

Implementing Tenants First: Creating a Seniors Housing Unit at TCHC, and Transitioning towards a Seniors Housing and Services Entity at the City

Date: May 2, 2018

To: Executive Committee

From: Executive Director, Social Development, Finance and Administration

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

This report involves the security of property belonging to the City or one of its agencies or corporations.

SUMMARY

In July 2017, City Council approved Tenants First: Phase 1 Implementation Plan to restructure the operation, governance and funding of Toronto Community Housing Corporation (TCHC). In January 2018, Council approved Implementing Tenants First: TCHC Scattered Portfolio Plan and an Interim Selection Process for Tenant Directors on the TCHC Board.

This report advances the direction set in July 2017 by detailing the steps required to create a Seniors Housing and Services Entity. The Council direction to create a Seniors Housing and Services Entity is consistent with the broader modernization and transformation mandate for the City. The Seniors Housing and Services Entity and proposed transition team are aligned to other initiatives to modernize human services including Human Services Integration and the ongoing work to modernize the City's social housing system. Three key actions will commence in 2018-19 aiming to restructure and integrate housing and support services to better meet the needs of seniors living in TCHC and in the other communities in Toronto.

These actions are summarized below:

Action 1: TCHC and City to design and implement a new Integrated Service Model for seniors housing to promote ageing in place, better quality of life, and successful tenancies for seniors living in TCHC seniors' and mixed buildings, in partnership with

Toronto Central Local Health Integration Network (TC LHIN) and the Ministry of Health and Long Term Care (MOHLTC).

Action 2: TCHC establish a Seniors Housing Unit as a new and separate management structure within TCHC, with oversight for the portfolio of seniors-designated buildings and responsibility for delivering the new Integrated Service Model for seniors housing, as described in Action 1 as a transitional step in the transformation of TCHC.

Action 3: City begin the process to align and coordinate current City services for seniors through creating a Seniors Housing and Services Transition Team.

This report focuses primarily on strategies to improve the quality of life for tenants who live in TCHC seniors-designated buildings, as well as seniors in TCHC mixed buildings and the general population of seniors in Toronto. Seniors living in TCHC experience higher than average levels of vulnerability due to physical, mental, and economic challenges. A seniors-focused social housing model will better connect these tenants with services to create opportunities to better support ageing in place, improve their overall quality of life, and promote successful tenancies. This in turn can reduce pressure on other City services like emergency medical services and long-term care homes. Integrating City services for seniors will make navigating the support service system easier. The creation of seniors hubs in TCHC buildings will bring services to the doorstep of vulnerable seniors and will improve access to services for the seniors living in those buildings and others located in close proximity.

These proposed actions, and associated recommendations, are designed to improve the delivery of housing and services to the 110,000 residents who live in the City-owned housing portfolio. As set out in this report, the proposed actions will require planning and implementation over the next five years.

This report also advances the plan for scattered housing by recommending the transfer of:

- 24 houses within the scattered housing portfolio, which are currently vacant and have unmet capital needs, to non-profit housing providers that support current City priorities, and
- 4 houses that have been approved for conversion to 35 units of supportive housing

In addition, this report provides updates regarding the ongoing work to define the mandate for the new TCHC; the interim funding model for 2018 and 2019; and the work of formulating a new permanent funding model that is sustainable, accountable, predictable, and simple to administer. Finally, there are responses in Attachments 2 and 3 to the following requests made through the adoption of EX26.2:

a) City Council request the City Manager and the Deputy City Manager, Cluster A to report back on including the following two additional buildings in the list of seniors buildings that have become mixed buildings:

Downsview Acres, located at 2195 Jane Street; and
Northwood Apartments located at 3680 Keele Street; and

b) that City Council request the Deputy City Manager, Cluster A and the Interim Chief Financial Officer to report on the current 83 seniors buildings and their previous corporations and on any distinct operating features associated with these buildings.

To successfully implement these recommendations and continue the transformation of TCHC, ongoing active participation from tenants and staff of TCHC, non-profit organizations, LHINs, City Divisions, as well as other orders of government is essential.

RECOMMENDATIONS

The Executive Director, Social Development, Finance and Administration recommends that:

1. City Council as sole shareholder direct the Toronto Community Housing Corporation Board of Directors to direct the President and Chief Executive Officer of Toronto Community Housing Corporation (TCHC) to restructure seniors housing and services by taking the following two actions, commencing in 2018:

a. Collaborate with the City of Toronto to design a new Integrated Service Model for seniors housing to promote ageing in place and better quality of life for seniors, in partnership with the Toronto Central Local Health Integration Network (TC LHIN) and the Ministry of Health and Long Term Care (MOHLTC).

b. Establish a Seniors Housing Unit, reporting directly to the President and Chief Executive Officer, TCHC, as a new and separate management structure within TCHC with oversight for the seniors-designated building portfolio and responsible for implementing the new Integrated Service Model for seniors housing and operational in 2019.

2. City Council authorize the Deputy City Manager, Cluster A to create a temporary Transition Team that will:

a. Complete a review of City services for seniors and develop recommendations on the creation of a Seniors Housing and Services Entity responsible for strategic planning, connecting and integrating services for seniors, and maximizing the use of existing resources to effectively meet the current and evolving needs of senior residents and communities;

b. Develop and recommend an approach for the strategic integration of the seniors-designated buildings within the Toronto Community Housing Corporation portfolio with the Seniors Housing and Services Entity as recommended in 2a; and

c. Report back to Council in 2020.

3. City Council increase the 2018 Approved Operating Budget for Social Development, Finance and Administration by \$0.076 million gross and \$0 net and 1 temporary position, with an annualized impact of \$0.076 million in 2019, fully funded from the Innovation Reserve Fund (XR1713) to create a Transition Team to implement Recommendation 2 for a two year period beginning in July 2018.

4. City Council as sole shareholder direct the Toronto Community Housing Corporation Board of Directors to instruct its President and Chief Executive Officer to work with the Deputy City Manager, Cluster A, to initiate a process, satisfactory to the President and Chief Executive Officer of TCHC and the Deputy City Manager, Cluster A, to transfer ownership of 24 TCHC houses that are currently uninhabitable (as listed in Confidential Attachment 1 to meet the needs of identified City priority groups ensuring that:

- a. the properties are maintained for a housing purpose;
- b. the properties continue to be operated by non-profit organizations;
- c. any transferred asset will revert to the City in the event of any future transfers to a transferee that is not a non-profit or any change in use;
- d. the transaction is structured to support the result of an aggregate net neutral financial impact to Toronto Community Housing Corporation following transfer of the ownership of the entire portfolio.

5. City Council, acting as Shareholder, consent to transfer all properties referenced in Confidential Attachment 1 pursuant to Section 7.3 (e) of the Shareholder Direction.

6. City Council request the Board of Directors, Toronto Community Housing Corporation to transfer ownership of 13, 15, 17 and 19 Winchester Street to Margaret's Housing and Community Support Services Inc. ensuring that:

- a. the properties are maintained for a housing purpose;
- b. the properties continue to be operated by non-profit organizations;
- c. any transferred asset will revert to the City in the event of any future transfers to a transferee that is not a non-profit or any change in use;
- d. the transfer value will be equal only to the costs of the transfer as determined by Toronto Community Housing Corporation

Properties that are not transferred to Margaret's Housing and Community Support Services Inc. will be added to the Council-approved Request for Proposals process for the scattered housing portfolio.

7. City Council, acting as Shareholder, consent to transfer the properties at 13, 15, 17 and 19 Winchester Street to Margaret's Housing and Community Support Services Inc. pursuant to Section 7.3 (e) of the Shareholder Direction.

8. City Council authorize the General Manager, Shelter Support and Housing Administration, to provide, on behalf of the City acting as Service Manager under the Housing Services Act, consents to achieve the transfers referenced in Recommendation 4 and Recommendation 6, pursuant to subsection 161 (2) and 162 (2) of the Housing Services Act, as required, to transfers by Toronto Community Housing Corporation, and to mortgages by transferees, subject to such terms and conditions that the General Manager, Shelter Support and Housing Administration, considers reasonable and necessary to carry out City Council's decision, including, without limitation, compliance with the Housing Services Act and the Service Manager's local rules; rent; the operation of the housing project; funding; reporting and accountability; the mandate and target tenants for the housing project; and tenant supports.

FINANCIAL IMPACT

Action 1 and Action 2: TCHC to restructure seniors housing and services by designing a new Integrated Service Model in collaboration with the City of Toronto and establishing a Seniors Housing Unit.

The report recommends the creation of a Seniors Housing Unit within TCHC in 2018, to be fully operational in 2019. The restructuring will have no financial implications. Funding of \$3.019 million is included in TCHC's Operating Budget for Tenants First Implementation, which can be used in part to fund this initiative.

The current staff structure associated with the 80 TCHC's seniors' buildings that are directly managed by TCHC comprises 198 full time equivalents (FTEs) at a cost of about \$13.501 million annually. The seniors portfolio also includes three seniors' buildings that are currently managed through contract with external property management companies.

Preliminary estimates of a potential staff structure for the Integrated Service Model to be delivered by the TCHC Seniors Housing Unit will provide for an increased ratio of on-site staff by adding 27 new FTEs, including a General Manager position, at a total cost of \$1.743 million. The conclusion of external property management contracts for three seniors' buildings will help offset the cost of restructuring, with the value to be determined at a later date.

City staff will work with TCHC to assess its current resource capacity and the requirements for the Integrated Service Model and develop strategies to mitigate the costs of the model wherever possible while leveraging provincial funding opportunities.

Action 3: City of Toronto to create a temporary Transition Team within Cluster A

The temporary Transition Team will consist of a project manager with estimated costs of \$0.076 million gross and \$0 net in 2018, \$0.151 million gross and \$0 net in 2019 and \$0.076 million gross and \$0 net in 2020, funded from the Innovation Reserve Fund (XR1713), and two staff from existing resources in Social Development, Finance and Administration for a period of 2 years from July 2018 to June 2020.

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

EQUITY IMPACT

The actions presented in this report will transform the way that TCHC supports its senior tenants to live more healthy and active lives. These steps align with many of the City's corporate strategies to advance equitable outcomes for marginalized Torontonians, particularly the proposed Toronto Seniors Strategy 2.0 which is before Council. This next phase of Tenants First also aligns with; the City's Specialized Program for Interdivisional Enhanced Responsiveness (SPIDER); Housing Opportunities Toronto; TO Prosperity: Toronto Poverty Reduction Strategy; Toronto Youth Equity Strategy; Toronto Strong Neighbourhoods Strategy 2020; Toronto Action Plan to Confront Anti-Black Racism; For Public Benefit (City of Toronto Relationship with the Not-for-Profit Sector); and the Toronto Newcomer Strategy.

DECISION HISTORY

On October 30, 31 and November 1, 2012, City Council endorsed Putting People First, Transforming Toronto Community Housing and the strategies contained in the report. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX23.4>

On May 7, 2013 City Council adopted the Toronto's Seniors Strategy CD20.1 to approve the vision, service plan, guiding principles, and accountability and monitoring framework contained in the Toronto Seniors Strategy. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD20.1>

On July 7, 2015 City Council approved Transforming Social Housing: Renewing the Partnership with the City's Social Housing Providers which laid the groundwork for a transformation of how the City delivers social housing. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD5.7>

On January 28, 2016, the Mayor's Task Force on Toronto Community Housing tabled its Final Report, Transformative Change for Toronto Community Housing Corporation at

Executive Committee.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX11.21>

Executive Committee referred the Final Report to the City Manager with direction to report to Executive Committee recommending an overall approach and guiding principles for how best to move forward with the transformation of Toronto Community Housing Corporation.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX11.21>

In June 2016, City Council approved Tenants First: A Way Forward for Toronto Community Housing and Social Housing in Toronto and directed staff to develop an implementation plan.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.11>

In May 2017, City Council approved City-Wide Real Estate Transformation.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.9>

On May 24, 25 and 26, 2017, City Council requested TCHC prepare a separate budget for the implementation of the Tenants First report being considered by City Council in July and that if approved that staff include the funding in the 2018 budget submission.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.18>

In July 2017 City Council approved Tenants First Phase One Implementation Plan and directed staff to return to further develop the governance and service model of the Seniors Housing and Services Entity, report back on further financial analysis and the results of an REOI for the scattered portfolio.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX26.2>

In January 2018 City Council approved Implementing Tenants First – TCHC Scattered Portfolio Plan and an Interim Selection Process for Tenant Directors on the TCHC Board.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX30.2>

COMMENTS

Introduction

In July 2017, City Council approved Tenants First: Phase 1 Implementation Plan to restructure the operation, governance and funding of TCHC. Significant progress has been made towards the goals of the Tenants First project by establishing a Tenant Advisory Panel, using the Public Appointments process to select two Tenant Directors for the TCHC Board, and creating new supportive housing in TCHC rooming houses. An interim funding model for TCHC was approved by City Council in February 2018. Through this work, staff are building strong working relationships with TCHC management and staff, as well as building trust with tenants.

TCHC tenants engaged in the Mayor's Taskforce, Seniors Strategy, and Tenants First project have continually raised concern regarding the ability of TCHC to provide housing and social services that meet the specific needs of seniors who wish to age in place. In response, City Council approved as part of the Implementation Plan "the strategic integration of City programs and services for seniors and responsibility for management of the 83 seniors-designated buildings within the Toronto Community Housing Corporation portfolio under a new Seniors Housing and Service entity that is separate from Toronto Community Housing and more directly accountable to City Council".

The creation of a Seniors Housing and Services Entity is consistent with the direction of the Toronto Seniors Strategy Version 2.0 which emphasizes the difficulty experienced by seniors in navigating the services offered by the federal, provincial, municipal and community-based non-profit sector; as well as the specific and growing needs of older Torontonians for affordable and social housing. Creating a Seniors Housing and Service entity will improve services to seniors across Toronto, especially seniors living within seniors-designated buildings within TCHC, to lead more healthy and active lives.

Focusing on seniors aligns with the Province of Ontario's "Aging with Confidence" Action Plan for Seniors released in November 2017, which has been accompanied by an increased \$1B investment that includes more funding for Seniors Active Living Centres, new resources to support Naturally Occurring Retirement Communities (NORC) and \$750 annually per senior-led household (aged 75+) to support home maintenance costs to enable ageing in place. Furthermore, as part of a new Partnership Agreement between the City and the TC LHIN, the City is working closely with the 5 GTA LHINs to identify opportunities to integrate health and social services for Toronto's seniors. A clear example of this has been a successful partnership in supporting Toronto Paramedic Services in leveraging provincial community paramedicine funding to create screening and intervention programs that specifically target TCHC senior tenants. This has significantly lowered the utilization of 911 services and improved overall access to care for the population. With the LHINs poised to receive the recently announced NORC funding through MOHLTC, there is already interest in collaborating with the City to leverage the funds to best serve Toronto's most vulnerable residents.

Focusing on seniors also aligns with the federal government's National Housing Strategy, which identifies seniors as a priority group, and notes that low-income seniors and senior women living alone are populations with high incidences of core housing need.

The three key actions presented in this report, combined with the recommendations in EX26.2 and EX30.2 provide direction to restructure and integrate housing and support services to better meet the needs of TCHC tenant groups.

Action 1: TCHC and City to design and implement a new Integrated Service Model for seniors housing to promote ageing in place, better quality of life, and successful tenancies for seniors living in TCHC seniors' and mixed buildings, in partnership with Toronto Central Local Health Integration Network (TC LHIN) and the Ministry of Health and Long Term Care (MOHLTC).

TCHC is home to over 27,000 seniors, over half of whom reside in TCHC buildings that are designated for seniors. Many Toronto seniors live independently with great success, however seniors living in TCHC are disproportionately affected by poverty, social isolation, mobility barriers, cognitive and health challenges that increase their vulnerability. Access to services is uneven, and the current level of service coordination is inadequate to address tenants' complex needs.

A review of services in seniors-designated TCHC buildings, conducted in consultation with tenants and service providers, identified two related issues:

- Inconsistent staff-tenant interactions, due to an operating model which requires TCHC staff to travel between a large number of buildings; and
- Lack of integration between services focusing on people (i.e. tenancy management) and services focusing on property (i.e. property management), which are delivered and managed separately under the current TCHC structure.

These issues have an effect on seniors' quality of life, their ability to age in place, and the success of seniors' tenancies. Because of a staffing model that requires staff to travel to multiple sites, supportive relationships of trust between staff and tenants are hard to establish. Tenants report barriers to accessing services because the existing service model emphasizes telephone or internet communication, rather than face-to-face contact. Staff cannot regularly monitor risk situations (such as deteriorating tenant health or unit conditions) nor effectively organize preventative interventions. Because people and property services are not integrated, staff are not trained nor responsible for observing risks outside their direct service responsibility. There is no forum for staff who work on-site to easily communicate across departments about emerging issues and there are barriers to working together to meet the needs of the tenant, the unit, the neighbours, and the community overall. Consequently, the needs of some seniors living in TCHC go unaddressed until a crisis point is reached that may compromise their health or their tenancy or both.

To meet the City's goal of becoming an age-friendly city, social housing for seniors must become an environment where tenants are supported through well-coordinated services to lead more active and healthy lives. Improving service coordination will reduce dependency on high cost interventions (e.g. EMS utilization and subsequent ER visits, hospital stays, evictions, shelter stays and long-term care placements). Discussions with tenants, Seniors Tenant Councils, Seniors Housing providers and advocates, labour representatives, and the TC LHIN have contributed to a preliminary design for a new Integrated Service Model in TCHC's seniors-designated buildings, focusing on three objectives.

The first objective for the new Integrated Service Model for seniors housing is that dedicated staff will work on-site across fewer buildings on an integrated basis [1].

¹ Under the existing TCHC service model, tenants in seniors' buildings are served by: Community Services Coordinators, who connect residents to services and resources to address issues that could affect housing stability (ex. hoarding or pest management); Tenant Services Coordinators, who provide administrative and clerical support services relating to property management (ex. rent collection, arrears, and vacancies); and Building and Community Facilitators who support community

Tenant services staff will work much more closely with the maintenance and cleaning workers and after-hours staff, as well as the health services providers operating in the building. More staff will be trained in identifying vulnerability issues and there will be regular forums to exchange information. This model focuses on reducing the number of different staff that an individual tenant would need to deal with, and delivering wrap-around services that meet tenants' range of needs.

The design of this component of the new Integrated Services Model will be led by Tenants First, in close collaboration with TCHC staff. The implementation of this component of the new Integrated Service Model in TCHC's seniors-designated buildings will be undertaken by the new Seniors Housing Unit to be established within TCHC.

The second objective for the new Integrated Service Model is to ensure that appropriate supports are in place to enable the Integrated Service Model. These supports involve dedicated care co-ordination resources responsible for working with housing staff to connect tenants to health care and community resources.

The TC LHIN will work with the City and TCHC to further develop the role of care co-ordination resources. The City and TC LHIN are exploring governance structures that support the regular exchange of information (and how to address distinct organizational requirements about client privacy), where existing resources can be leveraged, and where additional investments are required to deliver this component of the Integrated Service Model.

The third objective of the Integrated Service Model is to develop a network of Seniors Hubs, to be located in TCHC seniors-buildings which meet a range of criteria, including accessible space. Currently, numerous service providers deliver an array of services, primarily focused on individual needs, in TCHC buildings [2]. The Seniors Hubs will offer a range of individual and community services for seniors, available to both TCHC tenants and other senior Torontonians.

This component of the Integrated Service Model is an opportunity for the City to work with TCHC, the Province, TC LHIN and other organizations such as United Way to improve seniors' access to services, coordinate funding for seniors' programming, and reduce social isolation by creating new community spaces where seniors can gather. Appropriate locations and services for Seniors Hubs will be determined jointly by the City, TCHC, TC LHIN and other partners. Placing hubs in TCHC buildings, where there is a concentration of vulnerable seniors, will improve service co-ordination for those who need it most. Seniors who live in mixed TCHC buildings and in the wider community will

engagement. Property management issues in seniors' buildings are addressed separately by a range of staff including: Community Housing Supervisors, who oversee building operations and lead maintenance and cleaning staff; and Superintendents, who are responsible teams of custodians and cleaners and have responsibility for repairs and maintenance within and around buildings. Staff fulfilling these roles work with tenants across a portfolio of buildings, which may not all be seniors-designated buildings.

2 In some seniors' buildings there are LHIN-funded home care and community care support services, supportive housing programs that include nursing, personal support workers, case management services, meal programs, exercise and falls prevention programs and social/recreational activities. These programs are funded and delivered by the LHIN, LHIN-funded agencies or the City of Toronto.

also have access to services and programs through Seniors Hubs. There is potential to leverage new Minister of Seniors Affairs (MSA) funding for the creation of Seniors Active Living Centres and new MOHLTC funding for NORCs to enable the creation of the proposed Seniors Hubs.

Successfully transforming housing service to seniors will also require ongoing engagement with TCHC tenants.

Action 2: TCHC establish a Seniors Housing Unit as a new and separate management structure within TCHC, with oversight for the portfolio of seniors-designated buildings and responsibility for delivering the new Integrated Service Model for seniors housing, as described in Action 1 as a transitional step in the transformation of TCHC.

A new Seniors Housing Unit will be established formally at TCHC, with support from a Steering Committee of TCHC and City staff. This Unit will ensure and oversee the change in culture required to successfully deliver the new Integrated Service Model, create clear expectations for staff and tenants, and work with the City to develop mechanisms for the closer oversight of Seniors Housing operations by the Seniors Housing and Service Entity within the City of Toronto. This Unit will be led by a new General Manager position reporting directly to the President and Chief Executive Officer. Core competencies for this role include a strong commitment to customer service, expertise in social housing and seniors-centred services, and experience leading change management processes for large organizations. The creation of this Unit in TCHC will be a transitional step to the strategic integration of the TCHC seniors-designated portfolio with City seniors services.

Delivering the new Integrated Service Model for seniors housing will require a fundamental restructuring of how TCHC offers services to tenants, and consequently will have labour and management impacts. Some staff positions will be evaluated and better aligned to new responsibilities, including increased on-site presence, collaboration, and expertise in working with vulnerable seniors. Labour partners will be engaged to ensure that the restructuring and implementation process is smooth and that existing staff have opportunities for employment training, if required, to fill the new positions.

Action 3: City to begin the process to align and coordinate current City services for seniors through the creation of a Seniors Housing and Services Transition Team.

Improving services to seniors will require changes at the City of Toronto. Currently the City funds or directly delivers 47 services, programs or initiatives for seniors through 14 City Divisions and Agencies, as detailed in the staff report regarding the Seniors Strategy 2.0. Seniors report that it can be challenging to navigate this diverse delivery system.

The Seniors Housing and Services Entity and proposed transition team are aligned to other initiatives to modernize human services including Human Services Integration and the ongoing work to modernize the City's social housing system. All of these initiatives

share a common core set of objectives, including: simplifying service access and delivery from a client/user perspective, increasing effectiveness and service impact, improved data collection and program oversight to achieve improved efficiency in the human service system. At the core of all these initiatives is a drive to create a simplified, client centred suite of services and supports for Torontonians.

Creating a Seniors Housing and Service entity will also improve alignment with provincial and federal programs. Integrating seniors housing and services at the City through a dedicated entity will provide, for the first time, a readily identifiable entity for receiving and leveraging funds from provincial and federal governments. The status quo is not an effective administrative structure to meet the needs of our ageing population. Several other WHO Age-Friendly cities have stand-alone seniors service departments including New York, Boston, Philadelphia and Chicago. In January 2017, the Province took comparable bold action by elevating the Ontario Seniors Secretariat to a stand-alone Ministry of Seniors Affairs.

The creation of a Seniors Housing and Services Entity will also foster stronger partnerships with the five Local Health Integration Networks in Toronto and improved integration of home and community care with City and other government-funded services for seniors.

This Seniors Housing and Services Entity once fully operational will lead the service integration, as well as delivering on the objective of closer oversight over the operation of TCHC seniors-designated buildings and strengthening the Integrated Service Model by further connecting TCHC seniors to the City's senior services.

Transitioning to a Seniors Housing and Services Entity

Building on the Council-approved process for developing and implementing a Consolidated City Real Estate Agency, it is recommended that a Transition Team be created, reporting to the DCM Cluster A, to initiate the strategic integration of City services to seniors, including seniors living within the seniors-designated TCHC buildings through a transition, incubate and evaluate process.

The Transition Team will:

- design a governance structure for the Seniors Housing and Services Entity within the City of Toronto
- conduct a service review of seniors services delivered by the City to identify opportunities for integration. This review should include consideration of where the Office of the Commissioner of Housing Equity, currently situated at TCHC, should be located in the new entity [3]

³ The Office of the Commissioner of Housing Equity (OCHE) at TCHC works to protect seniors and vulnerable persons from TCHC eviction. The OCHE currently reviews all files related to arrears for TCHC households that include a senior (age 59 and older) or vulnerable person. The Office audits the work of TCHC but also provides case management to help find solutions to address underlying issues that can lead to eviction. In 2017, over 80% of the households that worked with OCHE were seniors' households. If located within the Seniors Housing and Services Entity, the OCHE would be a valuable expert resource for training and collaboration and its function could eventually be expanded to serve other seniors and vulnerable tenants in other social housing

- develop and recommend an approach for the strategic integration of the seniors-designated buildings within the TCHC portfolio with the Seniors Housing and Services Entity as recommended in EX26.2 (July 2017)
- oversee the development of Seniors Hubs as part of the Integrated Service Model in TCHC seniors-designated buildings
- monitor and report back on Seniors Strategy 2.0 as Council directs
- create a change management strategy to implement the new governance structure

The Transition Team will have a time-limited mandate, and will report back to Council in 2020 with recommendations for the governance structure of the Seniors Housing and Services Entity, as well as how to better integrate the operations of the TCHC seniors housing portfolio. The Transition Team will consist of a Project Manager, and two FTE staff with skills in Policy Development, Financial Analysis and System Review.

The development of a recommended governance structure will consider the options available to the City to:

- improve service co-ordination for seniors; and
- have closer oversight over the seniors-designated portfolio at TCHC

This includes a range of options on a continuum as shown below. The transition Team will review the options along this continuum and make recommendations.

Image 1: Continuum of Options for role of Seniors Housing and Services Entity



Transitioning from the current TCHC service model to a seniors-focused Integrated Service Model, and developing mechanisms for closer oversight of the operations of the seniors-designated housing portfolio to the new Seniors Housing and Service Entity will take time. Table 1 gives a timeline of key activities. During the transition, special attention will need to be paid to key areas of risk including ensuring continuity of service for tenants, maintaining integrity of legal agreements and contracts, and managing labour relations. The Tenants First team will continue to collaborate with TCHC in the

contexts beyond TCHC. Since the OCHE is currently funded through TCHC general revenues, the cost to the City could be offset by a reduction to the TCHC subsidy.

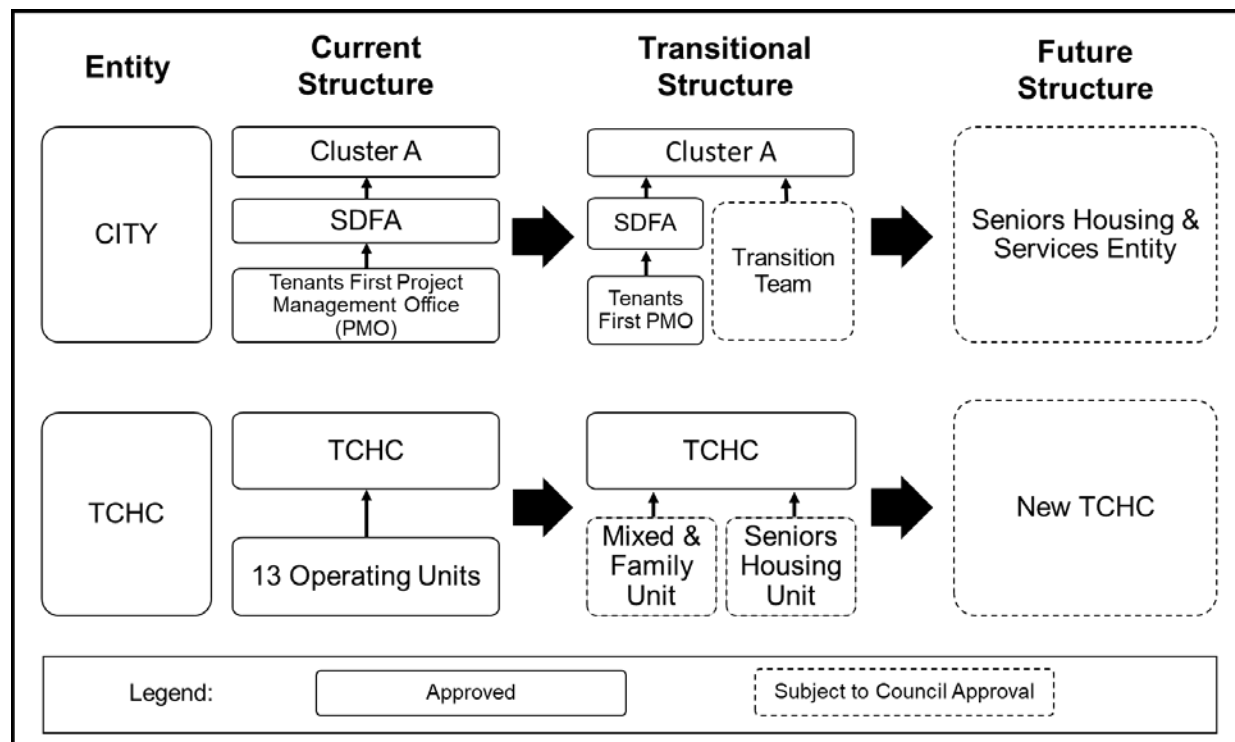
development and implementation of the Integrated Service Model and will work closely with the transition team.

With respect to labour relations and human relations, issues for unionized and non-unionized staff must also be addressed. The principles guiding any organizational changes must recognize the rights of all employees, including applicable successor rights. Staff recognize the value of ensuring continuity of staff associated with the seniors' portfolio and TCHC. City staff have consulted with union leadership and will continue to work closely with labour partners through this transition process.

Table 1: Proposed Timeline of Restructuring to Deliver Integrated Housing and Support Services for Seniors

2018- 2019	2019 - 2021	2021 - 2022	2022 and beyond
<p>Transition team set up</p> <p>Development of TCHC seniors Housing Unit and Integrated Service Model</p> <p>Implementation of Housing Delivery Model pilots</p> <p>Implementation of Seniors Hub pilots</p>	<p>Launch TCHC Seniors Housing Unit</p> <p>Launch City Seniors Housing and Services Entity after Council approval of recommendations</p> <p>Full implementation of Integrated Service Model hubs and Housing Delivery across the seniors portfolio</p> <p>Evaluate the Integrated Service Model and recommend an approach for the strategic integration of the seniors-designated buildings within the TCHC portfolio with the Seniors Housing and Services Entity</p>	<p>Implementation of the Council approved plan for closer oversight of the seniors-designated portfolio at TCHC</p>	<p>Monitoring, Evaluation and Reporting on effectiveness of the transition</p>

Image 2: Proposed Stages of Restructuring to Deliver Integrated Housing and Support Services for Seniors



Tenants First Updates

Continue to work on the transfer of the scattered housing portfolio to the non-profit sector, ensuring housing stability for current tenants, preservation of the stock as affordable rental and aligning the vacant stock with City priorities.

EX30.2 directed staff to transfer Agency and Rooming Houses to qualified and interested parties, and to issue an RFP for the rest of the scattered housing portfolio. Since EX30.2 was adopted by Council in January 2018 the following actions have been completed to advance the recommendations pertaining to TCHC scattered housing portfolio:

- Request for Proposals (RFP) issued and awarded to deliver supportive housing to tenants of TCHC rooming houses
- Market sounding completed to inform the Request for Proposals for the single family homes
- 80 single family home tenants attended two city-wide meetings to learn more about the transfer of scattered house to non-profit housing providers
- All Agency House operators contacted to determine their interest in accepting a transfer of the houses they currently operate

Since January, new opportunities have arisen to transfer currently vacant houses to non-profit groups who serve vulnerable populations. 24 houses are vacant and have unmet capital need. Bringing these properties to a state of good repair and utilizing them to house vulnerable people meets current City objectives. It is recommended that vacant houses be assessed for matching with groups who have access to the capital funding to repair them and serve the following vulnerable populations:

- Indigenous people
- Refugees
- Youth
- Victims of human trafficking

This report seeks authority to transfer houses that are currently vacant and have unmet capital need, to non-profit providers who can repair and utilize these houses to accommodate vulnerable populations. This will fast track the transfer of houses that are vacant in order to put them to good use quickly.

On December 5, 2017 City Council adopted EX29.14 "Finalizing Plans for New Supportive Homes at 13-15 and 17-19 Winchester Street." Through this report, Council approved the creation of 35 new affordable units through a Contribution Agreement with Margaret's Housing and Community Support Services Inc. These houses are currently owned by TCHC. They were initially left off the list of Agency Houses provided in January 2018 for approval for transfer because the details of a leasing arrangement were being negotiated. As approved in Implementing Tenants First, the transfer of all TCHC Agency Houses will allow TCHC to focus on core areas of business, which do not include managing leases to Agencies. While not currently an Agency House, these houses will become Agency Houses if a lease with TCHC is executed. To avoid the further use of resources (i.e. legal and staff time) it is recommended that these houses be transferred directly to Margaret's Housing and Community Support Services Inc. who has invested capital funds and will provide supportive housing to marginalized women once the repairs are completed.

Continue work to renew the mandate and core business of TCHC, by updating the Shareholder Direction, evaluating pilot projects and pursuing community engagement.

As a social housing provider, TCHC's core mandate includes a range of functions beyond tenancy and property management. The importance of connecting tenants with social, health and other services is illustrated in this report's discussion of the Integrated Service Model for seniors, and the supports offered to tenants of rooming houses. Faced with a challenging and diverse portfolio, a wide range of tenant needs and unsustainable funding, TCHC has struggled to deliver essential tenancy and property management, while diverting resources to the social programs required to support their tenants.

The implementation of Tenants First will result in the transfer of the scattered house portfolio to non-profit providers, and a new service delivery model and increased oversight for seniors-designated buildings to a new Seniors Housing and Services Entity. These actions create the right conditions for establishing a new mandate and new operating model for a new, smaller TCHC, clearly focused on families and mixed communities.

TCHC and the City will work closely together to identify which current lines of business become part of TCHC's core business and mandate moving forward. This work will link to the development of a permanent funding formula, thus ensuring that TCHC is properly resourced to deliver its mandate. Preserving valuable and necessary programs for TCHC tenants will be an important consideration.

Continue to work with TCHC on creating a sustainable funding model

Interim Funding Model

At its meeting in July 2017, Council adopted EX26.2 "Tenants First- Phase 1 Implementation Plan", which directed staff to develop an interim funding model for TCHC to address current and short term operating and capital shortfalls in 2018 and 2019, as part of the 2018 budget process.

The 2018 Operating Budget for Shelter, Support Housing & Administration (SSHA) includes a base operating subsidy to TCHC of \$243.795 million (which includes \$52.375 million in Federal funding flowed through SSHA's Operating Budget) to continue its operations and is in line with the 2018 Budget approved by TCHC's Board of Directors on September 28, 2017.

In addition, the City will provide debt funding of \$279.183 million to TCHC (\$216.037 million in 2018 and \$63.146 million in 2019), to allow TCHC to continue its capital repair plan, which includes preventing additional permanent unit closures and achieving a 10% facilities condition index by 2026, as well as continue with current phases of Council approved revitalizations planned for 2018 and 2019.

TCHC's Budget to Execute Recommendations in the Tenants First Implementation Plan

At its meeting in May 2017, Council adopted EX25.18 "2018 Budget Process - Budget Directions and Schedule", which directed TCHC to prepare a separate budget to implement recommendations forthcoming in the Tenants First Phase 1 Implementation Plan report. This budget of \$3.019 million in 2018 and \$2.996 million in 2019 was included in the list of new and enhanced priorities and was approved by Council as part of the 2018 budget. It will be fully funded through TCHC reserves with no net cost to the tax base.

Permanent Funding Model

In EX26.2, Council directed staff to develop a permanent funding model and this work is underway. The permanent funding model must:

- Be predictable and stable to allow for strategic property and asset management;
- Encourage investments that reduce operating expenses (e.g. utility consumption);
- Allow for inflationary increases to operating expenses (e.g. utility rates);
- Be simpler to administer than the current model;
- Improve accountability; and
- Be sustainable and adequately fund building repair capital costs once TCHC's backlog has been addressed to an appropriate FCI.

To ensure that the permanent funding model adequately funds the operating expenses and capital expenditures for the entire portfolio currently owned by TCHC, the following issues will need to be addressed:

- Adequately segment TCHC's portfolio to identify costs associated with the Scattered Houses and Seniors' Buildings;
- Understand TCHC's fixed costs and variable costs as well as direct costs and indirect costs;
- Revise TCHC's operating budget to incorporate the elements of its new mandate;
- Understand which lines of business are not core to TCHC's mandate, and what the impact of these activities are on the overall budget.

Staff will work closely with TCHC management and staff, SSHA, Financial Planning and Corporate Finance to establish order of magnitude budgets for the Seniors Housing and Services Entity, the Scattered Housing portfolio and the new TCHC to address the issues outlined above.

It is expected that the City may have to fund the current wave of capital repairs facing TCHC separately from the permanent funding model. This significant capital funding shortfall may not be fully accommodated within the City's debt ceiling. Future capital funding for TCHC provided outside of the permanent funding model will explore other funding sources including Provincial funding for social housing and Federal funding from the National Housing Strategy.

Next Steps

The Tenants First Implementation Plan set a clear direction to create a new Seniors Housing and Services Entity. This report details the steps and resources necessary to transition towards this entity, including designing an Integrated Service Model which will improve the quality of life for senior tenants; creating a Seniors Housing Unit within TCHC tasked with implementing the Integrated Service Model; and establishing a transition team to develop a governance model for the new Seniors Housing and Services Entity and options for closer oversight for the TCHC seniors portfolio.

These steps will be undertaken in close collaboration with the TCHC Board, the President and Chief Executive Officer and leadership, and staff across TCHC divisions. The recommendations in this report have been developed through ongoing consultation with the Tenants First Tenant Advisory Panel and informed by the work of the Seniors Accountability Table.

The next phase of engagement will focus on keeping tenants informed about changes to seniors-designated buildings. The Tenants First team will continue to work with TCHC and TC LHIN to involve tenants, advocates and service providers in improving service delivery and tenant engagement, including refining the Integrated Service Model.

Tenants First staff will report back to Council in 2019 with:

- A revised Shareholder Direction incorporating the new mandate;
- A permanent funding model for TCHC;
- Results of the Request for Proposals to transfer the scattered portfolio to non-profit providers.

In 2020, there will be a report back to Council from the Transition Team with recommendations for the creation of the Seniors Housing and Services and Entity and the recommended strategy to ensure that the operations of TCHC's seniors portfolio is closer to the City.

Meeting the needs of Toronto's growing senior population requires changing how services are managed and delivered to seniors. Social housing is a critical service provided to seniors by the City of Toronto. Complementing the recommendations within the Seniors Strategy 2.0, Tenants First provides an opportunity to focus directly on the needs of senior Torontonians living in social housing, creating an age-friendly city for all.

CONTACT

Jenn St Louis
Acting Project Manager, Tenants First
Phone: 416-392-6177
Email: jstloui2@toronto.ca

SIGNATURE

Chris Brillinger
Executive Director
Social Development, Finance and Administration

ATTACHMENTS

Confidential Attachment 1 - TCHC scattered houses that are uninhabitable
Attachment 2. Report on former seniors buildings that have become mixed buildings
Attachment 3. List of seniors buildings with predecessor companies and distinct operating features