodation depending on the structural design of the facility. Accordingly, each LTC home is allowed to charge and collect preferred accommodation revenue from 60 percent of its residents.

The Provincial Construction Funding Subsidy (CFS) Policy for Long-Term Care Homes, 2015, offers eligible service providers an incentive of up to \$3.50 on top of the base CFS per diem of \$16.65 if the LTC home makes a 25-year commitment through the Development Agreement to designate at least 60% of the long-stay beds in the home as basic accommodation. The additional "basic accommodation premium" as defined in the CFS policy serves as an offset to LTC homes willing to forgo preferred accommodation revenue in order to better serve seniors and vulnerable individuals that are without the financial means to pay the preferred accommodation rates.

The LTC home that is being built as part of the GSR project will serve a higher than normal proportion of low income individuals. Accordingly, LTCHS is recommending that only 40% of the beds be allocated as preferred accommodation and the remaining 60% be committed as basic accommodation. Once approved, the MOHLTC will subsidize LTCHS to offset the lost preferred accommodation revenue, with an additional \$3.50 per diem adjustment. For the 378 long-term care beds at the George Street site, this equates to \$482,895/year which would be applied to the division's operating budget. This will not completely offset lost accommodation revenue, but will support the City's poverty reduction strategy by making more beds available at the basic accommodation rate for those struggling with poverty, homelessness and substance use.

# Attachment 5: Site Map

MAP

