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SUTTON YOUTH MULTI-SERVICE CENTRE

The Community Services and Housing Committee recommends adoption of the recommendations contained in the following report, November 25, 2004 from the Commissioner of Community Services and Housing:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve the issuance of a Call for Tenders for the renovations required to create 16 emergency shelter beds and 10 transitional housing units for youth, pursuant to the Region's Purchasing By-law.
2. The CAO be authorized to award the contract to the lowest qualified bidder as recommended by the Director of Supplies and Services and report the results to Council at the first available opportunity.
3. The Chair and the Regional Clerk be authorized to execute the contract on the Region's behalf subject to the prior review of the Regional Solicitor.
4. The Region be authorized to enter into a lease agreement to give effect to the relationship between The Regional Municipality of York and the Town of Georgina for the shared use of the Regionally owned facility at 20912 Dalton Road, Sutton, in the Town of Georgina.
5. The Commissioner of Community Services and Housing be authorized to execute the agreement on behalf of the Region subject to the prior review of the Regional Solicitor.
6. The Commissioner of Community Services and Housing be authorized to make application to the Province of Ontario for funding under the Pilot Project component of the Federal/Provincial Community Rental Housing Program (CRHP) for this project.
7. The Chair be requested to write to the Minister of Community and Social Services to request an increase to the maximum provincial per diem payable for emergency shelters to recognize the increased costs in this sector and the challenge for Service Managers in funding these additional costs.

2. PURPOSE

This report requests authority to tender the renovation work required to convert the old St. Bernadette's elementary school on Dalton Road in Sutton for use as an emergency shelter and transitional housing facility for homeless youth.

The report further requests authorization to enter into a lease agreement with the Town of Georgina to formalize the shared use of the facility as outlined in an existing Memorandum of Understanding (MOU) between the parties.

3. BACKGROUND

Beginning in 2002, discussions were held with officials of the Town of Georgina and a wide range of community agencies about establishing a "multi-service centre" for at-risk youth at a surplus school site located on Dalton Road in Sutton.

In June 2002, Councils for the Town of Georgina and the Region authorized funds for purchasing the site from the York District Catholic School Board.

It was agreed that:

- The facility would be owned by the Region but the existing gym and library areas would be operated by the Town for recreation programs for children and youth.
- The classroom area of the school would be renovated by the Region for use as emergency shelter/transitional housing for male and female youth aged 16 to 25 years, and for community agency office space.
- An MOU has been executed between the Region and the Town of Georgina which outlines the basis of the relationship between the partners. This agreement has been reviewed by the Region's Property Services Branch.

In December 2002, Council authorized:

- Purchase of the site at a cost of \$250,000 (\$200,000 to be paid by the Region and \$50,000 to be paid by the Town of Georgina).
- Hiring of an architect to develop renovation plans for the school building.
- Staff to seek funding opportunities from other sources to help pay for the cost of the renovations.

In January 2004, authority was given to conduct a Request for Proposal to identify an operator for the shelter and housing facility to be developed at the site.

In October 2004, Council authorized the completion of working drawings for the renovations to the facility.

4. ANALYSIS AND OPTIONS

4.1 Land Closing

The purchase of the site was recently completed after some unavoidable delays related to legal issues and flood damage which occurred this past January.

4.2 Capital Costs

Based on the design work completed to date with drawings close to 100% complete, the project architect estimates the renovation cost will be approximately \$1 million.

The cost of renovations is expected to be offset by funding from available Federal assistance programs:

- Conditional commitment from Canada Mortgage and Housing Corporation (CMHC) has been given for up to \$160,000 in Residential Rehabilitation Assistance Program (RRAP) funding for up to 10 transitional housing units.
- Preliminary approval has also been obtained for up to \$800,000 of Supporting Communities Partnership Initiative (SCPI) assistance for the emergency shelter and ancillary facility portion of the redevelopment.
- As the result of a recent meeting between Community Services and Housing Department staff and officials from the Ministry of Municipal Affairs and Housing, the Region has been encouraged to make application for funding under the Pilot Project component of the Federal/Provincial Community Rental Housing Program (CRHP) for the transitional housing units. Based on previous Council authority to seek out all sources of funding, an application for up to \$270,000 in CRHP assistance was submitted to the Province in November and a decision is pending. Council support for the application is a specific condition of Provincial approval.

Architectural and site investigation costs are being expensed to the approved Housing and Residential Services budget for pre-development work.

This project is a partnership with the Town of Georgina who will be delivering recreational and life skills activities for youth through the Boys and Girls Club and Jericho Youth Centre. Georgina has contributed \$50,000 towards the cost of purchasing the site and are responsible for improvements to the portion of the building they will be using exclusively.

4.3 Tender for Construction

Authority is requested to work with Supplies and Services to conduct a public tender for the renovation work to convert the old school building for use as a shelter and housing facility.

The project architect is recommending that every effort be made to position the construction work on the facility to occur during the winter months in order to attract the best possible prices from contractors. Most of the work associated with this conversion

will take place indoors and should take approximately four months to complete. Contractors will be interested in the project as a bridge between late fall completions and spring commencement of new work where most work is outdoors.

A further pressure exists to finalize the conditional approval of the CMHC funding by year end. Because of the delay in land closing this application has been pending but must be confirmed as this funding is being accessed from the 2004 allocations.

For this reason authority is being requested to award the contract prior to returning to Council on the conditions that the lowest qualified bidder is chosen as stipulated in the purchasing by-law and that the quoted price falls within the project's approved budget. A full report of the tender results will be provided to Council at the earliest opportunity in the New Year.

4.4 Operating Issues

4.4.1 Lease Agreement

An MOU has been executed between the Region and the Town of Georgina which outlines the parameters of the partnership arrangement to develop the Multi-Service Centre. Upon completion of the purchase of the property and of the design work for the facility, a more detailed, long-term agreement is required.

The Regional Solicitor is drafting a lease agreement, together with schedules, which will delineate the shared and exclusive use space for the project and the rights and responsibilities of each party. Facilities Management will be consulted as the agreement is developed.

4.4.2 Shelter Operation

As reported to Committee and Council in September 2004, the intention is to enter into a service agreement with the Salvation Army for the operation of the emergency shelter/transitional housing facilities.

It was also reported at that time that an annual operating deficit of up to \$300,000 has been identified. This pressure exists because the maximum provincially cost-shared per diem for emergency shelter beds is \$39.14 while the minimum breakeven cost to operate a modest sized shelter is approximately \$65 per day. Staff have consulted with a number of Service Managers across the province and all are experiencing this problem and in many cases the deficit is being funded from municipal sources. The Region continues to work with the Salvation Army and the Town of Georgina and its partners to find ways of reducing this deficit. The results of this work will be reported early in the New Year.

Mitigation measures to reduce the deficit being explored include:

- Discussions with provincial officials regarding other potential sources of funding.
- Along with other Service Managers, petition the Province for an increase to the per diem payable for emergency shelter.

- Identify opportunities for other on-site activities to provide backup to shelter staff in case of emergency through sharing of resources.
- With the Salvation Army, identify potential non-governmental funding sources.

5. FINANCIAL IMPLICATIONS

The total capital cost for the development of up to 16 emergency shelter beds and up to 10 transitional housing units is estimated at \$1.4 million. Funding sources for these costs have been identified.

Operating revenue for this facility will come from emergency shelter per diems, shared on an 80/20 basis with the Province, and market rents for the transitional housing units. Rent-geared-to-income assistance will be available for qualified tenants through the Provincially-funded Rent Supplement Program until 2023.

A gap of approximately \$300,000 per year has been identified between these revenue sources and the costs to operate the facility. This operating deficit can be managed within the 2005 budget since funding has been earmarked for another shelter project that has been delayed. Regional staff will continue to work to identify other funding sources to mitigate this annual operating deficit however it is likely that there will be some level of ongoing operating subsidy required.

Both the capital and estimated operating costs of the project are projected in the 2005 Business Plan and Budget.

6. LOCAL MUNICIPAL IMPACT

This project, as a whole, will provide much needed services for homeless and at-risk youth and children in the Town of Georgina. The addition of shelter and transitional beds, particularly for females, will benefit the north end of the Region as it will help fill a noticeable void in existing services.

7. CONCLUSION

Both the *York Region Community Plan to Address Homelessness* and the Housing Supply Strategy recognize the need for services for youth at-risk and the need for partnerships with the community to provide these services. This proposed partnership with the Town of Georgina exemplifies the type of funding partnership being sought in these strategies.

The longer term transitional housing for youth provides a unique opportunity to support vulnerable young people as they complete their schooling, find employment, or otherwise find stability in their lives.

This project could be used as a model to deliver similar youth programs in other areas of the Region.

The Senior Management Group has reviewed this report.