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# The Regional Municipality of Durham Report

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To: Health and Social Services Committee  
From: Commissioner of Social Services  
Report: #2024-SS-7  
Date: September 5, 2024

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**Subject:**

Accelerating Detailed Design Services for Christine Crescent, Oshawa and 1635 Dundas Street Phase 2, Whitby

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**Recommendation:**

That the Health and Social Services Committee recommends to Regional Council:

- A) That to maximize opportunities for CMHC grant funding, an unbudgeted capital project for the detailed design of the Durham Regional Local Housing Corporation (DRLHC) Christine Crescent redevelopment in the upset amount of \$2,500,000 before applicable taxes be approved and be funded from the Social Housing Reserve Fund and the Housing Services Development Charges Reserve Fund at the discretion of the Commissioner of Finance;
  - B) That to maximize opportunities for CMHC grant funding, a sole source agreement with LGA Architectural Partners be approved to accelerate the detailed design for Phase 2 of 1635 Dundas Street West, Whitby at an upset limit of \$2,500,000, before applicable taxes, as an unbudgeted capital project to be funded from the Social Housing Reserve Fund or other sources at the discretion of the Commissioner of Finance; and
  - C) That the Commissioner of Finance be authorized to execute any necessary related agreements.
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**Report:**

**1. Purpose**

- 1.1 The purpose of this report is to request Council's authorization to accelerate detailed project design services for short-term housing development projects, so that they will be ready for submission to receive funding through CMHC programs, through the following means:

- a. Requesting approval of funding for unbudgeted detailed design services for the preferred redevelopment concept of the Durham Regional Local Housing Corporation (DRLHC) site located at 419-451 Christine Crescent; and
- b. Requesting funding and approval to award a sole source contract for detailed design for Phase 2 of 1635 Dundas Street as an unbudgeted capital project.

## **2. Background**

- 2.1 In November 2020, Regional Council approved a Master Housing Strategy which aims to improve affordability and access to housing with and without supports, protect the existing affordable housing supply, encourage housing diversity, and build capacity in the housing system. Expected outcomes from the Strategy include:
  - a. The initiation of 1,000 new affordable housing units by 2024;
  - b. Improved readiness for provincial and federal funding announcements;
  - c. Establishing a shovel-ready portfolio of potential projects aligned with the affordable housing needs of our communities;
  - d. Sustainable and investment strategies to support new affordable rental development and the preservation and growth of community housing; and
  - e. Improved coordination with all housing partners including local area municipalities, private developers and non-profit providers to address Regional needs.
- 2.2 In June 2023, Regional Council approved the acquisition of the former Sunnycrest long-term care facility at 1635 Dundas Street East in the Town of Whitby, after its operations ceased in 2022. The Region acquired the site to provide urgently needed shelter space, supportive housing, and deeply affordable housing options. The immediate focus was to open a low-barrier shelter and supportive services to approximately 45 individuals. The shelter opened in March 2024 and has since been operating at full capacity.
- 2.3 In June 2024, Regional Council endorsed the Redevelopment Feasibility Analysis for the DRLHC sites at Christine Crescent and Malaga Road, both in the City of Oshawa. Regional Council also approved in principle the redevelopment at Christine Crescent through a direct delivery option, replacing 12 existing semi-detached units at their end of life with a midrise apartment building and stacked townhouses totaling approximately 160 units.

## **3. CMHC Funding for Affordable Housing Development**

- 3.1 Regional staff have been working with staff from CMHC to best position the Region's short-term affordable housing development projects for eligibility under CMHC's capital funding/financing programs. CMHC staff have identified the Affordable Housing Fund (AHF) as the most appropriate federal funding stream to achieve the Region's objectives. The key elements of the AHF program that the Region must include:

- a. Funding commitments under the AHF are to be aligned with the current 10-year National Housing Strategy which launched in 2017.
  - b. Ensuring that loan agreements under the AHF be executed by December 31, 2025.
  - c. Demonstrating that projects be shovel-ready, with the required document checklist completed, including:
    - Documentation from the municipality that the zoning aligns with the project.
    - Confirmation from a recognized professional that the project achieves Energy Efficiency and Greenhouse Gas reductions.
    - Confirmation from a recognized professional that the project meets accessibility requirements.
    - Completion of required environmental site assessment and geotechnical reports.
    - Completion of detailed cost estimates in the form of a Class “B” professional quantity surveyor report, based on design development drawings and specifications of all major systems and site investigations, and measured quantities of all items of work. A Class “B” estimate is such that no more than a 10% design allowance is required.
    - List of all co-funders.
  - d. To meet these and other requirements, detailed site, architectural, engineering and landscape design work must be completed and costed.
- 3.2 Since there is uncertainty about potential future commitments or funding stream programs once the AHF program has ended, taking action on short-term affordable housing development projects (Christine Crescent and 1635 Dundas Street) under the current program maximizes opportunities to access known federal investment opportunities while expediting urgently needed housing.

#### **4. Christine Crescent Redevelopment**

- 4.1 The redevelopment of the Christine Crescent site includes the replacement of 12 semi-detached rent-geared-to-income (RGI) units with approximately 160 new units in a mix of market, affordable and RGI housing to be delivered directly by the Region. In addition, off-site works have been included in the project, including public realm improvements at the neighbouring Chopin Park, and off-site servicing improvements that will enable future phases of the redevelopment program.
- 4.2 Work has been proceeding in support of the required official plan amendment application for the site. Technical studies and drawings including an environmental site assessment, a traffic impact study, a noise study, a conceptual site plan and a planning rationale report are underway. The required Stage 2 technical pre-consultation meeting with supporting draft reports will be filed in early fall 2024, with the filing of the required the OPA application prior to year-end.

- 4.3 Consultants have already been retained to complete technical studies required for the future Site Plan Approval (SPA) application, including a Stage 1 Archaeological Assessment and a Noise Feasibility study. Other technical studies for SPA, including detailed servicing designs and reports, building, and mechanical designs, will be included in the scope of work for detailed design.
- 4.4 Community engagement and consultation for the Christine Crescent site has been extensive, with the results of the Phase 2 feedback presented to Regional Council in June 2024. Community engagement will continue through the statutory planning and development processes.
- 4.5 Staff have been working with tenants to provide assistance and options for relocating ahead of construction, expected to commence in 2026 pending funding approval for the construction phase of the project. Tenants have been provided confirmation that they will be able to return to their new home on site once construction has been completed, should they so wish.
- 4.6 The redevelopment of Christine Crescent site will occur through a direct delivery model. To enable timely redevelopment that aligns with priorities expressed by the provincial and federal governments while building capacity through standardized designs, a modular construction design and delivery method is recommended. The estimated upset limit for detailed design for the Christine Crescent redevelopment project is \$2,500,000, exclusive of taxes.

## **5. Phase 2 of 1635 Dundas Street East**

- 5.1 In June 2024, staff presented Regional Council with an update on Homelessness in Durham. Community Engagement for this project has proceeded in two phases:
  - a. Phase One included the creation of a Community Liaison Committee with members from the surrounding neighbourhood, residents of Whitby, service providers, Town of Whitby staff and Regional staff. The Committee had its first monthly meeting in January 2024 and continues to meet.
  - b. Phase Two was launched at the end of June with the release of a Community Engagement survey. The survey will remain open for response until September 27, 2024, and feedback from the survey will help inform detailed design and final programming.
- 5.2 The June 2024 presentation also included conceptual plans created by LGA Architects, which highlighted programming areas such as the low-barrier shelter, transitional housing, supportive housing, recovery beds and victim services recovery (all identified as needed services during the Phase 1 Community Engagement process).

- 5.3 LGA was retained to complete the conceptual design of the project. To be ready for federal and provincial funding opportunities, staff recommend LGA Architects continue to provide detailed design services for the facility. LGA Architects' familiarity with the project through the completion of the conceptual design, familiarity with the building, understanding of programming needs and the Community Engagement process allows for efficiencies in both time and cost to ensure the project can be shovel ready, in keeping with CMHC's program funding requirements.
- 5.4 Given the urgency of meeting funding application deadlines and growing community needs, and given the recent work by LGA Architects at this site, Regional staff are recommending proceeding with a Single/Sole Source agreement with LGA Architects in accordance with Section 8.4 and Appendix C of the Purchasing By-Law #16-2020.
- 5.5 Staff continue to collaborate with community health provider agencies about planning for proposed programs. There are currently signed letters of agreement with Lakeridge Health, Ontario Shores, Saint Elizabeth Health Care, Victim Services of Durham Region and Durham College. The individual agencies are seeking funding through various provincial and federal opportunities to support their programming needs. Opportunities to build partnerships with additional community health providers are continuing to be explored.

## **6. Financial Implications**

- 6.1 The Region's current short-term affordable housing development projects (Phase 2 of 1635 Dundas and 419-451 Christine Crescent) are progressing as quickly as possible within the current Council approvals.
- 6.2 Section 8.4.2 of the Region's Purchasing By-law Number 16-2020 requires approval of Regional Council to award an assignment as a sole source where the project or annual value of a consulting or professional service assignment is expected to be \$100,000 or greater. A sole source award is recommended for detailed design services for Phase 2 of 1635 Dundas Street East since a change of architect firm would cause substantial duplication of costs.
- 6.3 Section 14.2 of the Region's Budget Management Policy requires the approval of the Treasurer and CAO, and the applicable Standing Committee and Regional Council for unbudgeted capital project expenditures in excess of \$50,000.
- 6.4 The cost of the detailed design services for Christine Crescent is estimated at \$2,500,000 before applicable taxes and is recommended to be financed from the Social Housing Reserve Fund and the Housing Services Development Charges Reserve Fund, at the discretion of the Commissioner of Finance.
- 6.5 The cost of the detailed design services for 1635 Dundas, Phase 2, is estimated at \$2,500,000 before applicable taxes and is recommended to be financed from the Social Housing Reserve Fund or other sources, at the discretion of the Commissioner of Finance.

## 7. Previous Reports and Decisions

- 7.1 Report #2014-J-16 – *At Home in Durham*, the Durham Housing Plan 2014-2024
- 7.2 Report [#2019-COW-25](#) – *At Home in Durham*, the Durham Housing Plan 2014-2024 – Five-Year Review
- 7.3 Report [#2020-COW-27](#) – Master Housing Strategy
- 7.4 Report [#2023-COW-12](#) – Approval to Retain Infrastructure Ontario for Project Management Services for the First Phase of the Revitalization of Durham Regional Local Housing Corporation Properties
- 7.5 Report [#2024-COW-25](#) - Redevelopment Feasibility Analysis for Durham Regional Local Housing Corporation (DRLHC) Sites at Malaga Road and Christine Crescent

## 8. Relationship to Strategic Plan

- 8.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
  - a. Goal #2 – Community Vitality
    - 2.1 – Revitalize existing neighbourhoods and build complete communities that are walkable, well-connected, and have a mix of attainable housing.
    - 2.4 – Build a healthy, inclusive, age-friendly community where everyone feels a sense of belonging.
  - b. Goal #4 – Social Investment
    - 4.1 – Revitalize community housing and improve housing choice, affordability, and sustainability.
  - c. Goal #5 – Service Excellence
    - 5.1 – Optimize resources and partnerships to deliver exceptional quality services and values.

## 9. Conclusion

- 9.1 The Region's current short-term affordable housing development projects (Phase 2 of 1635 Dundas and 419-451 Christine Crescent) are progressing as quickly as possible.
- 9.2 CMHC's Affordable Housing Fund (AHF) is the most appropriate federal funding stream to achieve the Region's objectives. To meet the current timelines of AHF, both projects need to be shovel-ready, supported by detailed designs, technical studies and Class B cost estimates. Approval of these recommended actions will allow the procurement process for the required detailed design work on both projects to begin immediately and the Region to move closer to a submission for CHMC funding.

9.3 This report has been prepared with the assistance of the Finance Department and the Commissioner of Finance and Treasurer concurs with the financial recommendations.

Respectfully submitted,

Original signed by

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Stella Danos-Papaconstantinou  
Commissioner of Social Services

Recommended for Presentation to Committee

Original signed by

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Elaine C. Baxter-Trahair  
Chief Administrative Officer