

**Analyst Briefing Notes  
Budget Committee  
(November 3, 2009)**

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**PART I: CAPITAL PROGRAM****Executive Summary**

- The 10-Year strategic direction of Shelter Support and Housing Administration is to explore developing its infrastructure in ways that will benefit residents who are homeless; to help maintain and manage the backlog of State of Good Repair (SOGR) maintenance for the City's 16 owned/ leased emergency shelters; to complete the Social Housing Administration System, an IT system that will provide enhanced financial analysis, compliance and budgeting reporting for the Social Housing unit; to undertake green upgrades in the City's shelters; and to purchase a mass care response vehicle.
- The 10-Year Recommended Capital Plan is summarized into following the project types:
  - Ongoing shelter development/ redevelopment for \$20.412 million that will focus on developing existing shelter sites to include supportive and affordable housing initiatives that align with the HOT framework;
  - Ongoing SOGR maintenance and green initiatives for the City's shelters including HVAC, electrical and mechanical upgrades, green roof and solar panel applications; and a streetscape enhancement;
  - Ongoing development of the previously approved Social Housing Administrative Information System, providing budgeting compliance and reporting efficiencies for the Social Housing unit; and
  - Purchase a mass care response vehicle, enhancing the Program's capacity to deliver emergency support when large-scale emergencies occur.
- The 2009 Approved Capital Budget of \$8.282 million was 35%, or \$2.902 million spent at the end of September 30, 2009. Actual expenditures by year-end are anticipated to be \$5.399 million or 65.2% of the 2009 Approved Capital Budget. This represents a projected increase of 17.2% or \$1.189 million in capital spending from the 2008 spending rate of \$4.210 million, or 13.5%. Spending delays are anticipated in the four IT projects (due in part to the labour disruption) as staff hiring and system development have been delayed; as well, Green initiatives at 129 Peter Street have been delayed due to unanticipated health and safety issues (asbestos and a faulty sewer connection) in the construction at the 129 Peter Street Shelter and Referral Centre.
  - The projection of 2009 funding to be carried forward into 2010 of \$2.222 million includes funding for the Social Housing Administration System (\$1.1 million); 129 Peter Street Streetscape and Green Wall (\$0.652 million); Shelter Development/ Redevelopment (\$0.250 million); and the two Affordable Housing Data Tracking System (\$0.220 million) projects.

- The 10-Year Recommended Capital Plan totals \$34.081 million, including 2009 carry forward funding into 2010 of \$2.222 million, of which \$18.081 million is for the 2010-2014 period, with the 2015-2019 period requiring funding of \$16.0 million.
  - The first five years of the 10-Year Capital Plan focus on the development / redevelopment of existing shelter sites to include supportive and affordable housing initiatives that align with the HOT framework. In addition, the Capital Plan includes funding for SOGR maintenance for the City's 16 owned and leased shelters, including HVAC, electrical and mechanical upgrades. The 2010 Recommended Capital Budget includes funding for a Mass Care Response Vehicle, a mobile response unit that will help the Emergency Planning unit to help co-ordinate the needs of City residents during emergencies, and funds for green upgrades in the City's 16 owned shelter sites;
  - Years 2015-2019 of the Recommended Capital Plan continue to focus on shelter development opportunities and maintaining the 16 City shelters in a state of good repair.
  - Changes to the 2009-2018 Approved Capital Plan total \$0.347 million or 12.8% are recommended in the 2010 Recommended Capital Budget and the 2011-2018 Recommended Capital Plan. An additional \$0.347 million in 2008 carry forward funding is included in the 2010 Recommended Capital Budget for the Streetscape initiative at the 129 Peter Street Shelter and Referral Centre. Minor changes have been made to other projects in years 2010 and 2011 to balance Program priorities and to reflect project re-phasing. The 10-Year Recommended Capital Plan for Shelter Support and Housing Administration does not include any projects under the Federal government's Infrastructure Stimulus Fund program.
  - The SOGR backlog is projected to grow from \$0.791 million in 2009 to \$6.595 million or 10% of the asset value for the City's shelters. Even with the \$8.9 million SOGR expenditures included in the 10-Year Recommended in the Capital Plan, there will be significant mechanical, electrical and HVAC requirements at the City shelters. The SOGR backlog has increased, as planned maintenance cannot be achieved within the debt targets.
- The 2010 Recommended Capital Budget provides funding to advance the following priority actions outlined in the Mayor's and Council's policy agenda:
  - **Continue to House the Homeless:** Funding of \$0.662 million is recommended for a study to review the development of a City-owned site, which will align shelter development with the Housing Opportunities Toronto (HOT) plan, helping to create 1,000 units of affordable housing each year.

- **Implement Green Building Standards:** Funding of \$0.500 million for green initiatives is increased for the retrofit of fluorescent/ incandescent and emergency lighting systems at Robertson House and Family residence, to install a green roof and solar panels at Woman's Residence, and investigate other initiatives through conducting a feasibility study to identify other green projects in City shelters.
- **A Clean and Beautiful City:** Funding of \$0.347 million is included for the streetscape at the 129 Peter Street and Referral Centre to help improve the appearance of the community through an environmental initiative.
- The 2010 Recommended Capital Budget for previously approved and new/ change in scope projects (excluding 2009 carry forward funding into 2010) of \$3.059 million is 65.7% allocated to service improvement projects at \$2.009 million; 26.2% allocated to state of good repair projects at \$0.800 million; and 8.1% allocated to health and safety projects at \$0.250 million.
- Approval of the 2010 Recommended Capital Budget will require future year commitments of \$0.950 million in 2011, comprised of \$0.700 million for the Social Housing Administration System, and \$0.250 million for the Mass Care Response Vehicle.
- The 2009 labour disruption has impacted the IT system development projects, as hiring of the development teams for the AHO projects was delayed, development in the Social Housing Administration System has been pushed back, and training in the use of the Shelter Management Information was interrupted. While project development and training has continued, three of the four IT projects have been delayed to 2010.
- The 2010 Recommended Capital Budget reflects changing Program priorities, as the capital requirements no longer include large construction projects that were part of past years' needs. While previous spending trends have been influenced by the lengthy timelines associated with shelter construction projects (63% spending rate over past 3 years), the 10-Year Recommended Capital Plan is now smaller and is primarily comprised of funding for Shelter redevelopment projects and SOGR capital maintenance. The Program has a well developed maintenance plan that will proceed as planned. The shelter redevelopment project is in the early stages, and requires annual funding approvals that may delay spending as planned.
- The 2010 Recommended Capital Budget will provide funding for the following projects:
  - Ongoing funding includes of \$0.800 million for capital upgrades and SOGR maintenance for the 16 City's shelters;
  - Begin the feasibility study at \$0.662 million to redevelop one of the existing shelter sites as part of the Shelter Development/ Redevelopment project;

- Complete green initiatives in the City's 16 shelters for \$0.500 million; and purchase a Mass Care Response Vehicle for \$0.500 million that will enable the Emergency Planning Service to help co-ordinate the evacuation of City residents during emergencies; and
  - Ongoing funding for Social Housing Administrative Information System that will provide the Social Housing unit with new tools to manage the budgeting, compliance and other financial reporting requirements.
- The 2010 Recommended Capital Budget includes debt funding for \$0.500 million for Green Initiatives as part of the Shelter Development/ Redevelopment project. The Program is still pursuing alternative funding options, and will report to Budget Committee if alternative funding is secured.
  - The 2009 Approved Capital Budget for Shelter Support and Housing Administration included funding of \$0.350 million within the Development/ Redevelopment project to conduct feasibility assessments that identify shelter development opportunities. The 2010 Recommended Capital Budget includes an additional \$0.662 million for a new proposal within the Shelter Development/ Redevelopment Program that builds on the redevelopment opportunity identified in the 2009 study. The Program will be reporting to the Community Development and Recreation Committee on a proposal to develop a specific site, which includes co-locating affordable housing and other services that could benefit homeless residents by centralizing these services within an existing site.
  - The 2010 -2019 Recommended Capital Plan includes new funding of \$0.800 million and future year funding of \$8.1 million for State of Good Repair manintanance for the 16 City shelters over the 10 year timeframe. The accumulated SOGR backlog inventory indicates that even with the \$8.9 million capital maintenance budget included in the 10-Year Capital Plan, the backlog for City shelters will grow from \$0.791 million in 2009 to \$6.596 million at the end of 2019, with a significant backlog of HVAC,mechanical and electrical projects. The General Manger of Shelter, Support and Housing Administration will review the maintenance plan in order to address the SOGR backlog as part of the 2011 Capital Budget process.

**Recommendations**

The City Manager and Chief Financial Officer recommend that:

- (1) Council approve the 2010 Recommended Capital Budget for Shelter, Support and Housing Administration with a total project cost of \$2.462 million and a 2010 cash flow of \$5.281 million and future year commitments of \$0.950 million comprised of the following:
  - a) New Cash Flow Funding for:
    - i) five new sub-projects with a total project cost of \$2.462 million that requires cash flow of \$2.212 million in 2010; and a future year commitment of \$0.250 million in 2011;
    - ii) one previously approved sub-project with a 2010 cash flow of \$0.500 million and future year commitments of \$0.700 million in 2011;
    - iii) one previously approved sub-project with carry forward funding from 2008 requiring 2010 cash flows of \$0.347 million, which forms part of the debt affordability targets that requires Council to reaffirm its commitments; and
    - iv) 2009 approved cash flow for six previously approved sub-projects with carry forward funding from 2009 into 2010 totalling \$2.222 million;
- (2) Council approve new debt service costs of \$0.055 million in 2010; incremental debt costs of \$0.239 million in 2011; and \$0.026 million in 2011 resulting from the approval of the 2010 Recommended Capital Budget, to be included in the 2010 Operating Budget and future year operating budgets;
- (3) Council approve the 2011-2019 Capital Plan for Shelter, Support and Housing Administration totalling \$27.850 million in project estimates, comprised of \$2.250 million in 2011; \$3.2 million in 2012; \$3.2 million in 2013; \$3.2 million in 2014; \$2.250 million in 2015; \$3.2 million in 2016; \$3.2 million in 2017; \$3.2 million in 2018; and \$3.2 million in 2019;
- (4) Council consider the operating impacts of \$0.883 million for 2011 emanating from the approval of the 2010 Recommended Capital Budget for inclusion in 2010 and future year operating budgets;
- (5) The General Manager of Shelter Support and Housing Administration report back to Budget Committee on the proposals under consideration in the development/ redevelopment plan during the 2011 Capital Budget process;
- (6) The General Manager of Shelter, Support and Housing Administration review the State of Good Repair plan for the 16 City shelters to include options that will address the SOGR backlog as part of the 2011 Capital Budget process; and,
- (7) The General Manager conduct a further review of the feasibility of securing third party funding for the Green Initiatives and report to Budget Committee if the Program is successful in securing any third party funding.

**PART I: CAPTIAL PROGRAM**

**2009 Capital Variance Review**

<b>2009 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)</b>					
<b>2009 Approved</b>	<b>Actuals as of September 30th (3<sup>rd</sup> Qtr Variance)</b>		<b>Projected Actuals at Year End</b>		<b>Balance</b>
<b>\$</b>	<b>\$</b>	<b>% Spent</b>	<b>\$</b>	<b>% Spent</b>	<b>\$ Unspent</b>
8,282	2,902	35.0%	5,399	65.2%	2,883

Capital expenditures for the period ended September, 2009 totalled \$2.902 million or 35.0% of Shelter, Support and Housing Administration’s 2009 Approved Capital Budget of \$8.282 million. Expenditures are projected to be \$5.399 million or 65.2% of the 2009 Approved Capital Budget at year-end.

Projected under spending is attributed to the following:

- The *Social Housing Administration System project*, with an approved cash flow of \$2.192 million is projected to be under spent by \$1.202 million. System development has been negatively impacted by the labour disruption.
- The *129 Peter Street Shelter project*, with an approved cash flow of \$2.534 million is projected to be under spent by \$0.999 million. Construction has been delayed due to asbestos removal and difficulties with sewage connection; the construction phase of the shelter and referral centre will be completed and operational in the Fall, with the streetscape and green wall component remaining to be completed in 2010.
- The *Shelter Development/ Redevelopment project*, with an approved cash flow of \$0.350 million is projected to be under spent by \$0.250 million as feasibility assessments have not been completed and development options are still being reviewed.
- The *AHO Information Tracking Systems projecst*, with approved cash flows of \$0.300 million are projected to be under spent by \$0.220 million, as hiring the development team was delayed due to the labour disruption.
- The *Shelter Management Information System project*, with an approved cash flow of \$0.662 million is projected to be under spent by \$0.212 million. Training is well under way and a portion of the shelters are piloting the system; due to delays resulting from the labour disruption, the full implementation will be completed in the first quarter of 2010.

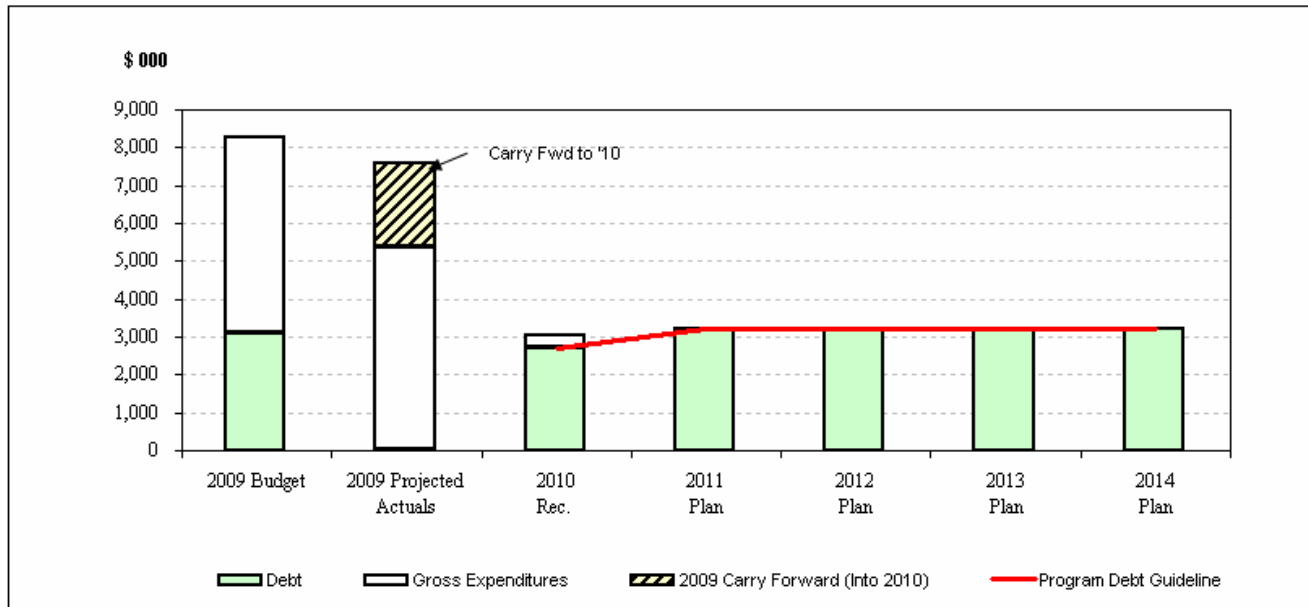
The *State of Good Repair* projects (SOGR) project represents 13.2% or \$1.098 million of the 2009 Approved Capital Budget. These projects are projected to be fully spent by year-end, representing an improvement from the 2008 spending rate of 70.9%.

Projects with under spending requiring 2009 funding to be carried forward into the 2010 Recommended Capital Budget total \$2.222 million, and are comprised of the following

- Social Housing Administration System (\$1.1 million)
- 129 Peter Street Streetscape and Green Wall (\$0.652 million)
- Shelter Development/ Redevelopment (\$0.250 million)
- Affordable Housing Data Tracking Systems (\$0.220 million)

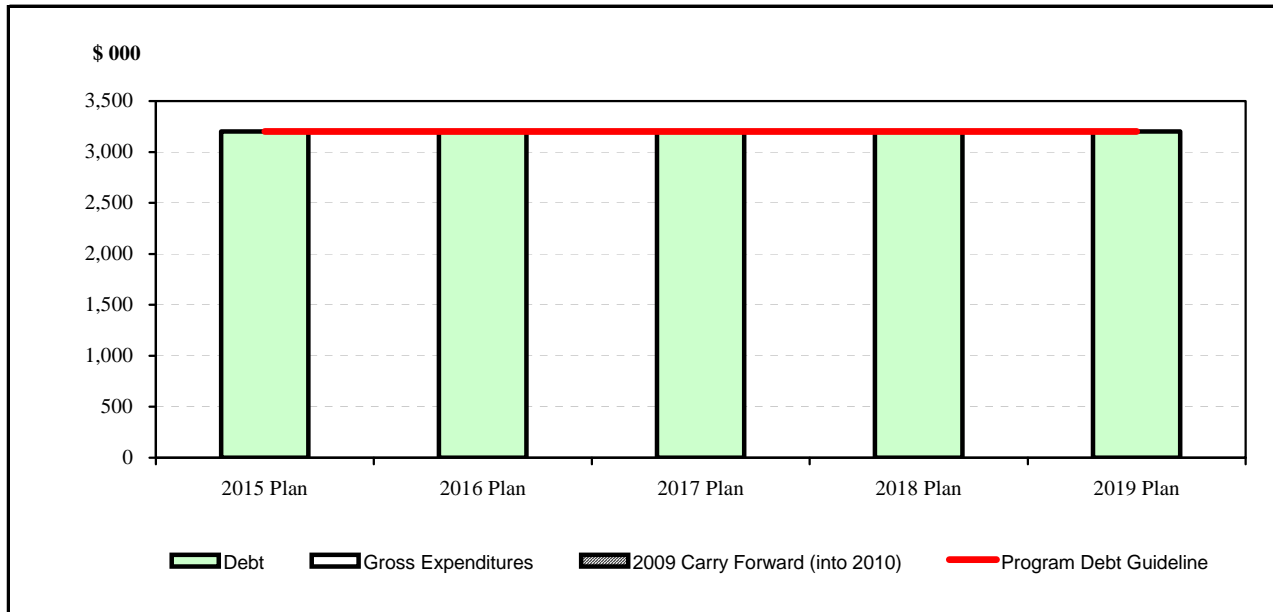
As the projected under spending is \$2.883 million, final carry forward requirements will be determined at year-end. Additional adjustments may be required for the IT projects, due to delays in system development and staff hiring resulting from the 2009 summer labour disruption.

### 10-Year Capital Plan 2010 Recommended Budget, 2011-2014 Recommended Plan



	2009		2010 Rec. Budget and 2011-2014 Plan					2010-2014 Total	5-Year Total Percent
	Budget	Projected Actual	2010	2011	2012	2013	2014		
<b>Gross Expenditures:</b>									
2009 Capital Budget & Approved FY Commitments	8,282	5,361	1,000	200				1,200	
Recommended Changes to Approved FY Commitments			(153)	500				347	
2010 New/Change in Scope and FY Commitments			2,212	250				2,462	
2011 - 2014 Capital Plan Estimates				2,250	3,200	3,200	3,200	11,850	
1-Year Carry Forward to 2010		2,222						0	
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>8,282</b>	<b>7,583</b>	<b>3,059</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>15,859</b>	
<b>Program Debt Target</b>	<b>3,100</b>		<b>2,712</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>		
<b>Financing:</b>									
<b>Recommended Debt</b>	<b>3,100</b>		<b>2,712</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>15,512</b>	<b>98%</b>
Reserves/Reserve Funds								0	0%
Development Charges								0	0%
ISF / RInC								0	0%
Provincial/Federal	1,138							0	0%
Other Revenue	4,044		347					347	2%
<b>Total Financing</b>	<b>8,282</b>		<b>3,059</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>15,859</b>	<b>2%</b>
<b>By Category:</b>									
Health & Safety			250	250				500	3%
Legislated								0	0%
SOGR	911		800	900	900	900	900	4,400	28%
Service Improvement	699		2,009	2,050	2,300	2,300	2,300	10,959	69%
Growth Related	6,672							0	0%
<b>Total By Category</b>	<b>8,282</b>		<b>3,059</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>15,859</b>	<b>100%</b>
Yearly SOGR Backlog Estimate (not addressed by current plan)			(9)	4,193	133	(534)	352		
Accumulated Backlog Estimate (end of year)		791	(9)	4,202	4,335	3,801	4,153	4,153	
Operating Impact on Program Costs				883				883	
Debt Service Costs			55	319	442	416	416	1,648	

### 10-Year Capital Plan 2015-2019 Recommended Plan



	2015-2019 Capital Plan						2010-2019 Total	10-Year Total Percent
	2015	2016	2017	2018	2019			
<b>Gross Expenditures:</b>								
2009 Capital Budget & Approved FY Commitments						1,200		
Recommended Changes to Approved FY Commitments						347		
2010 New/Change in Scope and FY Commitments						2,462		
2011 - 2014 Capital Plan Estimates	3,200	3,200	3,200	3,200	3,200	27,850		
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>31,859</b>		
<b>Program Debt Target</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>31,512</b>		
<b>Financing Sources:</b>								
<b>Recommended Debt</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>31,512</b>	<b>99%</b>	
Reserves/Reserve Funds						0	0%	
Development Charges						0	0%	
ISF / RInC						0	0%	
Provincial/Federal						347	1%	
Other Revenue								
<b>Total Financing</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>31,859</b>	<b>100%</b>	
<b>By Category:</b>								
Health & Safety						500	2%	
Legislated						0	0%	
SOGR	900	900	900	900	900	8,900	28%	
Service Improvement	2,300	2,300	2,300	2,300	2,300	22,459	70%	
Growth Related						0	0%	
<b>Total By Category</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>31,859</b>	<b>100%</b>	
Yearly SOGR Backlog Estimate (not addressed by current plan)	(145)	501	69	919	1,099			
Accumulated Backlog Estimate (end of year)	4,008	4,509	4,578	5,497	6,596	6,596		
Operating Impact on Program Costs						883		
Debt Service Costs	416	416	416	416	416	3,728		

## 10 Year Capital Plan Overview

The 10-Year Recommended Capital Plan focuses on the Program's changing priorities from constructing new shelter sites to the redevelopment of existing shelter sites in accordance with the HOT framework; managing the backlog and ongoing State of Good Repair (SOGR) maintenance for the City's 16 owned/ leased emergency shelters; and funding the completion of three IT systems.

The Shelter, Support and Housing Administration's 10-Year Recommended Capital Plan relies on debt funding of \$31.512 million or 99% for its financing requirements, and \$0.347 million or 1% from Section 37 Agreement funds. The 2010-2019 Recommended Capital Plan is at the affordability target of \$31.512 million for the 10-year period, with each year of the Plan in line with the year's respective debt target.

The 10-Year Recommended Plan allocated funding for the following major project categories:

- *State of Good Repair projects* represent 27.9% or \$8.9 million for the provision of SOGR maintenance for the City's 16 shelters;
- *Service Improvement projects* represent 70.5% or \$22.459 million that include \$20.912 million for Shelter Development/ Redevelopment; \$1.2 million for completion of the Social Housing Administration System; and \$0.347 million to complete the Streetscape upgrade at the 129 Peter Street Assessment and Referral Center; and
- *Health and Safety projects* represent 1.6% or \$0.500 million for the purchase of a mass care response vehicle, a mobile response unit that will serve as a central headquarters to help coordinate the evacuation of City residents during emergencies.

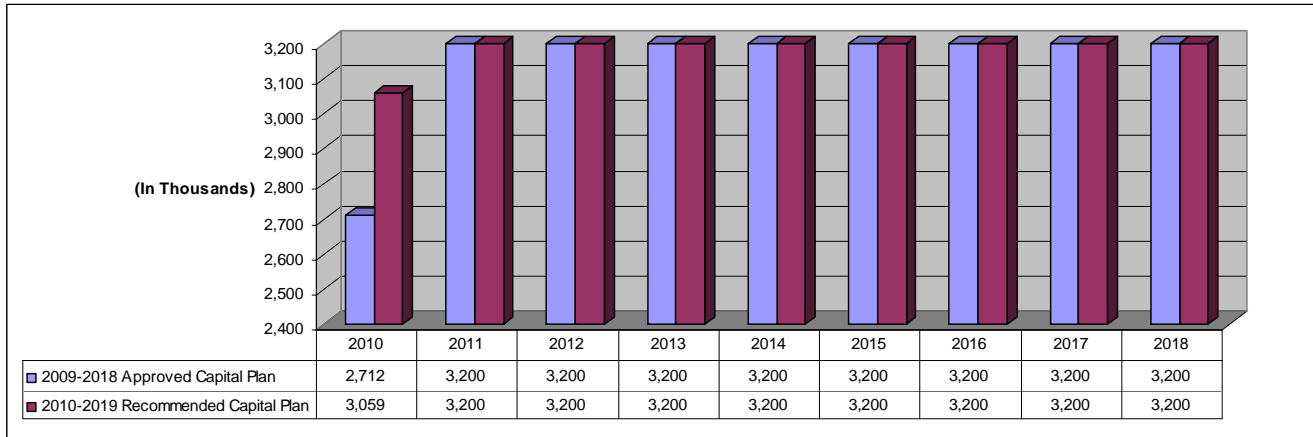
The 10-Year Recommended Plan is 70% allocated to Service Improvement projects at \$22.459 million; while 28% is allocated to State of Good Repair projects at \$8.9 million, and 2% is dedicated to Health and Safety at \$0.5 million.

The 10-Year Recommended Capital Plan does not include projects with funding for the Infrastructure Stimulus Fund program or Recreational Infrastructure Canada Fund program.

### Key Changes to the 2009-2018 Approved Capital Plan

The following highlights the changes from the 2009-2018 Approved Capital Plan with the 2010 Recommended Capital Budget and 2010-2018 Capital Plan. As outlined in the following table, the 2010 Recommended Capital Budget of \$3.059 million in cash flow represents an increase of 12.8% or \$0.347 million compared to the 2010 Capital Plan of \$2.712 million approved in 2009. There are no additional changes over the 9 year period.

Changes to the 2009-2018 Approved Capital Plan



- The increase in 2010 of \$0.347 million is due to re-phasing the 129 Peter Street Streetscape from 2008 to 2010, adding \$0.347 million to the 2010 previously approved commitments to reflect the revised completion date of the Streetscape project.
- Minor changes as noted in the following table have been made to other projects in years 2010 and 2011 to balance Program priorities and to reflect project re-phasing.

Summary of Project Changes

Key Projects (\$000's)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2010-2018
129 Peter Street	347									347
Capital Repairs/ Replacement: City Operated	(100)									(100)
Social Housing Administration System	(500)	500								0
Shelter Development/ Redevelopment	150	(750)								(600)
Affordable Housing Date Tracking System										0
Residential Rehabilitation Assistance Program										0
Mass Care Response Vehicle	250	250								500
Capital Repairs/ Replacement: City Leased	200									200

Project Financing

The Shelter, Support and Housing Administration’s 10 Year Recommended Capital Plan relies on debt funding for all but \$0.347 million of the Program 10-Year requirements, with the \$0.347 million commitment from a Section 37 Agreement to fund the Streetscape at the 129 Peter Street Shelter and Referral Centre.

10-Year Recommended Capital Plan Versue Multi-Year Debt Targets

The 2010-2019 Recommended Capital Plan for Shelter, Support and Housing Administration meets the debt affordability target in each year of the 10 year of the Capital Plan.

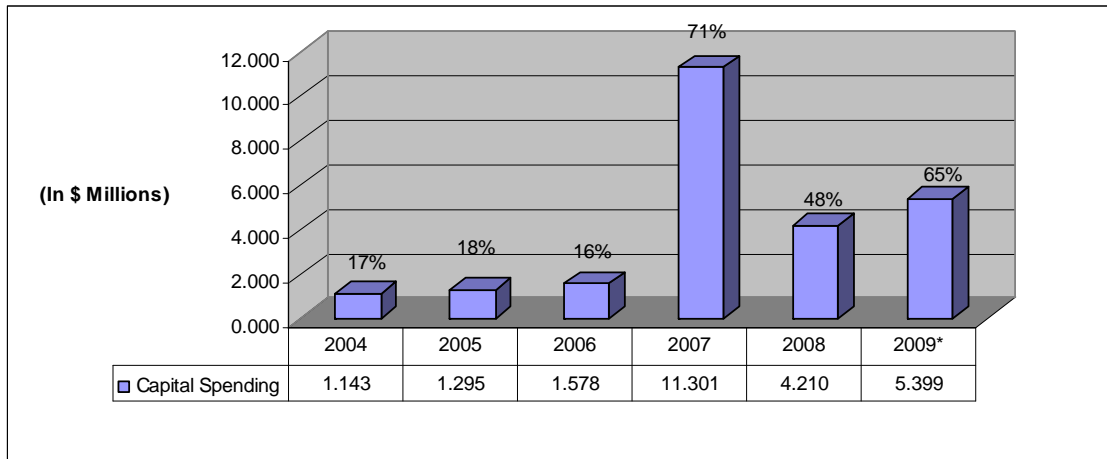
*Infrastructure Stimulus Fund (ISF)*

The 10-Year Recommended Capital Plan does not include any projects with federal funding from the Infrastructure Stimulus Fund program.

**Program Capacity and Readiness to Proceed**

The following table summarizes the capital spending rates from 2004 to 2009.

**Shelter, Support and Housing Administration Capital Budget Spending (2004-2009)**



Years 2007, 2008, and 2009 reflect higher spending rates (63% average for the past three years) than the five-year average of 47%, as during the 2007-09 period, Eva’s Youth, Bethlehem United, and the 129 Shelter Street and Referral Centre were completed. During the 2004, 2005, 2006 period, the Shelters were in the planning stage, taking two to three years to reach the construction stage. As a result, spending rates were extremely low, averaging 17% during this period.

The 2010 Recommended Capital Budget reflects changing Program priorities, as the capital requirements no longer include large construction projects that were part of past years’ needs. While previous spending trends have been influenced by the lengthy timelines associated with shelter construction projects (63% spending rate over past 3 years), the 10-Year Recommended Capital Plan is now smaller and is primarily comprised of funding for Shelter redevelopment projects and SOGR capital maintenance.

The Program has a well developed maintenance program that will proceed as planned. The shelter redevelopment project is only in the early stages, and requires annual funding approvals that may delay the project. As details of redevelopment proposals are developed, (which may include develop third-party partnerships), under spending may result.

**State of Good Repair (SOGR) Backlog**

**State of Good Repair:** The City owns 16 shelter sites; with an asset value of \$69.176 million eight are leased to shelter operators and eight are operated by the City. Relying on the maintenance plan established by a 2009 facilities assessment by Facilities and Real estate Division, the Program has

established that its 2009 State of Good Repair maintenance backlog for these shelters is \$0.792 million or less than 1% of the asset value.

The 10-Year Recommended Capital Plan includes funding of \$0.800 million in 2010 and \$0.900 million in years 2011 through 2019 to maintain these shelters. Using the facilities assessment as a guide, the Program's SOGR program will focus on upgrading the bathroom facilities, window replacements, roof replacements, electrical, mechanical and HVAC upgrades at the City's shelters. Following the Facilities and Real Estate plan, which recognizes the backlog requirement based on the scheduled update requirement the Program has indicated that at the end of 2019, the SOGR backlog will increase to \$6.596 million or 9.5% of the asset value. The increase in backlog is due to deferral (due to affordability) of significant electrical and HVAC maintenance at the larger City shelters, which is planned to commence in 2014.

### **Capital Projects Highlights**

The 10-Year Recommended Capital Plan for Shelter Support and Housing Administration supports the following strategic priorities:

#### ***Housing Opportunities Toronto***

On August 5<sup>th</sup>, 2009, Council approved Housing Opportunities Toronto (HOT) an affordable housing action plan for the next ten years (2010-2020). The HOT Action Plan 2010–2020 includes a Housing First Plan to end homelessness by “Helping Homeless and Vulnerable People Find and Keep Homes”. City Action 5(d) identifies the opportunity to redevelop selected emergency shelters from temporary sites that provide emergency support into a combination of innovative long-term care, health care, supportive and affordable housing and emergency shelter programs. The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan includes \$20.412 million to fund feasibility studies, design proposals, and contribute to the over-all cost of shelter development/ redevelopment initiatives.

#### ***Making a Safe City Safer***

By investing \$0.250 million in 2010 and \$0.250 million in 2011 in a mass care response vehicle under the priority “Making a Safe City Safer,” the 2010 Recommended Capital Budget and 2011-2019 Capital Plan will enhance the Program's capacity to deliver emergency support when large-scale emergency situations arise.

#### ***A Greener City***

Under “a Greener City priority,” the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan supports the strategic priority to “ensure ecologically friendly buildings” by investing \$0.500 million in 2010 for energy efficient lighting retro-fits and green roofs at the City-owned shelters, and \$0.347 million in 2010 for a streetscape at the 129 Peter Street Shelter and Referral Centre.

**Summary of Major Capital Initiatives**

The following table highlights the key capital projects in the 10 Year Recommended Capital Plan:

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
New & Expanded Facility Projects											
Shelter Development/ Redevelopment	662	1,350	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	20,412
IT Projects											
Social Housing Administration System	500	700									1,200
Sub-Total	1,162	2,050	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	21,612
Other Major City Initiatives:											
SOGR Maintenance for 16 City Shelters	800	900	900	900	900	900	900	900	900	900	8,900
Green Initiatives - Shelters	500										500
129 Peter Street - Street Scape	347										347
Mass Care Response Vehicle	250	250									500
Sub-Total	1,897	1,150	900	900	900	900	900	900	900	900	10,247
Total	3,059	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	31,859

- The 10 Year Recommended Capital Plan includes \$20.412 for shelter redevelopment/ development. With the focus of Shelter Services shifting from providing short-term emergency shelter for the homeless to finding permanent housing solutions, SSHA is exploring possibility of modifying the use of its existing shelters and land to co-locate affordable housing and other services that could benefit homeless residents at existing shelters. The Program will be reporting out the first redevelopment proposal to the Community Development and Recreation Committee in November.
- Over the next two years \$1.2 million is recommended to complete the Social Housing Administration System, a previously approved IT project that will enhance the budgeting capacity, strengthen financial controls, and provide improvements to the social housing administration reporting requirements.
- Included in the 10-Year Recommended Capital Plan is \$8.9 million for SOGR maintenance for the 16 City shelters, with new funding of \$0.800 million included in 2010, and \$0.900 million annually in the 2011-2019 period.
- New funding of \$0.500 million is recommended to purchase a Mass Care Response Vehicle to enhance the Program’s capacity to assist City residents during emergency events.
- New funding of \$0.500 million is recommended for green upgrades in three of the 16 City shelters, including lighting retro-fits, a green roof and a solar panel installation.
- Funding to complete the streetscape for the 129 Peter Street Shelter and Referral Centre of \$0.347 million has been included in the 2010 Recommended Capital Budget.

**10-Year Capital Plan  
Incremental Operating Impact Summary**

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
<b>2010 Recommended Capital Budget</b>											
Program Costs (Gross)		895									895
Program Costs (Revenue)		12									12
Program Costs (Net)		883									883
Approved Positions		7.0									7.0
Debt Service Costs	55	239	26								320
<b>Recommended 10-Year Capital Plan</b>											
Program Costs (Gross)											0
Program Costs (Revenue)											0
Program Costs (Net)											0
Approved Positions											0.0
Debt Service Costs		80	416	416	416	416	416	416	416	416	3,408
<b>Total</b>											
Program Costs (Gross)		895									895
Program Costs (Revenue)		12									12
Program Costs (Net)		883									883
Approved Positions		7									7
Debt Service Costs	55	319	442	416	416	416	416	416	416	416	3,728

*Debt Service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 2.5% Year 1, and 13% for subsequent years.*

Approval of the 2010 Recommended Capital Budget and the 2011-2019 Recommended Capital Plan will result in a cumulative increase in Shelter, Support and Housing Administration’s Operating Budget of \$0.883 million net, and the addition of seven new positions in 2011.

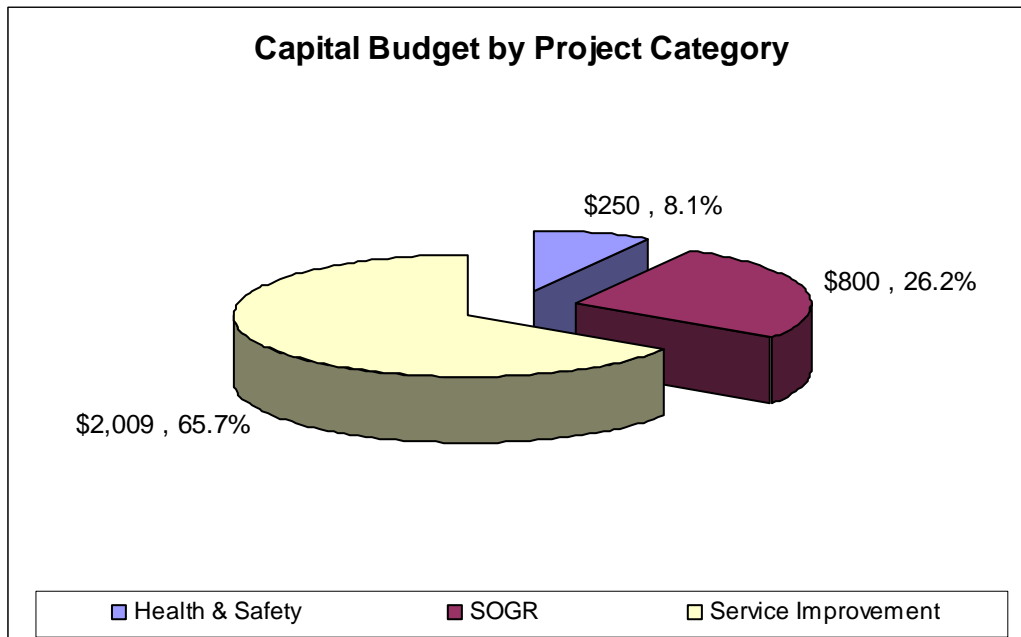
- The 2011 operating impact from the Social Housing Administrative System project is \$0.871 million net for the addition of seven positions to maintain the new IT system. While the new system will significantly improve the Social Housing Unit’s effectiveness in managing its service delivery mandate, the need for seven additional positions will be reviewed as part of the 2011 Capital Budget process.
- The 2011 operating impact from the mass care response vehicle for \$0.012 million net is required to maintain the vehicle and fund the operating costs.

**Total 2010 Recommended Cash Flow & Future Year Commitments**

	2008 & Prior Year Carry Forwards	2010 Previously Approved Cash Flow Commitments	2010 New Cash Flow Rec'd	2010 Total Cash Flow Rec'd	2009 Carry Forwards	Total 2010 Cash Flow (Incl 2008 C/Fwd)	2011	2012	2013	2014	2015	2016	2019	Total Cost
<b>Expenditures</b>														
Previously Approved	347	500		847	2,222	3,069	700							3,769
Change in Scope				0		0								0
New			1,962	1,962		1,962								1,962
New w/Future Year			250	250		250	250							500
<b>Total Expenditure</b>	347	500	2,212	3,059	2,222	5,281	950	0	0	0	0	0	0	6,231
<b>Financing</b>														
Debt		500	2,212	2,712	305	3,017	950							3,967
Reserves/Res Funds	347			347	1,767	2,114								2,114
Development Charges				0		0								0
ISF				0		0								0
Provincial/Federal				0	150	150								150
<b>Total Financing</b>	347	500	2,212	3,059	2,222	5,281	950	0	0	0	0	0	0	6,231

- The 2010 Recommended Capital Budget for Shelter, Support and Housing Administration is \$5.281 million which includes \$0.500 million in funding for previously approved project commitments; \$2.212 million for new / change in scope projects; \$0.347 million in carry forward funding from 2008 to 2010; and \$2.222 million in carry forward funding from 2009 to 2010.
- Approval of the 2010 Recommended Capital Budget will result in new funding commitments of \$0.950 million in 2011, with \$0.700 million for the Social Housing Administration System, and \$0.250 million for the Mass Care Response Vehicle.
- 2010 capital financing is comprised of new debt funding of \$2.212 million for the following projects: Capital Repairs/Replacement for City Operated & Leased Shelters of \$0.800 million; \$0.662 million to fund a redevelopment initiative as part of the Shelter Development/Redevelopment Plan; \$0.500 million for Green Upgrades in the City’s 16 owned and leased shelters; and \$0.250 million for a Mass Care Response Vehicle as well as previously approved debt of \$0.500 million for the Social Housing Administration System project and 2008 carry forward funding of \$0.347 million from a Section 37 Agreement for the 129 Peter Street and Referral Centre.

## 2010 Recommended Capital Budget: Overview



The 2010 Recommended Capital Budget is allocated 65.7% to Service Improvement projects at \$2.009 million; 26.2% to State of Good Repair projects at \$0.800 million; and 8.2% allocated to Health & Safety projects at \$0.250 million.

- *Service Improvements projects* represent 65.7% or \$2.009 million, are comprised of new funding for a feasibility study to review the redevelopment of a shelter site for \$0.662 million as part of the Shelter Development/ Redevelopment program; new funding of \$0.500 million for green upgrades such as energy-efficient lighting upgrades and green roofs in the City's shelters; previously approved funding of \$0.500 million for the Social Housing Administration IT System; and previously approved funding of \$0.347 million for the 129 Peter Street Streetscape;
- *State of Good Repair projects* represent 26.2% or \$0.800 million to address capital repairs to the 16 City owned/ leased shelters; and
- *Health and Safety projects* represent 8.1% or \$0.250 million to fund the purchase of a Mass Care Response Vehicle.

### 2010 Recommended Capital Budget versus Debt Target

The 2010 Recommended Capital Budget requires new 2010 cash flow of \$3.059 million with debt funding of \$2.712 million. This cash flow combined with funding carried forward of \$2.222 million for 2009 projects results in a total 2010 Recommended Capital Budget of \$5.281 million. The 2010 Recommended Capital Budget for Shelter, Support and Housing Administration meets the debt affordability target of \$2.712 million set for 2010.

## **Capacity and Readiness to Proceed**

The average 3-year spending rate for the Program's Capital Budget is 63% (2009 at 64.7%; 2008 at 47.7%; and 2007 at 70.5%). While the spending rate for the Program's SOGR capital maintenance plan has improved significantly, the Program continues to experience delays in completing IT initiatives, and has re-phased the green initiatives at the 129 Peter Street Shelter and Referral Centre.

The 2010 Recommended Budget for cash flow SSHA is \$3.059 million, including carry forward funding from 2008 of \$0.347 million, and carry forward funding from 2009 of \$2.222 million, for a total 2010 cash flow requirement of \$5.281 million. The carry forward funding is comprised of the following:

- \$1.320 million for the 3 IT projects (the Social Housing Administrative System for \$1.100 million and the two Affordable Housing data base systems for \$0.220 million);
- \$0.652 million for green initiatives for the 129 Peter Street Shelter and Referral Centre (\$0.347 for the streetscape and \$0.305 million for the green wall);
- \$0.250 million for the Shelter Development/ Redevelopment Study; and
- \$0.347 million for the 2008 carry forward for the 129 Peter Street Shelter Streetscape.

The labour disruption has impacted the IT initiatives (the Social Housing Administration System and development of two database tracking systems for the Affordable Housing Office), as staff hiring and system development was delayed. The streetscape and green initiative at 129 Peter Street have been delayed, pending the completion of construction of the 129 Peter Street Shelter. However, these projects are on track and will be completed as planned.

The 2010 Recommended Capital Budget reflects changing Program priorities, as the capital requirements no longer include large construction projects that were part of past years' needs. While previous spending trends have been influenced by the lengthy timelines associated with shelter construction projects (63% spending rate over past 3 years), the 10-Year Recommended Capital Plan is now smaller, and is primarily comprised of funding for Shelter redevelopment projects and SOGR capital maintenance. The Program has a well developed maintenance plan that will proceed as planned. The shelter redevelopment project is in the early stages, and requires annual funding approvals that may delay planned spending.

## **Capital Project Highlights**

The 2010 Recommended Capital Budget provides funding for a broad range of projects that advance the priority actions in the Council's policy agenda.

### ***Housing Opportunities Toronto***

The HOT Action Plan 2010–2020 includes a Housing First Plan to end homelessness and to identify the opportunity to redevelop selected emergency shelters from temporary sites that provide emergency support into a combination of innovative long-term care, health care, supportive and affordable housing and emergency shelter programs. The 2010 Recommended Capital Budget includes \$0.662 million to fund a feasibility study that supports the redevelopment of a particular site.

***Making a Safe City Safer***

By investing \$0.250 million in 2010 and \$0.250 million in 2011 in a mass care response vehicle under the priority “Making a Safe City Safer,” the 2010 Recommended Capital Budget will enhance the Program’s capacity to deliver emergency support to City residents when large-scale emergency situations arise.

***A Greener City***

Under the “a Greener City” priority, the 2010 Recommended Capital Budget supports the strategic priority to “ensure ecologically friendly buildings” by adding \$0.500 million in 2010 for energy efficient lighting retro-fits and green roofs in three of the City-owned shelters, and \$0.347 million in 2010 for a streetscape at the 129 Peter Street Shelter and Referral Centre.

The 2010 Recommended Capital Budget will provide funding for the following projects:

- Ongoing funding includes of \$0.800 million for capital upgrades and SOGR maintenance for the 16 City’s shelters;
- Begin the feasibility assessment at \$0.662 million to redevelop one of the existing shelter sites as part of the Shelter Development/ Redevelopment project;
- Complete green initiatives in the City’s 16 shelters at \$0.500 million; and purchase a Mass Care Response Vehicle with \$0.250 million in 2010 that will enable the Emergency Planning Service to help co-ordinate the evacuation of City residents during emergencies; and
- Ongoing funding of \$1.2 million for the Social Housing Administrative Information System that will provide the Social Housing unit with new tools to manage the budgeting, compliance and other financial reporting requirements.

**PART II: ISSUES FOR DISCUSSION****2010 Recommended Capital Budget Issues****Green Initiatives**

The 2010 Recommended Capital Budget for SSHA includes debt funding of \$0.500 million for Green Initiatives as part of the Shelter Development/ Redevelopment project. The Program plans to retrofit fluorescent/ incandescent and emergency lighting systems at Robertson House and Family Residence and, following the results of a feasibility study, install a green roof and solar panels at a Woman's Residence.

Although the Program has applied for alternative funding, as green initiatives are eligible for alternative City funding from City sources (the Toronto Atmospheric Fund; the Environmental Energy Retro Fit Program; and the Toronto Environment Office) and third party funding (the Federation of Canadian Municipalities; or Toronto Hydro) the Program is still pursuing the possibility of utilizing third party funding options, and will report to Budget Committee if alternative funding is secured.

**New Development/ Redevelopment Proposal**

On August 5<sup>th</sup>, 2009, Council approved Housing Opportunities Toronto (HOT) an affordable housing action plan for the next ten years (2010-2020). The HOT Action Plan 2010–2020 includes a Housing First Plan to end homelessness by “Helping Homeless and Vulnerable People Find and Keep Homes,” City Action 5d) identifies the need to redevelop selected emergency shelter sites into a combination of innovative long-term care, health care, supportive and affordable housing and emergency shelter programs to achieve that goal.

In support of the HOT plan, the 2010 Recommended Capital Budget includes \$0.662 million in debt to fund an assessment within the Shelter Development/ Redevelopment Program to explore redevelopment opportunities within the existing shelter inventory; specifically there is an opportunity to co-locate affordable housing and other services that could benefit homeless residents by centralizing these services through site redevelopment.

It is recommended that the General Manager of Shelter Support and Housing Administration provide the details of this proposal to the Budget Committee once the details are finalized.

## 2011-2019 Recommended Capital Plan Issues

### **SOGR Capital Maintenance - Backlog**

The 10-Year Recommended Capital Plan includes new funding of \$8.9 million dedicated for State of Good Repair maintenance for the 16 City shelters over the 10-year period. As the replacement of the HVAC and mechanical-electrical upgrades for the shelters that are required over the 10 year period are not included in 10-Year Capital Plan, the SOGR backlog will grow significantly. As a result, the SOGR backlog for City shelters will grow from \$0.791 million in 2009 to \$6.596 million at the end of 2019 to 9.5% of the asset value, with significant electrical and HVAC requirements remaining unfunded.

Thus, it is recommended that the General Manager of Shelter, Support and Housing Administration review the State of Good Repair plan for the 16 City shelters to include options that will address the SOGR backlog as part of the 2011 Capital Budget process.

### **Shelter Development/ Redevelopment Future Years:**

The focus of Shelter Services has shifted from providing short-term emergency shelter for the homeless to finding permanent housing solutions. To help advance this change in direction, through capital initiatives, the Program is exploring the possibility of changing the uses of its existing infrastructure of land and buildings, to co-locate affordable housing and other services that could benefit homeless residents at existing shelter sites.

Future-year estimates for shelter redevelopment of \$8.250 million are included in the 2011-2014 period and \$11.5 million in the 2015-2019 period. These estimates are place-holders for possible redevelopment projects, and use the “debt room” previously allocated to SSHA through the Capital Budget process. Once the development opportunities are identified and confirmed, the Program will report to appropriate Standing Committee and Budget Committee with details and overall financial implications.

## Appendix 1

## 10-Year Recommended Capital Plan Project Summary

Project	2010	2011	2012	2013	2014	2010-2014	2015	2016	2017	2018	2019	2010-2019
129 Peter Street	999					999						999
Capital Repairs/ Replacement: City Operated	500	500	500	500	500	2,500	500	500	500	500	500	5,000
Social Housing Administration System	1,600	700				2,300						2,300
Shelter Development/ Redevelopment	1,412	1,350	2,300	2,300	2,300	9,662	2,300	2,300	2,300	2,300	2,300	21,162
Affordable Housing Date Tracking System	150					150						150
Residential Rehabilitation Assistance Program	70					70						70
Mass Care Response Vehicle	250	250				500						500
Capital Repairs/ Replacement: City Leased	300	400	400	400	400	1,900	400	400	400	400	400	3,900
<b>Total Program (including carry forwards)</b>	<b>5,281</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>18,081</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>34,081</b>

\* 2010 project cash flow includes 2009 carry/fwd funding

**Appendix 2**

**2010 Recommended Capital Budget; 2011 to 2019 Capital  
Plan**

**Appendix 3**  
**2010 Recommended Capital Cash Flow and Future Year**  
**Commitments**

**Appendix 4**  
**2010 Recommended Capital Projects with Financing**  
**Details**