

CHRA Congress Session Series 2022

An Era of Transformation: Growing the capacity of Canada's housing sector

SUMMARY AUTHOR

Louise Atkins

Member, CHRA Indigenous Caucus Working Group

SESSION PANELISTS

Aminda Galappaththi, Vice President Portfolio Management and Executive Operating Officer, Calgary Housing Company

Maya Kambeitz, CEO, Norfolk Housing Association

Olga Tasci, CEO, Agency for Cooperative Housing, Past President of Taiga Non-Profit Housing



**Canadian Housing and
Renewal Association**
A Home for the Housing Sector



BC HOUSING

Three different non-profit housing providers, three different scales and circumstances. All with similar transformation goals – to ensure financial sustainability while enhancing services, options, and the living experience for tenants.

In Ottawa, Taiga Non-Profit Housing successfully merged with CCOC, a much larger non-profit housing provider, meaning greater resilience for both. The Calgary Housing Company is shifting from managing a large social housing portfolio, to becoming a purpose-focused social enterprise delivering mixed-income housing. Also in Calgary, Norfolk Housing Association built on its strengths to become a self-reliant social enterprise with a 50/50 rental unit mix of full- market and Rent Geared to Income residents.

Each of the three presenters described the stages in their journeys. All started with a single step – a critical path, a roadmap, a functional design – that would serve as a collective guide and compass throughout the transformation.

Taiga-CCOC Merger

Olga Tasci, CEO of Agency for Cooperative Housing, and Past President of Taiga Non-Profit Housing

“A Merger Means Resilience”

As a prior Board member, Olga Tasci answered the call to come “back on board” when Taiga Non-Profit Housing ran into difficulty. “It felt good to work in the trenches after a number of years” , she said.

Like many other community housing providers, Taiga owned and managed one property – an attractive 7-storey building of 104 units located in a neighborhood blessed with many amenities and the nearby Westboro Beach on the Ottawa River. Like many other community housing providers, they were in deficit.

When Olga joined up again in 2016, Taiga had received a triggering notice from the City of Ottawa Service Manager about their large deficit and governance issues. Their immediate focus was to address governance issues with some bench strength on the board and a five-year deficit reduction plan. To ensure a truly sustainable future, the Board needed a



2100 Scott Street. Source: Centretown Citizens Ottawa Corporation website

strategic plan. With their end of mortgage looming in 2027, the Board commissioned a building condition assessment and long-term financial forecast which projected a shortfall in their ability to meet future capital repairs. Furthermore, Taiga was being operated and administered by a management company, and the Board worried about their limited internal capacity to serve some of Taiga’s higher-need tenants.

From the strategic plan analysis, the Board recognized that Taiga’s future viability and its desire to enhance tenant services would require merging with a larger non-profit partner.

The Board settled on Centretown Citizens Ottawa Corporation (CCOC) which has a good reputation as one of the largest non-profit housing providers in Ontario with a larger staff team and wide-ranging expertise. Several Taiga Board members knew and thought highly of CCOC’s Executive Director, Ray Sullivan.

The process started in earnest in 2020 when the Board met with Ray to learn more about CCOC and decided it was a good match. The Taiga Board agreed in principle with the idea of a merger and decided to hire a facilitator jointly with CCOC to help move the process along. Each organization created its own

steering committee and designated leaders who met regularly for joint meetings. By August the parties had a critical path and communications plan in place. In October they retained joint legal counsel and by year's end an amalgamation memorandum of understanding was developed.

Early 2021 was a busy time. Following tenant engagement, memberships of both organizations passed resolutions agreeing to the merger, and in March both corporations signed the amalgamation MOU.

March 31 marked the end of Taiga's fiscal year, paving the way for a management transition to be completed by June 30. Meanwhile, CCOC took the lead in ongoing tenant engagement including a joint CCOC-Taiga Plant Day. At a formal orientation session in June, each Taiga household was given a nice welcome kit - a big blue recycling bag filled with coupons, a toilet plunger, and other useful items.

To complete the merger, CCOC took over full property management, three Taiga directors joined the CCOC Board, and Articles of Amalgamation were filed with the government of Ontario. Final acquisition concluded at CCOC's fiscal year end on December 31, 2021.



Source: Centretown Citizens Ottawa Corporation website

Even such a smooth and successful merger is bound to have some bumps in the road. Olga shared some lessons learned:

- Hire a dedicated project manager ahead of time. Taiga's long-time on-site staff left the management company partway through the process, creating a gap in corporate memory.
- Seek funding to cover extra costs. Taiga and CCOC received grants to pay for the facilitator, legal counsel, and other extraordinary expenses.
- Choose your timing wisely. Do not transition on a public holiday (July 1, 2021).



Transforming Calgary Housing

Aminda Galappaththi, Vice President Portfolio Management and Executive Operating Officer, Calgary Housing Company

“Going Slow to Go Fast”

A profound transformation is underway at Calgary Housing Company (CHC). They are in year five of a multi-year shift from managing housing according to federal/provincial social housing agreements to operating a more sustainable mixed-income model. Their end goal is to become a purpose- and people-focused social enterprise delivering affordable and safe housing.

“Our estimate is that it's going to take over 20 years through natural attrition, development of long-term real estate strategies, and ongoing capital investment from all orders of government to get there”, says Aminda.

Calgary Housing Company is a private corporation and a wholly owned subsidiary of the City of Calgary. Originally created to deliver municipal public non-profit housing, a merger in 2001 brought provincially owned social housing into the mix through various operating agreements.



Today CHC operates about 7,100 residential homes serving 25,000 people spread out over almost 200 sites and administers approximately 2,700 rent subsidies through partnerships with both the private and non-profit sector. Their housing programs are remarkably diverse, ranging from provincially regulated rent-g geared-to-income (RGI) social housing, to fixed rent affordable rates and near-market options.

CHC has faced some enormous challenges. Like many others, they were coping with ageing infrastructure, shut down units, uncertain funding, capacity challenges on the front lines, and an organizational structure that wasn't resourced to deliver on its mission and vision.

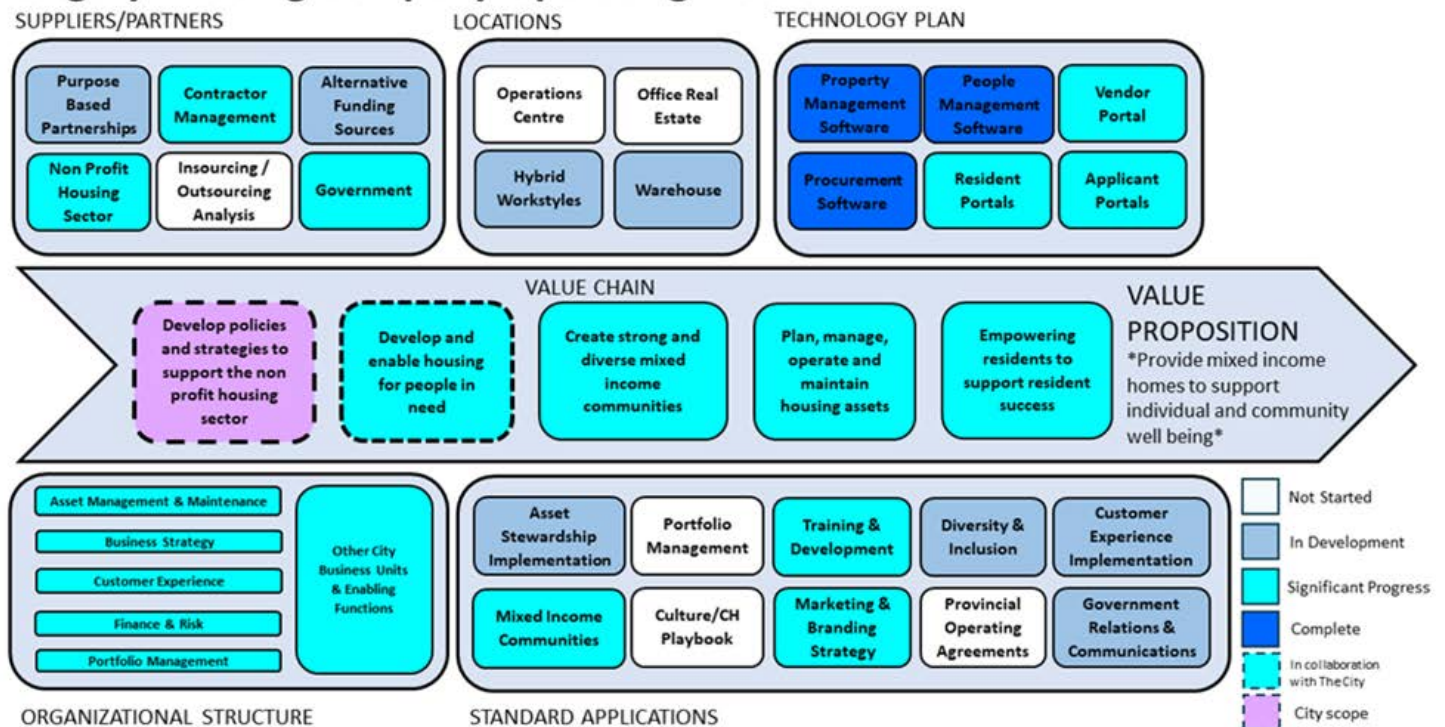
Among these challenges there was a silver lining. With operating agreements expiring they saw an opportunity to work with the City of Calgary and the Province of Alberta to modernize the way they wanted and needed to provide safe, affordable housing and be financially viable in the long term.

Presenter Aminda Galappaththi is one of the drivers of this change agenda. At the core, is a desire in his words, "to ensure that people in our housing were respected and able to live with dignity. We wanted to have better control of our own financial sustainability and we wanted to be able to address risks associated with aging infrastructure so that we could make proactive real estate decisions."

CHC's change process is complex and multidimensional, guided by a functional design, organizational design principles and a roadmap. Aminda leads a team dedicated to the transformation. He described in detail how deep engagement with staff, leadership and tenants led to co-creation of each design element and informs the ongoing change process.

The graphic below illustrates the complexity of the undertaking.

Calgary Housing Company Operating Model



Source: Aminda Galappaththi presentation April 28, 2022

The transformation team has woven leadership and ownership of the process and modelling of the change into every level and part of the organization. They are aiming to drastically improve the customer experience, while maximizing asset stewardship.

Their motto is “Go Slow to Go Fast” and bring people along. The transition to all mixed-income units is gradual – through attrition - so no one is evicted. Furthermore, their vision for the future is that as tenants’ circumstances change, and they move from one type of rent to another, they can stay in the same building and same unit. Early work in the transformation journey has helped identify operational efficiencies and savings, both through process improvements, and technological changes. New frontline positions in security and health and wellness have been added as the transformation work moves forward.

A key foundational piece was creating a culture that would be adaptive, resilient and open-minded to change and transformation. Listening to staff, they have focused on safety, wellness, peer support, training, and a workspace where people connect and have fun. With flexible work options now in place, “staff are productive and they like the flexibility.”

CHC is innovating to support successful tenancies and enhance tenants’ living environments. For example, flexible rent payment plans and options allow residents to align their rent payment date with when they get paid. Close to Aminda’s heart is a new pet policy to allow complexes to be pet-friendly and offering free dog behaviour training services from the Calgary Humane Society. Tenants are benefitting from multiple agency collaborations, and redesigned and repurposed spaces in some complexes that accommodate childcare, a community kitchen, computer literacy programs, hobbies, and events. In creating these common areas, CHC is encouraging resident interaction and community-building.



Source: Aminda Galappaththi presentation April 28, 2022



Source: Aminda Galappaththi presentation April 28, 2022

In partnership with the City of Calgary, CHC has been skillful in negotiating funding arrangements that give them a greater degree of certainty as they transition their portfolio and become more self-sustaining. The City of Calgary and The Province have signed a four-year, \$34 million operating and funding agreement that enables CHC to transition 1,000 of the city-owned units to a new social housing mixed-income model. Meanwhile, the Province has entered into a new agreement that secures and improves the future funding and operations of social housing operated by CHC and funded by Government of Alberta.



Now five years into the transformation, Aminda shared these lessons learned:

- Go slow to go fast
- Bring people along
- Communicate, communicate, communicate
- Progress not perfection – good enough to try approach
- Be water – attributed to Bruce Lee – meaning be

nimble, flexible, adaptive to the surroundings around you as the political, social, and economic environment is always changing.

- Culture shift – paternal to partnership

Creating inclusive and affordable communities for all

Maya Kambeitz , CEO, Norfolk Housing Association

“Profit with a Purpose - shifting to a fully social enterprise model”

When Maya Kambeitz started working at Norfolk Housing Association in 2009, the end of operating agreement was already looming; in the future, ongoing funding would be limited. A threat became an opportunity for this non-profit corporation to build on its strengths and become self-reliant.

Norfolk Housing decided to optimize their “mixed-market/social-enterprise” model by changing from a mix of rent-geared-to-income (RGI) and 10-20% below-market rent apartments, to a portfolio where half the units are full market rental and half are RGI.

It was hard work, but their process has been successful. Today, Norfolk Housing no longer receives any operational funding from government, and they have increased their portfolio from five to six properties. Their staff has grown from three to eight fulltime equivalents, and their services have expanded beyond day-to-day property management to include governance, strategy, property management, community development, and communications.



Source: Norfolk Housing Association website

Maya laid out three key strengths that the Norfolk Housing board recognized as opportunities they could optimize:

- Well-located properties presented the opportunity to generate healthy revenues on both market and non-market units
- A shared moral obligation to preserve assets and affordability for legacy projects to ensure existing residents continued to have affordable homes
- Norfolk's history of engaged residents with desire to age in place - historically, the organization had an operational board and heavy operational involvement by residents

“We want to be the standard of community housing delivery and felt that the model had a great deal to offer in terms of preventing people from falling into poverty and homelessness and cultivating social inclusion and connectedness,” says Maya.

Guided by a strong vision, Norfolk’s leadership developed a roadmap to plan for the organization’s move away from operating agreements and towards financial sustainability starting with several key investments. Investments are often understood as financial; in Norfolk’s case, they looked primarily to leadership at the board and staff level and people-focused investments as the core of their transformation strategy.

Governance shifted from an operational to a governance board model with the goal of zeroing in on financial feasibility. As leader of this change process, Maya found this challenging and benefitted from Alberta government resources and grants to hire professional assistance in making this transition.

Change-makers were needed at the staff level, at the board level, and within the community of residents.



Celebrating with Calgary Mayor Nenshi
Source: Norfolk Housing Association

Norfolk had to ensure that the organizational culture of respect, belonging and dignity permeated throughout the organization. Engaging staff was key so that people interacting with and delivering the services to residents were invested in the vision and aligned with the values. This work continues to this day, with staff recruited as much for their values as for their skills, resulting in a culture with low burn-out and high productivity.

Resident engagement was central to the change process. As Maya explained, “If our sole source of revenue was the residents paying rent, we had to focus on those relationships. Our residents are our customers and so we needed to know what

was important to them. What will make them stay?” They used a range of processes including advisory groups, feedback loops, a resident survey, and frequent communications and transparency around policy decisions and operating standards.

Norfolk’s role and commitment to all residents – both RGI and those who pay full market rent - is to create value for their rental dollar. They have found that residents who feel a sense of belonging and value for their rent dollar will stay, pay rent on time, and take care of their units and the building. This has immense cost saving implications for the organization.



Source: Norfolk Housing Association

In selecting new residents, Norfolk Housing leases to “social impact renters” whose values and vision for community housing align with the organization’s and it has paid off.

In Maya’s words “residents are our biggest champions, our brand ambassadors, our loyal customers. 91% of our residents surveyed are very likely to recommend the mixed-income model to someone looking to rent.”

Today, Norfolk Housing Association owns and stewards 138 housing units: a mixture of bachelor, 1, 2, and 3-bedroom apartments. Their “Profit with a Purpose” model generates sufficient revenues to maintain the buildings in good condition, pay a living wage, invest in staff and organizational transformation, and provide RGI rents. Norfolk Housing Association has shown they can make money. The difference here is that money is used to create social impact.

Sources

Aminda Galappaththi. (2022). Transforming Calgary Housing. Virtual presentation at the session “Era of Transformation”, Canadian Housing and Renewal Association Congress on April 28, 2022.

Calgary Housing Company. (N.d.). Calgary Housing Company. <https://calgaryhousingcompany.org/>

Centretown Citizens Ottawa Corporation - Affordable Housing Merger: A CCOC First. (2022). <https://ccochoosing.org/2022/05/02/affordable-housing-merger-a-ccoc-first/>

Norfolk Housing Association - Mission-Vision. (N.d.). Values. <https://www.norfolkhousing.ca/mission-vision>