

### Accelerating the City's Tenants First Project

**Date:** March 27, 2019

**To:** Executive Committee

**From:** Giuliana Carbone, Deputy City Manager - Community and Social Services

**Wards:** All

#### **REASON FOR CONFIDENTIAL INFORMATION**

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This report deals with a proposed or pending acquisition or disposition of land by the Toronto Community Housing Corporation.

#### **SUMMARY**

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This report responds to a Member Motion (MM 2.22) that requested a report to Executive Committee on:

- a. accelerating the Tenants First Project;
- b. synergies between Toronto Community Housing and City departments
- c. any governance changes required to accomplish parts 1.a) and 1.b) above.

This report provides an update on the Tenants First Phase One Implementation Plan and outlines a timeframe for key decisions about the future governance and operation of the 58,500 social housing units currently owned and operated by Toronto Community Housing Corporation. This new timeframe will allow City Council to consider recommendations on the future of Toronto Community Housing Corporation in 2019 rather than 2020, as originally planned. The report recommends five actions to expedite the transfers of Toronto Community Housing Corporation Agency, Rooming and Uninhabitable Houses.

This report also recommends that City Council approve the expansion of the mandate of the City's Long-Term Care Homes and Services division to include municipal system service planning for seniors. The division will be renamed Seniors Services and Long-Term Care to reflect a broadened scope of service planning and strategic integration of City services for seniors. This recommendation is the appropriate next step in addressing Council's direction to establish a seniors housing and services entity at the City.

The following key principles, first identified in Tenants First: A Way Forward for Toronto Community Housing (2016.EX 16.11) will continue to guide future recommendations:

- **Tenant-focused approach** – It is essential that any transformations to Toronto Community Housing Corporation be examined through the lens of improved quality of life for tenants. Over 110,000 Torontonians live in Toronto Community Housing Corporation. It is essential that Torontonians living in Toronto Community Housing Corporation have the ability to actively participate in helping to shape the path forward.
- **Real accountability** – Accountability is central to effecting real change and must be built into all aspects of transformation.
- **Sector-wide lens** – A long-term sustainable plan for Toronto Community Housing Corporation must engage the social housing sector as a whole and be grounded in a strong role of City as Service Manager. A robust non-profit sector is one that is equipped and resourced to deliver a diverse range of services aimed at unique communities, neighbourhoods and individuals.
- **Size and scale matter** – A social housing provider's size and scale shape the way it delivers housing, its responsiveness to tenants, its ability to engage with stakeholders and community partners, and its capacity to meet its tenants' needs. Larger organizations may be able to take advantage of certain economies of scale while many smaller organizations may be able to provide enhanced customer service as a result of their proximity to service users.
- **Innovation and competition** – Real change requires that social housing providers, including Toronto Community Housing Corporation, seek out opportunities to enhance and innovate in respect of their service provision.

## RECOMMENDATIONS

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

1. City Council designate the Long-Term Care Homes and Services division as the seniors housing and services entity approved by 2018.EX34.2 and direct the City Manager to expand the mandate of the division to include municipal service planning for seniors services and to rename the division Seniors Services and Long-Term Care.
2. City Council, as sole shareholder, direct, pursuant to s. 108(2) of the Ontario Business Corporations Act, the President and Chief Executive Officer, Toronto Community Housing Corporation to cause Toronto Community Housing Corporation to transfer the uninhabitable houses according to the pricing structure detailed in Confidential Attachment 1.
3. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety as it pertains to the proposed or pending acquisition or disposition of land by the Toronto Community Housing Corporation.
4. City Council direct the City Manager to expedite the transfers of Toronto Community Housing Corporation Agency, Rooming and Uninhabitable Houses by:
  - a. Inviting the current rooming house support provider to submit a proposal for the transfer of the rooming house portfolio consistent with the process adopted as directed in 2018.EX30.2

- b. Adding the following houses to the list of Agency Houses approved by Council in 2018.EX30.2 and listed in Appendix 1 of 2018.EX30.2: 127 Sackville Street, 987 Dundas Street West, 40 Trefann Street, 490 Huron Street, 289-291 Jarvis Street and 143 Stephenson Avenue
  - c. Transferring 16 Redwood Avenue and 73 Sorauren Avenue, which are approved Agency houses, and have new operators, to the new operators consistent with the methodology as directed in 2018.EX30.2
  - d. Adding 502 Parliament Street to the list of rooming houses approved in 2018.EX30.2 and listed in Appendix 1 of 2018.EX30.2
  - e. Inviting Sistering and Fred Victor to submit proposals for the transfer of up to 4 Toronto Community Housing Corporation uninhabitable houses, consistent with the process adopted as directed in 2018.EX30.2, as a response to the pressure faced by the two 24 hour drop-in programs as referenced in MM2.9
5. City Council, as sole shareholder, to direct the President and Chief Executive Officer, Toronto Community Housing Corporation to work in partnership with City staff to co-develop with Toronto Community Housing Corporation a comprehensive violence reduction plan funded by the \$5Million allocated for violence prevention.

## **FINANCIAL IMPACT**

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There are no financial impacts in 2019. The Seniors Services and Long-Term Care Division will use existing resources for the first year, including those allocated to the Seniors Transition Office, set up in 2018. However as the Seniors Service and Long-Term Care Division develops a strategic response to the needs of seniors, additional resources may be required to serve those needs. In future, those resources will be requested and reported as new and enhanced through the annual budget process. This report identifies three upcoming reports which will require separate financial impact analyses.

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

## **EQUITY IMPACT**

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Toronto Community Housing Corporation is home to many of the most vulnerable and marginalized people in the City. Toronto Community Housing Corporation tenants face a variety of complex and intersecting challenges, including racialized and gender-based poverty, physical and mental health issues, structural and systemic discrimination, social exclusion and unequal access to resources and opportunities. An adequately funded social housing system with an improved service delivery model is critical to the City's efforts to address poverty and will provide a foundation for improving social and economic outcomes for tenants of Toronto Community Housing Corporation as well as provide opportunities for tenants who have historically been marginalized to play more active and engaged roles in community and City building. This report outlines strategic directions and actions to improve the quality of housing as well as the quality of life for social housing tenants living in Toronto Community Housing Corporation. This report is closely aligned with other key City strategic initiatives designed to strengthen

communities in Toronto, including: Housing Opportunities Toronto, Toronto Seniors Strategy 2.0, TO Prosperity: Toronto Poverty Reduction Strategy, Toronto Youth Equity Strategy, Toronto Strong Neighbourhoods Strategy 2020, the Toronto Newcomer Strategy and the Toronto Action Plan to Confront Anti-Black Racism.

## **DECISION HISTORY**

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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 adopted 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 adopted the 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 Toronto Community Housing Corporation 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>

On July 4, 2017, City Council adopted 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>

On January 31, 2018, City Council adopted Implementing Tenants First – Toronto Community Housing Corporation Scattered Portfolio Plan and an Interim Selection Process for Tenant Directors on the Toronto Community Housing Corporation Board.

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

On January 30, 2018 City Council adopted Modernization of 389 Church Street

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX30.22>

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 January 30, 2019, City Council adopted Accelerating the City's Tenants First Project which directed the City Manager to report to Executive Committee.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM2.22>

## COMMENTS

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### Introduction

Since 2016, City Council has, through the Tenants First Project, considered and approved 30 recommendations. Nineteen (19) have been completed, and all others are in process. These directions have advanced immediate solutions to critical issues while also steering Toronto Community Housing Corporation toward long-term, sustainable change. Key accomplishments include:

- Directing the creation of a Seniors Housing Unit within Toronto Community Housing Corporation, and convening a Toronto Central LOCAL HEALTH INTEGRATION NETWORK-Toronto Community Housing Corporation-City working group to develop an Integrated Service Model for seniors housing to be implemented in 2020;
- Developing an Interim Funding Formula that appropriately funds Toronto Community Housing Corporation for operations and capital budgets in 2018 and 2019;
- Focusing Toronto Community Housing Corporation on their core business through facilitating the transfer of Toronto Community Housing Corporation's portfolio of scattered houses
- Meeting the needs of vulnerable tenants by creating supportive housing in 22 Toronto Community Housing Corporation Rooming Houses;
- Improving tenant representation by implementing an interim process to appoint Tenant Directors to the Toronto Community Housing Corporation Board (two Tenant Directors were appointed in 2018);
- Building an evidence base to inform the transformation of Toronto Community Housing Corporation through on-going engagement with a Tenant Advisory Panel as well as the greater tenant population, and through working in collaboration with Toronto Community Housing Corporation to run and evaluate three pilot projects.

This report supports the next steps to strategically reorganize the governance and operation of the 58,500 units of housing currently operated by Toronto Community Housing Corporation to improve accountability and clearly link operations to achieving City priorities. In addition to creating the financial stability needed for successful operations and capital planning, refining Toronto Community Housing Corporation's mandate will allow the corporation to focus on being a social housing landlord.

The Tenants First Phase One Implementation Plan proposed the redefinition and revitalization of a New Toronto Community Housing Corporation, as a landlord with a smaller housing portfolio and a more focused mandate. The report noted that the current mandate of Toronto Community Housing Corporation is broad and permissive which has led to confusion about the roles and responsibilities of the corporation. The Implementation Plan highlighted the need to narrow the focus of Toronto Community

Housing Corporation and the three upcoming reports outlined in this report create a comprehensive plan to do this.

### **Synergies between the City and Toronto Community Housing Corporation: Integrating City Services for Seniors and the provision of Seniors Housing at Toronto Community Housing Corporation**

2018.EX34.3 "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" identified three key actions for City and Toronto Community Housing Corporation staff to advance the strategic integration of service for Seniors in Toronto, including the 83 seniors mandated buildings in Toronto Community Housing Corporation's portfolio. Since May 2018, work has been completed on each of the three actions as outlined below.

*Action 1:* Toronto Community Housing Corporation 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 Toronto Community Housing Corporation seniors' and mixed buildings, in partnership with Toronto Central Local Health Integration Network and the Ministry of Health and Long Term Care

*Update on Action 1:* City staff, along with the Toronto Central Local Health Integration Network and Toronto Community Housing Corporation, have designed an Integrated Service Model for seniors that will improve seniors quality of life, their ability to age in place, and the success of their tenancies. The Integrated Service Model, to be finalized in Q2 2019, promotes supportive relationships of trust between staff and tenants to address senior tenants' needs before a crisis point is reached. The model provides consistent staffing in buildings and an expanded role for all staff to be aware of tenants changing needs and provides regular communication channels for staff in all functions, tenancy related, support and other building functions.

The Integrated Service Model proposes protocols and corresponding staffing requirements to carry out property management, tenancy services, health and social systems navigation, community development, communication and security functions. For example, the model proposes a collaboration protocol in which all staff who work in a given building meet weekly to share information, identify issues and jointly consider solutions. All staff working in a building are trained on how to identify vulnerabilities and offer appropriate supports

The Integrated Service Model aims to streamline staff responsibilities to make it easier for tenants to connect with staff. The model also provides for a localized health service team in each building to ensure smoother access to care when needed. Staff are required to communicate regularly with each other in order to provide optimal service to tenants. With distinct staff to communicate with, tenants form relationships of trust and will more easily be able to access support. With fewer tenants to provide service to, staff will be able to focus on tenants' immediate and underlying needs in a holistic manner.

The model also proposes a communication protocol in which all staff in buildings, including LHIN Care Coordinators, are equipped with relevant information and

communicate with tenants in a timely, open and appropriate manner. The protocol will require both verbal and written communications to be made available in appropriate languages and accessible to people with varying levels of English literacy. Additionally, the model will include an information-sharing protocol to ensure health service providers are able to proactively communicate tenant needs with housing staff in a way that is compliant with privacy legislation.

The Integrated Service Model also includes creating seniors service hubs in some Toronto Community Housing Corporation buildings to link City and health services with communities. These hubs will be rolled out in phases once sites have been identified.

An implementation plan prioritizes the launch of the Integrated Service Model at 10 pilot buildings starting in January 2020. Buildings were selected based on need identified in the buildings and the current high use of City, Toronto Community Housing Corporation and LHIN resources. Success will be evaluated using tenant satisfaction data as well as the data collected from service providers (agencies, paramedics, etc.)

*Action 2:* Toronto Community Housing Corporation establish a Seniors Housing Unit as a new and separate management structure within Toronto Community Housing Corporation, with oversight for the portfolio of seniors-designated buildings and responsibility for delivering the new Integrated Service Model for seniors housing

*Update on Action 2:* On May 23, 2018, Toronto Community Housing Corporation established an interim Seniors Housing Unit, led by a general manager directly accountable to the President and CEO of Toronto Community Housing Corporation. A business plan has been developed for the interim Seniors Housing Unit and fits within Toronto Community Housing Corporation's 2019-2022 strategic plan. Toronto Community Housing Corporation has consulted with tenants on what outcomes they would like to see by the end of 2022. Through these consultations, Toronto Community Housing Corporation identified four key priorities:

- 1) Dedicating more resources to community safety;
- 2) Improving condition of units, buildings and common areas;
- 3) Creating more opportunities to engage tenants and connect them to the broader community; and,
- 4) Communicating with tenants in a frequent, proactive and respectful manner.

The forthcoming Tenants First report on mandate, governance, and accountability will provide a recommendation on the permanent structure of the Seniors Housing Unit that appropriately integrates Toronto Community Housing Corporation seniors housing provision with the new City structure proposed below.

In the coming year, the interim Seniors Housing Unit will work with the City to ensure that the Integrated Service Model is implemented as planned, beginning in 2020. The work completed to date to set up the interim Seniors Housing Unit will support the implementation of the Integrated Service Model and form the basis for the recommendations forthcoming in the upcoming report on mandate, governance and accountability of the Toronto Community Housing Corporation seniors portfolio.

*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.

*Update on Action 3:* The strategic integration of City Services for Toronto's growing seniors population is an important step in developing an efficient system that is easy for seniors to access. To this end, the first step in reconsidering how the City plans for and partners with health and other sector partners, and best utilizes its own assets and resources, is to expand the mandate of the current Long-Term Care Homes and Services division to include a municipal system service planning role.

As the demographic shifts to include more seniors, the City will need to be proactive and nimble in planning to meet the needs of seniors. With a new and expanded scope, the Seniors Services and Long-Term Care Division will take on an enhanced role in municipal system service planning to improve and integrate services for seniors.

Elements of municipal system service planning include:

- Centralizing policy responsibility for municipal services for seniors, including responsibility for implementing and reporting on the Toronto Seniors Strategy 2.0,
- Coordination of external relationships including relevant provincial ministries and agencies, community stakeholders, and other partners,
- Coordination of City programs and services for seniors, whether they be directly administered by the Division or other City divisions, agencies and corporations,
- Lead responsibility for engagement with seniors including liaison with the Toronto Seniors Forum or other municipally initiated lived experience groups,
- Lead responsibility for the provision of advice to government regarding seniors needs and municipal service planning.

The Integrated Service Model will inform the nature of the relationship between the Seniors Services and Long Term Care Division and the Seniors Housing Unit within Toronto Community Housing Corporation. It is anticipated that the Seniors Services and Long Term Care Division will hold the accountability for the Integrated Service Model and that this accountability will be exercised through service agreements with the Seniors Housing Unit within Toronto Community Housing Corporation. The development of Integrated Service Model service agreements will be an initial priority for the Seniors Services and Long Term Care Division.

Council can make this change now using existing resources and shifting previously allocated resources. Any adjustments required in the 2019 approved operating budget will be reported through the first quarter variance report. It is likely, though, that in future years, the need for service enhancements will emerge. As new services and resource needs are identified they will be reviewed through the new and enhanced portions of upcoming budgets.

Moving forward on the City's internal restructuring this report is a critical step in creating a structure to support the new relationship between the City and the Toronto Community Housing Corporation seniors portfolio.



## Next steps: Overview of upcoming reports

There are three key reports related to Toronto Community Housing Corporation planned for 2019. The following table outlines the timeframe for these reports to be considered by Council reports. All reports are on track to be completed in the timeframe directed by Council or earlier. A description of each report is provided below the table.

Table 1: Proposed timeframe for upcoming Tenants First reports

Report	Scheduled date	Strategic topics considered in the report	Status in relation to planned timeframe
Framework for Achieving City-Building objectives through Toronto Community Housing Corporation Revitalization Projects	Q2 2019	Linking Toronto Community Housing Corporation revitalization projects to greater City objectives	On schedule
Recommendations on Mandate, Governance and Accountability for Toronto Community Housing Corporation's Key Business Areas	Q2 2019	a) Mandate, Governance and Accountability for Toronto Community Housing Corporation mixed housing	On schedule
		b) Mandate, Governance and Accountability for Toronto Community Housing Corporation seniors portfolio	Ahead of schedule (proposed 2020)
		c) Relationship between Toronto Community Housing Corporation Development function and CreateTO	Ahead of schedule (proposed to be reviewed after Transitional Phase of CreateTO (2020))
Permanent Funding Model and a recommended plan to transfer the Toronto Community Housing Corporation scattered portfolio to the non-profit sector	Q3 2019	a) Permanent Funding Model	On schedule and in line with 2020 budget process
		b) Toronto Community Housing Corporation Scattered Portfolio Transfer to the non-profit sector	On schedule

**Report One: Framework for Achieving City-Building objectives through Toronto Community Housing Corporation Revitalization Projects (Q2 2019)**

This forthcoming report will provide an overview of revitalization projects in Toronto Community Housing Corporation communities, outline the current City objectives, contributions, consents and approvals for revitalization in Toronto Community Housing Corporation communities, and propose a new approvals framework. The new framework will allow City Council to enhance oversight of Toronto Community Housing Corporation revitalization projects to ensure that revitalization projects achieve city-building objectives, including increasing the supply of affordable housing.

**Report Two: Recommend a governance and accountability structure for Toronto Community Housing Corporation's key business areas: (Q2 2019)**

Tenants First's work has highlighted the City's commitment to increase funding to Toronto Community Housing Corporation, and has also clarified the City's desire to enhance oversight and direction for some of Toronto Community Housing Corporation's key business areas. The chart below depicts the current Council direction for the key business areas of the seniors portfolio, mixed portfolio, scattered portfolio, and development (including revitalization).

Figure 1: Toronto Community Housing Corporation key business areas and current direction



The City will need to make a decision about the future relationship of each of these four business areas with the City. The primary goal of transformation is to improve the living conditions of tenants, including ensuring that vulnerable tenants and seniors have access to the supports they need. Transformation will also consider financial stability,

the appropriate level of City oversight and input, risk management and cost to the City, and capacity-building in the non-profit sector.

Work to date has also highlighted a tension between the desire to direct Toronto Community Housing Corporation to operate its business in ways that best align with City priorities, and Toronto Community Housing Corporation's operation as a distinct corporation governed through the Shareholder Direction using the current accountability tools.

Achieving the desired levels of oversight and involvement may require a change in the relationship between Toronto Community Housing Corporation and the City as Shareholder, the City as Service Manager, and the City as a provider and funder of a wide range of programs and services. The desired outcomes can be achieved through a wide variety of possible changes including strengthening existing accountability tools, adding new agreements between Toronto Community Housing Corporation and City divisions, and – if required – changes to the governance structure of Toronto Community Housing Corporation.

Staff will report back in June with recommendations on how best to achieve the Council-directed outcomes for each of Toronto Community Housing Corporation's key business areas. These recommendations will include:

- A plan to create or amend the required accountability instruments to achieve desired outcomes;
- A clear accountability framework, including City resources needed to effectively oversee the delivery of the 58,500 units of social housing currently owned and operated by Toronto Community Housing Corporation;
- The optimal governance model to achieve success, highlighting synergies between Toronto Community Housing Corporation and City divisions.

Recommendations will be informed by data from various sources in order to create a framework of City oversight and involvement in each of the areas. This includes reviewing past Council decisions and direction, current accountability instruments, emerging requirements for Toronto Community Housing Corporation's involvement in the City's budget process, past reports by City Accountability Officers, and results of the Service Manager Assessment.

The upcoming mandate, governance and accountability report will include a clarification of the mandate for Toronto Community Housing Corporation's mixed portfolio and a plan to strengthen accountability tools, a plan to strategically integrate the 83 seniors buildings with City services for seniors, and outline future relationship between Toronto Community Housing Corporation's development division and the City. Recommendations for each business area will include a review of City resources needed to effectively oversee the delivery of the 58,500 units of social housing currently owned and operated by Toronto Community Housing Corporation. Any changes to governance structures will be recommended at this point. To balance the desired outcomes staff will continue to review options available, including enhancing oversight and input into the operations of the current corporation.

Regardless of the type of governance structure, it is clear that a strong, collaborative relationship between Toronto Community Housing Corporation and the City is required for the oversight of all parts of Toronto Community Housing Corporation's current business.

### *Labour considerations*

When approving the future of each of these key business areas, Council must consider possible labour implications. At a high level, there are labour and employment considerations any time staff are moved from one employer to another, which is one option in the governance review. A number of additional variables create more complexity, including the receiving employer, the number of staff, the diversity of positions, the bargaining units involved, the provisions contained in the various collective bargaining agreements and individual employment contracts, etc.

Since the Tenants First project began, City staff have consulted regularly with each of the representative bargaining units at Toronto Community Housing Corporation (Local 79, Local 416 and OPSEU) to keep them apprised of the status of the project and the anticipated timelines for future action.

Up to this point in the project, there has been a minimal labour impact through the transfers of agency houses and uninhabitable houses due to small numbers of the stock and the collaboration with union partners.

The City and Toronto Community Housing Corporation's most recent experience in shifting staff from one employer to another was the successful transfer of the Housing Connections Access Services from Toronto Community Housing Corporation to the City's Shelters, Support & Housing Administration Division. This transfer involved 52 employees, 41 of whom were unionized and 11 of whom were not. Since the unionized employees were represented by Local 79 both at Toronto Community Housing Corporation and at the City, it mitigated the complexities of the transfer and both parties were able to negotiate an agreement to move these employees to the City's Local 79 full-time collective agreement. However, this experience highlighted the critical importance of consulting with the union executives early and regularly throughout the process, conducting the due diligence and completing a full analysis of the employment terms and conditions (with the current employer and the receiving employer), identifying any liabilities and having a full accounting of all costs that will need to be addressed through the transfer. This will assist in streamlining the negotiations with the unions and allow for a successful and efficient transition. The upcoming report will recommend a governance and accountability structure that will include an analysis of the labour implications of those recommendations.

Table 2: Current breakdown of Toronto Community Housing Corporation staff by key business areas (these numbers include allocations from Toronto Community Housing Corporation divisions that support these areas)

	Seniors	Scattered	Mixed Portfolio	Development	Total
Non-union Staff	86	2	453	16	557
Union Staff	268	12	1515	38	1833
Total Staff	354	14	1968	54	2390

### **Report Three: A Permanent Funding Formula for Toronto Community Housing Corporation and a transfer plan for the remaining scattered portfolio (Q3 2019)**

In staff report 2017.EX 26.2, City Council directed that the permanent funding model:

- 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 Toronto Community Housing Corporation's backlog has been addressed to an appropriate Facility Condition Index.

Staff are currently reviewing a model that is rent-based and allows flexibility in the social housing system. In such a model, the rent-geared-to-income (RGI) units currently operated by Toronto Community Housing Corporation would be funded to a function of Average Market Rent, which would ensure that the housing operator receives a consistent rent level for each of its units.

In staff report 2018.EX 30.2, Council directed City and Toronto Community Housing Corporation staff to jointly issue a Request for Proposals (RFP) to the non-profit sector to transfer the Toronto Community Housing Corporation single family homes. An RFP is in process for the transfer of single family homes portfolio to the non-profit sector. This forthcoming Q3 report will provide a recommendation and financial implications of a transfer based on the results of the RFP. While the RFP is in process, the City has supported a community organization to engage with current tenants of the single family homes with the goals of keeping tenants informed of upcoming changes and assisting tenants to set up a network to communicate with each other and the new non-profit housing provider(s) that will take on operations once the RFP is completed.

#### **Updates on current Tenants First work and actions to accelerate**

A brief overview of the key work areas in process, and any actions that can be taken to accelerate this work, is provided below.

#### *Transfers of Toronto Community Housing Corporation Agency Houses, Rooming Houses, and Uninhabitable Houses*

In staff report 2018.EX 30.2, Council approved the transfer of Toronto Community Housing Corporation agency, rooming house and uninhabitable houses to non-profit housing providers. Since 2018, Toronto Community Housing Corporation and City staff have worked to transfer these properties. However, these transfers have been delayed because of unforeseen issues relating to the legal title and outstanding mortgages on the scattered house portfolio. In February 2019, Toronto Community Housing Corporation appointed a project manager to facilitate the transfers of the properties that have been approved by and to work on the RFP process for the remaining part of the portfolio. This will speed up the process to transfer these houses.

Since September 2018, a lead supportive housing provider has been successfully providing supports to tenants in Toronto Community Housing Corporation rooming

houses, and has expressed interested in accepting the ownership of the houses. Given the success of the program, the improved outcomes for tenants and the strengthened relationships with local community, staff recommend that rather than using the RFP process, the City work with the agency to assess capacity and if a valid business case is made by the agency, ownership of the properties will be offered to the agency.

Additionally, several properties were left off the Council-approved list of Agency and Rooming Houses. This report recommends adding those left off in error to the approved list of Toronto Community Housing Corporation houses to transfer to the organizations currently occupying them.

A process has been completed to allocate the uninhabitable Toronto Community Housing Corporation houses to agencies that have provided business cases. A price list is provided in Confidential Attachment 1 outlining the price allocations considering estimated transaction costs and outstanding mortgages, following the same methodology used to transfer the Agency Houses. There are uninhabitable houses that are still available and could be utilized to support additional vulnerable people.

MM2.9 identified that significant pressure faced by the 24 hour drop-in programs. To respond to this pressure, this report recommends that Sistering and Fred Victor be invited to submit proposals for the transfer of up to 4 Toronto Community Housing Corporation uninhabitable houses, consistent with the process adopted as directed in 2018.EX34.3.

#### *Additional actions to improve community safety for Toronto Community Housing Corporation tenants*

In its 2019 budget, Toronto Community Housing Corporation committed to a \$5Million investment in community safety. There has not been a forum to collaborate and draw on the strengths of both the City and Toronto Community Housing Corporation to integrate enforcement, program responses and supports to vulnerable tenants in a comprehensive way. The current Toronto Community Housing Corporation plan relies heavily on an increased numbers of Community Safety Unit (CSU) officers and enhanced enforcement in high needs buildings. It is recommended that the Toronto Community Housing Corporation CEO instruct Toronto Community Housing Corporation staff to create a program development table in partnership with the City with the goal of co-developing a comprehensive violence reduction plan that includes both enforcement and preventive solutions, to allocate the investment.

In 2018, Toronto Community Housing Corporation initiated a pilot at Dan Harrison to place additional CSU officers on site. This pilot focuses on increased policing and enhanced enforcement, rather than providing programs to support vulnerable tenants and prevent crime. This pilot could be enhanced by integrating it with the work of the City's Community Safety and Wellbeing Team, or with the Downtown East Enhanced 12 month Action Plan as adopted by Council in June 2018. Both the City and Toronto Community Housing Corporation should prioritize the creation of a plan to rehabilitate Dan Harrison and explore the possibility of transferring the property to a non-profit housing provider that specializes in serving vulnerable tenants. This should be informed

by the experience of converting 389 Church Street to supportive housing as directed in 2018.EX.30.22.

## **Conclusion**

As noted in staff report 2017.EX 26.2, the overall focus of Tenants First is to implement a plan in which Toronto Community Housing Corporation focuses on being a social housing landlord, where buildings are in a good state of repair, and tenants are connected to appropriate services and active participants in their communities. This report responds to the direction to accelerate the Tenants First project by outlining a faster timeframe for key decisions about the future governance and operation of Toronto Community Housing. The report identifies the synergies between the interim Seniors Housing Unit at Toronto Community Housing Corporation and the City's role in delivering services to seniors, and recommends expanding the scope of the Long-Term Care Homes and Services Division to create a seniors housing and services entity. The report also provides an update on progress towards the transfer of the scattered housing portfolio to non-profit providers, and actions to improve community safety.

Transforming Toronto Community Housing Corporation will be a key catalyst for greater social housing system change, and expediting this work will also enable system transformation. For example, a rent-based funding model for Toronto Community Housing Corporation would allow flexibility in moving a person's RGI subsidy between different housing providers. This could have a system level impact by reducing the number of RGI units in Toronto Community Housing Corporation communities and increasing the number of RGI units in Affordable Housing and Social Housing communities. Additionally, there are system level changes to explore that would streamline social housing operations and allow housing providers to focus more on serving the needs of tenants. For example, a centralized RGI calculation function would allow additional City oversight for rental subsidies across the system and give housing providers the ability to spend their time focused on housing stability rather than administration.

The transformation of Toronto Community Housing Corporation is a long-term process, and this report illustrates that significant steps have been taken towards this transformation. Three forthcoming reports planned for 2019 will provide detailed recommendations relating to: future roles for the City and Toronto Community Housing Corporation in revitalizing Toronto Community Housing Corporation communities; mandate, governance and accountability for key business areas within Toronto Community Housing Corporation; and a permanent funding model for Toronto Community Housing Corporation. Together, these reports will complete the implementation of Phase One of the Tenants First project.

## **CONTACT**

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## **SIGNATURE**

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Giuliana Carbone  
Deputy City Manager, Community and Social Services

## **ATTACHMENTS**

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Confidential Attachment 1 - Uninhabitable Houses summary with recommended transfer price.