



STAFF REPORT ACTION REQUIRED

Completing Work on New Transitional Housing for Young Victims of Exploitation and Trafficking

Date:	November 12, 2015
To:	Affordable Housing Committee Executive Committee
From:	Director, Affordable Housing Office
Wards:	All Wards
Reference Number:	AFS #22102

SUMMARY

In June 2014, City Council approved \$850,000 in capital funding from the Homeless Initiative Reserve Fund for a housing pilot project for young women who are victims of sexual exploitation and human trafficking. Toronto Community Housing (TCH) has partnered with Covenant House Toronto and begun work to renovate a vacant TCH building suitable for housing seven young women and providing the care and support services they need.

Following an extensive review of the work to be completed it was discovered that the heritage building is without proper foundation supports and that the exterior masonry walls require extensive repair. To complete the project, TCH has requested the City provide an additional \$200,000 in capital funding.

In recognition of the importance of repairing and restoring a vacant TCH property, staff recommend that Council support this request. As part of the due diligence to support the request, a review of the proposed work was completed and an independent third party conducted a peer review of the revised renovation requirements, specifications and budget.

In recognition of the need to protect the safety and security of future residents, the location of the home is treated as a confidential matter in this report.

RECOMMENDATIONS

The Director, Affordable Housing Office recommends that:

1. Council approve \$200,000, in financial assistance from the Capital Revolving Fund for Affordable Housing (XR-1058) toward the repairs of a Toronto Community Housing property to provide transitional housing for young women who are victims of sexual exploitation and human trafficking;
2. Council grant authority for the Director, Affordable Housing Office, to execute a funding agreement and any other agreements or documents required to give effect to the foregoing;
3. Council grant authority to the City Solicitor to execute any documents required to register security for the capital repair funding and to postpone, confirm the status of, and discharge the security when and if necessary; and
4. Council approve a one-time increase in the 2015 Approved Operating Budget for Shelter, Support and Housing Administration (SSHA) of \$200,000.00 gross \$0 net to provide funding for this initiative.

Financial Impact

This report recommends \$200,000 in funding from the Capital Revolving Fund for Affordable Housing (XR-1058) to complete repairs and renovations to a vacant Toronto Community Housing property to be operated by Covenant House. The uncommitted balance of XR-1058 after this allocation will be \$2.914 million.

The transfer of the \$200,000 for the capital improvements to the TCH facility will require the amendment of the 2015 Approved Operating Budget for Shelter Support and Housing Administration to increase by \$200,000 gross and \$0 net, funded from the Capital Revolving Fund for Affordable Housing.

City Council in June 2014 approved \$850,000 in financial assistance for this project from the Homeless Initiative Reserve Fund (XR1104). At its meeting of March 31, April 1 and 2, 2015, City Council also approved a 15 year exemption from taxation for municipal and school purposes for the project. The combined City/provincial net present value of the exemption is \$35,858 or approximately \$3,692 per year, with the municipal share being approximately \$25,818 or \$2,658 per year.

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

EQUITY IMPACT

Lack of access to secure, stable and affordable housing is a barrier to lower-income people living in Toronto. The funding recommended in this report will help complete a new transitional housing facility that will provide housing for lower-income young women who are victims of sexual exploitation and human trafficking. These are

vulnerable individuals with housing and social service needs that are not being met adequately in the City.

This partnership with the non-profit sector will create new homes with the necessary supports to assist seven vulnerable young women to transition to permanent, stable housing.

The provision of new affordable housing is a goal of the City's *TO Prosperity: Toronto Poverty Reduction Strategy* and supports *Housing Opportunities Toronto Affordable Housing Action Plan 2010-2020*. The new transitional home also addresses Toronto Community Housing's mandate to house low-income Torontonians through a partnership with a strong charitable service agency from the local community.

DECISION HISTORY

At its meeting of October 29, 2013, the Affordable Housing Committee requested staff investigate creating a pilot housing initiative for young women who are victims of sexual exploitation and human trafficking. The decision *AH7.4 Housing Initiative for Women Who are Victims of Sexual Exploitation and Human Trafficking* can be viewed here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.AH7.4>

At its meeting on December 16, 2013, Council adopted *EX36.13 Initiatives to Address Human Trafficking*, including the direction that staff continue to work with all stakeholders to raise public awareness of this crime, increase services and supports for trafficked persons, and increase efforts to prevent human trafficking. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX36.13>

At its meeting of June 10, 11, 12, and 13, 2014, Council adopted *EX42.17 New Transitional Housing for Young Victims of Sexual Exploitation and Human Trafficking* that recommended up to \$0.850 million in funding for capital repairs to a Toronto Community Housing Corporation property for the development of a non-profit transitional home to house seven young women who have been victims of sexual exploitation and human trafficking. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX42.17>

At its meeting on March 31, April 1 and 2, 2015 City Council adopted *EX4.8 Providing a Property Tax Exemption for New Transitional Housing for Young Victims of Sexual Exploitation and Human Trafficking* to exempt the Toronto Community Housing property from taxation for municipal and school purposes for 15 years, the duration of the lease with Covenant House. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX4.8>

ISSUE BACKGROUND

In December, 2013, Council adopted a report *Initiatives to Address Human Trafficking*. This report directed staff to continue to work with stakeholders to raise public awareness of human trafficking and increase services and supports for persons affected by human trafficking.

In June, 2014, Council approved \$850,000 to support TCH in the renovation and restoration of a vacant property to be converted into a transitional home for victims of exploitation and human trafficking. Subsequently, TCH identified Covenant House as the appropriate operator who will provide the operating funds, staffing and programming for the home.

Following Council approval of funding TCH prepared plans to renovate the property. The repairs required were determined to be extensive as the building had been vacant for many years and open to the elements. Following an RFP process, TCH awarded the contract this past summer.

COMMENTS

Following the award of the contract the contractor determined through destructive testing that the building was without footings underneath the basement foundation walls. It was also discovered that the exterior masonry walls are in poorer condition than originally anticipated. The fact that the building has remained vacant and open to the elements for many years has also added to the level of deterioration.

To verify the findings of the contractor TCH retained an independent third party to conduct a peer review of the revised renovation requirements, specifications and budget. As a result TCH's initial budget estimate has been adjusted by an additional \$465,000.

To assist in covering the additional costs TCH has requested the City contribute an additional \$200,000 toward the project. The remaining \$265,000 will be covered from the TCH capital budget. TCH's correspondence dated October 16, 2015 requesting the additional funding is attached as Appendix A.

In response to TCH's request this report recommends the City contribute \$200,000 toward additional repairs to the building from the Capital Revolving Fund for Affordable Housing. The Affordable Housing Office will ensure the City's funds are fully documented during construction and upon completion of the work. The renovation is to be completed by spring of 2016.

CONCLUSION

Addressing the issue of human trafficking is an important Council priority. The provision of a transitional home will provide a safe and secure housing option for young victims of trafficking.

To assist TCH in completing the necessary renovations to a vacant property, this report recommends Council provide an additional \$200,000 from the Capital Revolving Fund for Affordable Housing.

CONTACTS

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SIGNATURE

Sean Gadon, Director, Affordable Housing Office

ATTACHMENTS

Appendix A: Correspondence from Toronto Community Housing

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Toronto Community
Housing Corporation
35 Carl Hall Road, Unit 3
Toronto, ON
M3K 2B6



October 16, 2015

Mr. Sean Gadon
Director, Affordable Housing Office
City of Toronto

Sent via email (sgadon@toronto.ca)

Re: Funding Request For Transitional Housing for Women

Dear Sean:

I am writing to update you on our joint project to renovate and restore a vacant Toronto Community Housing (TCHC) property to provide a home, operated by Covenant House, for women fleeing human trafficking. An investigation has revealed unforeseen building conditions requiring extra work.

I am therefore requesting an additional City contribution of \$200,000 to assist in defraying \$465,000 in additional costs.

As you are aware, the building has been vacant and exposed to the elements for almost a decade, following severe damage by fire. While in some circumstances it would make sense to demolish the structure and start again, we recognize that re-purposing this heritage building is essential to our shared goal of providing desperately-needed housing for young women who are victims of human trafficking.

As previously agreed, the restoration includes a complete interior renovation to create the space required for transitional housing, as well as a detailed exterior heritage restoration. This will preserve and protect the building, allowing it to be occupied for many decades to come.

Over the past summer, TCHC awarded the \$1.49 million restoration work to a contractor through an RFP. However, during the contractor's detailed investigation of the building, a number of unforeseen conditions were uncovered.

There are no footings beneath the basement foundation walls and the exterior masonry walls have deteriorated significantly. As well, the fire damage was more extensive and necessitates replacing entire portions of the building.

We conducted an extensive internal review of the proposed new work and an independent third party conducted a peer review of the overall project specifications and budget.

Through this we have determined that an additional \$465,000 is required to address unforeseen site conditions. We have concluded that this work is essential and will be amending the contract accordingly.

In recognition of our joint effort on this initiative, I am proposing that the City contribute an additional \$200,000 while TCHC will contribute the difference of \$265,000.

I would appreciate your assistance in seeking the timely approval of the City's contribution as all other requirements to proceed have been met, including planning and building permit approvals.

Should you have any questions please contact me at your convenience. Thank you for your assistance in helping to provide much needed housing for the residents of Toronto.

Sincerely,

"Sheila Penny"

Sheila Penny
Vice-President of Facilities Management
Toronto Community Housing

c Greg Spearn, Interim President and Chief Executive Officer,
Toronto Community Housing