Toronto Community Housing

Tenant Service Offices – Service Model Realignment

Item 9A
July 27, 2026
Board of Directors

Report:	**TCHC:2026-42**
To:	Board of Directors (the "Board")
From:	Tenant Services Committee ("TSC")
Date:	July 17, 2026

PURPOSE:
This report provides the Board of Directors (the "Board") with information on the realignment of the Toronto Community Housing ("TCHC") Tenant Service Offices ("TSO") to improve service consistency, access, and responsiveness for tenants.

RECOMMENDATION:
It is recommended that the Board of Directors:

1. Endorse the recommended realigned Tenant Service Offices service delivery model to improve service access, consistency, and responsiveness for tenants; and
2. Approve $293,000 in one-time funding to prepare, refurbish, and activate the Tenant Service Offices pilot locations.

TSC:
The TSC approved this report at its meeting of July 17, 2026 and forwarded it to the Board of Directors for approval.

The TSC received a presentation in relation to this matter. The Committee's discussion focused on:

- The transition from the former hub model to the new TSO model;
- Options for operating hours outside of regular business hours;

- Accessibility and accommodation considerations for tenants to access the new TSOs;
- Work underway on the tenant portal;
- Communication with tenants regarding the TSOs; and
- Considerations for determining the pilot site locations.

FINANCIAL IMPACT STATEMENT:
TCHC requires a one-time investment of approximately $293,000 in 2026 to prepare and operationalize six TSO pilot locations. Specifically, this funding will support office reconfiguration and modernization, infrastructure and technology upgrades, safety and security enhancements, furnishings, equipment, and other implementation requirements. Any future expansion beyond the pilot phase will be subject to the approval of the Board of Directors prior to any budget request submission to the City of Toronto.

Of the requested funding, $112,000 will be accommodated through the approved 2026 capital budget, whereas the remaining $181,000 will be accommodated through the approved 2026 operating budget. Both budgets have been identified as an appropriate and available source for this initiative. No funding will be redirected from building repair, State of Good epair ("SOGR") work, or other capital programs that directly affect unit conditions. The pilot draws on a discrete funding line that does not reduce or delay capital work planned for tenants' homes. Also, there will be no additional staffing or operational budget impact associated with the pilot.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications presented in this Financial Impact Statement section.

REASONS FOR RECOMMENDATIONS:
1. Executive Summary
This report recommends a major change to how TCHC delivers in-person services to tenants. The current Hub office network has not worked as intended. Too many offices were opened without enough staff, consistent standards, or reliable infrastructure to support them. The result has been unpredictable service, frequent closures, and an uneven experience for tenants across the portfolio.

In response, management has designed a new model centered on a smaller number of fully resourced Tenant Service Offices. Each TSO will operate with dedicated staff, standardized services, and the infrastructure needed to stay open reliably. The model was developed through cross-divisional analysis, tenant and staff engagement, and a structured review of the Hub network's limitations. It also directly addresses the findings of a 2025 Internal Audit of the Hub program.

To begin, a six-site pilot is proposed to launch in Q4 2026 using existing resources already within the 2026 capital and operating budget. This pilot serves as a deployment dry-run — testing the mechanics of standing up a TSO under real operating conditions and generating the operational data needed to scale effectively.
This report contains options for consideration on how to proceed beyond 2026 and management is recommending a future-state network of 26 TSOs as the strongest balance of service access, staffing capacity, and financial responsibility. Full deployment of the remaining network will return to the Board through future budget cycles.

2. Background
In 2019, TCHC introduced the Hub model to improve tenant access to in-person services through community-based offices. A total of 61 locations were completed and 36 were partially completed, but the network ultimately proved difficult to staff and standardize at scale.

3. Current Challenges and Root Causes
Between 2023 and 2025, operational reviews revealed significant problems across the Hub network. These were not isolated to individual locations. They reflected deeper structural issues in how the model was designed, staffed, and supported.

What went wrong

- **Inconsistent service.** Tenants experienced different levels of support depending on which Hub they visited. Some locations provided reliable service; others could not maintain predictable hours or staffing levels. Without clear, consistently applied service standards, the tenant experience varied widely across the network.
- **Unstable operations.** Frontline staff were frequently pulled away from Hub duties to deal with building operations and other competing demands. Many locations could not sustain regular office hours. The Hub model required more coordination, infrastructure, and staffing capacity than the organization could maintain across so many sites.

- **Uneven infrastructure.** Office conditions varied significantly from site to site. Differences in technology, safety features, and basic administrative support meant that some Hubs were functional workplaces, and others were not. These gaps directly affected the quality and reliability of service at under-equipped locations.

Why it went wrong

- **No service delivery framework.** The Hub model was launched without formalized standardized service offerings, operating procedures, or performance expectations. Individual sites operated with a high degree of autonomy, leading to wide variation in how services were structured and delivered.
- **Insufficient staffing model.** The staffing required to support a decentralized, in-person service network was never adequately defined. With 172 tenancy staff spread across 78 offices — an average of roughly 2.2 staff per location — many Hubs simply did not have enough people to stay open consistently.
- **No readiness standards.** There was no baseline definition of what a Hub needed in order to function. Locations opened with different levels of technology, safety infrastructure, and administrative support, and there was no framework for bringing them to a common standard.
- **Scope and cost growth without controls.** The Hub network expanded and adapted reactively as assumptions about locations, facility conditions, and design requirements changed. Without stable scope definition, standardized design parameters, or formal cost control and governance mechanisms, the program grew in complexity and cost in ways that could not be effectively planned, monitored, or controlled.

These root causes confirm that the Hub model's problems were systemic - built into its design and implementation from the outset. Addressing them requires a structural response, not incremental fixes to individual locations.

4. Developing a New Model for Tenant Facing Offices

The redesigned service model laid out below, did not emerge from a single review or decision. It was shaped by several streams of work that, taken together, gave management a clear picture of what was not working, what tenants and staff needed, and what a better model would require.

- **Cross-divisional partnership.** Management engaged Facilities Management, Information Technology Services, and Operations to assess what it takes to run a tenant-facing office reliably. These discussions clarified the infrastructure, technology, safety, and administrative requirements that any future service location would need to meet and confirmed that most Hub sites were not meeting them.
- **Tenant engagement.** Tenant perspectives were gathered through 11 engagement sessions, including the Tenant Advisory Committee, Tenant Council meetings, and R-PATH. Tenants identified predictable hours, consistent staffing, and knowing what to expect when they walk in as priorities for in-person service.
- **Staff consultations.** Six consultations with frontline and operational staff provided direct insight into the day-to-day realities of running Hub offices including workload pressures, competing demands on their time, and the practical conditions needed for a location to function. Staff feedback confirmed that the current model was asking too much of too few people in too many places.
- **Internal Audit.** A 2025 Internal Audit of the Hub program examined how the network was planned, governed, and implemented. The audit identified foundational gaps (including the absence of a feasibility study, a formal staffing model, defined key performance indicators ("KPI"), and structured cost controls) and made 14 recommendations for improvement. Management has used these findings as a roadmap for building the TSO model on a stronger foundation. The proposed approach embeds the governance, financial, and operational controls that were missing from the original program. A full management action plan responding to each audit recommendation is provided in Attachment 1.

5. The TSO Service Model

The consultations and feedback led to a clear definition of what a tenant-facing office needs to be. A TSO is a dedicated location that delivers core tenancy services such as rent payments, parking registration, lease amendments, annual review submissions, and general tenancy support during standard weekday business hours.

TSO Staffing

The TSO model realigns staffing to support a sustainable service network. TCHC currently deploys 172 staff across 78 Hub offices, about two staff per site, which has contributed to single-staff coverage, inconsistent hours, and service interruptions. The TSO model consolidates the same workforce into fewer, fully resourced offices, with a minimum of five dedicated tenancy staff (at least one Clerk and four Tenant Service Coordinators) per site to support consistent hours, manageable caseloads, and service continuity.

By concentrating staff in fewer locations, the model improves workforce utilization, strengthens resilience, and reduces service disruption. Only core tenancy management staff count toward the minimum staffing threshold; co-located staff may support complementary functions but do not count toward required service capacity. This protects tenancy staff from diversion to other operational demands and addresses a key weakness of the Hub model.

TSO Infrastructure

An Office Space Audit found that many current locations cannot support the model without remediation. A functioning TSO requires adequate workspace for the full complement, secure and accessible reception areas, meeting rooms for confidential tenant interactions, secure records storage, security systems with cameras and controlled access, and accessible staff amenities. This standard drives every decision that follows in this report. TCHC has enough staff to meet the staffing goals of this model, but not all locations can physically support the model. The pilot, the options, and the capital strategy are all shaped by the gap between what the standard requires and what currently exists.

6. Pilot Program

Six locations that already meet or nearly meet the TSO standard have been selected for a pilot launching in Q1 2027. The total cost is $293,000 — a one-time investment covering furniture, security, IT, and minor construction, funded from the existing 2026 capital and operating budgets. No funding will be redirected from SOGR programs.

Sites were selected through a structured scoring model assessing operational readiness, tenant impact, and capital and operating requirements. Lower scores indicate stronger readiness. The selected locations span all three regions and represent a range of building types and tenant access patterns. Scoring details are provided in Attachment 2.

The pilot is a controlled opportunity to stand up offices to the standard defined above and learn what it takes operationally. The data it generates on staffing, workflows, service consistency, and tenant experience will apply regardless of which scaling path is ultimately chosen and directly informs the implementation of the full network.

The terms of the pilot will be established in a pilot charter by the end of January 2027. The pilot will be launched at the end of Q1 2027 to coincide with the opening of the pilot locations. Results will be collected for three months and used to inform a feasibility study on the further options, along with a report back into the Board and Committee on funding for the long-term option.

7. Future-State Network Options

The question facing the TSC is not how many offices to open, but how many existing offices to upgrade to meet the TSO standard. All three options below begin with the six pilot sites. They differ in how many additional locations are brought to standard, and how much of the portfolio is left relying on offices that do not meet the standard.

- **Option 1: 31 offices (17 compliant + 14 non-compliant) — $3.8M**. The pilot sites plus 11 additional upgrades produce 17 offices that meet the TSO standard. The remaining 14 locations continue to operate below it. This is the lowest-cost path, but nearly half of the network cannot be reliably staffed or consistently operated and retains the core problem the TSO model is designed to solve.
- **Option 2: 26 offices (23 compliant + 3 non-compliant) — $6.5M *(Recommended).*** The pilot sites plus 17 additional upgrades produce 23 offices that meet the standard. Three locations remain below threshold due to physical layout constraints. With only three non-compliant sites, management can commit to providing active operational support to offset service impacts at those locations — a manageable commitment that is not feasible at the scale required by Option 1.
- **Option 3: 26 offices (26 compliant + 0 non-compliant) — $9.2M.** This option upgrades everything in Option 2 plus three additional sites, bringing the entire network to standard. It eliminates all non-compliant locations, but the final three offices are significantly more expensive to bring up to standard, driving the total cost substantially higher for a marginal gain in coverage.

Table 1: Option Comparison

	Option 1	**Option 2**	**Option 3**
TSO Offices	17	23	26
Non-TSO Offices	14	3	0
Total Offices	31	26	26
Capital Funding	$3.8M	$6.5M	$9.2M
Staffing	55% of offices meet staffing threshold; 45% of offices are below staffing threshold (due to physical space constraints)	88% of offices meet staffing threshold; 12% of offices are below staffing threshold (due to physical space constraints)	100% of offices meet staffing threshold
Service Model	Maintains larger network using prior capital investment locations	Network aligned to viable locations and staffing capacity	Network includes new capital investment sites; former contract managed offices
Risk Level	High	Moderate	Low
Implications	• Minimizes capital • Many under-resourced offices • High risk of service disruption and closures	• Balanced investment • High alignment with staffing model	• Highest capital • Fully stabilized model

***Management Recommendation**: Option 2 – 26 TSOs*
This option provides the strongest balance of service access, staffing feasibility, operational stability, and financial responsibility. t can be staffed, consistently operated, and funded within existing organizational capacity and it is also the most financially responsible option. The $6,290,000 investment, excluding the Pilot Program, leverages prior Hub work, avoids the higher cost of a larger network, and ensures offices are equipped, safe, and functional.

The 26-office model also presents the lowest overall risk. It avoids the instability of an under-resourced network and the financial exposure of a larger footprint. Concentrating resources in viable locations supports consistent hours, staff safety, and more predictable service. Each TSO will operate as a dedicated tenant-facing site with a minimum of five Tenant Services Coordinators and Clerks. This supports consistent delivery of core tenancy services, including rent payments, parking registration, lease amendments, annual review submissions, and general tenancy support.

Overall, the 26-office network provides a stable, scalable, and sustainable foundation for tenant service delivery.

Under this option, upgrades to the remaining 17 sites (after the pilot sites) are estimated at approximately $6.29M and would be funded over multiple years, subject to future budget approvals:

- 2026: $293,000 for pilot implementation at six sites;
- 2027: Approximately $3.1M for Phase 2 and Phase 3; and
- 2028: Approximately $3.19M for Phase 4.

8. Capital Strategy and Asset Optimization
Under any option, the capital investment for the TSO network will be phased across 2026–2028, sequenced by site readiness and aligned with annual budget cycles. The pilot is funded within the 2026 capital and operating budgets. Subsequent phases will require Board approval through future budget submissions. No funding will be redirected from SOGR programs.

With the network consolidating 78 Hub locations to 26-31 TSOs, a significant number of existing office spaces become surplus. A preliminary review of the full Hub inventory of the 97 locations (including completed and partially completed sites) identified initial allocations: 34 spaces are expected to be repurposed as staff workspace, one is slated for demolition as part of a revitalization project, and 36 require further review. Future uses for those 36 sites may include community programming, agency partnerships, commercial use, or returning units to residential circulation.

Final repurposing decisions will follow a structured process including operational assessment, stakeholder engagement, and alignment with corporate priorities. The intent is that no previously invested space is left without a defined purpose.

9. TSO Model - Strategic Alignment and Governance

The TSO realignment is a key component of TCHC's broader service delivery strategy. TSOs will serve as the primary in-person service channel, integrated with other channels to deliver a more consistent and accessible service experience across the portfolio. Within this framework, TSOs operationalize the service delivery strategy by embedding in-person service within a more structured model intended to strengthen service prioritization, service standards, and performance measurement across Operations.

Day-to-day TSO operations will be the responsibility of Regional Operations under the direction of the General Managers. Cross-divisional support is defined by function:

- **Regional Operations:** Staff deployment, service delivery, and adherence to service standards.
- **Business Operations:** Service standards development, performance monitoring, and continuous improvement.
- **Facilities Management:** Site readiness, physical upgrades, and ongoing maintenance.
- **Information Technology:** Systems readiness, connectivity, and technical support.
- **Communications:** Staff and tenant communications supporting awareness and service access.
- **Community Safety Unit:** On-site safety requirements, security measures, and incident response.

Performance outcomes will be reported through the governance structure to TSC, with material updates to the Board as required.

10. TSO Model - Implementation and Change Management

Rollout will follow a phased approach plus a stabilization period. Sites will activate only once defined readiness criteria are met, including facility assessments, technology reviews, and safety audits. No office will open before it is ready.

To ensure consistency across the network, management will implement common service standards, standardized workflows, consistent tools, and role-specific implementation support at every TSO. This operational standardization is central to the model; it ensures that the service a tenant receives is the same regardless of which office they visit.

Staff communications will clarify roles, expectations, and operational changes at each phase. Tenant communications will be tailored to affected communities and timed to implementation milestones, ensuring tenants know what is changing, when, and how to access services through the new model.

11. TSO Model - Performance Monitoring

The success of the TSO model will be measured against eight dimensions: service availability, operational stability, staffing viability, service quality, tenant experience, demand and utilization, financial efficiency, and implementation readiness. Each dimension has defined KPIs and success indicators. The full framework is provided in Attachment 3.

The pilot will establish baseline performance data across all eight dimensions. That data will directly inform decisions about pacing, sequencing, and any refinements needed before scaling the network.

12. Conclusion

The proposed realignment represents a necessary shift toward a more sustainable, consistent, and operationally viable approach to tenant service delivery. The recommended 26-office network provides a balanced solution that aligns service coverage with organizational capacity, while establishing clear service standards and stronger staffing levels across all locations.

RISKS AND IMPLICATIONS:

The proposed TSO realignment addresses the Hub model’s limitations but introduces transitional implementation risks. Management has identified key risks and mitigation measures to support disciplined rollout and oversight. Additional detail is provided in Attachment 4.

A. **Service Disruption**: The transition may temporarily affect service continuity as locations and access points change. Mitigation will include phased rollout, readiness-based activation, and clear staff and tenant communications.
B. **Office Readiness**: Some sites may not be fully prepared for activation, affecting consistency and operations. Mitigation will include defined readiness criteria, pre-launch assessments, and coordinated site preparation.
C. **Operational Support**: Post-launch issues may affect day-to-day service delivery if support is not clearly coordinated. Mitigation will define ownership, escalation pathways, and post-implementation support processes.
D. **Change Fatigue**: Staff and tenants may be cautious about further service model changes. Mitigation will involve issuing clear communication, continued engagement, and visible demonstration of service improvements.
E. **Implementation Cost Pressures**: Costs may increase due to site-specific construction, technology, or security needs. Mitigation will a phased implementation, contingency allowances, and ongoing financial monitoring.
F. **Tenant Perception**: Consolidation of service locations may create concern about access or local presence. Mitigation will include proactive communication emphasizing improved reliability, staffing, and service consistency.
G. **Insufficient Funding**: Long-term, this program is dependent on funding that has yet to be approved. If funding is not available, TCHC will:
    - Proceed with the six-site pilot using approved 2026 funding.
    - Use pilot results to validate the model, refine costs, and strengthen the future business case.
    - Maintain or adapt existing service arrangements at non-upgraded locations, with operational supports where possible.
    - Prioritize only the highest readiness/highestimpact sites for any limited future funding.

NEXT STEPS:

- Prepare the pilot charter by the end of January 2027, establishing the pilot terms, scope, roles, timelines, and success measures.
- Launch the pilot at the end of Q1 2027, aligned with the opening of the pilot locations.

- Collect pilot results over a three-month period to assess service delivery, operational readiness, tenant experience, and implementation requirements.
- Use the pilot results to inform a feasibility study on future options for the TSO network.
- Report back to the Board and Committee on funding for the long-term option in Q3 2027.

SIGNATURE:

"Nadia Gouveia"

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Nadia Gouveia
Chief Operating Officer

ATTACHMENTS:

1. Internal Audit Management Action Plan
2. Pilot Site Selection Scoring Details
3. Performance Measurement (KPIs)
4. Key Risk and Mitigation Measures
5. Presentation
6. Correction Notice – Tenant Service Offices – Service Model Realignment (added after the July 17, 2026 TSC meeting)

STAFF CONTACT:

John Angkaw, Senior Director, Operations
John.Angkaw@torontohousing.ca
416-981-6914

Abdulle Elmi, Director, Service Delivery
Abdulle.Elmi@torontohousing.ca
416-945-0511

Service Model Realignment - Internal Audit Management Action Plan

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
1	Absence of a Feasibility Study	Management should: To facilitate data-driven decision-making and maximize resource efficiency, the Management should implement rigorous feasibility studies for all major projects. These evaluations should comprehensively assess project viability, identify potential risks and mitigation strategies, and determine the necessary resources to ensure project success and optimal value for money.	Y	Management conducted a comprehensive service model and scenario analysis (Options 1–3) to evaluate network size, staffing feasibility, capital cost, and risk. The TSO Pilot (6 sites) functions as a live feasibility validation stage, testing: • Service effectiveness • Staffing assumptions • Operational workflows Findings from the Pilot will be used to: • Validate viability prior to full rollout • Refine service model design

No.	**Observation**	**Recommendation**	**Agree? Y/N**	**Management's Action Plan**
2	Absence of a Project Charter/Business Plan	Management should: To optimize project outcomes and foster stakeholder engagement, the Management should prioritize the development and implementation of comprehensive project charters and business plans for all major projects. These strategic documents, grounded in established project management methodologies, should clearly define project objectives, scope, deliverables, timelines, and resource allocations to significantly increase the probability of achieving project milestones and desired business results.	Y	Management will develop a formal TSO Program Framework (Business Plan equivalent), informed by Service Model Alignment strategy, which includes: • Service objectives and scope • Defined deliverables (Pilot + full rollout) • Phased implementation plan • Resource requirements and dependencies For the Pilot: • A Pilot Charter will define: o Objectives (test & validate model) o Success criteria o Roles and accountabilities
3	Inadequate Tenant Consultation	Management should: To optimize project outcomes and foster tenant satisfaction, the	Y	Management conducted consultations with the Tenant Advisory Committee, Tenant Council, and R-PATH. The

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
		Management should prioritize proactive tenant engagement throughout the entire project lifecycle for all major projects. This involves active consultation during planning, open communication during implementation, and comprehensive feedback collection post-completion to ensure that tenant needs are consistently met, and project objectives are effectively achieved.		feedback from these consultations informed the design of the Tenant Service Offices. For the Pilot: • Conduct targeted tenant engagement at Pilot sites • Gather real-time feedback on: • Access • service experience • hours and service mix Post-Pilot: • Formal tenant feedback loop embedded into model refinement
4	Absence of a Project Communication Plan	Management should: To optimize stakeholder engagement and communication, the Management should establish comprehensive project communication plans, containing operational and financial reporting, for all	Y	Management will develop a TSO Communication Plan covering: • Board reporting (TSC / BIFAC / Board) • Tenant communications (service changes, locations) • Staff communications (roles, expectations)

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
		major projects. These plans should clearly define communication channels, key messages, timelines, and target audiences, including the Board and the BIFAC. By strategically managing information sharing, the Management can cultivate alignment and support which will ultimately contribute to the successful execution of the projects.		Pilot Phase: • Clear communication for each Pilot site prior to activation • Regular internal updates on Pilot performance
5	Absence of a Benchmarking Study	Management should: To optimize project efficiency, mitigate risks, and enhance performance, the Management should conduct comprehensive benchmarking studies for all major projects. By comparing project processes, outcomes, and best practices across the industry, the Management can identify areas for improvement, allocate	Y	Management will incorporate: • External benchmarking (peer housing providers / service models) • Internal benchmarking (regional performance comparison during Pilot) Pilot Phase: • Compare service delivery metrics across: o Pilot TSOs

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
		resources more effectively, and proactively address potential challenges, ultimately safeguarding project success and driving continuous improvement.		o legacy locations (where applicable)
6	Absence of a Stand-alone Staffing Model	Management should: To optimize project execution, the Management should establish a comprehensive staffing model for all major projects that align with project objectives. This model should be tailored to the specific needs of each project, ensuring that the workforce is adequately staffed, equipped with necessary skills, and motivated to contribute to project success.	Y	Management developed a TSO staffing model with a defined staffing threshold (minimum staffing per site) Pilot Phase will: • Validate staffing levels (e.g., workload, coverage) • Assess role clarity and workflow efficiency The staffing model will be adjusted post-Pilot based on real demand; if needed.
7	Inadequate Budgeting Process	Management should: To optimize financial performance and mitigate risks, the Management	Y	Management will establish a clear, phased capital framework: • Pilot funding approval ($293,000)

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
		should implement a rigorous financial management framework for all major projects that includes detailed project budgets, clearly defined funding sources, and a system for regular financial reporting to the Board and the BIFAC. This framework will ensure effective resource allocation, minimize financial risks, and facilitate informed decision-making.		• Future phases subject to Board-approved budgets Financial controls include: • Defined cost categories • Tracking of Pilot expenditures against budget • Reporting through governance structure
8	Absence of a Risk Management Plan	Management should: To optimize project outcomes and mitigate risks, the Management should implement a comprehensive risk management plan for all major projects. The plan should proactively identify and address potential challenges, such as project delays, cost overruns, and other adverse outcomes. By	Y	Management will incorporate the established TSO Risk Framework which includes: • Defined risks (service disruption, readiness, change fatigue, cost) • Mitigation strategies aligned to phased rollout Pilot Phase: • Acts as a controlled risk environment

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
		implementing effective risk mitigation strategies, the Management can enhance project efficiency, reduce uncertainty, and ensure successful project delivery.		• Enables early identification and mitigation
9	Inadequate Contract Approval Process	Management should: To ensure compliance with approval limits defined by the Bylaw, the Management should consider the total commitment value of the project/program rather than individual contracts, where appropriate, in accordance with the Bylaw. Additionally, regular reviews should be conducted to proactively identify and address potential issues, thus safeguarding financial integrity and strict adherence to the Bylaw and applicable procurement procedures.	Y	Management will create a net new contract management (including change order) framework to ensure full compliance with the Financial Control Bylaw. The new Procurement Policy section 4.6.2 Procurement Approval Authority emphasizes: (2) Larger purchases cannot be split into smaller components to circumvent the threshold requirements. (3) Where a Procurement Project involves multiple related procurements, the Procurement Project's Total Procurement Value, and the level of Procurement Approval Authority required, would be determined by the cumulative value of all related procurements.

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
				Any contract amendment, including Change Orders, resulting in a Total Procurement Value above the original Procurement Approval Authority's approval level must be approved by the applicable Procurement Approval Authority for the new Total Procurement Value. This directly addresses the audit observation that approvals were obtained at a fragmented contract level rather than at the program level, resulting in misalignment with prescribed approval authorities. To implement this requirement, enhancements will be implemented within the contract approval process, including: Formal validation of total commitment value at the intake and approval stages Consolidation of approvals (e.g., single approval for multi-vendor or multi-site awards)

No.	**Observation**	**Recommendation**	**Agree? Y/N**	**Management's Action Plan**
				Clear documentation of aggregation methodology within approval submissions In addition, Management will introduce strengthened governance and review controls to detect and prevent contract splitting and ensure alignment with Procurement Procedures, which prohibit subdividing contracts to circumvent approval thresholds. Management will also implement periodic compliance reviews of procurement and contract approval activities to proactively identify and address any deviations, ensuring timely escalation and corrective action where required. These measures will reinforce procurement governance, ensure adherence to delegated authority limits, and support transparent, compliant contract approvals consistent with the Bylaw and

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
				established procurement procedures.
10	Absence of Price Negotiation Mechanism	Management should: To enhance cost-effectiveness and optimize procurement outcomes, the Management should establish a structured price negotiation process that is integrated into the overall procurement policy. This process should empower TCHC to strategically negotiate prices whenever appropriate, leveraging data-driven insights and best practices to achieve favorable terms.	Y	Management will enhance procurement practices by advancing the standardization of pricing approaches and commercial strategies through updated procedures, informed by EY's procurement transformation recommendations and the implementation of a category management framework. Consistent with this approach, the Procurement Policy will remain principles-based and high level, providing overarching governance direction, while detailed expectations related to pricing strategies, including negotiation practices, will be embedded within supporting procedures, tools, and category-specific guidance.

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
				Through the development and execution of category management strategies, Management will: Establish standardized pricing methodologies and commercial models by category Leverage market intelligence, benchmarking, and historical spend data to inform sourcing and pricing decisions Enable structured and consistent negotiation practices, where appropriate, aligned to category strategies and market conditions These procedural enhancements will ensure a more strategic, data-driven, and consistent approach to pricing and supplier engagement, while maintaining flexibility to respond to market dynamics. Collectively, this approach strengthens value-for-money outcomes, supports procurement maturity, and ensures alignment with the Bylaw and overall

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
				procurement governance framework without introducing prescriptive detail into the Policy itself.
11	Absence of Formal KPIs	Management should: To optimize project outcomes and accountability, the Management should establish and regularly track KPIs for all major projects. By monitoring KPIs, Management can effectively measure progress, identify areas for improvement, and ensure that projects are delivered on time, within budget, and to the desired quality standards.	Y	Management will define TSO performance framework, including: • Service access (e.g., availability) • service efficiency (processing time) • tenant experience (feedback) Pilot Phase: • Test KPIs and reporting approach • Refine indicators prior to scale
12	Absence of a Formal Change Management Process	Management should: To optimize project outcomes and mitigate change-related risks, the Management should implement a structured change management process for all major projects. By	Y	Management will establish a structured change management approach, including: • Staff transition planning • Tenant notification and education • Leadership alignment

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
		proactively managing change, TCHC can effectively navigate challenges, safeguard project objectives, improve stakeholder satisfaction, and ensure successful project delivery.		Pilot Phase: • Test communication and transition approach • Identify change fatigue risks
13	Impact of the Project on the Facilities Condition Index (FCI)	Management should: To achieve TCHC's objective of enhancing the FCI of the portfolio, the Management should carry out a comprehensive analysis including the outcome of third-party consultants' reviews, as applicable, for all major projects to ensure that the investment yields optimal impact on the FCI and TCHC's other strategic aims related to the SOGR of its portfolio.	Y	Management acknowledges the importance of ensuring capital investments support improvements in the portfolio's FCI and advance broader SOGR objectives. However, for certain project types, such as new or enhanced components, a direct impact on FCI may not be applicable. In these cases, project justification is supported by alternative analyses, including third-party consultant reviews where appropriate, to demonstrate alignment with strategic priorities, address operational or regulatory

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
				requirements, and support overall portfolio performance. Management will ensure selected pilot locations meet operational and facility standards and align TSO investments with: • Broader capital planning priorities • The strategic use of existing space, where appropriate, to meet operational requirements and limit reliance on new builds

14	Absence of a Formal Lessons Learned Process	Management should:
		To drive continuous improvement and optimize project outcomes, the Management should establish a structured lessons-learned process for all major projects. By systematically identifying, analyzing, and capturing key learnings from completed projects, TCHC can refine its
			Y	Management will implement:
				• Structured evaluation framework
				• Post-Pilot review report
				• Documentation of:
				  o what worked
				  o what needs adjustment
				
				The findings from the Pilot will directly inform:
				• Full rollout design
				• operational standards

No.	Observation	Recommendation	Agree? Y/N	Management's Action Plan
		project management approaches, reinforce successful practices, and enhance future project performance.		

Pilot Site Scoring Details

How the pilot sites were chosen

The six pilot locations were selected through a structured evaluation designed to identify sites that are ready for early conversion with minimal disruption and manageable cost. The goal was not to find the six "best" locations in the portfolio, but to find six that could be stood up quickly under real operating conditions — spanning different regions, building types, and tenant access patterns — so that the pilot generates learning that applies to the full network.

The scoring model

Each candidate site was assessed across three dimensions:

- **Operational Impact** measures how much operational change is needed to convert the site to the TSO standard. This includes factors like current staffing levels, whether the office is already active, and how much disruption the conversion would cause to existing workflows. Scored on a scale of 1 to 4, where 1 means minimal change required.
- **Tenant Impact** measures the risk of disruption to tenants during and after conversion. This considers whether tenants currently rely on the location, whether alternative access points exist nearby, and how the transition can be managed without creating gaps in service. Scored on a scale of 1 to 4, where 1 means minimal tenant disruption.
- **Funding Impact** measures how much capital investment the site requires to meet the TSO standard — including construction, security, IT, furniture, and any other remediation identified through the Office Space Audit. Scored on a scale of 1 to 10, where 1 means the lowest capital requirement.

The three scores are added together for a **total score ranging from 3 to 18.** Lower totals indicate stronger candidates for early conversion — sites that need less work, pose less risk, and cost less to bring to standard.

What the scores tell you

- A site scoring 4–6 is already close to the TSO standard. It may need minor furniture, IT, or security work, but the space is fundamentally suitable and the conversion can happen without significant construction or service disruption. All six selected sites fall in this range.

- A site scoring in the mid-range (7–12) would typically need more substantial work — reconfiguration of workspace, infrastructure upgrades, or more careful transition planning. These sites are candidates for the phased rollout that follows the pilot.
- A site scoring at the high end (13–18) would require major investment, present significant operational risk during conversion, or both. These are the sites that drive cost differences between the scaling options described in the body of the report.

Geographic and operational balance

The six selected sites cover all three operating regions: three in the West, two in Central, and one in the East. This helps ensure the pilot is not shaped by conditions in only one area. The sites also include both standalone offices and offices in larger residential complexes, giving TCHC useful learning across different building types. The table below shows the score for each selected site.

Table 1: Pilot Sites Selection

Region	TSO Pilot Sites	Operational Impact Score	Tenant Impact Score	Funding Impact Score	Total Score
Central	**15 Scadding Ave**	1	1	2	4
Central	**80 Blake St**	2	2	2	6
West	**10 Old Meadow Lane**	1	1	2	4
West	**495 Wilson Ave**	1	2	2	5
West	**121 Humber Blvd**	2	2	2	6
East	**40 Gordonridge Pl**	2	2	2	6

Service Model Realignment – Performance Measurement (KPIs)

Success Factor	Objective	Key Performance Indicators (KPIs)	Success Indicators
Service Availability and Reliability	Confirm that TSOs provide predictable and uninterrupted access to in-person services	• % of scheduled operating days delivered • Number of unplanned service disruptions or closures • Variance between planned and actual hours of operation	Offices operate consistently as scheduled with minimal interruptions, demonstrating improved reliability relative to the Hub model
Operational Stability and Continuity	Assess whether TSOs can sustain stable day-to-day operations	• % of days core tenancy services are fully available • Number of service interruptions linked to operational or infrastructure issues • Frequency of partial service availability	TSOs function as stable service environments with no recurring operational breakdowns
Staffing Model Viability	Validate that the defined staffing complement supports continuous service delivery	• % of days meeting minimum staffing complement (5–6 staff) • Instances of single-staff coverage	Staffing model supports predictable operations without service gaps or unsustainable workload pressures

Success Factor	Objective	Key Performance Indicators (KPIs)	Success Indicators
		• Overtime usage and backfill requirements • Staff-reported workload sustainability (qualitative)	
Service Delivery Quality and Effectiveness	Evaluate whether services are delivered accurately and efficiently at the point of contact	• First-contact resolution rate • % of transactions completed correctly on first submission • Error rate in tenancy-related transactions • Number of escalations or repeat visits	Reduction in errors, rework, and escalations, indicating improved satisfaction and service consistency and effectiveness
Tenant Access and Experience	Measure whether the model improves tenant ability to access and navigate services	• Tenant satisfaction score (post-visit survey) • % of tenants reporting services were accessible when needed • Volume of complaints related to service access • Time to resolve tenant complaints	Improved tenant reduced complaints, demonstrating clearer, more accessible service pathways

Success Factor	Objective	Key Performance Indicators (KPIs)	Success Indicators
Demand and Service Utilization	Understand how TSOs are used and whether demand is manageable	• Daily/weekly service volumes per TSO • Distribution of service types (rent, annual review, tenancy support) • Evidence of service backlogs or unmet demand	Demand is stable and manageable, with no systemic backlogs or service bottlenecks
Financial and Operational Efficiency	Assess whether the model operates within expected resource parameters	• Variance between planned and actual operating costs • Cost per site relative to plan (where measurable) • Resource utilization (staffing vs. service output)	Model operates within expected cost envelope and demonstrates improved alignment between resources and outputs
Implementation Readiness and Scalability	Determine whether the model can be expanded across the network	• Time to achieve operational readiness at each pilot site • Number and severity of implementation issues • Staff readiness and training completion • Documented lessons learned and required adjustments	Pilot demonstrates that the model can be replicated at scale with manageable risk and clearly defined implementation requirements

Service Model Realignment – Key Risk and Mitigation Measures

Risk	Implication	Mitigation
Service Disruption	Potential confusion for tenants and staff as service locations change	Phased rollout, early activation of ready locations, coordinated communications, and standardized readiness checks prior to office activation
Office Readiness	Inconsistent operational conditions across new TSO locations	Pre-launch readiness assessments, procurement timelines for construction services, facility upgrades, safety requirements, technology installation planning, and operational readiness checklists
Operational Support	Recurring operational issues such as equipment failures, service routing challenges, or unclear support ownership	Defined ownership for issue resolution, escalation pathways, and post-implementation support processes
Change Fatigue	Staff and tenants may be cautious about additional service model changes due to previous restructuring and operational challenges associated with the Hub model	Transparent communication regarding the rationale for the new model, demonstration of improvements in staffing levels and service reliability, continued engagement with staff and tenant representatives
Tenant Perception	Concern from tenants or community stakeholders regarding consolidation of service locations	Clear communication emphasizing improved service reliability, stronger staffing levels, and consistent services across all offices

Risk	Implication	Mitigation
Implementation Cost Pressures	Potential increase in costs due to construction, technology, or infrastructure changes during rollout	Capital contingency allowance, phased rollout, and ongoing financial monitoring throughout implementation

Toronto Community Housing

BOARD OF DIRECTORS · JULY 27, 2026

Tenant Service Offices

Service Model Realignment

Nadia Gouveia Chief Operating Officer

A structural reset, built on what tenants and staff told us — and on the lessons of the Hub model.

Why We're Here

Realigning how TCHC delivers in-person tenant services

THE PURPOSE

We are realigning how TCHC delivers in-person tenant services — moving from an over-extended Hub network to a smaller number of fully resourced offices.

THE ASK

1 **Endorse** the realigned TSO service delivery model

2 **Approve** $293K one-time funding for a 6-site pilot

3 **Forward** this report to the Board of Directors

COR-1020

Item 9A - TCHC:2026-42 - Attachment 5

What We Heard — and What the Audit Confirmed

Grounded in direct consultation and the 2025 Internal Audit — not a top-down design

WHO WE CONSULTED

11 Tenant sessions

6 Staff consultations

3 Divisions engaged

Tenants — predictable hours, consistent staffing, and knowing what to expect.

Staff — too few people, too many sites, constant diversion to building operations.

Divisions — most sites can't meet the infrastructure threshold to run reliably.

2025 INTERNAL AUDIT

14 **recommendations, now embedded in the new model**

No service or staffing framework — no standards; too few staff across too many sites.

No readiness or cost controls — no infrastructure baseline; the network grew reactively.

Structural, not incremental — built into the model from the start, not fixable by tweaks.

172 staff across 78 office locations (~2.2 staff per office) is just too thin to provide reliable consistent satisfactory service

Item 9A - TCHC:2026-42 - Attachment 5

Piloting a New Tenant Service Office (TSO) Design

A dedicated location consistently delivering core tenancy services

TSO Model

A dedicated site delivering core tenancy services at consistent times

Minimum 5 dedicated tenancy staff

- 1 Clerk
- 4 Tenant Service Coordinators

Key Infrastructure

- Reception, private meetings space, secure access

8 KPI Dimensions

Service availability	Operational stability
Staffing viability	Service quality
Tenant experience	Demand & utilization
Financial efficiency	Implementation readiness

Pilot Six Sites

Leverage sites that already meet or nearly meet the TSO infrastructure.

$293K

one-time Investment

$112K capital + $181K operating from approved 2026 budgets

What We'll Bring Back

Performance Data

Across 8 KPI dimensions from the pilot

A Feasibility and Risk Analysis

Based on what we learn

A formal funding request

For a recommended scaling path

COR-1020

A Look Ahead : Options to Weigh After the Pilot

Three scaling options — for awareness today, decision later

	Option 1	Option 2	Option 3
		Balanced	
Total Offices	31	26	26
Compliant Offices	17	23	26
Non-Compliant Offices	14	3	0
Capital Funding	$3.8M	$6.5M	$9.2M
Risk Level	High	Moderate	Low

Final decision point will be informed by pilot data and brought back for Board approval.

COR-1020

The Ask & Next Steps

A structural reset, built on what tenants and staff told us and the lessons of the Hub model

THE ASK

1. **Endorse** the realigned model
2. **Approve** $293K for the 6-site pilot
3. **Forward** to the Board

NEXT STEPS

- **End of 2026 —** Pilot charter
- **End of Q1 2027 —** Pilot launch (6 sites)
- **Q2 2027 —** Pilot results collected
- **Mid-to-late 2027 —** Report back to TSC & Board with feasibility study + funding request

Risk management

Phased rollout, readiness-based activation, pilot-protected baseline

Surplus Asset optimization

97 Hub spaces:
26 → Tenant Service Offices
34 → Staff Workspaces
1 → Demolition
36 → Under Review

Change management

Structured staff & tenant comms; standardized workflows at every TSO

This is a structural reset — built on what tenants and staff told us, and on the lessons of the Hub model.

Correction Notice – Tenant Service Offices – Service Model Realignment

Error Identified and Source

An error was included in the Tenant Services Committee ("TSC") version of this report related to the number of former office spaces requiring further review following implementation of the proposed Tenant Service Office ("TSO") model.

The correct number of offices is 36. The figure appearing in the TSC materials was erroneously 32 offices. The issue was clerical in nature and resulted from a transcription error in an internal working document. During preparation of the TSO report to TSC, that error was unintentionally reproduced in both the TSC report and PowerPoint presentation.

TSC Meeting Discussion

The error was identified and verbally corrected during presentation of the item at the July 17, 2026 TSC meeting to ensure the committee received the correct information verbally during its consideration of the matter.

Board Materials

All Board versions of the report and presentation materials have been updated to reflect the corrected figure. No other changes have been made because of this correction. The correction does not substantially affect the recommendations before the Board.
The presentation to the Board references the correct number.
This attachment is provided for transparency and record accuracy, and to ensure the Board has a complete and accurate record. The corrected Board materials reflect the information presented verbally to the TSC.