



Status Update on Design and Construction of Tenant Service Hubs and Interior Improvements

Item 2D

February 26, 2021

Board of Directors

Report: TCHC:2021-04D

To: Board of Directors (“Board”)

From: Vice President, Facilities Management

Date: February 4, 2021

PURPOSE:

The purpose of this report is to provide the Board with a status update on the delivery of the tenant service hubs and interior improvements as requested at its February 20, 2020 meeting.

This program will deliver significant building improvements that directly affect the quality of tenants’ lives, including the return of units to service and housing more tenants in need.

RECOMMENDATIONS:

It is recommended that the Board receive this report for information.

REASONS FOR RECOMMENDATIONS:

Background

As part of Toronto Community Housing’s (“TCHC”) corporate restructuring of the on-site staff and operations model, Facilities Management is delivering the design and construction of 88 tenant service hub locations across TCHC’s portfolio. The tenant service hubs will include work spaces

for TCHC staff, and serve as important points of local interaction with tenants. This decentralized model will allow TCHC to improve and strengthen service at the local level.

Each tenant service hub consists of approximately 1,250 to 1,650 square feet of administrative and service space established at existing residential buildings, with 11 tenant service hubs designed as modular, stand-alone structures.

The tenant service hubs are being planned and delivered in conjunction with initiatives to make much needed improvements to building interiors, including reinvestment in tenant common areas, lobbies, accessible washrooms, laundry rooms, community agency spaces and reclaimed residential units.

Three categories of interior improvements as part of this project include:

- Tenant Service Hub Spaces: Space required for staff to provide services to tenants, including reception, offices, workstations, meeting rooms and administrative spaces.
- Service Spaces: Space required to support staff, including washrooms, change rooms, and kitchenette/break areas.
- Tenant Spaces: Spaces for tenant use, including lobbies, mailrooms, new accessible washrooms, common rooms, agency spaces, laundry rooms and reclaimed units.

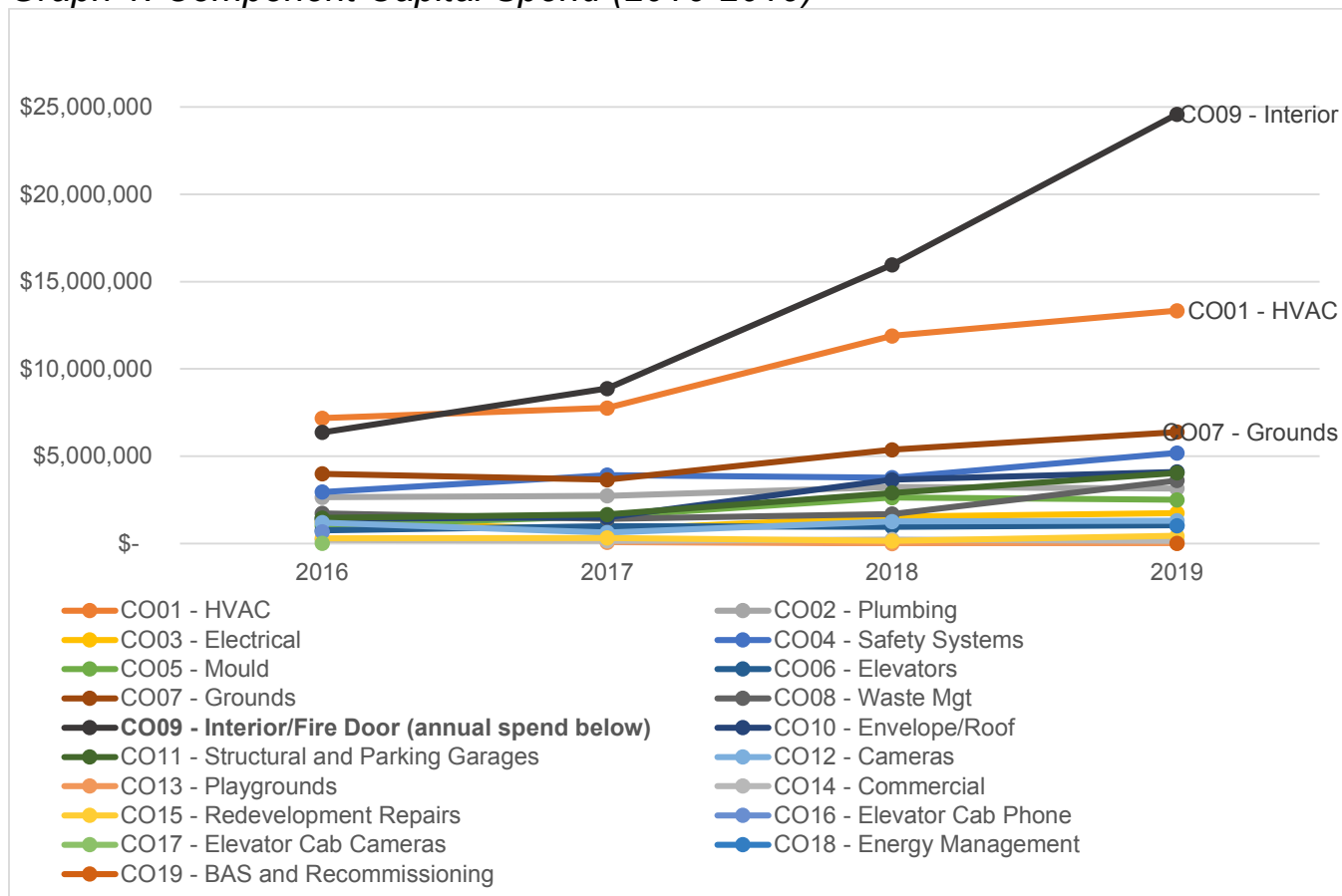
A complete summary of tenant service hubs can be found in Attachment 1, including a breakdown of interior improvements at each site, along with details on the project status and schedule.

Interior Improvements and Tenant Spaces

Currently, TCHC has an estimated backlog of over \$470M in interior capital repairs, representing 29.5% of the total repair backlog. This includes critical work in important tenant spaces such as lobbies, corridors, common rooms, agency spaces and laundry facilities.

The need to invest in these spaces is evident from the increased spending in on-site demand work for interior improvements. Interior work has been the fastest growing category for demand repairs, quadrupling from \$6.3 million to \$24.6 million between 2016 and 2019. See Graph 1 below, which illustrates the increased demand for interior repairs.

Graph 1: Component Capital Spend (2016-2019)



	2016	2017	2018	2019
Interior Repairs Capital Spend (CO09)	\$6,372,481	\$8,877,104	\$15,964,845	\$24,586,093

Note: 2018 corresponds with a change in policy lowering the minimum expenditure threshold of component capital repairs.

The tenant service hub program is an important opportunity to strategically deliver a large cross section of interior improvements across TCHC’s portfolio, alongside the corporate restructuring of the operations model.

By investing approximately 5% of TCHC’s planned capital spend over two years, this program will proactively address the growing backlog of interior repairs, while also implementing new local infrastructure for improved tenant service and support.

The delivery of interior improvements and tenant service hubs supports the objectives of TCHC’s 10-year capital renewal plan, and is in keeping with

the terms of the National Co-Investment Fund and City of Toronto capital funding requirements. TCHC's third-party capital planning consultant, Ameresco Inc., has reviewed the program and confirmed that this work will positively impact and support TCHC in achieving a Facility Condition Index ("FCI") portfolio target of 10% by 2026.

This program will deliver significant improvements in areas that directly affect the quality of tenants' lives. For instance, through this program TCHC will reopen five net new affordable housing units, a priority for both TCHC and the City of Toronto. These five net new units are made up of 1, 2 and 3 bedroom apartments. See Table 1 for a summary of program interior improvements to tenant spaces.

Table 1: Summary of interior improvements to tenant spaces

Tenant Space	# of Sites
Reclaimed residential units available to be rented	5
New TCHC accessible washrooms	27
Common area refurbishments <i>Includes new community rooms, kitchens, lobbies and agency spaces (all accessible)</i>	14
Accessible laundry room upgrades	3

Project Status

Since the announcement of the decentralized service delivery model, the delivery team has conducted consultation, developed build standards and guidelines, implemented an integrated design process, opened three regional centers, opened three tenant service hubs and mobilized construction at 43 sites. See Table 2 for a high level summary of the current project status on the 88 tenant service hubs. The project status for each tenant service hub can be found in Attachment 1.

Table 2: Project Status as of January 2021

Project Status	# of Tenant Service Hubs
Complete	3
Construction Ready	43
In Tender	12
In Design	16*
Pre-Design Review	3
Standalone Structure (ready for tender)	11
Total	88

*includes newly added sites that were transitioned from Del Management Solutions to the west portfolio.

This program is being rolled out over 2020 and 2021. Attachment 1 includes a high level schedule of the tenant service hub delivery. All tenant service hubs up will be operational by the end of 2021, either in a complete or interim state.

Budget

The program construction budget was determined based on the following input:

1. Third Party Cost Consultant Recommendations: A targeted average of per-square-foot costs was established by an independent, third-party cost consultant (A.W. Hooker).
2. Recent Capital History: Facilities Management staff examined records of recent, similar capital projects to create a comparative pricing schedule.
3. Project Costs Estimates: Design consultant teams provided elemental cost estimates for each individual project site.

For a typical tenant service hub, a range of \$225-\$250 per square foot was established as a fair and reasonable value for this work under the current market conditions. Tenant service hubs that are complete or currently under construction are being delivered within this target range.

See Table 3 for a budget breakdown, including actuals to date. Construction, design and security equipment costs represent approximately 5% of the total capital plan over the two year period.

Table 3: Program Budget and Actuals (commitment as of January 2021)

Item	Budget	Actuals (commitment to date)
Construction	\$32,324,757	\$21,575,497
<i>Tenant Service Hub Construction</i>	\$21,313,645	\$13,986,105
<i>Service Space Construction</i>	\$6,445,263	\$3,945,307
<i>Tenant Space Construction</i>	\$4,565,849	\$3,644,085
Design Consultants and Soft Costs	\$3,400,000	\$3,109,922
Security Equipment	\$882,000	\$655,024
Furniture	\$1,182,000	-
Moving & Temp	\$207,500	\$202,087
Standalone Structure	\$6,456,685	\$69,000
Total	\$44,452,942	\$25,611,530

SIGNATURE:

“Allen Murray”

Allen Murray,
Vice President, Facilities Management

ATTACHMENT:

1. Tenant Service Hub Summary and Schedule

STAFF CONTACT:

Allen Murray, Vice President, Facilities Management
Allen.Murray@torontohousing.ca
(416) 981-6955