

From: [East York Cares](#)
To: [Councillor Nunziata](#); [Councillor Bailao](#); [Councillor Wongtam](#); [Councillor Fletcher](#); [Councillor Perks](#); [Councillor Bradford](#); [Planning and Housing](#)
Cc: [Mayor Tory](#); communityliaison@lura.ca; [Mercedeh Madani](#); [Abigail Bond](#)
Subject: Urgent: Modular Housing RFP deficiencies
Date: May 14, 2021 12:47:39 PM
Attachments: [Modular Housing Provider RFP Analysis.pdf](#)

Dear Planning & Housing Committee Councillors,

As you know, numerous people in the area of the proposed “modular housing initiative” for 20 Bracebridge Ave (Trenton and Cedarvale Ave) have been advocating for the site to be used to house families experiencing homelessness due to the numerous child-focused resources across the street.

Recently, Mayor Tory has met with the East York Cares group to say that the plan for single occupancy housing will go ahead, and our group should focus on making it a success.

At the phase 1 site on Macey Street, the experience for residents hasn't been good. The Police representative on their CLC reports that Police have been called to the site every day and often multiple times per day for conflicts, people in crisis, substance abuse and other problems. This isn't a healthy environment that supports people in overcoming the issues they're trying to address.

Additionally, the local community has experienced break-ins, and have found used needles and feces in public areas. This isn't healthy for the community and doesn't encourage the sort of community support and integration that would benefit the residents of the facility.

We have conducted a review of the RFP that was used to select the service provider for the Macey site (we requested documents for phase 2, but no documents have been provided). Although the property management components of the RFP were comprehensive, the support services and security elements – the services that will have the greatest influence on success – were woefully lacking.

We're sure you'll agree that we all want this important initiative to be as successful as possible. Before the Housing Secretariat rushes into any more 35-year contracts with service providers for additional sites – including our site – we are asking for a thorough review and redesign of the support services and security requirements for use in current and future RFPs.

This does not necessarily require any delay in the RFP process. Based upon the schedule for phase 1, the RFP will likely be released in mid-June. Using the attached analysis as a guide, there is no reason why the RFP couldn't be substantially improved over the next month.

Given our community's concerns about the planning process so far, we do not have faith in the Housing Secretariat to properly address the shortcomings of this RFP, so we ask that the East York Cares group be given an opportunity to review and provide feedback on any RFP revisions before it is released.

Please use your votes on the Planning and Housing Committee to make sure that the phase 2 RFP is substantially better than the previous one so that we can have better outcomes for people exiting homelessness and for the neighbourhoods they will call home.

Sincerely,
Michael Robinson & Jon Burns
On Behalf of East York Cares

Analysis of City of Toronto RFP for “Non-profit Housing Operator for Modular Affordable Housing with Supports”

Prepared by: Michael Robinson (with contributions from Jon Burns)

Date: May 9, 2021

Background

The City has opened the first two sites under a modular supportive housing initiative with a goal to create a total of 1000 modular units for people experiencing chronic homelessness. The City is now moving forward with two additional sites, including “Trenton and Cedarvale” in East York.

Many residents in the area of this new development are concerned about the model and scale of this housing; the fact that the site will be used exclusively for single adults instead of families in a location across from numerous child-focused amenities in and around Stan Wadlow Park; and are concerned about the operation of such housing given the problems that have been experienced at the “Macey” site from phase 1.

By attending the Macey Community Liaison Committee (“CLC”), local neighbours have learned that Police and other Emergency Services have had to respond to problems at the Macey site multiple times per day.

(<https://drive.google.com/file/d/1pgXhDuP3G8s7MA1JOtWwGvYkICdl-op7>)

There have also been reports of break-ins, and needles and feces found nearby. A comparison (**<https://datastudio.google.com/reporting/ad8bef50-55fe-4e90-904a-0f290d504c02>**) of the Toronto Police Service Open Data Catalogue (<https://data.torontopolice.on.ca/pages/catalogue>) is also available for the area around the Macey site which serves to highlight community concerns.

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	Toronto			11 Macey Ave (within 1.5km)			
	Jan 1 - Apr 24/20	Jan 1 - Apr 24/21	Change	Jan 1 - Apr 24/20	Jan 1 - Apr 24/21	Change	Vs. Toronto
All Major Crime Indicators	11257	8401	-25.4%	343	326	-5.0%	20.4%
Assault	5306	4084	-23.0%	175	174	-0.6%	22.5%
Break and Enter	2533	1657	-34.6%	65	76	16.9%	51.5%
Auto Theft	1647	1449	-12.0%	31	39	25.8%	37.8%
Robbery	1211	464	-61.7%	53	11	-79.2%	-17.6%
Theft Over	377	252	-33.2%	11	9	-18.2%	15.0%
Shooting	134	102	-23.9%	3	3	0.0%	23.9%
Sexual Violation	26	372	1330.8%	5	13	160.0%	-1170.8%
Homicide	23	21	-8.7%	0	1	100.0%	108.7%

The East York Cares (“EYC”) resident group has strenuously advocated for the City to change the focus of the Trenton/Cedarvale building to family units due to the lack of local resources for single adults exiting homelessness, yet numerous amenities for children and families. On May 2nd, a core group within EYC was informed by Mayor Tory that the plan would not change, and that message was also communicated at the third Community Engagement Meeting, which was held May 3rd.

Given the problems being experienced at the Macey site, the EYC group does not have confidence in the ability of the Housing Secretariat to adequately tender and contract for the operation of this housing. A request was made for the Request for Proposal (“RFP”) and contract documents so the community can review them to ensure that assurances provided by City staff are included, and community concerns are being addressed. No documents have been provided, but the meeting facilitator indicated that the RFP should be available on-line.

A search for relevant documents found a copy of the RFP for phase 1 at the following URL:

<https://www.toronto.ca/wp-content/uploads/2020/06/9747-Modular-Operators-RFP-Final-003.pdf>

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This analysis is based upon a review of this document under the assumption that an RFP or other procurement process for phase 2 would use a substantially similar requirements statement.

Limitations

Since the City has not provided the requested documents, this analysis is limited to the original RFP. Any subsequent Q&A documents, Addendums, Proponent responses and the final contract(s) have not been reviewed. However, it is assumed that the original RFP would give an accurate indication of the intent and scope of the tendering process.

It is also acknowledged that the original RFP states that, “a competitive process will be undertaken by the Housing Secretariat to identify qualified non-profit housing providers interested in operating modular buildings, to shorten and simplify the method of matching housing providers with new sites as they become available in the future.” Again, the City has not responded to the request for documents, and nothing of this nature was discovered when a search was performed. It is assumed that this process has either not taken place, or that it was based upon a substantially similar set of requirements.

Scope of Analysis

The primary concerns of the EYC community are related to support services and security that will be provided at the site. These components will have a significant impact on the success of the program for the people exiting homelessness, and the integration of the program into the local community.

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A review of other aspects of the RFP were also conducted (e.g. procurement process, property management services, lease terms, rent and financial calculations, etc.) and found that the property management sections of the RFP seem well constructed and comprehensive, except for security, which will be addressed in this analysis. As such, this analysis focuses primarily on support services and security.

Note: All citations refer to the main RFP document (pages 1 – 20) unless otherwise stated.

Fundamental Challenges With the RFP

The next section will address specific concerns about the content of the RFP, but there are also several fundamental challenges with the RFP itself.

The RFP does not focus on outcomes for the support services. In contrast, the property management portion of the RFP often cites required outcomes. For example, the requirement to keep the building in good repair (an outcome) is included as opposed to any prescriptive requirement to have a certain number of maintenance staff. Although the RFP does ask for “outcomes” from previous experience (section 5.3.b), there are no outcome-focused deliverables required in the Support Services Plan. If the City truly cares about helping people exiting homelessness, there should be a much greater emphasis on positive outcomes for the residents and surrounding community.

Given the lack of outcome-based requirements for the support services, the RFP would need to rely on prescriptive deliverables, yet the ones presented are insufficiently defined and not fully developed. Instead, the RFP relies upon Proponents to submit a “Support Services Plan”.

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Although giving Proponents the latitude to propose novel and innovative solutions, the competitive nature of an RFP can cause respondents to quote the “lowest common denominator” that meets minimum requirements without making their bid uncompetitive. That being the case, it is critical that the RFP sets a clear and thorough set of minimum requirements so that even the “lowest common denominator” proposal will meet the City’s needs. This RFP fails to do that.

Further exacerbating the previous issue is the evaluation criteria the City intends to use (section 6.6). By setting an equal number of points (25) to each area diminishes the value to the Proponent of creating the best and most effective Support Services Plan. For example, a qualified provider with strong corporate viability – yet a weak Support Services Plan – might score higher than a provider with an excellent Support Services Plan, and yet less experience and corporate depth. Given the fact that the overall success of the project is heavily dependent upon the success of support services, that element should be given a larger weighting in the evaluation criteria.

Section 4 of the RFP describes the legal agreements that the successful Proponent will be required to enter upon award. Although the RFP response must include a Support Services Plan, there appears to be no requirement for that plan to form part of their contractual obligations. Section 4 does list the Contribution Agreement, which “sets out ... and generally all obligations of the Proponent”, but the Contribution Agreement (Schedule B) is silent on the issue of support services. The RFP should be revised to include a detailed requirement for the successful Proponent to enter a contractual obligation that documents deliverables, outcomes, reporting and other aspects of their Support Services Plan.

Specific concerns about the funding of support services will be addressed in the next section, but generally it is a surprise that the service provider – not the City – is responsible for sourcing funding for support services (Sections 1, 2.1, 5.3.a, and Appendix 6).

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When the phase 2 developments were first made public in February, the City had funding for building construction but not for its operation. Community members were naturally concerned that this project might be built and occupied without adequate funding to ensure its successful operation. Several weeks ago, Mayor Tory announced that he had secured funding from the Provincial Government for the operation of these buildings. This begs the question: does the City have committed funding only for the City-funded, property management-related budget, or has the City also secured an explicit funding commitment for the eventual service provider with respect to support services?

Specific RFP Concerns

On-Site Services

Support services are mentioned in a few places in the main body of the RFP, but there seems to only be one reference to support services being provided on-site (section 2.4.2). Even this section is somewhat vague regarding the level of service, the qualifications of the staff who provide the services, and what types of support services can be referred to off-site providers. This section also doesn't specifically mention support services for mental health issues. As mentioned above under fundamental challenges, there is an incentive for respondents to quote the “lowest common denominator”, which may not provide an effective level of service. The RFP should be more prescriptive with respect to the following:

- Most day-to-day counselling services – both 1:1 and group – must be provided on-site
- Appropriate qualifications for staff who do 1:1 and group counselling
- Appropriate professional oversight and consultations with higher-level resources
- Minimum frequency of counselling
- Availability of counselling at various times to accommodate various work schedules
- Clear indication of what services can be offered off-site (e.g. hospital and doctor visits, specialized treatments, etc.)

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Staffing Levels and Funding

Section 2.4.2 includes guidance on staffing ratios, but is unreasonably vague, which leaves many questions.

- The staff-to-client ratio table gives ratios according to different support needs, from low to high. However, there is no indication of how these levels are defined. Are they determined using the “support services assessment tools” (mentioned in section 2.2 with respect to referrals/intake), or some other definition? This should be defined, and if a tool is used, it should be provided as an attachment to the RFP so Proponents can properly assess the staffing requirement.
- Is the assessment of resident needs more objective or subjective? All organizations are concerned about costs. Giving the operator the task of assessing resident support needs through a subjective process creates a conflict of interest in that they have a vested interest in keeping their staffing requirements (and hence their costs) low. This is not an effective way to ensure resident’s needs are met.
- How is the ratio calculated? Is it based upon a weighted average of needs over the entire resident population? Are residents divided into needs cohorts?
- What does the staffing ratio define? Is this the total Full Time Equivalents (FTEs)? Is it the number of staff per shift? Are staffing levels the same during normal weekdays and overnight? What about weekends? This should be clearly articulated.
- There is a tremendous variability in the number of staff that could be required. For the 64 residents proposed for the Trenton/Cedarvale site, the number of staff could be as low as 2 (if all residents are “low support” adults) or as high as 10 (if all residents are “high support” youth).
- What level(s) of resident needs does the City anticipate placing in this facility? How can the Proponent plan staffing levels with a variability of 500%?
- What are the qualifications for staff under this formula? Are these lay people with some social service experience? Are they qualified social workers? Are there any Psychiatric professionals? What is the mix of staff? A minimum expectation should be defined in the RFP.

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- What sort of notice will the operator have when levels of support, and therefore staffing levels, are going to change? The operator needs time to be able to recruit, train and onboard new staff if new, higher-need residents are going to be moving into the facility. Alternately, the operator would need to reallocate or terminate staff if staffing requirements fall.
- The fact that staffing requirements could vary so widely means that the operator’s costs to provide support services will be variable. Since the operator will need to provide their own source of funding for support services, the RFP should require information not only on the funding source, but also the capacity of the funding program to accommodate variable staffing costs.

Staffing Levels in an Outcome-based Model

As mentioned in the fundamental concerns above, the support services portion of the RFP does not use outcome-based measurements. The staffing levels as discussed above might be better linked to desired outcomes. Ultimately, it’s not the number of staff on-site, it’s the effectiveness of the staff, the counselling, and programs.

For example, we can assume that the operators of the Macey site are fulfilling their obligations around the number of staff, yet the outcomes are negative. A building where Police and other Emergency Services are responding to conflict and crises multiple times per day cannot be considered a safe and healthy environment that promotes positive outcomes for the most vulnerable residents. Increases in break-ins and the finding of needles and feces in public spaces nearby is also not a positive indicator.

Even though the Macey site might be meeting required staffing levels based upon the table provided in the RFP (or in the contract), the outcomes are clearly not satisfactory. The quantity and/or quality of their support and supervision is obviously lacking. The City should consider an outcome-based requirement for staffing levels that would require an escalation in the numbers and qualifications of staff if undesirable outcomes are experienced.

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The operator would have to log and report a defined set of objective indicators (such as number of calls to emergency services, assaults, incidents of self-harm, community complaints tied to resident behaviour, etc.) The potential for escalating requirements (and hence escalating cost) would be an incentive for the operator to implement the most effective support services.

Security and Supervision

Section 5.2.c includes a requirement to submit a rental management plan that explains (among other things): how safety and security will be managed and how site supervision will be implemented. Again, as explained in the fundamental challenges above, leaving such an important requirement so undefined will likely result in a “lowest common denominator” solution.

All residential housing needs security, but the people exiting homelessness who will be housed in this facility are often very vulnerable and dealing with significant challenges. They need a safe and secure environment where they can escape some of the conflicts and triggers of their life on the street. The operator needs to put in place sufficient security and supervision measures to protect the residents. For example, a resident struggling to overcome an addiction issue doesn't need their old drug dealer wandering through the building; or people who have experienced violence on the streets shouldn't have to worry about a former abuser being able to sneak in an unlocked door.

There should be prescriptive standards or practices required in the RFP, which may include: the requirement to monitor and respond to door alarms and security cameras, regular patrols of hallways, stairs, common areas and outdoor gathering places, etc. In addition, there should be a requirement for the operator to put in place measures to ensure security in the local community (lighting, cameras, patrols) and to respond to community concerns. These measures could even be variable according to an outcome-based approach. If the local community isn't experiencing safety or crime issues related to the facility, then the requirements are lower. If the community experiences problems related to the facility, then security and supervision requirements escalate.

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Criminal Record Checks

When a member of the community asked if criminal record checks would be performed as part of the referral and intake process, we were told that such a practice was illegal and that the City and the operator would not be performing such checks. In fact, such checks are legal, and although potential tenants are protected from undue discrimination, there are circumstances when excluding a potential tenant is appropriate and legal. One example is a single Mom with children who is renting a room to a stranger. It is reasonable for her to perform a criminal records check and refuse to rent to people with a record of criminal offences involving children. We are not suggesting that anyone with a criminal record automatically be excluded from becoming a resident of this facility. It is understood that people who experience homelessness have a very challenging existence that could lead to having some minor crimes on their record. In fact, some homeless people might even resort to intentionally committing minor crimes to be arrested and spend some time in custody, which can be safer and healthier than life on the streets.

No one should be denied a home for these unfortunate but understandable circumstances. However, the people escaping homelessness in the facility need a safe and healthy environment where they can be successful in reintegrating into society and should be protected from damaging influences. Should the operator accept an unrepentant, serial drug dealer as a resident in a facility where several people are struggling to overcome addiction? Should a person who has been a victim of violence on the street have to live next door to a person with a long and violent record of criminal assaults? Further, since the City has decided to place this facility across the road from so many child-focused amenities, is it safe for the community if the operator accepts residents with a record of crimes involving children or other sensitive violent crimes? Although a criminal record should not automatically disqualify a potential resident from being accepted at this facility, it is perfectly reasonable to take their criminal record into account in the assessment and screening process. Failure to do so would be irresponsible and pose a risk to other residents and the surrounding community.

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Accountability to the Community

Section 2.4.1 of the RFP mandates that the operator participate in meetings with the community, however there is no requirement to share reporting nor is there any mechanism to ensure accountability to the local community. The operator cannot share individual information due to privacy restrictions but can and should provide reporting in aggregate. There should also be some mechanism that ensures accountability for issues that affect the local neighbourhood.

Experience

The RFP (section 2.1) states that the City is, “seeking non-profit housing operators with a strong management and financial track record of operating rental housing, preferably with social or affordable housing program experience.” Given the complexity and record of failure of single-occupancy housing for people exiting homelessness, prospective operators should be required to have relevant experience, and a proven track record, in providing housing with social supports. This statement should be more specific and not just “preferred”.

Right to Terminate

This agreement has an incredibly long Term of 35 years (section 5.3.a), and although there are many grounds for the City to terminate the contract (Lease sections 8.4.b, 10.2.2, 11.1 and 11.1A.b, and Contribution Agreement section 12), the overwhelming majority of grounds for termination relate to financial and property management issues. There seems to be little power (if any) to terminate on the basis of poor outcomes for residents or the local community – especially since the support services and security requirements are so ill defined and do not use an outcome-based approach. There should be clearer performance standards around resident outcomes and community interests, and a clearer path to remediate and ultimately terminate an operator if they fail to meet those standards.

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Loss of Support Services Funding

Since the operator is required to source support services funding from another source, the City has no control over the security of that funding. The RFP doesn't seem to contemplate the potential scenario where the operator loses funding from the other source. This should be defined, there should be a requirement for continuance of services for a defined period of time, and the City should have the right to terminate the agreement in that event if necessary.

Partnerships and Third-party Agencies

The RFP allows Proponents to engage partners and third parties to provide some (or perhaps all) of their support services (sections 2.4.2 and 5.3.d). There may be advantages to the operator leveraging the expertise of other providers, however, the City should retain the right to approve and withdraw approval for the use of any partner or third party (the current restrictions in the RFP are very limited). The RFP should also stipulate that the operator is accountable for the provision of all services and any outcome-based results, and it should include flow down requirements for important agreements, policies, etc.

Smoking and Noise as a Nuisance

Under the Lease agreement section 9.4, the operator must ensure that residents do not cause, “interference with normal use of any adjoining property.” The current proposed site layout places a courtyard area directly beside a neighbour's home. The RFP should stipulate that any area adjacent to an adjoining property should be smoke-free and noise should be kept to reasonable levels. In the event that the operator is not able to enforce these restrictions, they should be obligated to close the area until such time as that Nuisance can be prevented.

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Rent Arrears

Although the issue of resident rent is well defined in several places, the RFP doesn't seem to contemplate the scenario where the resident fails to pay their portion of the rent. Does the City's "top up" have to cover the entire target rent amount? Is the operator on the hook for collecting the rent? Is there a program for rent relief? These issues should be addressed in the RFP.

Maximum Income

Prospective residents may not have an income that exceeds 4x the allowable rent to be accepted into this facility (section 2.4.1 and 6.1.b). The RFP does not seem to contemplate a scenario where the resident's income exceeds 4x the allowable rent during their tenancy. An income of even \$33,100 per year would exceed the current 4x threshold. Given the housing affordability crisis in Toronto, there is a likelihood that such a resident would remain in this facility – either by choice or necessity – long after his or her income well exceeded the limit. The City should clarify its policy on this question and include it in the requirements of the RFP.

Recommendations

Although this RFP is very comprehensive in (most) elements related to financial and property management requirements, it is woefully inadequate with respect to support services. Those elements should be significantly redesigned to maximize the benefit to potential residents and the local community before being used to select the operator(s) of the phase 2 sites.

To compliment the above analysis, the following points should be considered and implemented as part of this redesign:

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Possible Quantitative Outcome-Based Measures (must have prescribed response requirements)

1) Residents

- Healthy Environment (Frequency of emergency services attending the site? Frequency of other serious incidents involving residents (such as assaults of other residents, staff or community members)? Number of incidents of self-harm? Etc.)
- Wellbeing (Physical and mental health assessments, progress on addressing underlying challenges such as addictions, self-care, etc.)
- Life Skills (Financial self-management, apartment condition, etc.)
- Employment (Skills improvement, resume writing, securing and maintaining employment or volunteer position, etc.)
- Resident Exits (How many residents successfully “graduate” to more traditional housing with fewer supports? How many drop back into homelessness? How many are incarcerated due to criminal convictions while living here? Average length of tenancy by outcome?)

2) Local Community, School Community and Park Users

- Volume of complaints from local community, school, and park users.
- Police crime statistics for neighborhood (major crime indicators, minor crime indicators, first responder requests, and complaints.)
- Community complaints about vagrancy, drug paraphernalia or other negative impacts.
- Incidents that impact local schools (trespassing, inappropriate behaviours, lockdowns, etc.)

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Possible Qualitative Outcome-Based Measures

1) Residents

- Self-reported surveys of wellbeing and progress towards goals
- Staff observations of resident wellbeing and progress

2) Local Community, School Community and Park Users

- Ad hoc feedback from community, school and park users to the CLC
- Surveys of community, school parents/staff and park users

Accountability

- Operator to collect quantitative and qualitative data and report to CLC.
- Serious incidents (to be defined) reported to CLC on a weekly basis.
- Initial comprehensive reporting frequency should be monthly until metrics reach acceptable, pre-defined thresholds, then quarterly.
- If any metrics subsequently rise above acceptable, pre-defined thresholds, then reporting increases back to monthly.
- Contract should have enforceable escalating standards tied to all outcome-based metrics (e.g. if police have to respond more than a set number of times per month, then operator must increase quantity and/or qualifications of staff, amount of supervision and security, and/or the nature, quality or frequency of on-site counselling until police response frequency drops below threshold).
- CLC should have some escalation mechanism to trigger engagement of Housing Secretariat to intervene in operation of facility.
- Given a 35-year contract, there should be clear minimum standards for levels of service and outcomes, with a response plan that supports constructive resolution in the event these are not being achieved. There should also be predefined service and outcome-related grounds for termination if problems are not resolved.