

Toronto Community Housing



Seniors Housing Corporation Transition – Status Update

Item 5

February 25, 2022

Board of Directors

Report: TCHC:2022-13**To:** Board of Directors (the “Board”)**From:** President and Chief Executive Officer**Date:** February 23, 2022**PURPOSE:**

The purpose of this report is to provide the Board of Directors with a status update on the transition process for all project components of the transfer of the operations of the 83 Seniors-designated buildings to the Toronto Seniors Housing Corporation (“TSHC”).

RECOMMENDATIONS:

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

BACKGROUND:

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 2021, the TSHC Board of Directors have been meeting monthly, and interim staff have been hired. Toronto Community Housing (“TCHC”) and TSHC are working closely together to ensure that all transition efforts are well coordinated between the two corporations.

In EX23.4, City Council directed the TCHC and TSHC Boards to adhere to set of principles in negotiating and finalizing the agreements governing the transition as follows:

- a) promote the common interests of tenants and City objectives;
- b) minimize disruption to tenants;
- c) minimize financial impacts on the City;
- d) ensure compliance with existing Toronto Community Housing Corporation capital funding and borrowing agreements;
- e) mitigate business and operational risks for both corporations during a transition period; this may include the Toronto Community Housing Corporation supporting the Toronto Seniors Housing Corporation administrative functions in the short term where feasible, as Toronto Seniors Housing Corporation builds capacity; and
- f) ensure the capital needs of seniors-designated buildings are assessed and resourced at a level similar to that of comparable buildings in the Toronto Community Housing Corporation's portfolio.

To ensure a smooth transition, 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 on June 1, 2022.

Management from both corporations continue to work collaboratively to address all tasks and issues as they arise within the four identified work streams:

- Lease Agreement
- Service Delivery Agreement
- Transfer of Employees
- Transfer of Tenancies

The TCHC Executive Steering Committee for the project meets weekly, and the executive teams from both TCHC and TSHC meet bi-weekly to discuss project progress, to problem solve and manage risks. A joint decision-making framework has now been fully implemented and is proving effective at

gaining consensus on complex decisions and equipping the respective executive teams with the information they need to move the project forward. Additionally, the Deputy City Manager, TSHC Transition Lead and TCHC CEO meet on a weekly basis to monitor project status.

UPDATES:

Tenancy Transfers

The primary functions of the Tenancy Transfer work stream are to determine TCHC's obligations to residential tenants throughout the transition and develop a plan to manage the transfer of their tenancies with a minimum of disruption. Core priorities include:

- determining how information related to residential tenancies will be transferred to TSHC;
- providing support and advice to TSHC as it assumes its role as a landlord;
- developing a communication and support plan for residential tenants related to their transition to a new landlord; and
- informing staff of process changes in a timely manner to ensure tenants are adequately supported.

In an effort to minimize disruption to tenants, TCHC management, in collaboration with the TSHC transition team have prioritized identifying the immediate impact to tenants upon transition and continue to work towards sharing a robust information package with tenants in March.

Within this communication, tenants will be informed about the June 1 operational transition to TSHC and how they can continue to access services and support. Tenants will also be invited to attend one of several tenant information sessions planned prior the June 1 transition. TCHC and TSHC, in coordination with the City and Senior Tenants Advisory Committee are working to develop robust tenant engagement related to the transition and ensure tenants are provided with necessary information well in advance and through multiple channels.

Service Delivery Agreement and June 1 Transition Planning

TCHC is working, in collaboration with TSHC and the City of Toronto's consultant, MNP, to define the corporate functions and tenant-facing operations model that will outline the services to be delivered directly by TSHC and those which can be delivered, on behalf of TSHC, by TCHC. MNP is in the final stages of developing their report on the final recommended service delivery model. With the decisions made through this process, TCHC and TSHC will negotiate a Service Delivery Agreement that will detail the agreed upon the service model, costing and billing for those services, and what services will be provided on a short term basis to maintain business continuity and what will be provided under a longer term service delivery model.

IMPLICATIONS AND RISKS:

The Seniors Housing Corporation Transition project is proceeding under an aggressive timeline, and significant work is required to ensure a successful transition on June 1. Many areas of work include business process changes, negotiations with existing TCHC vendors, changes to contracts, and IT system architecture adjustments. Due to the complexity of the project, work is underway in many parallel streams.

TCHC and TSHC have coordinated with the City's Financial Planning team and Shelter Support and Housing Administration Division to identify incremental costs associated with the transition work. Financial implications associated with implementing the transition of the operations of the 83 seniors-designated buildings to the TSHC are significant, given the aggressive timeline for the project. These costs and other items have been included in TCHC's 2022 budget as one-time expenses.

SIGNATURE:

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