



Q3 2021 Tenants First Update

Item 2G

November 3 2021

Building Investment, Finance and Audit Committee

Report: BIFAC:2021-103

To: Building Investment, Finance and Audit Committee
("BIFAC")

From: Vice President, Strategic Planning and Communications

Date: October 19, 2021

PURPOSE:

The purpose of this report to provide the BIFAC with the Q3 2021 update on the City's Tenants First initiatives.

RECOMMENDATIONS:

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

BACKGROUND:

Reporting History:

In 2021, Management have submitted the following reports to the BIFAC providing an update on work that took place related to the Tenants First Initiative:

Management reported to the BIFAC at its January 25, 2021 meeting (BIFAC:2021-13) and provided the Committee with an update on the work that took place in Q4 2020 related to the Tenants First initiative.

Management reported to the BIFAC at its March 11 2021 meeting and provided the Committee with an update on implementation of the Development Transition as part of the Tenants First initiative.

https://www.torontohousing.ca/events/Documents/BIFAC/2021%20BIFAC/March%2011/Item%204%20-%20Tenants%20First%20Development%20Transition_v2.pdf

Management reported to the BIFAC at its May 18 meeting and provided the Committee with an update on the work that took place in Q1, 2021 related to the Tenants First initiative.

<https://www.torontohousing.ca/events/Documents/BIFAC/2021%20BIFAC/May%2018%202021%20BIFAC/Item%202G%20-%20Q1%202021%20-%20Tenants%20First%20Update%20FINAL.pdf>

Overall TCHC-City Coordination Process

Toronto Community Housing (“TCHC”) Management and the City’s Tenants First team continue to work closely together on this project. The Executive Oversight Table continues to meet monthly, chaired jointly by CEO Jag Sharma and City Manager Chris Murray. This table oversees progress and works with staff to remove barriers to project success. TCHC is working closely with the Transitional Lead for the Toronto Seniors Housing Corporation (“TSHC”) to ensure that all transition efforts are coordinated and that TCHC is providing all requested and required support to the TSHC.

UPDATES:

Incorporation of TSHC

With adoption of EX23.4, “Implementing Tenants First: Creating a Seniors Housing Corporation” by City Council on May 5, 2021, Council directed City staff to take all necessary steps to incorporate the TSHC.

The TSHC was incorporated in late June and the TSHC Board of Directors have been meeting monthly.

Michael Sherar, the Transitional Lead and Chief Corporate Officer for the TSHC began on July 19, 2021. Since then the TSHC and its board has approved their preliminary work plan, and passed a resolution establishing the authority for the TSHC Board to select the executive search firm to support the recruitment of a permanent CEO. In addition, TSHC has been recruiting staff to support the implementation of the transition

deliverables. This team includes, a project manager, communications consultant, executive assistant, and CFO. The Board also approved recruitment for a permanent General Counsel to ensure the appropriate support required for a smooth transition of the 83 buildings.

Joint Project Governance Structure

The City identified the need for a joint project governance structure. This structure is meant to support joint project work, and to ensure that staff from both corporations can benefit from advice and support from an executive advisory group made up of the City Manager and the CEOs of TCHC and TSHC. This structure also ensures that TCHC and TSHC are able to engage in negotiations between themselves, and that each individual corporation's project team is accountable to their respective executive teams and Boards.

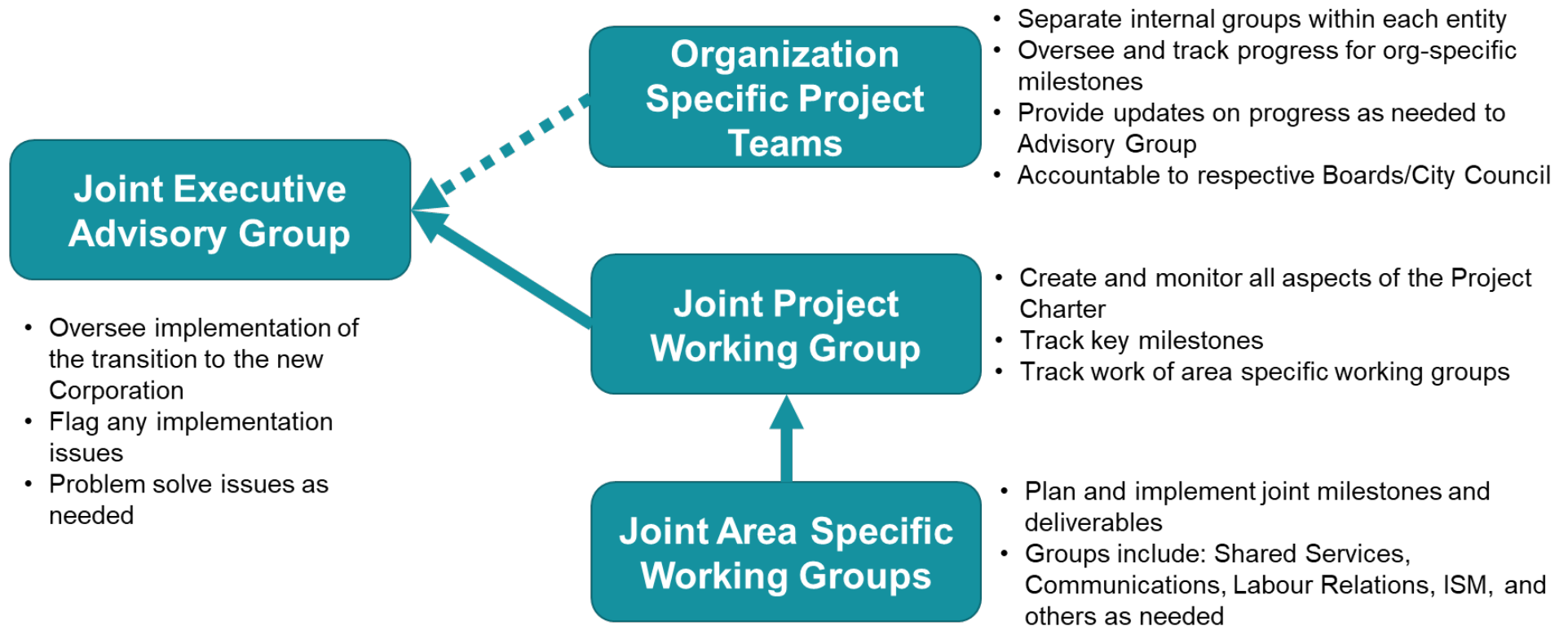
Progress on major milestones continues to be on track, with a target date for the transfer of the operational responsibility for the 83 Seniors-designated buildings to TSHC in mid-2022. The project governance structure is outlined below.

These timelines necessitate frequent and timely communication with the respective boards. TCHC and TSHC staff submitted to both board for approval the establishment of a joint Committee of Directors from TSHC and TCHC Boards. The intent of this Joint Committee is to facilitate information sharing in support of the Joint transition work-plan activities and is subject to each Board's approval to establish this entity. To date, the TSHC board has approved the request, with the decision to approve still pending.

Management from both corporations, in collaboration with City staff, have identified the following four work streams:

1. Shared Services between TCHC and TSHC;
2. The Lease agreement by which TSHC will lease the buildings from TCHC and thereby become the tenants' landlord;
3. The transfer of employees currently responsible for seniors tenants at TCHC to TSHC,
4. Subsidy and financial agreement between TCHC, City of Toronto and TSHC to identify the funding amounts and sources that will make up TSHC's post transition operating budget.

Joint Project Governance Structure



Robust, collaborative and ongoing communication with tenants and staff is a cornerstone of this project and a successful transition will not be possible without it. Management from both corporations have begun planning engagement and communication touch points, with joint communication planned wherever possible. Most recently, TCHC's CEO and TSHC's Transition Lead met with the Seniors Tenant Advisory Committee to provide them with an overview of transition and timelines and to answer questions they had. Leveraging tenant leaders in this manner is a priority for Management from TCHC and TSHC.

TCHC is distributing a communications to all senior tenants within the 83 buildings by the end of October, 2021. This communication will include information on the respective roles of TCHC and TSHC throughout the transition, a Q&A document, timelines, and an overview of how additional information will be shared with all senior tenants going forward.

Shared Services Consultant

The successful consultants (MNP Consultants) started working on the project in early October. A weekly meeting with staff from TSHC, The City and TCHC has been organized to ensure that all materials to support them in delivering their recommendations in a timely matter will be provided to them to expedite their work.

Integrated Service Model ("ISM") Implementation

The ISM's key features include increased staff to tenant ratios, better coordinated access to health services and supports through the Local Health Integration Network, community partners, and seniors health and wellness hubs.

As part of Phase 1, in late 2020 the ISM rollout began in 18 buildings in the South East Region, and subsequent implementation across the remaining buildings in the Seniors Housing portfolio is scheduled to take place later in 2021 and 2022.

In early 2021, various roles, including the Seniors Services Coordinators and Tenant Service Administrators, were on-boarded and have begun to deliver an integrated approach to supporting senior tenants. As well, the

SHU continued their review of partnership agreements and partnerships to develop specific programs and services under the ISM.

Moving forward, ISM Phases 2 and 3 will be implemented across three additional regions of the City, for a total of four regions, which represents an adjustment from the original five region-model. The transition to the ISM in all four regions is expected to be completed in June 2022.

Updated Shareholder Direction for TCHC

City Council adopted the updated Shareholder Direction on July 14, 2021 (Report EX25.12). The updated Shareholder Direction (Attachment 2) better reflects TCHC's current work and was completed in close collaboration with the Tenants First Team, City Legal, Shelter Support and Housing Administration and the City Manager's Office.

Scattered Properties Request for Proposals ("RFP")

TCHC continues the 180 day due diligence period with the successful proponents, Circle Community LandTrust and Neighbourhood Land Trust. Neighbourhood Land Trust completed unit inspections in October, but due diligence efforts continue. Circle Community LandTrust, has begun inspections of vacant units and will move to inspect 20% of occupied homes, as well as all heritage status properties. Per the Agreement of Purchase and Sale, tenants were notified of inspections taking place and COVID-19 health and safety protocols continue to be followed.

Progress continues to be on track for closing all asset transfer transactions in 2022, beginning with the first transfer in March 2022. As part of due diligence, TCHC will ensure policies are in place to manage all tenancies effectively and support the development of such policies, if needed, by providing access to internal documents and subject matter experts at TCHC.

IMPLICATIONS AND RISKS:

Financial implications associated with implementing the Joint Work plan and the transition of the operations of the 83 seniors-designated buildings to the TSHC include a significant amount for hiring of external legal counsel to provide expert advice on key legal risks and implications to TCHC, given the aggressive timeline contemplated in the joint work plan. These costs and other items that arise will be incorporated into TCHC's 2022 budget.

The Seniors Housing Corporation transition is one of the largest projects of this nature that TCHC has ever been involved in and ongoing engagement with this Board will be a requirement. Management expects to engage with the Board on an ongoing basis, at every opportunity, as we prepare for the approval of all agreements and the transition date of June 1, 2022.

Ongoing collaboration with the TSHC Board and Transition team will also be extremely important and TCHC is committed doing everything possible to ensure this transition is successful and that TSHC is set up to move ahead as a strong corporation operating the 83 seniors-designated buildings.

SIGNATURE:

“Paula Knight”

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ATTACHMENTS:

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