



October 26, 2020

12th floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2
Attention: Marilyn Toft, Secretariat

RE: CC25.2 Update on Clarification of Councillor Notification during the Acquisition and Lease Process in Real Estate Transactions for Use as Shelter Sites

Dear Mayor Tory and City Councillors,

This is to provide our comments and recommendations on the above item staff report and the staff report submitted for "CC24.6 Further Information on 233 Carlton Street Lease Agreement".

Real Estate Delegated Authorities Process Due Diligence

1. With reference to CC24.6, the Cabbagetown Coalition, local residents associations and stakeholders submitted letters expressing our continuing concerns in the City's and specifically Shelter, Support & Housing Administration (SSHA) and Corporate Real Estate Management (CREM) lack of transparency and accountability relating to the proposed siting of a "municipal shelter" (Zoning classification) at 233 Carlton Street.
2. The combination of the City's real estate delegated authorities process exacerbated by the SSHA community engagement processes for locating new shelters and related services has effectively resulted in *systemic suppression of public consultation*. This conclusion is not only based on our experience in these matters locally, but also the adverse impacts in communities across the city from siting new shelters and services, e.g. Roehampton Hotel, 21 Park Road, Bond Hotel, 98 Esplanade and others.
3. The purpose of Councillor Wong Tam's original Member Motion (MM23.28) from the July City Council meeting, which we wholly support, was "to demonstrate that any decisions made by staff through delegated authority were done appropriately through a transparent and accountable process." The tone of the CC24.6 staff report and the responses from staff to questions posed is best described by the old phrase, "Nothing to see here, move along". The limited responses from SSHA and CREM staff, to our repeated questions have generally been rote statements, lacking details. Many questions remain unanswered on 233 Carlton Street project, for example:



- a. The CC24.6 report states that due diligence was done to affirm fair market valuation [of 233 Carlton], CREM has yet to make public the information used to support that opinion. The Director, Transaction Services, CREM has been asked repeatedly for this information. Also where are the other 10 potential sites that were under consideration located and how did each of these sites rank relative to 233 Carlton Street?
- b. The report states that Marc Kielburger (WE Charity, Me to We) represented the numbered company landlord of 233 Carlton however the report fails to mention that his name is on the lease and as “the Owner” on Committee of Adjustment records. What is Marc Kielburger’s business relationship with the landlord, and does he have a financial interest in 233 Carlton street building?
- c. The 233 Carlton Street real estate transaction was outside the scope of the City Manager’s delegated authority, as directed by City Council (CD24.7), since the building did not meet applicable zoning bylaws and is now before TLAB. Why has SSHA been permitted to spend \$300,000 for 10 months of rent, without proper authority to do so, for a building that is vacant and idle?
- d. Why did SSHA continue consideration of the 233 Carlton Street location for a shelter/respite centre, notwithstanding:
 - the proposed building plans did not meet applicable zoning by-laws and
 - Councillor Wong-Tam’s office expressing concerns with more shelter services in Cabbagetown and
 - the Downtown East 2023 Five Year Action Plan and
 - the site being is on an Official Plan Priority Retail Street
- e. Why did SSHA select a building that needed so much renovation to accommodate its special purposes that leasehold renovation costs will exceed the building’s current assessed value? Especially, as these renovation improvements, including a new elevator, will be forfeited to the landlord at the end of the lease without any compensation.
- f. How was the leasehold renovation cost estimate of \$3.7 million determined? Were there any formal quotations received? From whom? Was the \$3.7 million cost derived so that the project’s total real estate costs (\$9.7 million) is less than the City Manager’s \$10 million delegated authority latitude and thus avoiding the need for City Council approval?
- g. Based on our estimates assuming 60 clients accessing the 233 Carlton Street, the total direct costs for 15 years including premises and service provider expenses is approximately \$48 million or \$4,500 per month for each client. Including known indirect community costs, e.g. resources for security/policing, Solid Waste Management, Community Social workers, the total operating costs for 15 years substantially increases



- by approximately by 20% to \$57 million or \$5,300 per month for each client. Would City Council have approved this project if there had been transparency and disclosure of the full financial impact of this project?
- h. In the harsh reality of having to live in a COVID-19 environment with physical distancing and other restrictions for at least for the next 18 months, perhaps much longer, is the shelter respite/drop in service delivery model still viable? The Cabbagetown Coalition supports investing in affordable and supportive housing. Investing \$57 million in housing instead of shelters over 15 years is clearly a more effective approach to addressing homelessness in our city

SSHA Suppression of Public Consultation in Locating New Shelters

4. On August 8, 2019, a local community meeting convened. In attendance was SSHA management, President of the Cabbagetown South Residents Association (CSRA), Councillor Wong-Tam, residents, city staff and a Toronto Police Service officer. The CSRA President posed this question, “Are there any new services coming to Cabbagetown South?”. The SSHA Director replied, “No, not at this time”. This statement was not true as the lease for 233 Carlton Street had already been signed on July 18, 2019. The SSHA Director lied. This incident was publicly confirmed on October 31, 2019 by Councillor Wong-Tam on CBC Radio Metro Morning. Why did SSHA lie to Cabbagetown residents. The General Manager, SSHA is aware of this incident however and a response has not been received
5. Just prior to the 233 Carlton Committee of Adjustment hearing, SSHA management reached out to the Zoning Examiner that had reviewed the 233 Carlton project plans and concluded the plans did not meet the applicable Zoning By-Law regulations. As a result of this meeting, 233 Carlton Street was reclassified as a Municipal Shelter use, which the Zoning By-Law defines as “premises in which short-term emergency accommodation is provided”. Yet, SSHA has many times emphatically stated that 233 Carlton is not a shelter and that there will no beds on-site? Why did the Zoning Examiner change the use to Municipal Shelter which has less restrictive zoning regulations? What new information did SSHA management provide to the Zoning Examiner that resulted in the change of use reclassification? Did SSHA management improperly influence the independent zoning review process to assure less restrictive zoning regulations apply and therefore more easily gain Committee of Adjustment approval.
6. In February 2020, SSHA staff actively engaged in trying to influence the Committee of Adjustment, a quasi-judicial tribunal, by emailing a letter of support template to residents. Many of the letters of support for the City’s CoA application were almost identical. After analyzing the meta data on the letters posted on the CoA application site, we discovered the SSHA staff names and that the letter template was created on a City owned computer/software. The Public Service must be and perceived to be independent. SSHA staff by “putting their thumb on scale” in the CoA process breached the Municipal Code Chapter 192 “Values for the Public Service”.



7. In February 2020 the Cabbagetown Youth Centre (CYC), in dire financial straits and facing imminent closure, was requesting financial support from the City. On February 7, 2020 at the City Hall Café on the Square, a senior SSHA representative approached an organizing member of the Cabbagetown Coalition and attempted to buy community support for the 233 Carlton shelter/respice centre in exchange for the City providing financial assistance for the CYC. A similar offer from the same SSHA representative was made on February 10, 2020 at the 233 Carlton Design Plan Review meeting at Central Neighbourhood House. The offers were, without hesitation, flatly rejected. In our opinion this conduct is blatantly corrupt.

Recommendation

8. Given these issues surrounding the 233 Carlton Street shelter/respice centre project and , we recommend that City Council direct the City Manager:
 - to provide more detailed information on how and why 233 Carlton Street was selected, and the due diligence undertaken
 - to review the 233 Carlton Street project to assure its continued viability and desirability
 - to review SSHA community engagement processes for locating new shelters with a view to include deliberative consultation with local stakeholders as early as possible and prior to finalizing any related real estate transactions. .

Sincerely,

Howard Bortenstein
Organizing Member
info@cabbagetowncoalition.ca

Cc: Chris Murray, City Manager

The Cabbagetown Coalition is a non-profit organization of residents and businesses supported by all of Cabbagetown's residents associations, focused on addressing safety and security concerns related to the proposed drop-in and respice centre at 233 Carlton Street.