

Toronto Seniors Housing Corporation

2021
Annual Report



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Introduction

The team at Toronto Seniors Housing Corporation (TSHC) undertook to set up the legal, corporate, financial, physical, technological, human resources, communications and security infrastructure to begin operating a corporation that would serve nearly 15,000 Toronto seniors living in approximately 14,000 units, employ more than 300 individuals and manage 83 buildings, all while respecting the principles and intent of the City of Toronto’s Tenants First Strategy and with minimal disruption to tenants.

Our dedicated and passionate Board members worked together to make key decisions promptly and to guide TSHC management in creating a transition plan. The Board approved a transition date of June 1, 2022. A small transition team worked in close and collaborative partnership with their counterparts at Toronto Community Housing Corporation (TCHC) and the City of Toronto to put into motion the steps necessary for transition to occur on time and on budget. Both the Board and the transition team sought tenant input and listened closely to these voices to ensure that the needs of senior tenants would be met and that disruption to their lives would be minimal as a result of the transition.

While the interrelationship between the two housing corporations will be complex, the mission is simple and clear: we will create a seniors housing corporation that brings the City of Toronto’s Tenants First strategy to life for seniors. Throughout the year, the Board and transition team held this purpose firmly in mind: to create a new housing corporation singularly focused on meeting the needs of seniors living in social housing in Toronto in a way that will allow them to age in place with dignity and in comfort.



By the close of 2021, the preconditions for a successful transition had been determined and work was on track to achieve them.

It is a privilege to present the following report on our 2021 achievements to our shareholder, the City of Toronto.

Respectfully submitted by

Lawrence D'Souza
Vice Chair

Michael Sherar
Interim Transitional Lead and Chief Corporate Officer

“I do see promising signs, from TSHC and the Board, that recognize the importance of tenant input and the absolute need for senior tenant inclusion. It is a refreshing change, and it encourages a renewal of faith and trust in a process of change that values and is benefited by the wisdom of elders.”

– *Bill Lohman, Tenant Representative and Senior Tenants Advisory Committee Member*

2021 Priorities

On February 2, 2021, Toronto City Council approved the Terms of Reference for the City of Toronto's Seniors Housing Corporation Board. On May 5, 2021, Toronto City Council authorized the City Solicitor to establish the Toronto Seniors Housing Corporation (TSHC) on behalf of the City of Toronto, its sole shareholder.

The corporation is directed to assume management and operations of the 83 seniors-designated buildings and to become the landlord for nearly 15,000 tenants living in the approximately 14,000 units that are currently managed by Toronto Community Housing Corporation (TCHC) through its Seniors Housing Unit. Toronto Community Housing Corporation will retain ownership of the buildings.

Transition principles

Throughout its first, partial year of operations, Toronto Seniors Housing Corporation has operated with several important transition principles in mind.

The following six principles were established by the City of Toronto:

- to promote the common interests of tenants and City objectives
- to minimize disruption to tenants
- to minimize financial impacts on the City
- to ensure compliance with existing TCHC capital funding and borrowing agreements
- to mitigate business and operational risks for both corporations during a transition period, including relying on TCHC support for administrative functions in the short term where feasible, as TSHC builds capacity
- to ensure the capital needs of seniors-designated buildings are assessed and resourced at a level similar to that of comparable buildings in the TCHC's portfolio

In addition, through our partnership with Toronto Community Housing Corporation and as directed by the Toronto Seniors Housing Corporation board, the following principles were added:

- to work collaboratively with Toronto Community Housing Corporation and with the City of Toronto on the transition
- to make timely decisions as required during the transition planning process
- to coordinate stakeholder communications to ensure messaging is aligned
- to engage senior tenants throughout the transition to provide feedback on transition workplan areas of interest to tenants, prior to Board approvals
- to support TCHC in providing their staff affected by the transition with regular and up-to-date communications on transition plans

Finally, the Toronto Seniors Housing Corporation Board directed the Corporation to include tenants' input on all areas of the joint transition workplan except for confidential Board matters.

Governance

On May 7, 2021, Board members were appointed. At its first meeting, on June 30, 2021, the Board enacted its By-law 1-2021, a by-law relating generally to govern its business and affairs. This by-law requires approval by the shareholder and accompanies this report. The Board met five additional times in the calendar year 2021 and participated in three orientation sessions.

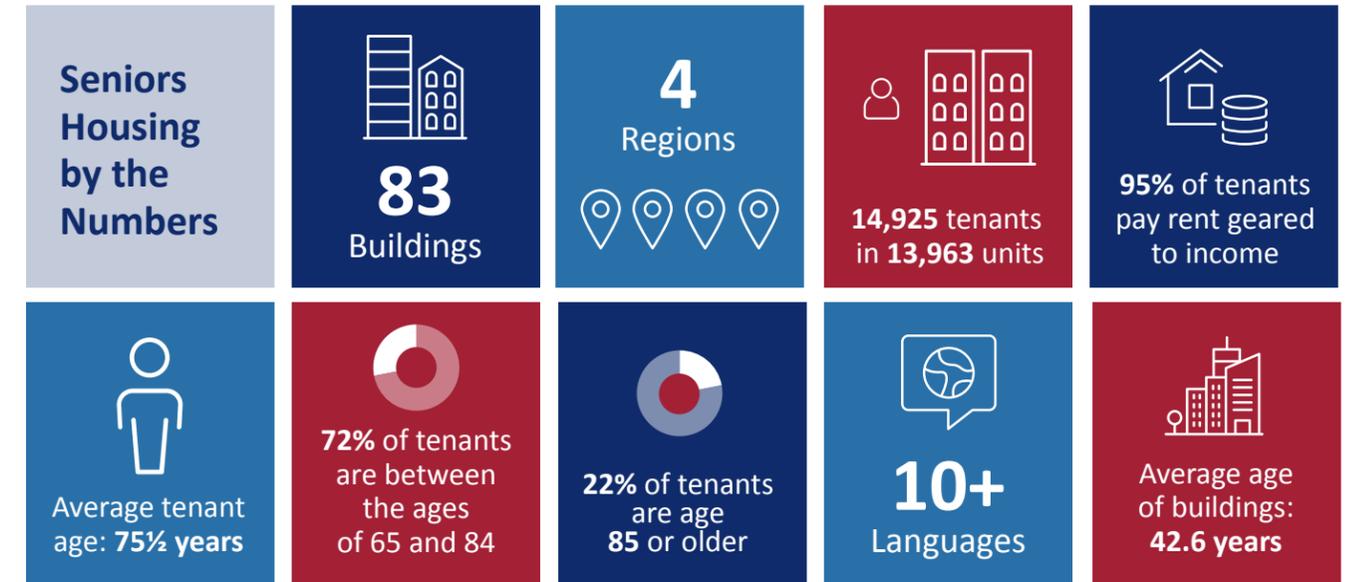
Over the course of these meetings, with a singular focus on listening to senior tenants and designing a corporation that will meet their needs, the board:

- appointed an Interim Transitional Lead and Chief Corporate Officer, Michael Sherar;
- decided that the new corporation would begin operating on June 1, 2022;

- established a budget and work plan;
- set-up its banking and insurance arrangements;
- adopted a number of policies including an interim deputation policy, a policy for closed sessions;
- confirmed its auditors, in consultation with the City;
- initiated a search for a chief executive officer;
- set up three standing committees: the Corporate Governance and Human Resources Committee; the Audit, Finance and Risk Management Committee; and the Quality and Tenant Engagement Committee;
- received updates on financials, the transition project plan, the transition communications plan, the employee transfer plan, the tenant input plan, the functional services delivery model review and design, the development of an operating agreement and the integrated service model and the project status and risks;
- considered proposals for an executive leadership team organizational structure;
- approved the terms of reference and principles for a joint transition workgroup;
- established the location of a corporate office;
- approved a transition budget and budget for 2022; and
- welcomed and heard deputations from tenants and carefully considered the deputants' comments.

Transition priorities

An experienced transition team was assembled and tasked with setting up the key elements that are required for the corporation to successfully begin operating on June 1, 2022. The transition team working with partners at TCHC created a detailed plan for the smooth transition of the 83 seniors-designated buildings from TCHC to TSHC effective June 1, 2022, including a draft transition-day plan. The team put in place interim operational processes for financial management and information technology.



The corporation's work in 2021 included the following key transition activities:

- Board training and capacity-building
- working towards a formal agreement between Toronto Community Housing Corporation and Toronto Seniors Housing Corporation to enable TSHC operation of the seniors-designated buildings, and determining issues that require resolution
- working towards establishing an operating agreement with the City of Toronto that establishes TSHC as a designated housing provider
- working collaboratively with TCHC staff and leadership and with consultant MNP to create a report on shared services with a view to developing a service delivery model and establishing a service delivery agreement, such that there is continuity of service and minimal disruption to tenants and staff as well as the mitigation of additional costs.
- planning for the transfer of tenants to Toronto Seniors Housing Corporation, such that they become tenants of TSHC starting June 1, 2022

- planning for the transfer of employees in TCHC's Seniors Housing Unit, including managers and members of CUPE Local 416 and CUPE Local 79, such that they become employees of TSHC starting June 1, 2022. This work included preparing offers of employment to managers and negotiations with CUPE Local 416 and CUPE Local 79. The TSHC team supported TCHC in providing information and updates on transition to affected Seniors Housing Unit (SHU) staff.
- board meetings were offered via live-streaming beginning October 2021
- transition website was launched in November 2021

In addition, the TSHC team has been working closely with TCHC on information technology adaptations including a project to adapt HoMES, Ceridian and other TCHC technology applications.

CEO Recruitment

A search firm was selected through an RFP process and a CEO job description was prepared for submission to the Board, after receiving tenant input via the Senior Tenants Advisory Council, extensive stakeholder consultations and a SHU employee survey. CEO recruitment activities will begin in early 2022.

Integrated Service Model

The continued implementation of the Integrated Service Model (ISM) falls to Toronto Community Housing Corporation in seniors-designated buildings. Toronto Seniors Housing Corporation is following its implementation with great interest and looks forward to continuing the ISM implementation after it assumes operations of the 83 buildings.

Risks managed in 2021

Given the aggressive timeline and with a view to ensuring a successful transition on June 1, 2022, TSHC was aware of and worked with TCHC to manage risks related



to the employee transfer, operational and payroll applications and IT infrastructure and associated project timelines. The transition team continually updated the Board on its progress in these areas and is working to ensure that the necessary conditions for transition are achieved.

Tenant Involvement

From the outset of the transition process, Toronto Seniors Housing Corporation agreed to use the tools and channels available at Toronto Community Housing Corporation to communicate and engage with tenants. This decision aligned to a first principle of transition set out by the City of Toronto: minimize disruption to tenants and staff.

Throughout the latter part of 2021, opportunities for tenant engagement were leveraged and created to hear from TCHC tenants as part of the engagement plan for transition. The transition team was able to speak with and listen to tenants to ensure their voices were reflected in our work.

Between September-December 2021, five tenant engagement sessions were held collaboratively with TCHC. Engagement consisted primarily of focus group input into specific topics such as the joint transition plan, the joint communications, the joint tenant input plan as well as input on the CEO recruitment profile.

Members of the Senior Tenants Advisory Committee were called upon for input as were tenant leaders and other tenants who have participated in past TCHC focus groups. We heard from about 30 tenants between September-December, many of whom were the same people giving generously of their time to our focus groups.

In November 2021, the transition team, with the support of TCHC, published a comprehensive transition update in 10 languages. The update was delivered by direct mail to all SHU tenant households, approximately 14,000 units. Updates were also provided via an ISM information session hosted by SHU staff and via three editions of Seniors Speak which is published quarterly and delivered by direct mail to all SHU tenant households.

“It’s the hope of many senior tenants that TSHC supports a model of independent living.”

– Anita Dressler
 Tenant Representative, Senior Tenants Advisory Committee Member and
 Chair, Seniors Voice



Financial Statements

Toronto Seniors Housing Corporation

The following financial information is derived from the audited financial statements, a copy of which can be obtained on our website www.torontoseniorshousing.ca.

Statement of Financial Position

December 31, 2021

Assets

| | |
|---------------------|------------|
| Current assets: | |
| Cash | \$ 479,362 |
| Interest receivable | 273 |
| HST recoverable | 36,885 |
| | <hr/> |
| | \$ 516,520 |

Liabilities and Net Assets

| | |
|--|------------|
| Current liabilities: | |
| Accounts payable and accrued liabilities | \$ 172,640 |
| Deferred grant revenue (note 2) | 342,834 |
| | <hr/> |
| | \$ 515,474 |
| Net assets: | |
| Unrestricted | 1,046 |
| | <hr/> |
| | \$ 516,520 |

See accompanying notes to financial statements.

Statement of Operations

Period from June 23, 2021 (date of formation) to December 31, 2021

Revenue

| | |
|--------------------------------|------------|
| City of Toronto grant (note 2) | \$ 642,166 |
| Interest | 1,046 |
| | <hr/> |
| | \$ 643,212 |

Expenses

| | |
|---------------------------------|------------|
| Salaries and benefits | \$ 298,491 |
| Services | 317,538 |
| Supplies and other operating | 26,137 |
| | <hr/> |
| | \$ 642,166 |
| | <hr/> |
| Excess of revenue over expenses | \$ 1,046 |

See accompanying notes to financial statements.

Statement of Cash Flows

Period from June 23, 2021 (date of formation) to December 31, 2021

Cash provided by (used in)

| | |
|---|------------|
| Operating activities: | |
| Excess of revenue over expenses | \$ 1,046 |
| Change in non-cash operating working items: | |
| Interest receivable | (273) |
| HST recoverable | (36,885) |
| Accounts payable and accrued liabilities | 172,640 |
| Deferred grant revenue | 342,834 |
| | <hr/> |
| Increase in cash, being cash, end of period | \$ 479,362 |

See accompanying notes to financial statements.

Notes to Financial Statements

Period from June 23, 2021 (date of formation) to December 31, 2021

Toronto Seniors Housing Corporation (“TSHC”) was incorporated under the provisions of the Ontario Business Corporations Act on June 23, 2021 with the City of Toronto (the “City”) as its sole shareholder. In establishing TSHC, the City approved a Shareholder Direction that set guiding principles, high-level objectives and expected accountability to the City. The Shareholder Direction establishes TSHC as operating at arm’s length from the City, under the direction of an independent Board of Directors.

Effective June 1, 2022, TSHC will operate affordable rental and social housing for low and moderate- income senior households.

Toronto Community Housing Corporation (“TCHC”) will continue to own the buildings and be responsible for major capital while TSHC will operate the buildings. TSHC will lease the buildings from TCHC and be responsible for minor capital and maintenance and will be focused on tenant facing issues, including health and social supports.

TSHC is a municipally-owned corporation as it is owned by the City and, as such, is exempt from income taxes under paragraph 149(1)(d.5) of the Income Tax Act (Canada).

Under the Residential Tenancies Act, 2006, rental units located in a not-for-profit housing project, which are developed under a prescribed federal or provincial program, are exempt from residential rent controls.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards (“PSAS”), including accounting standards that apply to government not-for-profit organizations. The significant accounting policies are summarized below:

(a) Revenue recognition:

TSHC follows the deferral method of accounting for contributions for PSAS. Grants and funding designated for TSHC's mandate are recognized as revenue in the period in which the related expenses are incurred.

Interest income is recorded when earned.

(b) Expenses:

In the statement of operations, TSHC presents its expenses by function. Expenses are recognized in the period incurred and recorded in the function to which they are directly related.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value.

(d) Use of estimates:

These financial statements have been prepared by management in accordance with Canadian PSAS and accordingly, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. The significant estimates in the financial statements include the collectability of receivables, deferred contributions, and the amount of certain accrued liabilities in the period they become known.

2. Deferred grant revenue:

TSHC received funding from the City of Toronto, as follows:

| | |
|------------------------------|------------|
| Balance, beginning of period | \$ – |
| Grant received | 985,000 |
| Recognized as revenue | (642,166) |
| <hr/> | |
| Balance, end of period | \$ 342,834 |

3. Financial risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. TSHC is exposed to this risk relating to its cash and accounts receivable. TSHC holds its cash accounts with a federally regulated chartered bank who are insured by the Canadian Deposit Insurance Corporation.

TSHC assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At period end, there were no amounts allowed for in accounts receivable.

(b) Liquidity risk:

Liquidity risk is the risk that TSHC will not be able to meet all cash outflow obligations as they come due. TSHC mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and keeping accounts payable current throughout the period.

4. Impact of COVID-19 pandemic:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The full extent of the financial impact on TSHC is currently indeterminable due to the evolving nature of the COVID-19 pandemic.

Board and Leadership

Board Members

Maureen Quigley
Chair

Lawrence D'Souza
Vice Chair

Councillor Paul Ainslie
Mayor's Designate

Councillor Paula Fletcher
Councillor Member

Linda Jackson
Member

Paul Johnson
*Deputy City Manager,
Ex Officio Member*

Warren Law
Member

Carrie MacNeil
Tenant Member

Jim Meeks
Tenant Member

Brenda Parris
Member

Executive Leadership

Michael Sherar
*Interim Transitional Lead and
Chief Corporate Officer*

Helena Ferreira
Interim People and Culture Lead

Norman Rees
Interim Finance Lead

Mary Tate
Interim Project Management Lead

Arlene Howells
*Interim Communications and
Stakeholder Engagement Lead*



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**Toronto Seniors
Housing Corporation**