

Transfer Plan: TCHC Agency Houses and Rooming Houses

1. Introduction

This plan proposes steps and a framework (Table 1) to transfer ownership and operation of the current TCHC scattered housing portfolio to non-profit housing providers, focusing on the three distinct types of housing in the portfolio.

Principles:

In July 2016, Council approved Tenants First: A Way Forward for Toronto Community Housing, including five principles for guiding any transfer of TCHC-owned properties to the non-profit sector. The transfer plan proposed here adheres to these five principles:

- Maintain affordability in transferred units
- Ensure accountability
- Ongoing financial viability
- Tenant-centered transfers
- Engagement with the greater community

Objectives:

Consistent with these principles, six objectives were identified for the transfer of the TCHC scattered portfolio to the non-profit sector:

- Minimal displacement of current tenants
- Improved service to current tenants
- Preservation of the affordability of existing housing units
- Removal of the properties from TCHC's financial and operational responsibilities
- Ability to match needs of current tenants with expertise of provider
- Strengthen the non-profit sector

Accountability Framework:

As the City transfers the ownership of the properties into the non-profit sector, an accountability framework will be applied to ensure ongoing affordability and stewardship of these assets. The framework requires:

- Specific housing use is registered on title
- A reversion of ownership to the City upon subsequent transfer
- Annual reporting to Council
- Regular reporting to Service Manager by social housing providers
- City representation on Board for a provider whose primary business is operating former City-owned assets

The City Solicitor will develop agreements that clearly define expectations, key performance indicators and a structure for monitoring the success of any transferee organizations.

2. Agency Houses

Agency Houses are TCHC owned houses that are leased by non-profit organizations. There are currently 26 Agency Houses in this portfolio comprising a total of 183 units. All are being used for a housing purpose while the target population for each program varies. The length of leases range from 1 year to 25 years. The terms of the leases are unique to each property and include a range of lease administration responsibilities that are managed by TCHC.

Agencies leasing Agency houses serve vulnerable people and help them to stay stably housed. The programming they provide to tenants helps to reduce pressure on City services, such as shelters and subsidized housing. For example, a non-profit agency currently leases a TCHC house to provide shelter, settlement assistance and access into the community for newly arrived refugees. This agency does not receive a city subsidy to do this important work.

Through the recent REOI process, many operators of Agency Houses expressed interest in owning the properties they currently lease and outlined the ways that they have contributed to the maintenance and renovation of the portfolio. For example, a non-profit recently leased a TCHC house and is retrofitting the building to create Canada's first and Toronto's only facility that will combine specialized counselling and transitional and emergency housing exclusively dedicated to serving homeless LGBTQ2S Youth.

It is recommended that agencies leasing Agency Houses are given a transfer offer for the property(ies) they currently lease. Transfer value will be based on a formula that considers the outstanding mortgage on the entire Agency House portfolio and the assessed value of the individual house.

As a result of these sales it is anticipated that:

- Existing mortgages associated with the properties will be paid off
- The cost of operations and capital repairs will be removed from TCHC's balance sheet
- Non-profit capacity will be increased through the acquisition of property at an affordable rate
- The current social purpose will be preserved.

Proposed Process for Transfer:

1. Agencies will apply for the opportunity to purchase the house they currently lease for a price determined in accordance with the transfer value formula.
2. Agencies will present a business case that shows viability, including an ability to maintain the properties in a state of good repair, and ongoing stability of funding.
3. Accountability tools will be outlined in the application
4. A joint review panel made up of TCHC and City Staff will make a decision about the sale.

Note: If agencies are not interested in purchasing the property which they currently lease, or do not present viable business plans, they will have the option to continue

to lease the property. Properties in this category will become a part of the larger Request for Proposals (RFP) for Single Family Houses. As described in this report. In this scenario, lease management responsibilities will transfer to the new operator selected through that process.

3. Rooming Houses

As a first start to address the TCHC rooming house portfolio an ambitious initiative has been approved by Council to revitalize a number of TCHC rooming houses on Winchester Avenue in St. Jamestown. Through a partnership between the City of Toronto's Affordable Housing Office, the Ontario government, TCHC and Margaret's work is beginning in 2018 to completely renovate the existing shared accommodation to create self-contained apartments with Margaret's providing support services.

Moving forward it is proposed that a similar approach be employed in addressing the remaining 22 TCHC rooming houses. The recommendation is therefore to for to transfer operation and ownership of these additional rooming house properties to non-profit supportive housing operator(s) qualified to deliver appropriate onsite supports to tenants, foster community engagement and undertake the necessary capital improvements.

While the longer term goal of transfer is being pursued, current TCHC Rooming House tenants must be connected with supports. In the interim it is proposed that a lead non-profit agency be selected to coordinate services for tenants across all of the 22 buildings. The lead agency would be responsible for needs assessment and for establishing linkages between local service provider organizations and tenants. The lead agency will be accountable to the City and will work closely with TCHC while TCHC remains the Rooming House operator.

Proposed Process to Coordinate Support Services for TCHC Rooming House Tenants:

1. An RFP will be issued to non-profit housing organizations for the co-ordination of support services to tenants in TCHC Rooming Houses
2. Proponents will need to present a plan to assess the needs of the communities and connect and co-ordinate tenants to supports
3. Accountability tools will be outlined in the RFP
4. A joint review panel made up of TCHC and City staff will make a decision to select a co-ordinating organization
5. Successful proponents will receive funding to deliver co-ordination services on an interim basis while TCHC continues to operate the Rooming Houses.

Proposed Process for Transfer:

1. An RFP will be issued to non-profit supportive housing organizations
2. Proponents will need to present a viable business case and demonstrate capacity to work with and support vulnerable tenants, willingness to work within a changing social housing sector, build capacity over time and work closely with other organizations
3. Accountability tools will be outlined in the RFP

4. A joint review panel made up of TCHC and City Staff will make a decision about successful transferee agency or agencies
5. The City and successful proponent(s) will negotiate terms of the transfer