



Seniors Housing Corporation Transition – Status Report

Item 8

December 9, 2021

Board of Directors

Report: TCHC:2021-90

To: Board of Directors (the "Board")

From: President and Chief Executive Officer

Date: November 29, 2021

PURPOSE:

The purpose of this report is to provide recommendations for approval to the Board of Directors on the forming of a Joint Transition Work Group with membership from the TCHC and TSHC Boards. This report also serves to provide the Board with a status on the Toronto Seniors Housing Corporation transition work.

RECOMMENDATIONS:

It is recommended that the Board of Directors:

- (1) Approve the establishment of a Joint Board Transition Work Group with Terms of Reference and Principles as outlined in Attachment 1; and
- (2) Authorize the President and CEO (or his designate) to take all actions and execute all necessary documents, on behalf of Toronto Community Housing Corporation, to implement the above recommendation.
- (3) Accept the updates on TSHC transition work as information.

REASONS FOR RECOMMENDATIONS:

The transition of the operation of the 83 seniors-designated buildings to the Toronto Seniors Housing Corporation on June 1, 2022 presents significant financial, reputational and operational risks to TCHC. In order to enable the Boards of both corporations to oversee the transition appropriately, a Joint Transition Work Group, with membership from both the TCHC and TSHC Boards should be implemented. The Work Group will not be a decision-making body, but will provide advice and oversight on behalf of their respective Boards, receive status updates on a regular basis from management of both corporations, and monitor compliance with the transition principles, including those set out by the City in the May 5th, 2021 Council report ([EX 23.4 Implementing Tenants First: Creating a Seniors Housing Corporation](#)).

At the November 23, 2021 Meeting of the TSHC Board, these Terms of Reference and Principles were adopted, with two requested modifications:

- That at least one of the members from each Board be a tenant director; and
- That Senior Tenant Advisory Committee (“STAC”) members and senior tenants will be engaged throughout the transition to provide input on the transition workplan in all areas of interest to tenants, with the exception of those matters that are closed, prior to Board approvals.

Both of these changes have been made and are reflected in the Terms of Reference in Attachment 1.

ADDITIONAL UPDATES

Functional Service Delivery Approach – work with MNP

The City of Toronto has hired a consulting firm, MNP, to conduct an analysis and provide recommendations on the functional service delivery model. The attached presentation (Attachment 2) was prepared by MNP, and was presented by MNP to the TSHC Board meeting on November 23, 2021.

The functional service delivery model is being developed in the context of the overarching roles of TSHC and TCHC (TSHC as landlord, accountable

to tenants; TCHC as a service delivery provider, accountable to TSHC for corporation-to-corporation services and with responsibility, as building owner, for long-term capital maintenance).

The outcome of MNP's work will include a finalized functional service delivery model for TSHC which will identify both those services to be delivered directly by TSHC and those which can be delivered on behalf of TSHC by TCHC.

The service delivery approach will leverage existing capacity and expertise at TCHC to the benefit of both corporations including:

- minimizing net new costs to both;
- simplifying the transition of TSHC from TCHC;
- reducing the costs of transformation at both corporations; and
- minimizing impact on staff and tenants

The project includes considerations that there may be different service delivery packages in the immediate-term and long-term. Overall it is understood that the service delivery package provided to TSHC at point of transfer may be reduced over time as TSHC grows its internal capacity, where it makes sense to do so in alignment with the key principles.

At the same time, some responsibilities, arising from the implementation of TCHC's capital repair program and consistent with obligations established within its Credit Agreement with CMHC, will continue to reside with TCHC during the full lease term.

In general, services that are closely linked to the tenants are more likely to be provided directly by TSHC and services that are further removed from the tenants are more likely to be provided through TCHC, on TSHC's behalf. It is understood that TSHC is accountable directly to tenants, and that TCHC will be accountable, through a functional service delivery agreement, to TSHC for delivery of certain services.

In determining which services should be shared, three key analysis principles are suggested:

- promoting the focus of TSHC on its core business of integrated service delivery to tenants;
- considering the impact on both TSHC and TCHC; and

- ensuring financial responsibility.

The project approach has four steps:

- identifying functions and services;
- conducting phased service analysis;
- defining service delivery model for June 1; and
- defining long-term service analysis.

The phased analysis allows for early recommendations on shared services that may change over time. Next Steps include finalizing the TSHC functional service delivery model and analyzing the identified phase 1 services.

Communications Update

A communications plan has been developed in partnership with TSHC and the City of Toronto, and with input from senior tenants through the STAC and through focus groups. Communications to date have included a news release from the City, email communications and town halls with SHU employees and a direct mail and poster campaign that is currently underway to all Senior Housing tenants.

TCHC, through the Seniors Housing Unit, is providing support to TSHC to engage SHU tenants to provide input and feedback on the transition. In particular, the STAC is being leveraged on an ongoing basis, in addition to their work in the Integrated Service Model, to provide specific advice and input to the TSHC transition team through focus groups and facilitated engagement sessions. Further to this, elected tenant representatives across the SHU buildings will also be a key factor in engagement as well. These sessions will continue over the next several months and will include engagement with tenants including STAC and elected tenant representatives on, for example:

- TSHC CEO recruitment;
- What will be different on 'Day One';
- Service Delivery Model;
- The First 100 Days of TSHC; and

All engagement sessions and focus groups will be led by TSHC staff, who will also be driving the content for the sessions. TCHC staff will support with outreach and tenant communication in advance of the sessions.

Project Management Update

Work on the overall transition project is proceeding well, with significant collaboration between TCHC and TSHC, as well as with the City in their advisory capacity.

The Executive Steering Committee for the project meets weekly, and the executive teams from both TCHC and TSHC meet bi-weekly to discuss project progress and to problems solve and manage risks. A robust working group structure is in place at TCHC with working groups focused on each of the work streams:

- Lease Agreement
- Employee Transfers
- Tenancy Transfers
- Service Delivery agreement and June 1 Transition Planning
- Communications
- Financials and Budget

Work in all areas of the joint work plan are on track and are continuing with significant commitment and focus from TCHC staff.

SIGNATURE:

“Jag Sharma”

Jag Sharma
President and CEO

ATTACHMENTS:

1. Joint Transition Work Group – Terms of Reference and Principles
2. MNP Presentation – Functional Service Delivery Approach

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