

Toronto Seniors Housing Corporation Board of Directors

Date: January 13, 2020

To: Executive Committee

From: Deputy City Manager, Community and Social Services

Wards: All

SUMMARY

The City of Toronto's new seniors housing corporation will operate affordable rental and social housing for approximately 14,000 low and moderate-income senior households in 83 senior-designated buildings. These housing units are currently operated by the Seniors Housing Unit of Toronto Community Housing Corporation.

While Council has approved in principle the creation of the seniors housing corporation, it has yet to be legally incorporated due to the impact of COVID-19 on City resources. Staff will be reporting back on timing for incorporation in spring 2021.

Despite the delay, two key decisions necessary to establish the corporation are recommended at this time. In anticipation of legal incorporation of the seniors housing corporation, this report recommends the Terms of Reference for the Board of Directors for the seniors housing corporation, and directs the City Clerk to initiate recruitment of the Board. Starting the Board appointments process at this time will accelerate the process to establish the seniors housing corporation, and position the Board to guide the initial development of the organization.

RECOMMENDATIONS

The Deputy City Manager, Community and Social Services, recommends that:

1. City Council approve the Terms of Reference for the City of Toronto's seniors housing corporation Board in Attachment 1 of this report.
2. City Council direct that, for the first two years following incorporation, the composition of the City of Toronto's seniors housing corporation Board shall include the City Manager or designate sitting in an ex-officio non-voting capacity.

3. City Council direct the City Clerk to immediately initiate the recruitment process for the City of Toronto's senior housing corporation's Board in accordance with the Public Appointments Policy, the *Business Corporations Act (Ontario)*, the Striking Committee Process, and the Board Terms of Reference in Attachment 1 of this report.

FINANCIAL IMPACT

There are no immediate financial impacts to the City arising from the recommendations in the report with respect establishing the composition and authorizing the recruitment of the Board of the City's seniors housing corporation. All actions related to these recommendations will be completed within existing resources.

Once the timelines for the establishment of the seniors housing corporation have been determined, any financial impacts to the City arising from its establishment will be further outlined in subsequent reports to Council and will be subject to the annual budget process. Financial impacts of appointing the Board, including funding remuneration, will be identified along with recommendations for incorporation.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On May 22, 2018, City Council adopted Implementing Tenants First - Creating a Seniors Housing Unit at Toronto Community Housing Corporation and Transitioning Towards a Seniors Housing and Services Entity at the City.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX34.3>

On July 16, 2019, City Council adopted Implementing Tenants First - A New Seniors Housing Corporation and Proposed Changes to Toronto Community Housing Corporation's Governance, which included the approval in principle of the creation of a new seniors housing corporation to operate the 83 seniors-designated buildings in TCHC's portfolio subject to a due diligence process.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX7.1>

On October 27, 2020, City Council adopted Implementing Tenants First: 2020 Action Updates, which directed staff to report to the Executive Committee in spring 2021 with recommended timelines for the creation of the seniors housing corporation and recommendations for related approvals.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX17.2>

COMMENTS

Background

City Council on July 16, 2019, approved, in principle, the creation of a new City of Toronto seniors housing corporation (SHC). The SHC will operate affordable rental and social housing for approximately 14,000 low and moderate-income senior households in 83 senior-designated buildings. These housing units are currently operated by the Seniors Housing Unit of Toronto Community Housing Corporation (TCHC). SHC services will be funded in part through the City's Shelter, Support and Housing Administration Division acting as the Service Manager under the *Housing Services Act, 2011*. TCHC will retain title and responsibility for capital work for these buildings in order to access loans under current financing agreements with third party lenders including Canadian banks, and a 10-year capital funding agreement with Canada Mortgage and Housing Corporation under the National Housing Strategy.

While the creation of the SHC has been approved in principle, it has yet to be formally established and legally incorporated. As described in EX17.2 approved by Council on October 27, 2020, the SHC will be established using a three-phase approach.

- Phase 1 involves creating the corporation, and includes legal incorporation of the SHC under the appropriate statute, appointing individuals to act as the Board of Directors, developing a procedure by-law, establishing banking arrangements and recruiting an executive head of the corporation.
- Phase 2 is the start-up and transition phase, and includes negotiating with TCHC to establish leasing and sale of business terms and conditions, information sharing and shared service agreements, hiring staff, and setting up offices and operating policies.
- Phase 3 is the operating phase where the SHC assumes responsibility for operating the 83 seniors-designated buildings using the Integrated Service Model, and is formally transferred tenancies of building occupants.

Given that the ongoing pandemic and associated recovery and rebuild period is anticipated to extend into 2021, the establishment of the SHC has been delayed. Staff will report back on timing for establishing the SHC in spring 2021.

Preparatory and Pre-incorporation Activities

In advance of incorporating the SHC as a legal entity, City and TCHC staff have initiated preparations to facilitate the establishment of the organization. These activities include a review of contracts and potential shared services, the development of business processes for the transfer of operations, and the development of a Shareholder Direction for the SHC.

In addition to these preparatory activities, recruiting and nominating members of the initial SHC Board of Directors could also begin in advance of incorporation, subject to Council approval. Initiating Board recruitment now would accelerate the work in Phase 1 of the process to establish the SHC. This report recommends Council approval of the composition of the SHC Board of Directors and authorizes the City Clerk to immediately

begin recruitment of nominees for the Board using the Terms of Reference contained in Appendix 1.

Board Responsibilities and Composition

The SHC Board composition recommended in the Terms of Reference in Attachment 1 of this report will facilitate strategic and effective decision-making, informed by Council objectives, relevant professional expertise, tenant-centred considerations, diverse perspectives and service coordination efforts. These recommendations are informed by a review of boards of municipal social housing providers in other jurisdictions in Ontario, other local City boards including TCHC, and literature on board structure and practice.

Subject to Council approval, the SHC's Board will be composed of nine (9) members, including:

- The Mayor or Council member designate appointed by the Mayor;
- One (1) Council member from the Planning and Housing Committee or the Board of Health; and
- Seven (7) public members, including:
 - Five (5) public members at large; and
 - Two (2) public members who are current tenants in the buildings operated by the seniors housing corporation.

City Council shall appoint any one (1) of the public members to serve as Chair.

Council members on the SHC Board will include the Mayor or Mayor's designate as well as a Council member from the Planning and Housing Committee or the Board of Health. These requirements will ensure that Council members on the SHC Board are familiar with the City's priorities and actions related to affordable housing, supportive housing and an aging in place service approach.

Recruitment of public Board members will seek out committed community leaders with multi-disciplinary skills and experience. Diverse and highly-qualified residents will be encouraged to apply using targeted outreach methods. Board members will be sought that have skills and experience applicable to providing social housing; property management; corporate governance; financial management of large budgets; organizational development; labour relations; business and contract law; and providing health and/or seniors services. In addition to the above noted skills and experience, the two tenant public members will assist the board in taking decisions informed by a lived experience perspective.

The eligibility criteria in the City's Public Appointments Policy and the *Business Corporations Act (Ontario)* will apply to the recruitment, with a focus on equity, diversity and inclusion in the recruitment process. The Striking Committee process will be followed to recruit a Council member from either the Planning and Housing Committee or the Board of Health to the SHC Board.

This report also recommends that, for the first two years following incorporation, the composition of the City of Toronto's seniors housing corporation Board shall include the City Manager or designate sitting in an ex-officio non-voting capacity. The City

Manager or their designate will support SHC's development and ensure alignment with City priorities at Board meetings.

Next Steps

Recommendations of Board nominees will be made by the Corporation Nominating Panel to Council in spring 2021. Recommendations regarding the timing of the SHC creation and other necessary approvals will also be brought forward in spring 2021.

Once appointed by Council, the Board will serve as the first Board of the SHC, and be named in articles of incorporation filed with the Province of Ontario for incorporation under the *Business Corporations Act (Ontario)*, and pursuant to the *City of Toronto Act, 2006*. The City will be the sole shareholder of the corporation.

Through this process, the Board will be well positioned to lead the executive head recruitment process, prepare for negotiating necessary agreements and guide the initial development of the organization's structure and operating framework. This timing will also facilitate board continuity and ensure institutional memory of early stages of the corporation's development.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: City of Toronto's Seniors Housing Corporation Board Terms of Reference