



Creating New Supportive Housing Opportunities in Parkdale in Partnership with the University Health Network and United Way of Greater Toronto

Date: October 5, 2020

To: Planning and Housing Committee

From: Executive Director, Housing Secretariat

Wards: Ward 4 - Parkdale-High Park

SUMMARY

Access to safe, secure, and affordable housing is essential to the health and socio-economic well-being of individuals, families and communities. The current COVID-19 health emergency has re-enforced this fact as residents without adequate and stable housing, including those experiencing homelessness or in low-income communities, have been hardest hit by the pandemic.

In large urban centres like Toronto where housing costs continue to grow faster than incomes, an increasing number of households are being pushed deeper into poverty and homelessness. Poverty not only prevents people from being able to maintain stable housing, it also leads to poor health outcomes, and places increased pressures on public health systems.

Recognizing the complex link between poverty, health and social outcomes, and the need to take a systemic approach to improving the lives of residents across the city, the University Health Network (UHN), the United Way of Greater Toronto (UWGT) and the City of Toronto entered into a Memorandum of Understanding (MOU) to establish the Social Medicine Initiative in 2019. Through the pandemic, this MOU was central in establishing a number of COVID-19 hotel recovery sites with UHN and the City of Toronto for people experiencing homelessness alongside community partners including the Neighbourhood Group and Parkdale Queen West Community Health Centre. The partnership resulted in caring for over 1,300 patients and families, and it continues to inform a Social Medicine approach in improving the quality of care for marginalized patient populations.

The Social Medicine Initiative (SMI) is a collaborative approach integrating health and social services to improve health outcomes for Toronto residents. The intent of SMI is to scale such integration and any upstream policy solutions such as housing for all or income supports to improve the wellbeing of our city's most disadvantaged patient populations. In order to prevent worsening health conditions, SMI is focused on a more

proactive approach that improves access to services such as primary care, mental health, and harm reduction, while meaningfully addressing the social determinants such as poverty, food insecurity, social isolation and housing to improve population health.

This report outlines a framework to activate a SMI housing partnership and create new permanent supportive housing in the Parkdale neighbourhood for structurally vulnerable and marginalized individuals, including people experiencing homelessness. It proposes a unique model to utilize land owned by UHN, and new affordable and supportive housing which coordinates resources to help establish a campus of care onsite.

This innovative approach will see affordable housing integrated with health and social services. It will provide more housing opportunities for people who are currently being under-served by the health care system while experiencing homelessness and other challenges imposed by poverty. Furthermore, this approach will integrate medical care and community supports to provide solutions for permanent housing and the wraparound services residents need as evidenced through the partnership in the COVID-19 pandemic.

The lands owned by UHN in Parkdale include the majority of the block bounded by King Street West, Close Avenue, Dunn Avenue and Springhurst Avenue. The properties include both institutional and house-form buildings and comprise of the EW Bickle Centre for Complex Continuing Care, the Sunflower House Child Care Centre fronting onto Dunn Avenue, and the existing Lakeside Long-term Care Centre. The properties also include three parcels that are currently vacant as well as a large parking lot.

UHN has recently submitted a planning application to expand the Lakeside Long-Term Care Centre to include a new 6-storey addition with 192 beds which is scheduled for consideration by Toronto and East York Community Council and City Council in October, 2020 (Item No. TE19.1). The new long-term care beds will provide homes for elderly residents who are unable to live independently, and contribute to the continuum of housing and health model envisioned for the site.

The application related to the Lakeside Long-term Care Centre was voluntarily revised by UHN to include the 17 institutional and house-form building properties within the block. City Planning is recommending approval of the re-zoning application that would allow for the expansion of the long-term care centre on condition that the rental tenure of all existing rental dwelling units be protected for a period of 49 years.

Further signifying UHN's commitment to incorporate affordable and supportive housing as part of its health care model, UHN is in discussions with the City regarding a potential long-term lease to the City for the existing house-form buildings. As some of these properties are occupied, they will continue to be operated to provide affordable housing for existing residents until future redevelopment of the site. The City will select a non-profit organization to manage these homes.

Subject to Council's approval of this report, staff will proceed with due diligence work related to the house-form properties and will report back to Council by the second quarter of 2021 with recommendations related to the proposed lease arrangement. Concurrently, staff will begin work with the UHN, UWGT, the local community (including

existing UHN tenants) and the ward Councillor to plan for the future redevelopment within the block. A report will be presented to Council for consideration in the second quarter of 2021 with a plan to initiate the project, including the potential to add net new affordable rental housing on the vacant lots and large parking lot.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council direct the Executive Director, Housing Secretariat and the Executive Director, Corporate Real Estate Management, in consultation with the University Health Network ("UHN"), to complete the appropriate due diligence on the house-form properties identified as 74 and 82 Dunn Avenue, 1, 3, 5, 7, 9, 11, 13, 15 and 17 Close Avenue, and 74 and 78 Springhurst Avenue (the "House-form Properties") and report to the Planning and Housing Committee in the first quarter of 2021 with recommendations including proposed terms and conditions for the City of Toronto to enter into a long-term lease with UHN at below market rent in respect of the House-form Properties, and budget details in relation to the lease and operation of the properties.
2. City Council direct the Executive Director, Housing Secretariat and the Chief Planner and Executive Director, City Planning, in consultation with CreateTO, UHN, the ward Councillor and the local community, to begin a visioning and master planning exercise for a future redevelopment of the lands, including the potential to add modular housing on the vacant parcels as well as the large parking lot at 150 Dunn Avenue, as part of a shorter term plan, and report back to Council in the second quarter of 2021 with recommendations to activate the site and create new affordable and supportive housing opportunities.
3. City Council direct the Executive Director, Housing Secretariat and the Executive Director, Corporate Real Estate Management, in consultation with CreateTO and the Chief Planner and Executive Director, City Planning, to evaluate additional privately owned lands adjacent to or in proximity to the lands owned by UHN within the block for opportunities to create a more efficient redevelopment block, and report back to Council on potential to incorporate these additional properties as part of a larger assembly and redevelopment plan.
4. City Council authorize the Executive Director, Housing Secretariat to allocate up to \$100,000 in funding, inclusive of HST and disbursements, from the Capital Revolving Reserve Fund (XR1058) for the purpose of completing the pre-development work, including the due diligence work and the visioning and master planning exercise referred to in Recommendations 1 and 2 above.
5. City Council approve an increase to the 2020 Approved Operating Budget for Shelter, Support and Housing Administration, in coordination with the Executive Director, Housing Secretariat, of up to \$100,000 gross, \$0 net funded from the Capital Revolving Reserve Fund for Affordable Housing (XR1058) to support pre-development activities related to the UHN-owned institutional and House-form Properties in Parkdale for the purposes of creating new affordable rental and supportive housing opportunities.

6. Council approve an exemption from the Donations to the City of Toronto For Community Benefits Policy to help advance a potential below fair market value lease to the City from UHN of lands located at 74 and 82 Dunn Avenue, 1, 3, 5, 7, 9, 11, 13, 15 and 17 Close Avenue, and 74 and 78 Springhurst Avenue for the purpose of affordable housing and report back as necessary to seek further direction in this regard.

FINANCIAL IMPACT

This report recommends the provision of up to \$100,000 in pre-development funding, inclusive of HST and disbursements to support pre-development and due diligence work, including a visioning and a master planning exercise for the Parkdale neighbourhood, fully funded from the Capital Revolving Reserve Fund for Affordable Housing CRRF - (XR1058).

This work will set the stage for future redevelopment within the block to increase affordable and supportive housing options available to vulnerable and marginalized individuals. Funding for predevelopment due diligence is consistent with the purpose of the CRRF and the uncommitted balance in the reserve is able support this request.

Future financial impacts to the City, identified through the pre-development work proposed to be undertaken, will be reported to Council for consideration in 2021. This report will also include any request for Open Door Program incentives required to activate the project.

The Chief Financial Officer and Treasurer has been advised of the financial impacts associated with pre-development due diligence work required for future redevelopment of the Parkdale neighbourhood to be considered along with other priorities during the 2021 Budget Process.

EQUITY IMPACT

The HousingTO 2020-2030 Action Plan envisions a city in which all residents have equal opportunity to develop to their full potential. The HousingTO 2020-2030 Action Plan is also centred on a human rights-based approach to housing. This approach recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, inclusive sustainable and liveable communities.

Creating new affordable housing with appropriate supports will increase the opportunity for structurally vulnerable and marginalized individuals, including Indigenous Peoples, seniors, women, the LGBTQS2+ community, Black people, and People of Colour to access safe, healthy and adequate homes.

Access to safe, secure, affordable housing is an important social determinant of health. It also improves the social and economic status of individuals, families and communities. Good quality, affordable housing is also the cornerstone of vibrant,

healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

DECISION HISTORY

At its meeting of September 29, 30 and October 1, 2020, City Council adopted Item No. PH16.5, "Improving Outcomes for Toronto Residents through Implementation of HousingTO 2020-2030" as the accountability framework to monitor the City's progress towards delivering on the actions identified in the HousingTO 2020-2030 Action Plan over the next ten years. This actions in this plan include working with the health care sector, and other partners to utilize their land to help increase affordable and supportive housing opportunities for residents.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.5>

At its meeting of December 17 and 18, 2019, City Council adopted Item No. PH11.5, "HousingTO 2020-2030 Action Plan" and its recommended actions as a strategic framework to guide the City's programs, policies and investments on housing and homelessness needs over the next ten years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

At its meeting of November 26, 2019, City Council adopted Item No. EX10.1, "Toronto Poverty Reduction Strategy - 2019-2022 Action Plan", which included a series of actions and activities that focus on housing stability, service access, transportation equity, food access, quality jobs and livable incomes, and systemic change.

<https://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-139479.pdf>

COMMENTS

Social Medicine Initiative (SMI)

The link between health and social outcomes demands that health care providers, such as UHN, and local governments, such as City of Toronto and its community partners, such as the UWGT, work closely together to remove barriers and improve the wellbeing of structurally disadvantaged patient populations. A large body of research consistently demonstrates that in order to provide high quality care for individuals with complex needs there needs to be strong collaboration, coordination and integration of all health and social services.

By coordinating systems, it will become easier for patients to access the services they need that takes the specific needs of patients into consideration. Systems integration will reduce the number of patients who require an alternate level of care, and provide them with the supports they need, reducing the pressures on the overall health and social services system.

Some of the objectives for SMI include:

- Identify immediate areas for collaboration to achieve social medicine and poverty reduction outcomes;
- Undertake an evidence-informed, co-design process to prototype solutions to advance a seamless health, housing and social support system across jurisdictions; and
- Advance culture change within institutions to create an enabling environment for social medicine and poverty reduction innovations.

Alignment with City of Toronto Strategies

The City's HousingTO 2020-2030 Action Plan and Poverty Reduction Strategy are well-aligned with the SMI. These strategies all aim to effect systemic and structural changes, and align resources through partnerships across sectors to improve the health, housing and social outcomes for Toronto residents.

1) HousingTO 2020-2030 Action Plan

The City's HousingTO 2020-2030 Action Plan ("HousingTO") proposes a number of actions to address critical needs across the full housing continuum - from homelessness to rental and ownership housing to long-term care for seniors. HousingTO also sets a target of approving 40,000 affordable rental homes, including 18,000 supportive housing units for vulnerable and marginalized people, over the next decade. In addition, it outlines a public/private/non-profit land banking strategy as one of the mechanisms to achieve this target.

The partnership proposed in this report will contribute to the objectives outlined in the HousingTO Plan. It will ultimately leverage partnerships to help more residents to access housing that is affordable and suitable to their needs, while being connected to appropriate levels of care to maintain this housing.

2) Poverty Reduction Strategy

The City's Poverty Reduction Strategy highlights that poverty is experienced disproportionately by Indigenous Peoples and those from equity-seeking communities. This has been clearly demonstrated by the onset of the current COVID-19 health crisis which has disproportionately impacted people in low-income, racialized communities across the city.

The Poverty Reduction Strategy aligns with the HousingTO Plan objectives to increase the supply of affordable housing, and assist low-income individuals and families to secure and maintain affordable housing. In addition, it aims to create a seamless social support system in cooperation with health care and community service providers.

Advancing SMI through Affordable and Supportive Housing

Context

The lands owned by UHN in Parkdale include the majority of the block bounded by King Street West, Close Avenue, Dunn Avenue and Springhurst Avenue. The properties include both institutional and house-form buildings. There is also a vacant lot located at 17 Close Avenue plus two house-form properties at 1 and 3 Close Avenue that are vacant and uninhabitable.

It is intended that the 13 House-form Properties owned by UHN (outlined below) will be transferred to the City under a long-term lease arrangement, and then managed by a non-profit housing provider until such time as these properties are redeveloped for affordable rental housing purposes.

Of the 13 House-form Properties, 9 form a continuous parcel (see Attachment 1) presenting an opportunity to intensify the site and add new affordable rental and supportive housing. The existing institutional uses within the block would support the campus of care model, with a range of supports available for future residents.

In addition to the 17 properties owned by UHN (i.e. 4 institutional and 13 house-form properties), there are 13 privately-owned parcels within the block.

Table 1: List of Housing-form and Institutional Properties owned by UHN

Address	Structure Type	Use	Proposed Future Operator
1 Close Avenue	Semi-detached	Residential Rental – vacant and uninhabitable	Potential transfer to the City under long-term lease
3 Close Avenue	Semi-detached	Residential Rental – vacant and uninhabitable	Potential transfer to the City under long-term lease
5 Close Avenue	Semi-detached	Residential Rental	Potential transfer to the City under long-term lease
7 Close Avenue	Semi-detached	Residential Rental	Potential transfer to the City under long-term lease
9 Close Avenue	Duplex	Residential Rental	Potential transfer to the City under long-term lease
11 Close Avenue	Duplex	Residential Rental	Potential transfer to the City under long-term lease
13 Close Avenue	Semi-detached	Residential Rental	Potential transfer to the City under long-term lease
15 Close Avenue	Single Detached	Residential Rental	Potential transfer to the City under long-term lease
17 Close Avenue	Vacant Lot	Vacant Lot (former Residential Rental)	Potential transfer to the City under long-term lease

Address	Structure Type	Use	Proposed Future Operator
74 Springhurst Avenue	Single Detached	Residential Rental	Potential transfer to the City under long-term lease
78 Springhurst Avenue	Single Detached	Residential Rental	Potential transfer to the City under long-term lease
74 Dunn Avenue	Semi-detached	Residential Rental	Potential transfer to the City under long-term lease
82 Dunn Avenue	Single Detached	Residential Rental	Potential transfer to the City under long-term lease
130 Dunn Avenue	Two 4-storey Care Home	Institutional - Rehabilitation Facility	To be retained by UHN
150 Dunn Avenue	4-Storey	Institutional - Open Space/Parking, Long-term Care	To be retained by UHN but to be considered for intensification to add supportive housing units
160 Dunn Avenue	Semi-detached	Institutional - Child Care Centre	To be retained by UHN
162 Dunn Avenue	Semi-detached	Institutional - Child Care Centre	To be retained by UHN

Potential Redevelopment

Currently, the nine house-form properties at 74 and 82 Dunn Avenue, 5, 7, 9, 11, and 13 Close Avenue, and 74 and 78 Springhurst Avenue contain a total of twelve rental dwelling units. According to the documentation provided by UHN, all twelve rental dwelling units are occupied by tenants, and have monthly rents that fall within the Official Plan's affordable rent category.

As part of UHN's development proposal related to 150 Dunn Avenue (Item No. TE19.1), UHN has agreed to replace, within any future residential development on the site, all rental dwelling units that have been previously demolished or deemed uninhabitable. Any existing, occupied rental dwelling units will also need to be replaced as part of any future redevelopment.

In addition, any future development application related to the House-form Properties will require a construction mitigation plan and tenant relocation and assistance plan to ensure that the adverse effects of relocation on tenants facing displacement are minimized, to the extent possible.

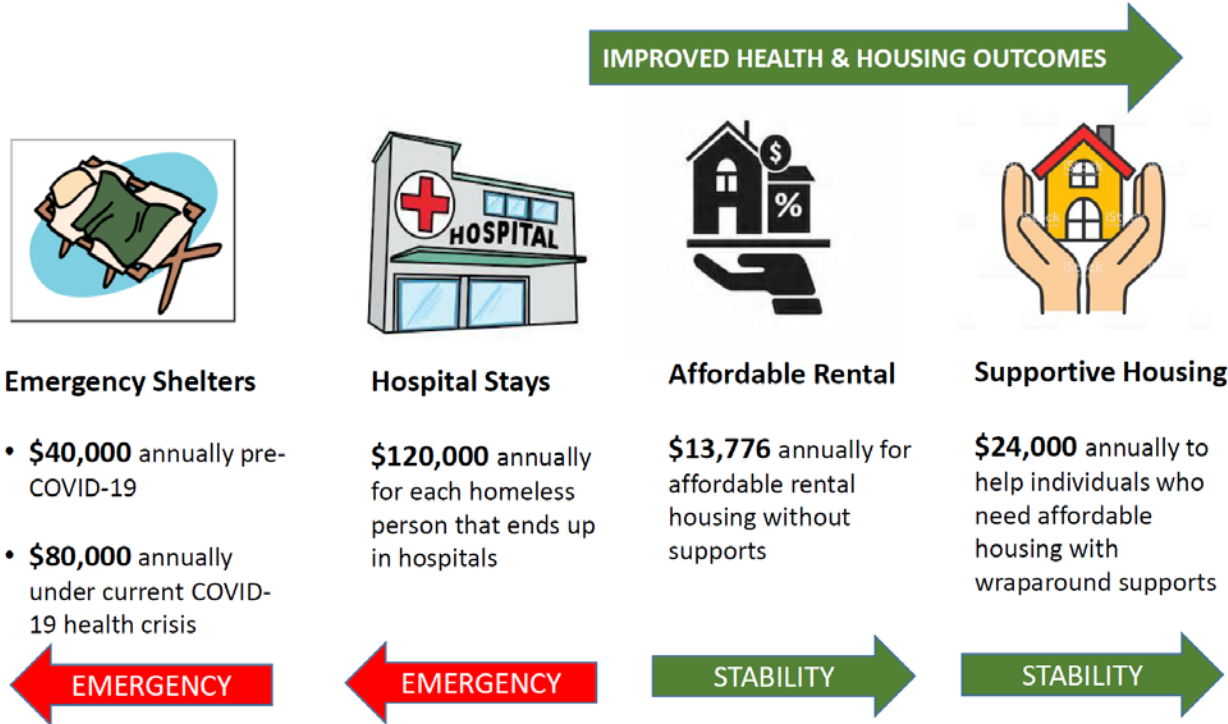
This report also recommends that staff evaluate additional privately owned lands adjacent to or in proximity to the lands owned by UHN for opportunities to create a more efficient redevelopment block, and report back to Council on potential in the second quarter of 2021.

SMI Housing Model: Innovation, Leadership & Legacy

The SMI Housing Model is focused on addressing the social determinants of health and promoting health, housing and socio-economic inclusion and equity through innovation, collaboration and systems integration. This innovate approach will see affordable and supportive housing meaningfully integrated as part of high quality health care delivery.

It will provide more housing opportunities and upstream supports for people who are currently under-served in hospital settings such as emergency departments due to serious social factors such as homelessness. This SMI approach will also coordinate health care with support services, such as mental health and harm reduction, to help people successfully maintain stable housing and improve health outcomes. In addition to improving the care for structurally disadvantaged patient populations, a Social Medicine approach can help optimize hospital resources and reduce costs to both health and social sectors.

Figure 1: Cost comparison of emergency measures versus permanent housing solutions



Note: Costs are estimated based on best available data and provided for illustrative purposes

Guiding Principles for Advancing SMI Housing Model

The following are a set of guiding principles which will inform the vision and future redevelopment of the site:

- 1) Develop and implement a supportive housing model that coordinates the delivery of health care and social services at a systems level and through partnerships with all orders of government and the community sector.
- 2) Prioritize the retention of public land and leverage land as a catalyst to promote equity and inclusion.
- 3) Optimize public investments while improving health and social outcomes for vulnerable and marginalized residents (including women, seniors, newcomers, single parents, people with disabilities, LGBTQ2S+, Black people, Indigenous Peoples and People of Colour).
- 4) Commit to public consultation and ongoing engagement with the local community and Councillor.
- 5) Integrate technology and innovation in health care and housing services.

Visioning and Master Planning

Subject to Council approval of this report, staff in the Housing Secretariat and City Planning will begin a master planning and visioning exercise in collaboration with the local community and ward Councillor.

The Master Plan to be developed will set a long-term vision for the properties owned by UHN and will help guide ongoing decisions that impact the physical environment in a coordinated and strategic manner. Additionally, it will provide benchmarks and standards for future redevelopment and set priorities for investments.

The Master Plan process will ensure that local community and existing UHN tenants play an active role in how their community will look and feel. It will also support and enhance social connections.

Community and Councillor Engagement

During recent community consultations related to the development of the Lakeside Long-term Care Centre, residents living in the UHN-owned residential homes expressed concern about the condition of some of the homes, and concern they may lose their housing as a result of this redevelopment or any potential future redevelopment. UHN has worked with City staff to address these concerns by agreeing to enter into a Section 37 Agreement with the City to secure the maintenance of the existing affordable rental housing and rental tenure.

As part of the advancing the SMI housing partnership, a robust community engagement plan and communications strategy will be developed in collaboration with UHN. UHN will also continue to engage directly with its existing tenants to address their concerns related to maintenance of the properties.

In addition, an inter-divisional team of City and CreateTO staff will engage with the local City Councillor to discuss site-specific details and proposed plans. Councillor and community engagement will be facilitated on a regular basis, including at various stages of the visioning and master planning process.

Work Plan and Next Steps

Over the next 4-6 months, City and CreateTO staff, in collaboration with UHN, will undertake the following activities to advance the partnership:

- Proactive communication/engagement with tenants and community;
- Begin visioning and master planning process – including potential to add new housing in the short term e.g. modular housing on vacant parcels;
- Due diligence on the existing houses to be transferred to the City;
- Negotiations on lease terms; and
- Future governance structure and funding arrangements to support longer term redevelopment.

By the second quarter of 2021, staff will report back to Council on the above. It is expected that this report will also make recommendations regarding a proposed lease arrangement between the City of Toronto and UHN. Furthermore, it will seek approval to issue a request for proposals to select a future non-profit operator for the houses onsite.

Donations Policy

This report is intended to be considered at the same Council meeting as the aforementioned City Planning report recommending approval of an application to rezone the UHN lands located at 150 Dunn Avenue for the purpose of expanding the existing long term care facility located on the property. UHN and the City wish to explore the potential for a below fair market value lease of certain UHN lands to the City as described in this report.

The Donations to the City of Toronto For Community Benefits Policy (the "Donations Policy") establishes guidelines that ensure donations occur at arm's length from any City decision-making process. The Donations Policy specifically prohibits offers of donations to be made or accepted concurrent with a pending planning application. The policy imposes a black out period that ends, in the case of a zoning bylaw amendment application, upon the zoning bylaw coming into full force and effect.

The Donations Policy defines a "donation" as cash or in-kind contributions which provide assistance to the City. The discussions with UHN regarding the potential lease of UHN lands to the City are founded on a mutual desire to improve the physical premises and operation of the existing rental dwelling units on the House-form Properties, and to maintain them for long term affordable housing purposes. The lease to the City will mean that UHN will be able to retain the lands but not incur the cost of operating and maintaining the properties. Furthermore, discussions to date suggest that any redevelopment opportunity that may be initiated by the City on the property under a long term lease would be for affordable housing purposes, with the housing to serve a similar population to that otherwise serviced by UHN. The result would be to the benefit of both parties. While UHN will also benefit from a below fair market lease of

its lands to the City, the disparity in value between the below market value lease and the benefit to UNH means the lease should be treated as a donation.

The report from the Chief Planner should be considered on its own merits.

Given the unique opportunity that has presented itself and the potential to create affordable housing and help to meet an urgent need, it is recommended that Council approve an exemption from the Donations Policy to help advance this initiative.

Conclusion

This inextricable link between poverty, housing, and health has never been as stark. As noted earlier, the COVID-19 health crisis has disproportionately impacted Torontonians who are vulnerable and marginalized, including people experiencing homelessness and those in low-income racialized communities across the city, signaling the urgent need for systemic and structural changes to improve equity and inclusion. A focus on increasing the supply of safe, secure, affordable and supportive housing is fundamental to driving these changes, and to propelling sustainable recovery from the pandemic.

The existing SMI partnership between the City, UHN and UWGT has already proven successful in addressing the complex needs of people experiencing homelessness particularly during the current COVID-19 health crisis. By working together, UHN, the UWGT and the City, with the help of the community sector, has successfully supported a large number of structurally vulnerable and marginalized individuals within the emergency shelter system, helping them to access appropriate health care and social support services. A number of these residents have also been moved into permanent housing with ongoing supports. This approach has saved lives and helped place structurally disadvantaged individuals on a path to more successful housing and health outcomes.

The SMI housing partnership, outlined in this report, is an extension of the current partnership. It aims to use land owned by the hospital as a major driver to effect system changes. This includes adding new safe, adequate, affordable housing linked to appropriate health and community supports that can help structurally vulnerable populations improve their health outcomes. While the full site redevelopment will be part of a longer-term plan, staff will investigate the potential to add net new housing, including modular homes, on the vacant parcels and the large parking lot in the shorter term given the urgency of both the pandemic and housing crisis.

This initiative supports delivery of the HousingTO Plan, the Poverty Reduction Strategy, and will leverage partnerships to improve lives especially for people experiencing homelessness, while also reducing costs to the public sector and strengthening our publicly funded health system.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Site Map Showing Properties Owned by UHN