

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 2 OF THE
COMMISSIONER OF COMMUNITY AND HEALTH SERVICES**

**For Consideration by
The Council of The Regional Municipality of York
on June 27, 2013**

**1
BELINDA'S PLACE DEVELOPMENT AND BUDGET UPDATE**

1. RECOMMENDATIONS

It is recommended that:

1. Council approve an increase to the Belinda's Place 2013 Capital Spending Authority of \$2,445,000 to \$8,801,000 to reflect the actual costs of development and construction of an emergency and transitional housing unit facility for homeless single women in the Town of Newmarket funded from available Investing in Ontario funds held in the Social Housing Reserve and increased community contributions.
2. Council authorize award of the tender to M.J. Dixon Construction Limited for the building of Belinda's Place Women's Emergency and Transitional Housing at a cost of \$7,210,000, (plus taxes), and that the Commissioner of Community and Health Services be authorized to execute the construction contract on behalf of The Regional Municipality of York, subject to the prior review of Legal Services.
3. Council approve an increase to the CS&P Architect fee from the contract price of \$369,900 inclusive of contingency and scope changes, to an upset limit of \$500,000 (plus taxes) to reflect the increase scope of work and construction costs.

2. PURPOSE

This report seeks Council approval to increase the total capital budget for Belinda's Place Women's Emergency/Transitional housing development and increase the contract value for architectural services to reflect changes in the size and scope of the project and to award the tender for construction.

3. BACKGROUND

York Region does not have a shelter for women who are homeless and not fleeing abuse. A women's shelter is needed to provide support, stability and safe haven for homeless women.

York Region provided funding for the formation of a community team to research and investigate potential sites for the establishment of a women's shelter. The Community Team included representatives from the business community, social services, real estate and elected officials. From this work, the proposal for Belinda's Place was developed.

In 2010, through a private report to Council entitled *Emergency Shelter for Homeless Women Development Opportunity*, the capital cost to develop a shelter/transitional housing facility for homeless single women in the Town of Newmarket was estimated at approximately \$5 million. This budget was based on a design concept for a building of 15,000 square feet, with approximately 30 emergency beds, 10 transitional units and ancillary facilities. In May of 2011, in Report No. 5, Clause 9, Council approved an increase of up to \$1 million to the original capital budget to accommodate the purchase of an additional parcel of adjacent land to resolve access issues and to improve the viability of the project. In the 2013 Capital Budget, Council approved an amount of \$7.5 million for Belinda's Place.

Since the building was originally conceptualized in 2009, the project scope has been adjusted to better reflect community needs and to address the site constraints related to the heritage designation, challenging soil conditions and response to changes requested through the community consultation process.

4. ANALYSIS AND OPTIONS

The project design has been revised to accommodate VIVA expansion related land requirements and to better serve clients

The original design anticipated a three-storey building with an unfinished basement/parking structure at grade. It was anticipated that vehicular access to the building would be along Yonge Street. However, ten feet of frontage was subsequently

required to accommodate the VIVA Next transit expansion along Yonge Street, restricting vehicular access to the site. The reduced land area necessitated the purchase of adjacent land along Sawmill Valley, a larger building footprint and a redesign of the site plan.

In response to community agency feed-back, the revised plan incorporates more barrier free units and accessibility features to accommodate the increasing number of older and often frail women seeking service. The new plan makes better use of the site, incorporating a finished ground floor space facilitating the integration of services.

The proposed building has only increased slightly in footprint; however, the overall size has increased from a three-storey building with an unfinished basement and parking area, to a building of 23,380 square feet of finished floor space.

Site specific issues addressed during the design process have resulted in additional development/construction costs

The following items have also impacted on the overall construction costs:

- The site fronts onto a historical cemetery and includes a foundation for the original Quaker meeting house, requiring extensive archeological studies and design adaptations.
- The original cost estimate anticipated a wood frame structure. To accommodate the increased size of the building, respond to the poor soil conditions and to enhance safety features, the current design is steel frame structure with concrete floors and walls.
- The newly consolidated land parcel requires re-grading and the construction of a retaining wall along the north side of the site. The estimated cost for the site work is in excess of \$800,000, which includes the projected costs of \$85,000 for the structure and installation of the Peace Garden which will be built over the foundation of historical meeting house to commemorate the Quaker heritage of the property.
- Due to unstable soil conditions, structural grade beams and a helical pier system surrounding the perimeter of the foundation were incorporated into the design.
- The geotechnical report identified high moisture content in the soil requiring an upgraded water proofing system.
- Access to the site was adjusted to accommodate parking access and site access for service and emergency vehicles.
- Consultation with the community and local businesses resulted in enhanced landscaping features at an estimated cost of \$45,000.

- The increased size of the building resulted in upgrading to a full elevator from the original plan of a Lula lift at an estimated cost of \$100,000.
- Recommendations made in the Region's 2013 Security Review of existing shelters have been incorporated into the Belinda's Place design.

The initial feasibility study was completed in 2009. From 2009 to 2013, average construction costs have increased by 20% to 25%. The Architect's evaluation is consistent to what the Region has seen in other construction projects.

The original construction estimate of \$4,000,000 for a building of 15,000 square feet equals \$266 per square foot. Based on the bid received June 25, 2013 for the 23,378 square feet, the cost per square foot for construction is \$308. This represents an increase of 16%.

A budget increase is required before the Region can award the Belinda's Place tender

On February 14, 2013, the Region issued a request for pre-qualification (RFP-Q) of general contractors for the Belinda's Place project. Thirteen contractors were qualified. The construction tender was issued on Friday, May 31, 2013, and closed on Tuesday, June 25, 2013. M.J. Dixon Construction Limited submitted the lowest cost responsive bid with a tender amount of \$7,210,000 for the construction of the Belinda's Place Woman's Emergency and Transitional Housing project.

Table 1
Tender Results

Qualified Bidder	Tender Amount
M.J. Dixon Construction Limited	\$7,210,000
Aquicon Construction Co. Ltd.	7,326,000
Elite Construction Inc.	7,370,000
Martinway Contracting Ltd.	7,714,237
W.S. Morgan Construction Limited	7,786,000
The Atlas Corporation	7,873,000
Lisgar Construction Company	8,130,000
Percon Construction Inc.	8,450,000

The Architectural Services Contract needs to be increased due to the changes in the project scope and budget

In 2010, CS&P Architects Inc. was awarded the contract to provide architectural services for Belinda's Place through a public Request for Proposals. The current revised contract price is \$369,900, exclusive of taxes.

The architectural services contract was based on the original project scope with an anticipated construction cost of \$4 million. With the standard rate for architectural fees of 6.85% of construction costs, the budget for architectural fees for the revised scope of work and increased construction costs, would be \$500,000.

Operating impact of Belinda's Place Shelter

Day to day maintenance of the building and property will be performed by Housing York, including a preventative maintenance program and asset replacement strategy. A third party provider under contract with the Region will provide shelter and transitional housing programs within approved budgets. In the 2013 budget cycle, the Social Service branch identified the need for an additional Shelter Case Co-ordinator (1 FTE) to support Regional oversight and administration of shelter and homelessness services in anticipation of the Belinda's shelter opening. Annual shelter operating costs of \$1.75 million were identified in the 2013 Capital budget for the Belinda's Place project.

Table 2 below outlines the total estimated annual operating costs for Belinda's Place Shelter, and oversight of the shelter and homelessness services.

Table 2
Total Estimated Annual Operating Costs

Operating Costs	Impact (\$)
Region/HYI	
Facility Operations & Maintenance	215,000
Capital Repair Reserve	<u>86,000</u>
Sub-total Housing York Inc.	301,000
Shelter Operator	
Staffing	1,200,000
Other Program Operating costs	<u>200,000</u>
Sub-total Shelter	1,400,000
Shelter Services (CHS)	
Shelter Services Case Co-ordinator	<u>100,000</u>
Sub-total Regional Staffing	100,000
GRAND TOTAL ANNUAL OPERATING COSTS	1,801,000

The estimated operating costs include an \$86,000 annual contribution to a Capital Repair Reserve for Belinda's Place to provide for the capital repairs that can be anticipated over the life cycle of the facility.

These operating budgets and capital replacement reserves are in place to ensure that the facilities have the necessary funding to operate the shelter and transitional housing programs and properly maintain the building on an on-going basis.

Link to key Council-approved plans

York Region's goal to respond to the need for housing choices for people of all ages and stages is outlined in Vision 2051. The Belinda's Place shelter is an integral component of meeting this goal by providing a range of acceptable housing choices to meet the needs of residents in York Region.

Additionally, the guiding principles of the Community and Health Services' *Multi-Year Plan* is to offer services through a life-course perspective and can be seen through the development of a new shelter with transitional housing units.

5. FINANCIAL IMPLICATIONS

Town of Newmarket and community contributions

The Town of Newmarket has provided a parcel of land for this project on a long term lease basis to the Region at no cost. The Town has also waived all development charges related to the project. Building permits were released by the Town in time for the project to meet the deadline of April 30, 2013, for funding under the Investment in Affordable Housing (IAH) for Ontarians program.

The Belinda's Foundation pledged to raise up to \$1 million toward the capital costs of the Women's shelter and Magna International has committed \$1 million over 4 years to fund an endowment to contribute to the on-going operation costs of the facility.

Capital funding

In the 2013 Capital Budget, Council approved 2013 Capital Spending Authority of \$6.4 million to complete the project and noted total project of costs of \$7.5 million. In February 2013, Council approved the use of \$1.35 million for this project from the Investment in Affordable Housing for Ontarians, year-two funding allocation. The Belinda's Foundation has made a commitment to contribute up to \$1 million. To date they have raised \$750,000. The balance of the project cost will be funded using funds from the *Investing in Ontario Act (IO), 2008*.

Table 3 below outlines the estimated capital budget for the Belinda's Place project.

Table 3
Total Estimated Capital Budget

Capital Costs	Budget (\$)
Land costs, Transfer taxes, Realty fees	580,000
Construction Costs	7,210,000
Professional Services (Architect, Legal, Consultant)	760,000
Furniture and Fixtures	225,000
Fees and Taxes	165,000
Contingency	<u>660,000</u>
Total Expenditures	9,600,000
Community Contribution	1,000,000
Social Housing Reserve – Investing in Ontario Act	7,250,000
Investing in Affordable Housing Program (IAHP)	<u>1,350,000</u>
Total Funding	9,600,000

A total of \$905,000 has been spent to date to acquire land and design the facility.

Based on the tendered construction amount of \$7,210,000 the total project costs are estimated to be \$9,600,000. The 2013 Capital Spending Authority will need to increase by \$2,445,000, comprised of a \$2,099,000 increase in total project cost estimates and a re-profiling of \$346,000 in planned expenditures from 2012 into 2013.

There is over \$6,000,000 of unallocated funding from the *Investing in Ontario Act, 2008* funds available to fund the increase in the capital budget

York Region received \$53 million in *Investing in Ontario Act, 2008* funds. The bulk of these funds have been allocated to several affordable housing projects. With \$6 million remaining, the increase in the Belinda's Place budget could be funded by *Investing in Ontario Act, 2008* funds.

Operating budget

The annual operating costs, excluding contributions to reserves, are eligible for funding under the provincial Consolidated Homelessness Prevention Initiatives and were included in the outlook year budget estimates for 2014. The CHS operating budget outlook includes total annual homelessness program expenditures of approximately \$14.8 million dollars including the \$1.75 million for Belinda's shelter, to be offset by \$10.2 million in provincial funding.

The annual contribution to a Capital Reserve for Belinda's Place of \$86,000 is not eligible for provincial funding but can be accommodated within the total \$14.8 million in outlook year expenditure projections included in the 2013 budget.

6. LOCAL MUNICIPAL IMPACT

With its central location on a main rapid transit route and proximity to other amenities and services, the Belinda's Place Women's Emergency and Transitional Housing facility will help address a significant service gap for vulnerable single women, which has been identified throughout the nine municipalities that make up York Region.

7. CONCLUSION

The need for emergency housing for homeless single women has been well documented. During the past three years, there have been multiple changes to the project, an increase to the property and building size, and subsequent requirements from internal and external stakeholders.

With the conclusion of the construction tender results and an increase in the capital budget, this project will be able to proceed and positively impact the lives of women in York Region.

For more information on this report, please contact Sylvia Patterson, General Manager, Housing and Long-Term Care at Ext. 2091.

Respectfully submitted,

**June 26, 2013
Newmarket, Ontario**

**A. Urbanski
Commissioner of Community
and Health Services**

(Report No. 2 of the Commissioner of Community and Health Services was adopted without amendment, by the Council of The Regional Municipality of York at its meeting on June 27, 2013.)