

Analyst Briefing Notes

Budget Committee - February 16, 2010

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PART I: 2010 OPERATING BUDGET**Executive Summary**

- Shelter, Support and Housing Administration provides emergency shelter and supports to homeless people and to those at risk of being homeless; administers the social housing stock in accordance with the criteria in the Social Housing Reform Act; administers the Provincial Consolidated Homelessness Prevention Program and the Federal Homelessness Partnering Strategy Program; and ensures the City is prepared to shelter and care for individuals and families in times of declared and non-declared emergencies.
- Shelter, Support and Housing Administration has set the following service objectives for 2010:
 - Continue using the “housing first” approach to help homeless individuals stabilize their lives by providing housing and community supports that help move them from the streets and shelters into homes;
 - Return shelters to their emergency role by supporting housing first initiatives in the shelter system such as Hostels to Homes;
 - Manage the on-going service delivery of the social housing portfolio by maintaining service level standards through the provision of rent-g geared-to income units and providing subsidies in accordance with the Social Housing Reform Act;
 - Develop a service delivery strategy that manages the service demands associated with neighbourhood emergencies such as blackouts, fires and building collapses;
 - Develops, plans, prepares and coordinates Human Services Response for declared disasters such as the Toronto Nuclear Emergency Response Plan;
 - Provide support through community partnership agencies and emergency shelters that help protect the homeless or those at risk of homelessness; and
 - Continue to provide accommodation to homeless individuals and families, and those with mental health issues, through shelters and Habitat Services.
- 2009 accomplishments for Shelter, Support and Housing Administration are highlighted below:
 - Implemented the first year of the two year Social Housing Renovation and Retrofit Program, the Federal/Provincial stimulus program, which will contribute \$220 million to construction ready social housing repair projects;
 - Entered into partnership with St. Michael’s Hospital to implement the Mental Health Commission of Canada (MHCC) Project, At Home/Chez Soi, on housing and homelessness for \$9 million gross \$0 net over four years; provided case management training to the five sites involved in the MHCC Project on housing and homelessness; and

- Completed the first HPI Aboriginal Strategy Program, which allocated \$6.2 million in Federal funding in partnership with the Aboriginal community to projects specifically aimed at helping to reduce Aboriginal homelessness.
- For 2009, Shelter, Support and Housing Administration is projecting a favourable net expenditure of \$261.873 million, which is \$4.767 million or 1.8% below the 2009 Operating Budget of \$266.640 million net. Year-end gross expenditures are projected to be under budget by \$25.474 million or 2.8%, offset by lower revenues of \$20.707 million or 3.1%, primarily due to the following:
 - Savings of \$21.0 million gross in Social Housing costs are (offset by a lower contribution from reserves) due to reassessment of Toronto Community Housing Corporation (TCHC) property taxes; delayed billing for the garbage levy; interest-rate savings from mortgage renewals; lower market rate factor; and savings in Rent-Geared-to-Income (RGI) Subsidies.
 - The favourable net is the result of increased subsidy for higher than planned bed nights of 50,566 (1,462,932 projected bed nights vs. budgeted volume of 1,412,366), due to higher refugee claimants in the family sector. As the increase in occupancy levels is in City operated shelters (where the cost of operations is largely fixed), the increase in occupancy will result in increased subsidy, with savings of \$2.58 million. Hiring delays, with savings of \$2.187 million, (due in part to the labour disruption) also contribute to the net variance.
 - Increased Shelter volumes for 2009 are anticipated to continue into 2010, with higher budgeted bed night volumes in the City’s directly operated shelters. These volume changes, combined with the 2% increase in per diem and Ontario Works (OW) upload result in a 2010 net expenditure reduction of \$2.222 million from 2009. The 2009 savings in salaries are not anticipated to continue into 2010, as essential vacant positions will be filled.

Table 1: 2010 Recommended Budget

	2009		2010 Recomm'd Operating Budget			Change - 2010 Recommended Operating Budget v. 2009 Appvd. Budget		FY Incremental Outlook	
	2009 Appvd. Budget	2009 Projected Actual	2010 Rec. Base	2010 Rec. New/Enhanced	2010 Rec. Budget			2011	2012
	\$	\$	\$	\$	\$	\$	%	\$	\$
(In \$000s)									
GROSS EXP.	925,056.7	899,582.6	853,954.5	378.8	854,333.3	(70,723.4)	(7.6)	4,829.3	5,641.0
REVENUE	658,416.9	637,709.9	595,274.6	378.8	595,653.4	(62,763.5)	(9.5)	(26,690.7)	711.0
NET EXP.	266,639.8	261,872.7	258,679.9	0.0	258,679.9	(7,959.9)	(3.0)	31,520.0	4,930.0
Approved Positions	758.9	758.9	758.9	5.0	763.9	5.0	0.7	0.0	(5.0)
TARGET COMPARISON			2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target			
NET BUDGET			255,722.4	258,679.9	2,957.5	242,390.4			
PROGRAM REDUCTION (\$)			(34,850.9)	(30,420.0)	4,430.9	(13,332.0)			
PROGRAM REDUCTION (%)			(13.1)	(11.4)	1.7	(5.0)			

* The Program Reduction Target includes pressures from the reversal of the Social Housing Reserve Funds.

- The 2010 Recommended Operating Budget for Shelter, Support and Housing Administration of \$854.333 gross and \$258.680 million, including funding for new/enhanced service priorities of \$0.379 million is \$7.960 million or 3.0% lower than the 2009 Approved Operating Budget of \$266.640 million, and achieves Program reductions of \$30.420 million or 11.4% of the 2009

Approved Budget, which is \$4.430 million or 1.7% lower than the reduction target of \$34.851 million for Shelter, Support and Housing Administration in 2010. The change in gross budget and revenue amounts between 2009 and 2010 is the result of the in year budget adjustments for 2009, primarily the adjustment for the transfer of the proceeds from the Toronto Hydro Telecom sale to TCHC.

- The 2010 Recommended Operating Budget for Shelter, Support and Housing Administration of \$258.680 million net includes new/enhanced service priorities of \$0.379 million gross and \$0 million net. Approval of the 2010 Recommended Operating Budget will result in the Program's staff complement increasing by 5 positions to 763.9 positions from 758.9, with additional staff recommended to administer the Social Housing Renovation and Retrofit Program (SHRRP), which is fully funded by the Province.
- The 2010 Recommended Operating Budget for Shelter, Support and Housing Administration will result in incremental net costs of \$31.520 million net in 2011, and \$4.930 million in 2012.
 - In 2011, projected increase of \$31.520 million is comprised of the following pressures: reversal of the 2010 contribution from the social housing reserves of \$27.055 million; increased costs for Social Housing of \$3.685 million; COLA, progression pay and step increases of \$1.144 million; offset by an increase in revenue of \$0.364 million for the 2011 phase-in of the Provincial upload of the municipal contribution of emergency shelter services.
 - The 2012 Outlook projects incremental increases of \$4.930 million, comprised of increases for Social Housing of \$5.328 million; progression pay and step increases of \$0.313 million; with offsetting increase in revenue of \$0.711 million resulting from the 2012 phase-in of the Provincial upload of the municipal contribution of emergency shelter services of \$0.967 million; and the reduction in SHRRP administration fees of \$0.256 million.
 - Shelter, Support and Housing Administration has presented a number of options to help achieve the Program's 2011 reduction target of \$13.332 million or 5% of the 2009 Approved Operating Budget. These options will be further reviewed over the course of 2010 and presented for consideration as part of the 2011 Operating Budget.
- The 2010 Recommended Base Budget provides funding for the following key cost drivers:
 - The reversal of the 2009 contribution from the Social Housing Reserves of \$29.981 million;
 - Social Housing cost increases of \$4.164 million net, comprised of an increase of \$3.9 million in RGI Subsidy, and an increase of \$0.264 million in Provincial housing allowance programs, due to an increase in the market-rate index that measures the annual change in the cost of rental accommodation;
 - Increases in salaries and benefits of \$1.438 million for COLA, progression pay and step increases, and the annualized impact of adding positions in 2009; and
 - Inflationary increases of \$0.362 million, mainly for purchase of service hostel providers.

- The cost drivers noted above will be partially offset by the following:
 - A net decrease of \$12.691 million in City subsidy to Social Housing providers due to offsetting cost drivers that include reductions in property tax subsidy (primarily due a property tax reassessment for TCHC); reductions in the cost factor index (CPI); and savings due lower interest rate for mortgage renewals;
 - A net reduction in the cost of providing hostel services of \$2.222 million, mainly due to the increase in bed night volumes of 41,387 or 2.9% from 2009, and the 2% increase in the Provincial per diem rate;
 - Increase in Provincial subsidy of \$0.635 million, which includes:
 - \$0.379 million for the phase-in of the upload of the municipal contribution of emergency shelter services.
 - \$0.256 million for administrative fees to administer the SHRRP, funding two existing positions.
- The Program's 2010 Recommended Operating Budget includes service change savings of \$29.467 million for 2010 that has a 2011 incremental increase of \$27.055 million due to the reversal of funding from the Social Housing reserves. The service change actions include \$27.055 million in increased revenue resulting from a contribution from the Social Housing reserves to offset Program costs; and \$2.412 million in service efficiency savings resulting from reduced subsidy to TCHC from saving for capital upgrades and maintenance repairs to the housing stock from upgrades from the SHRRP with the capital infusion of \$122.3 million investment in state of good repair maintenance through SHRRP.
- The following key Program issues have been identified during the 2010 Operating Budget process:
 - 2010 is the last year the Program will be able to offset base budget pressures utilizing a contribution from the Social Housing Reserve Funds, as the Reserve Funds will be virtually depleted; thus 2011 will require significant base changes to achieve the 2011 reduction target;
 - Maintaining hostel service levels with the ongoing Provincial short fall of \$31.4 million continues to be a challenge; and
 - Managing the on-going service delivery of the social housing portfolio by maintaining service level standards through the provision of RGI units and providing subsidies in accordance with the Social Housing Reform Act.
- The 2010 Recommended Operating Budget for Shelter, Support and Housing Administration supports the provision of a wide range of services, which includes:
 - Providing 1.454 million bed nights of emergency shelter (3,985 per night, 365 days a year) to homeless individuals (an increase of 2.9% over 2009), including the provision of meals and counselling;

- Providing 310,250 bed-nights of boarding home service to adults with psychiatric disabilities;
- Providing funding to more than 240 housing providers, (including the Toronto Community Housing Corporation), with 93,000 units of social housing;
- Administering the Homelessness Partnering Strategy and other Federal and Provincial grants to approximately 250 community agencies;
- Assisting homeless individuals move into housing through the Streets to Homes Program, with over 2,800 individuals assisted into permanent housing since 2005, with the vast majority remaining in their new homes; and
- Developing and managing the Mass Care Program of the City's Emergency Plan.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2010 Recommended Operating Budget for Shelter, Support and Housing Administration of \$854.333 million gross and \$258.680 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Program Support	2,616.4	2,396.5
Social Housing	650,389.5	189,806.2
Affordable Housing Programs	32,366.1	0
Hostel Services	124,730.3	57,274.6
Housing and Homelessness Supports	42,773.5	8,199.0
Partnership Development & Support	412.2	412.2
Emergency Planning Services	<u>1,045.3</u>	<u>591.4</u>
 Total Program Budget	 <u><u>\$854,333.3</u></u>	 <u><u>\$258,679.9</u></u>

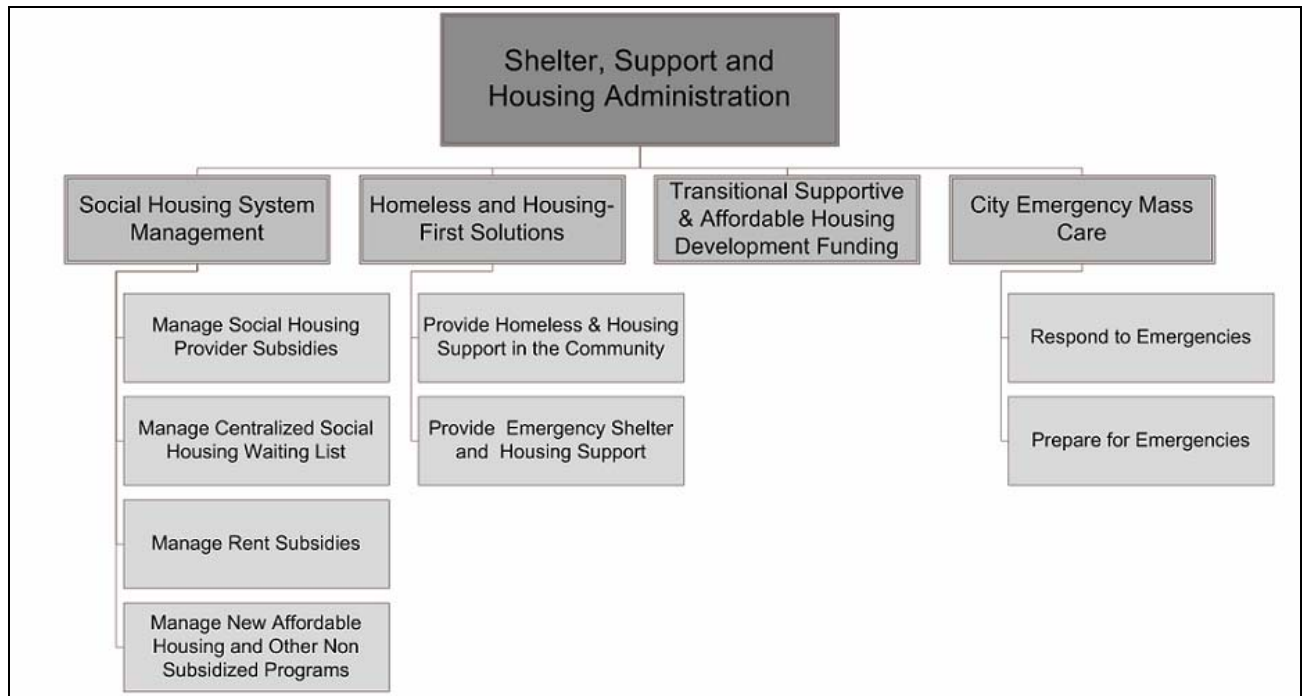
PART II: 2010 SERVICE OVERVIEW AND PLAN

Mission Statement

To ensure that homeless people and people at risk of homelessness have a range of shelter and affordable housing options. Provide temporary shelter and support for homeless individuals and families, while assisting them to achieve permanent housing solutions.

Program Map

Shelter, Support and Housing Administration provides four services as detailed below:



2010 Recommended Services: Overview

Shelter, Support and Housing Administration is responsible for the following:

- Fund or provide 1.45 million bed nights of emergency shelter and supports to homeless people and to those at risk of being homeless;
- Provide 310,250 bed nights of boarding home service to adults with psychiatric disabilities;
- Administer more than 93,000 units in the social housing stock in accordance with the criteria in the Social Housing Reform Act;
- Assist homeless individuals move into housing through the Streets to Homes program;

- Administer the Provincial Consolidated Homelessness Prevention Program, Provincial Rent Bank Program and the Federal Homelessness Partnering Strategy Program to more than 250 community agencies;
- Administer the funding for new affordable housing projects once the projects have commenced construction; and
- Ensure the City is prepared to shelter and care for individuals and families in times of declared and non-declared emergencies.

2010 Recommended Services: Overview

Social Housing System Management

Ensure the on-going viability and sustainability of existing social housing both in terms of built form and as mixed income communities:

- Manage Social Housing in accordance with the Social Housing Reform Act (SHRA), including financial reviews, program compliance, Service Manager Annual Information Return, Social Housing Management Information System, and the Social Housing Renovation and Retrofit Program;
- Direct funding to housing providers, including managing projects in difficulty, forecasting economic/ social impacts, monitoring mortgage liability;
- Manage rent subsidies in accordance with the SHRA: maintain service level standard of RGI units;
- Manage centralized Social Housing waiting list to comply with Provincial and City operating agreements; and
- Manage Affordable Housing and other non subsidized programs to comply with Provincial and City operating agreements.

Homeless and Housing First Solutions

To help people who are homeless and those who are at risk of homelessness to find and keep housing, and to provide emergency accommodation and related support services:

- Provide emergency shelter and housing support through 10 directly operated shelters (i.e. provision of basic needs of food and shelter);
- Contract with community agencies to provide shelter services, including the provision of basic needs;
- Provide homeless and housing supports in the community through the administration of Federal and Provincial grants that provide supports to homeless and those at risk of homelessness, including: Homeless Partnering Strategy (HPI); Consolidated Homelessness Provincial Program (CHPP); Aboriginal Homelessness Strategy; Homeless Health Integration supports; and MHCC Research Demonstration Project;

- Administer the Street to Homes Program, which provides direct service to street involved individuals;
- Landlord and tenant support through the provision of grants and outreach activities; and
- Service system management of cost-shared supportive housing through Habitat.

Transitional Supportive & Affordable Housing Development Funding

- Administer the payment of funding to housing proponents in accordance with Federal, Provincial and City agreements.

City Emergency Mass Care

To ensure the City's preparedness to shelter individuals and families in times of declared and non-declared emergencies:

- Prepare for emergencies through creating, coordinating and delivering Mass Care plans in City emergencies in conjunction with Fire, Emergency Management Services (EMS) and Office of Emergency Management (OEM) (i.e. nuclear response, pandemic flu, terrorist attacks);
- Administer, co-ordinate and deliver extreme weather responses;
- Respond to emergencies after accessing the level of response required, including deployment of resources required (i.e. location set-up, provision of food and shelter, clothing, personal services); and
- Respond to undeclared emergencies such as fires, rooming house closures, planned closures and evacuations, including providing humanitarian assistance and disaster relief.

PART III: 2009 EXPERIENCE

2009 Accomplishments

Shelter, Support and Housing Administration's major accomplishments in 2009 are highlighted below:

- In conjunction with the Affordable Housing Office and other City Divisions, developed Housing Opportunities Toronto (HOT) a City 10 year plan for affordable housing;
- Entered into partnership with St. Michael's Hospital to implement the MHCC project on housing and homelessness, with Federal funding of \$9 million over four years; and provided training to the five sites involved in the MHCC project on housing and homelessness;
- Opened a new shelter for youth with funding for harm reduction programming;
- Completed the first HPI Aboriginal Strategy Program, which allocated \$6.2 million in Federal funding in partnership with the Aboriginal community to projects specifically aimed at helping to reduce Aboriginal homelessness;
- Implemented the first year of the Social Housing Renovation and Retrofit Program, the Federal/Provincial stimulus program which contributes \$220 million to construction ready social housing repair projects; and
- Responded to a total of 26 community emergencies, including assisting displaced residents at 56 Maitland, 3640-3650 Kingston Rd. and 2369 Lakeshore Blvd. West.

Table 2: 2009 Budget Variance Review

	2008 Actuals	2009 Approved Budget	2009 Projected Actuals	2009 Apprvd. Budget vs Projected Actuals Variance	
(In \$000s)	\$	\$	\$	\$	% Unspent
GROSS EXP.	725,005.7	925,056.7	899,582.6	25,474.1	2.8
REVENUES	473,104.0	658,416.9	637,709.9	20,707.0	3.1
NET EXP.	251,901.7	266,639.8	261,872.7	4,767.1	1.8
Approved Positions	743.6	758.9	758.9	0.0	0.0

Source: * Projected Actuals based on the September 30, 2009 Variance Report

2009 Experience

Shelter, Support and Housing Administration is projecting a favourable gross expenditure variance of \$25.474 million (2.8%), offset by an unfavourable revenue variance of \$20.707 million (3.1%), resulting in a favourable net of \$4.767 million (1.8%) at year-end.

At year-end, under spending in Social Housing is projected to be \$21.018 million gross, with reduced contribution from reserves. The under spending is due to a reassessment of TCHC property taxes; delays in implementing the new garbage levy to Social Housing providers; interest-rate savings in mortgage renewals; savings in RGI Subsidies; and market-rate index. (For further discussion on projected year-end variance, please refer to the Issue Section, pg 21.)

The favourable net variance is partially due to increased subsidy for higher than planned bed nights of 50,566 (1,462,932 projected bed nights vs. budgeted volume of 1,412,366) reflecting higher use of family sector. As the increase in occupancy levels is in City operated shelters (where the cost of operations is largely fixed), the increase in occupancy will result in increased subsidy, with savings of \$2.580 million. The remaining net variance of \$2.187 million is due to savings from hiring delays, associated with the summer labour disruption.

Impact of 2009 Operating Variance on the 2010 Recommended Budget

Increased volume for emergency shelter is expected to continue into 2010, with higher budgeted bed night volumes of 41,387, increasing from 1,412,366 in 2009 to 1,453,753 in 2010, or 2.89%, mainly in the family sector. The volume increases are in the directly operated emergency shelters, with an additional 53,399 bed nights expected. Purchase of service hostels bed night volumes are reduced by 12,012. These volume changes, combined with the 2% increase in per diem and Ontario Works (OW) upload, results in a reduction of \$2.222 million net in the 2010 Recommended Operating Budget.

The 2009 savings in salaries are not anticipated to continue into 2010, as essential vacant positions will be filled.

The 2009 under-expenditure in Social Housing will continue in 2010, as the 2010 Recommended Operating Budget includes reductions of \$12.692 million, reflecting adjustments for property tax savings, CPI and mortgage subsidies.

PART IV: 2010 RECOMMENDED BASE BUDGET

Table 3: 2010 Recommended Base Budget

(In \$000s)	2009 Appvd. Budget	2010 Recommended Base	Change 2010 Recommended Base v. 2009 Appvd. Budget		FY Incremental Outlook	
			\$	%	2011	2012
GROSS EXP.	925,056.7	853,954.5	(71,102.2)	(7.7)	4,829.3	5,641.0
REVENUE	658,416.9	595,274.6	(63,142.3)	(9.6)	(26,690.7)	711.0
NET EXP.	266,639.8	258,679.9	(7,959.9)	(3.0)	31,520.0	4,930.0
Approved Positions	758.9	758.9	0.0	0.0	0.0	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	255,722.4	258,679.9	2,957.5	242,390.4
PROGRAM REDUCTION (\$)	(34,850.9)	(30,420.0)	4,430.9	(13,332.0)
PROGRAM REDUCTION (%)	(13.1)	(11.4)	1.7	(5.0)

* The Program Reduction Target includes pressures from the reversal of the Social Housing Reserve Funds.

(In \$000s)	2010 Required Reductions	2011 Required Reductions
2009 Approved Budget (September 30)	266,639.8	
Pressures Reported with 2010 / 2011 Outlook	2,414.6	0.0
Pressures Not Reported with 2010 / 2011 Outlook	21,518.9	0.0
5% Reduction Target	(13,332.0)	(13,332.0)
Additional Pressures not in 2010 Reported Outlook	(21,518.9)	TBD
Program Reduction Target	(34,850.9)	(13,332.0)
Net Budget Target	255,722.4	242,390.4

2010 Recommended Base Budget

The 2010 Recommended Base Budget of \$853.955 million gross and \$258.680 million net represents a \$7.960 million or 3.0% decrease over Shelter, Support and Housing Administration's 2009 Approved Operating Budget of \$266.640 million. The 2010 Recommended Base Budget includes \$23.934 million for base budget increases, which have been offset by \$30.420 million in budget reductions arising from recommended service changes.

This represents \$4.430 million or 1.1% of the 2009 Approved Budget, and 13.1% of the \$34.5850 million target for SSHA.

- The 2010 Recommended Base Budget accommodates increased labour costs arising from inflationary and progression pay pressures. The 2010 Recommended Base Budget increase has been limited to \$23.934 million through increased revenue and higher volumes in shelter services and reductions in subsidies to Social Housing providers. The 2010 Recommended Base Budget also reflects savings of \$2.412 million in service efficiencies and \$27.055 million arising from recommended revenue changes, as summarized below.

Approval of the 2010 Recommended Base Budget does not result in any changes to the Program's total approved complement, with approved positions remaining at the 2009 level of 758.9.

2010 Key Cost Drivers

The 2010 Recommended Base Budget provides funding for the following key cost drivers:

- The reversal of the 2009 contributions from the Social Housing Stabilization Reserve of \$8.404 million, and the Social Housing Federal Stabilization Reserve Fund of \$21.577 million net;
- Social Housing cost increases of \$4.164 million net, as regulated by the Social Housing Reform Act, resulting from the following:
 - Increase of \$3.9 million net in RGI Subsidy, a rent subsidy which pays social housing providers and commercial landlords the difference between market rent and a prescribed percentage of the tenants' gross income.
 - Increase of \$0.264 million net for Provincial housing allowance programs due to an increase in the market-rate index, as the City is required to pay the increase for the annual change in the cost of rental accommodation.
- An increase in salaries and benefits of \$1.438 million net, including: \$0.789 million for COLA; \$0.337 million for annualized positions added in 2009 for the operation of the Peter Street Shelter and Emergency Mass Care Response; and \$0.312 million for progression pay and step increases; and
- Inflationary increases of \$0.362 million (net of Provincial revenues), mainly for third party purchase of service hostel providers.

These cost drivers noted above will be offset by the following savings included in the 2010 Recommended Base Budget:

- Social Housing cost decrease of \$12.691 million net, as regulated by the Social Housing Reform Act, resulting from the following:
 - Reduction of \$6.145 million net in property tax subsidies (primarily due to a reassessment of TCHC properties);
 - Decrease of \$3.294 million net in the Provincially-issued annual CPI; and

- Decrease of \$3.252 million net in mortgage subsidy, reflecting a decrease in interest renewal rate to an average rate of 3.7%.
- The decrease in net costs of providing shelter services of \$2.222 million is comprised of the following: \$1.165 million in additional Provincial subsidy resulting from the 2010 increase in bed nights of 41,387 (2009 bed nights 1,412,366 vs. 2010 bed nights 1,453,753) and the 2% increase in Provincial subsidy; \$0.678 million from the shift in bed night volumes from purchased hostels to directly operated shelters; and \$0.379 million from the Provincial upload of the municipal contribution of the municipal emergency shelter service; and,
- Increase in Provincial subsidy of \$0.256 million net from new administrative funding for the SHRRP, funding two existing positions involved in administrating SHRRP for Social Housing providers. (Please refer to the New Service Priority Actions section, pg. 19.)

2010 Service Changes

The 2010 Recommended Base Budget for Shelter, Support and Housing Administration includes service change savings of \$30.420 million net, which will result in the 2011 incremental increase of \$27.055 million for the reversal of the 2010 reserve contribution. The service adjustments are comprised of base revenues changes of \$0.953 million from limiting the Provincial subsidy increase for purchased hostel service providers and community agencies; a contribution from the social housing reserve funds of \$27.055 million, and efficiency savings of \$2.412 million for reduced subsidy to TCHC.

The recommended service changes are summarized below:

- A contribution from the social housing reserve funds of \$27.055 million to fund the reversal of the 2009 contribution and 2010 Program pressures, allowing 2009 service levels to be maintained.
- Savings of \$2.412 million for reduced subsidy to TCHC, given the SHRRP funding for capital repairs and facility upgrades of \$123.300 million.

2011 and 2012 Outlook: Net Incremental Impact

Approval of the 2010 Recommended Base Budget for Shelter, Support and Housing Administration will result in an incremental increase of \$31.520 million in 2011; and \$4.930 million in 2012 to maintain the 2010 level of services and staff complement. The 2010 Recommended Base Budget does not include service change savings to assist the Program in achieving the 2011 reduction target of \$13.332 million.

- The 2011 Outlook includes a net increase of \$31.520 million, and is comprised of the following: \$27.055 million from the reversal of the 2010 reserve fund contributions; \$3.685 million increase in Social Housing costs resulting from adjustment to the Provincial inflation index; realty taxes and RGI costs increases; and \$1.144 million for COLA, fringe benefit, progression pay and step increases; and increased revenue of \$0.364 million from the phase-in of the Provincial upload of the municipal contribution of emergency shelter services.

- The 2012 Outlook includes a net increase of \$4.930 million, and is comprised of the following: \$5.328 million increase in Social Housing costs due to changes in subsidy for the Provincial inflation index, realty taxes, mortgage renewals, and RGI Subsidy increases; \$0.313 million for progressive pay and step increases, and increased revenue of \$0.711 million, comprised of \$0.967 million for the 2012 phase-in of the Provincial upload of the municipal contribution of emergency shelter services, offset by a reduction of \$0.256 million for the loss of SHRRP administrative fees.
- Shelter, Support and Housing Administration has presented a number of options to help achieve the Program's reduction target of \$13.332 million or 5% of the 2009 Approved Budget. However, additional options will be required in 2011, as reversal of the contribution will result in further pressure in 2011 of \$27.055 million, as the contribution cannot be replaced given the depletion of the reserves.

PART V: 2010 RECOMMENDED SERVICE CHANGES

Table 4: 2010 Recommended Service Change Summary
(In \$000s)

Description	2010 Recommended Service Changes				Net Incremental Impact	
	Position Change	Gross Exp.	Net Exp.	% Change over 2009 Budget	2011	
	#	\$	\$	#	\$	# Pos
Base Change Summary	0.0		(953.0)	-0.4%		0.0
Service Efficiencies: Reduce Subsidy to TCHC		(2,412.3)	(2,412.3)	-0.9%		
Revenue Changes: Contribution from Social Housing Reserves			(27,054.7)	-10.1%	27,054.7	
Sub-Total Service Changes	0.0	(2,412.3)	(29,467.0)	-11.1%	27,054.7	0.0
Total Changes	0.0	(2,412.3)	(30,420.0)	-11.4%	27,054.7	0.0

2010 Recommended Service Changes

The budgetary impact of implementing the following service changes are included in the 2010 Recommended Base Budget, with savings estimated at \$30.420 million that will result in an increase of \$27.055 million in 2011. Approval of the recommended service changes will not result in any changes to the Program's approved staff complement. Included in the \$30.420 million are savings of \$0.953 million in reductions applied to the 2010 Recommended Base Budget, which have no impact in the level of service provided by the Program in 2010.

The following service changes included in the Shelter, Support and Housing Administration 2010 Recommended Base Budget, resulting in 2010 savings of \$29.467 million are discussed below:

Service Efficiency

Reduce Subsidy to Toronto Community Housing Corporation (TCHC) (\$2.412 million)

Of the \$340.3 million provided to TCHC in 2010, \$259.7 million is mandated by the Province through the Social Housing Reform Act (SHRA) to pay for mortgages, property taxes, debentures and rent supplements. The City provides \$80.6 million in base funding to TCHC to manage, at the discretion of the TCHC Board, the portion of their operating budget that is not prescribed by the SHRA. With respect to the discretionary funding, TCHC must cover costs related to Rent Geared to

Income (RGI) subsidies. It also must cover costs related to administration of the waiting list in accordance with the agreement with the City. The residual base subsidy also covers a portion of the costs for utilities, insurance, building operations and maintenance. Together with other generated revenue, TCHC is responsible for the management of their operations.

There is sufficient flexibility within the Social Housing Reform Act to allow some of the TCHC pressures to be dealt with through the existing base funding. If subsidy is adjusted down, it is the responsibility of the TCHC Board to manage their operations within the revenue constraints.

The new SHRRP funds will provide an additional \$122.9 million funding to assist the TCHC to address its SOGR backlog by funding small capital and mechanical upgrades. It is anticipated that TCHC will realize savings in its maintenance and capital repair budgets, after SHRRP upgrades have been completed.

Consequently, it is recommended that the subsidy to TCHC be reduced by \$2.412 million, as SHRRP funding will allow TCHC to make the capital improvements and upgrades that will provide internal savings, thereby reducing the reliance on City subsidies.

Revenue Changes

Contribution from the Social Housing Reserve Funds (\$27.055 million)

A contribution of \$19.238 million from the Social Housing Federal Reserve Fund and \$7.817 million from the Social Housing Stabilization Reserve Fund is required to offset the reversal of the 2009 contribution of \$29.981 million and protect current service levels for 2010. In order to maintain existing service levels in 2011, the Program will be required to find significant savings and/or additional revenue sources, as only \$2.800 million will be left in the reserve funds at the end of 2010.

PART VI: RECOMMENDED NEW SERVICE PRIORITY ACTIONS

Table 5
2010 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Description	2010 Recommended			Net Incremental Impact			
	Gross Exp.	Net Exp.	New Positions	2011		2012	
	\$	\$	#	\$	# Pos	\$	# Pos
Enhanced Services:							
(a) Enhanced Services - Council Approved							
(b) Enhanced Services - Program Initiated							
Sub-Total Enhanced Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Services:							
(a) New Services - Council Approved							
(b) New Services - Program Initiated Administer Social Housing Renovation and Retrofit Program (SHRRP)	378.8	0.0	5.0			256.0	(5.0)
Sub-Total New Services	378.8	0.0	5.0	0.0	0.0	256.0	(5.0)
Total Enhanced/New Services	378.8	0.0	5.0	0.0	0.0	256.0	(5.0)

New Service Priority Actions- Program Initiated

Administer Social Housing Renovation and Retrofit Program (SHRRP)

Through SHRRP, part of the Federal Economic Stimulus Funding, new, 2-year funding of \$220.200 million net has been awarded for renovation and retrofit projects of the City's social housing stock. Spending in 2010 will focus on unit refurbishments, including kitchen, bathroom and lighting system upgrades, while year two will focus on major capital/mechanical upgrades such as boiler replacements, ventilation system upgrades, roof replacements and balcony repairs.

The City has received \$1.144 million from the Ministry of Municipal Affairs and Housing to administer this Program, with \$0.539 million included in the 2010 Recommended Operating Budget for Shelter, Support and Housing Administration to cover administration costs, \$0.505 million for

2011 and a final \$0.100 million for the first quarter in 2012, the period required to deliver these upgrades.

SHRRP funds will be advanced to Social Housing for specific projects after Provincial agreements have been signed, with installment payments following the completion of project milestones, and final payment made after the project has been completed. To administer this Program, five new temporary positions are included the 2010 Recommended Operating Budget to co-ordinate funding applications and monitor the progress of these projects on behalf of the Social Housing providers and in order to meet Federal and Provincial funding deadlines and reporting requirements.

The new positions will be responsible for initiating the funding requests to MMAH, co-coordinating the purchasing process, authorizing and controlling the progress payments to vendors, verifying the status of projects, and facilitating the communication of any issues associated with these projects to housing providers, senior management, and MMAH.

Funding for the positions of \$0.379 million gross \$0 net is recommended in 2010; with additional annualized cost of \$0.126 million gross \$0 net in 2011, as the new positions will not be in place until April. In 2012, the positions will be phased out as project administration is completed. As noted in the following table, \$0.256 million of the 2010 subsidy will be applied towards existing resources, as Program staff are already involved administrating SHRRP. As the funding will end in 2012, the Program will have an additional \$0.256 million pressure, which will be reflected in 2012.

New Administrative Funding through SHRRP				
(\$000's)				
Activity	2010	2011	2012	Total
Additional revenue for administering SHRRP	538,722	505,416	99,806	1,143,944
Five new positions	378,762	505,416	99,806	983,984
Funding applied against existing resources *	255,936	0	(255,936)	0
Complement change	5.0		(5.0)	0

* Includes existing \$100,000 funding in base

PART VII: ISSUES FOR DISCUSSION

2010 Budget Issues

2010 Social Housing Operating Budget Pressures

The 2010 Recommended Operating Budget for Shelter, Support and Housing Administration includes a decrease in Social Housing costs of \$10.939 million net from the 2009 Approved Operating Budget. The 2009 under spending of \$21.018 million gross and net will continue into 2010 as indicated in the following table.

2009 -2010 Social Housing Analysis			
(\$000s)			
Cost Driver	2009 Variance	2010 Base Reductions	Comment
RGI Subsidies	(1.967)	3.900	2009 savings attributed to delay in opening new affordable housing; 2010 increase due to rent control guideline increase of 2.1%; subsidy for 5 new high-needs affordable housing buildings, with 186 units; reduction in rental revenue due to recession.
Garbage Levy	(6.250)		2009 one-time savings due to the delay in the implementation the City's new garbage levy; subsidy payment is contingent on due diligence requirements for housing providers to demonstrate that steps have been taken to reduce garbage volumes through recycling initiatives.
Housing Allowance Programs		0.264	2010 increase in subsidy required for Provincial Housing Allowance and Strong Communities Programs, as the City is required to fund market rate rent increases, as determined by the annual increase in market rents, an index factor adjustment provided by the Province.
Property Tax Subsidies	(8.661)	(6.145)	2009 savings primarily related to TCHC property tax reassessment; 2010 savings reflect a \$8.3 million reduction in property taxes resulting from TCHC property tax reassessment from 2009; offsetting a 2% property tax increase for 2010.
Market Rent Index	(1.751)	(3.294)	2009 savings attributed to low market-rent increase; 2010 savings are due to cost factor savings attributable to changes in the CPI.
Mortgage Subsidy Provision	(2.389)	(3.252)	2010 assumes an average 3.7% mortgage renewal rate for 2010, with \$358.5 million in mortgage renewals.
Service Efficiency		(2.412)	Reductions in City subsidy to TCHC resulting in efficiencies arising from economic stimulus funding investments in Social Housing Revovation and Retrofit Program, with TCHC receiving \$122.9 million for capital and maintenance upgrades over two years.
Total	(21.018)	(10.939)	

The 2010 Recommended Operating Budget for Social Housing has been reduced by \$10.939 million as noted in the table above, with the \$6.250 million garbage levy not expected to continue into 2010. For 2010 and future years, housing providers will be required to demonstrate that steps have been

taken to reduce their volume of waste before additional subsidy for increased costs for solid waste collection can be recovered, as the SHRA makes no provision for these costs in the funding formula. The 2010 \$3.9 million increase in RGI Subsidy includes \$1.627 million for 186 new affordable housing “high-needs” units, which will have an average monthly subsidy of \$729. City subsidy for property tax has been reduced in 2010 to include the reduction in TCHC property taxes of \$8.3 million. Also included in the 2010 recommended reductions for Social Housing is savings of \$2.412 million in subsidy to TCHC, given the significant amount of funding for maintenance and capital upgrades through the Social Housing Renovation and Retrofit Program.

Social Housing Reserve Funds

Two reserve funds are dedicated to fund Social Housing: the Social Housing Stabilization Reserve (2009 ending balance of \$7.817 million), which was established in 2001 and the Social Housing Federal Reserve Fund (2009 ending balance of \$22.061 million), which was established in 2002.

These reserve funds were established: to mitigate the financial exposure associated with Social Housing devolution, including to stabilize in-year variances as well as unanticipated year-to-year expenditure fluctuations; to help minimize or phase in their impacts on the property tax rate; to supplement funds for capital repairs, in regard to urgent needs or phase-in toward higher funding levels; and to fund other potential liabilities as they arise.

These funds have been used to offset ongoing budgetary pressure within the Social Housing Program to protect current service levels, as well as to provide financing to housing providers for state of good repair (SOGR) maintenance to housing stock. The 2010 Recommended Operating Budget includes a contribution of \$27.055 million to offset ongoing base pressures, pending confirmation of the reserves balances at year-end.

The following table summarizes activity of the social housing reserve funds since inception.

SOCIAL HOUSING RESERVE FUNDS ACTIVITY SINCE INCEPTION												
(000s)	2001-2002	2003	2004	2005	2006	2007	2008	2009	2010	Social Housing Stabilization Reserve Fund	Social Housing Federal Reserve Fund	Total Reserves
										XQ1106	XR2105	
Beginning Balance	0.0	52,278.6	67,931.0	84,065.3	69,207.0	63,306.2	48,870.9	38,578.7	29,878.1	0.0	0.0	38,578.7
Add:												
Provincial Downloading Transfer	12,379.6									12,379.6		12,379.6
Divisional Net Surplus	20,405.5		3,003.5			660.0				24,069.0		24,069.0
Federal Transfer	19,741.8	11,148.2								4,809.8	26,080.2	30,890.0
GTA Pooling Adjustment			11,036.3	2,121.2						13,157.5		13,157.5
Provincial Transfer				839.7	500.0					1,339.7		1,339.7
Loan Repayment							115.0	59.9		59.9	115.0	174.9
Investment Income	1,674.4	4,504.2	3,221.2	3,835.8	3,912.9	3,473.6	834.7	112.1		12,151.4	9,417.5	21,568.9
Total additions	54,201.3	15,652.4	17,261.0	6,796.7	4,412.9	4,133.6	949.7	172.0	0.0	67,966.9	35,612.7	103,579.6
Less:												
Draw to fund Social Housing	(1,922.7)			(13,928.0)	(5,768.7)	(2,637.9)	(9,584.9)	(8,872.6)	(27,054.7)	(50,063.3)	(19,706.2)	(69,769.5)
Loan/Grant to Housing Providers for SOGR			(1,126.7)	(2,727.0)	(4,545.0)	(15,931.0)	(1,657.0)			(12,903.6)	(13,083.1)	(25,986.7)
Loan/Grant to TCHC for SOGR				(5,000.0)						(5,000.0)		(5,000.0)
Total withdrawals	(1,922.7)	0.0	(1,126.7)	(21,655.0)	(10,313.7)	(18,568.9)	(11,241.9)	(8,872.6)	(27,054.7)	(67,966.9)	(32,789.3)	(100,756.2)
Ending Balance	52,278.6	67,931.0	84,065.3	69,207.0	63,306.2	48,870.9	38,578.7	29,878.1	2,823.4	0.0	2,823.4	2,823.4

As the 2010 one-time reserve contribution virtually depletes the Reserve Fund balances, SSHA will be facing a pressure of approximately \$24.200 million in 2011. Finding significant service changes/savings and other revenue sources will be required in 2011, as the Program cannot rely on the reserves to meet target as in past years.

State of Good Repair (SOGR) Backlog for Social Housing

As discussed in its 2009-2011 Community Management Plan, the TCHC noted that maintaining a good state of repair for its housing portfolio continues to be the Corporation's most significant challenge. Even with the \$550 million TCHC has invested in capital repairs between 2002 and 2007, the Provincial transfer of housing stock in poor condition has resulted in a funding backlog of capital maintenance that was estimated at \$350 million in 2008.

During 2009, the City provided \$75 million from the proceeds of the sale of Toronto Hydro Telecom to TCHC for capital repairs, and in 2008, the Province contributed \$34 million for the same purpose. These investments have supplemented the TCHC Unit Refurbishment Program and have been used to refurbish approximately 8,000 units to date. With this additional funding, TCHC estimates that the unfunded state of good repair (SOGR) backlog in its portfolio is now approximately \$200 million.

Through its own capital maintenance program TCHC invests close to \$60 million each year in capital repairs to its assets. TCHC has initiated an Asset Investment Strategy that includes various programs, including the Building Renewal Program, the Building Energy Retrofit Program and the Pilot Tower Renewal Program. These programs are under way, with approximately 14,000 units scheduled for refurbishment over the next ten years. As well, TCHC has begun a Green/Smart Building undertaking that is focused on building and mechanical system upgrades and conservation of energy and reduction of water usage and waste. It is anticipated that these initiatives will provide significant operational savings through building and operational efficiencies.

The Asset Investment Strategy has funding of \$4.5 million for a building revitalization initiative that has targeted five communities in priority neighbourhoods for redevelopment. Redevelopment planning for Lawrence Heights is underway. However, TCHC recognizes that redevelopment of these communities will require third party financing, as the organization lacks the funds to support the redevelopment, and has limited opportunities to leverage additional capital for re-investment.

In 2005, a building condition study of the physical condition of the non-TCHC social housing stock found that, while the buildings were generally in good condition, the present operating subsidy associated with major capital repairs was not sufficient to cover expected capital expenditures over the life-cycle of these buildings. In order to address these requirements, the City would need to increase the yearly subsidy by an additional \$34 million (in 2005 dollars) to the non-TCHC housing providers. A new study will be conducted once the Stimulus Renovation and Retrofit Program has been completed to determine the impact of the changes on the overall conditions of the buildings.

As well, since 2004, the City has loaned non-TCHC housing providers approximately \$25.760 million from its social housing reserves to address urgent capital repairs, in accordance with approved reserve fund purposes. In addition, \$5.0 million has been loaned to TCHC to fund emergency repairs.

Social Housing Renovation and Retrofit Program (SHRRP)

Through the Social Housing Renovation and Retrofit Program, jointly funded by the Federal and Provincial governments as part of the Federal Economic Stimulus Funding, for 2009, the City awarded \$98.7 million in funding for repairs and retrofits to social housing providers. The 2009 Operating Budget was adjusted to include the full 2009 grant amount. The Program is administered by the Ministry of Municipal Affairs and Housing (MMAH), with Program guidelines identifying three key priorities: health and safety improvements, enhanced accessibility, and increased energy efficiencies. Of the \$98.7 million, TCHC was allocated \$68.4 million (70%) with the remaining \$30.3 million (30%) allocated to non-TCHC social housing providers. Spending will focus on construction ready projects that meet the Ministry's key priorities such as appliance replacement and lighting system upgrades. Funds will be incrementally advanced to housing providers after provincial/ provider funding agreements have been signed, and after specified project milestones have been achieved. While funding has been advanced in 2009, funding will also flow during 2010, as project milestones are achieved.

The City was also awarded \$121.5 million for year two funding, with the SHRRP funding included in the 2010 Recommended Operating Budget for SSHA. As in year one, priorities under the Program include health and safety improvements, enhanced accessibility, and increased energy efficiencies. Emphasis will be focused on major capital replacements such as roof replacements, boiler replacements, ventilation system upgrades, and balcony repairs; as building mechanical systems are high energy consumers. It is anticipated that these upgrades will contribute to operating efficiencies through the use of more efficient mechanical equipment.

The injection of the SHRRP funds will make a substantial impact on the state of good repair (SOGR) backlog for both TCHC and other housing providers, as over 2,200 projects in Social Housing facilities have been approved. Stimulus funding must be spent by March 31, 2011.

Hostel Services Volumes and Costs

The 2010 Recommended Operating Budget reflects an increase in volumes to match the budget to actual experience. The impact of these adjustments is savings of \$2.222 million net from 2009, which has been incorporated in the 2010 Recommended Operating Budget. The following table summarizes the changes in budgeted bed nights from 2009 to 2010.

Hostel Bednight Volume Change

Hostel Description	Bednights				Volume Variance Inc/ (Dec)	Volume Percentage Change
	2009 Actuals	2009 Budget	2010 Recommended			
City Operated Shelters						
Seaton House	232,354	232,505	232,505	-	0.0%	
Women's Residence	37,855	35,405	37,309	1,904	5.4%	
Robertson House	30,813	29,200	30,400	1,200	4.1%	
Family Residence	158,847	100,375	139,875	39,500	39.4%	
Birkdale Residence	80,411	66,000	75,700	9,700	14.7%	
129 Peter Street	267	13,140	14,235	1,095	8.3%	
Purchased Hostels	905,511	935,741	923,729	(12,012)	-1.3%	
Total	1,446,058	1,412,366	1,453,753	41,387	2.9%	

The 2010 Recommended Operating Budget includes an increase in bed nights from 1,412,366 budgeted in 2009 to 1,453,753 planned for 2010, an increase of 41,387 bed nights. This translates into a rise in the budgeted emergency shelter volume of 2.9% for 2010. The volume and rate changes result in the City receiving an increase in Provincial subsidy of \$3.008 million, which is reflected in the 2010 Recommended Operating Budget for SSHA. In the event that occupancy levels pressure the 2010 Approved Operating Budget, the Program will report to the Community Development and Recreation Committee and to Budget Committee and seek to mitigate cost pressures within the overall Program budget.

Hostel Provincial Funding Shortfall

While the provision of emergency shelter services remains subject to the 80/20 Provincial/municipal cost sharing agreement, 2010 marks the beginning of a change in the cost-sharing agreement with the Province. The Province will begin to phase-in an upload of the municipal contribution over a nine-year period, with the municipal contribution scheduled to be fully uploaded by 2018. An increase in subsidy of \$0.378 million, or 3% of the 20% municipal contribution is reflected in the 2010 Recommended Operating Budget as the first year of upload of City costs. As noted in the table below, the upload continues through 2018, when an additional \$11.8 million in subsidy to be included in the Program’s Operating Budget over the nine year period.

OW Upload of Municipal Cost of Emergency Shelter Services									
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Incremental increase	378	364	967	1,691	1,600	1,700	1,700	1,700	1,700
Total Revenue	378	742	1,709	3,400	5,000	6,700	8,400	10,100	11,800

However, it should be noted that notwithstanding the upload, the Province will continue to fund the cost of shelter provision services through the per-diem without recognizing the full cost of providing shelter services in Toronto. As in recent years, the Province has increased its capped per diem rate by 2% to \$42.50; including the 3% upload, the 2010 Provincial share of the per diem rate is \$34.26. As a result, the 2010 Provincial funding shortfall for emergency shelter services is expected to reach \$31.4 million, a slight increase from the 2009 shortfall of \$31.1 million.

In the past, the City has managed cost-sharing shortfalls in this service area with gapping and by absorbing pressures within existing budgets. Slight declines in bed night occupancy rates have also allowed the City to contain some of these program costs.

Provincial Funding Increase for Purchased Services Hostels and Consolidated Homelessness Provincial Program (CHPP)

As in past years, the Province has increased its subsidy to the City to offset inflationary pressures. The Program has traditionally passed the full amount of the increase to third party service providers. In 2010 the Program is withholding a portion of this increase to offset base pressures.

- *Consolidated Homelessness Provincial Program (CHPP):* The City delivers homeless services in partnership with the Province and community agencies by providing program funding and coordinating service delivery through approximately 89 agencies. For 2010, \$1.742 million gross, \$0 net is included in the 2010 Recommended Operating Budget for SSHA as grants for the provision of services through community agencies, funded through CHPP.

The City’s 2010 funding allocation to community agencies includes a 2% funding increase to these non-profit agencies to deliver services, while the Province has increased the funding for the CHPP by 3.4%; 2% of the increase will be passed to the community partners, while the remaining increase of 1.4% difference will be applied to offset the City’s cost of administration.

- *Purchased Hostels Service Adjustment:* As in past years, the Province has increased the capped per diem subsidy by 2%, or \$0.90 per bed night for 2010. The Program allocates the per diem increase to City shelters and purchased service providers based on client service levels. In order to reduce City Program pressures, Shelter Services will retain \$0.477 million of the 2010 per diem increase of \$0.836 million that would have been passed on to third party shelter providers through increased subsidy. Purchased service hostels will receive \$0.359 million of the 2010 subsidy increase.

Affordable Housing Grants

The 2010 Recommended Operating Budget includes funding for the Affordable Housing development loans/grants, which are summarized in the following table.

Project Name	Number of Housing Units	2010 CRRF Budget *	2010 Provincial Funding
St. Clare's Multifaith - 48 Abell St	190	1,364.0	
St. Clare's Multifaith - 200 Madison Ave	82	1,036.3	
Woodgreen Community Housing - 270 Donlands Ave	44	2,200.0	
Medallion Corp - 544 Birchmount Rd	152	3,032.5	
West Toronto Support Services - 2335-2337 St. Clair Ave W	59	16,257.6	
St. Clair West Affordable Housing - 1120 Ossington Ave	20	577.5	
Parkdale Activity - 194 Dowling Ave & 1495 Queen St W	29	1,389.7	
Toronto Christian Resource Centre	87	3,724.2	
Home Ownership Program	119		2,784.3
Sub - total		29,581.8	2,784.3
Total	782		32,366.1

* CRRF - Capital Revolving Reserve Fund

Appendix A

2010 Recommended Base Budget Changes vs. 2009 Approved Budget

(In \$000s)	Summary of 2010 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2011	2012
		\$	\$	\$	\$	\$
2009 Council Approved Operating Budget	758.9	728,582.0	461,942.2	266,639.8	0.0	0.0
Technical Adjustments						
In-Year Budget Adjustments		196,474.7	196,474.7			
2009 Approved Operating Budget	758.9	925,056.7	658,416.9	266,639.8	0.0	0.0
Prior Year Impacts:						
Annualizations from Prior Year		347.5	(323.3)	670.8		
Reversals from Prior Year		(97,364.9)	(127,346.1)	29,981.2	27,054.7	
Operating Impacts of Capital						
Zero Base Items		(57.0)	(52.0)	(5.0)		
Economic Increases:						
Salary		1,207.5	105.8	1,101.7	1,144.3	313.0
Non Salary		1,064.0	4.8	1,059.2		
Adjusted Base Budget	758.9	830,253.8	530,806.1	299,447.7	28,199.0	313.0
Base Expenditure Changes		26,113.0		26,113.0	3,685.0	5,328.0
Base Revenue Changes			37,413.8	(37,413.8)	(364.0)	(711.0)
2010 Base Budget Prior to Service Changes	758.9	856,366.8	568,219.9	288,146.9	31,520.0	4,930.0
Recommended Service Changes:						
Service Efficiencies						
Revenue Changes			27,054.7	(27,054.7)		
Minor Service Level Changes		(2,412.3)		(2,412.3)		
Major Service Level Changes						
Total Recommended Base Changes	0.0	(2,412.3)	27,054.7	(29,467.0)	0.0	0.0
2010 Recommended Base Budget	758.9	853,954.5	595,274.6	258,679.9	31,520.0	4,930.0

Appendix B
Summary of Service Changes

Appendix C

**Summary of 2009 Recommended New/Enhanced
Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

CLUSTER: A							
PROGRAM: Shelter, Support and Housing Administration							
	2009 Approved Budget	2009 Projected Actuals	2010 Recommended Budget	Change from 2009 Approved Budget		2011 Outlook	2012 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	62,026.8	59,378.9	63,924.1	1,897.3	3.1%	65,068.1	65,381.1
Materials and Supplies	5,035.6	4,664.0	5,137.6	102.0	2.0%	5,137.6	5,137.6
Equipment	593.1	429.5	602.2	9.1	1.5%	602.2	602.2
Services & Rents	64,834.4	65,274.6	65,690.3	855.9	1.3%	65,690.3	65,690.3
Contributions to Capital	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	1,104.4	1,104.4	1,104.4	0.0	0.0%	1,104.4	1,104.4
Other Expenditures	790,631.6	767,883.2	716,976.1	(73,655.5)	(9.3%)	720,661.1	725,989.1
Interdivisional Charges	830.8	848.0	898.6	67.8	8.2%	898.6	898.6
TOTAL GROSS EXPENDITURES	925,056.7	899,582.6	854,333.3	(70,723.4)	(7.6%)	859,162.3	864,803.3
Interdivisional Recoveries	7.3	5.5	6.0	(1.3)	(17.8%)	6.0	6.0
Provincial Subsidies	274,244.9	275,436.1	307,536.6	33,291.7	12.1%	307,900.6	308,611.6
Federal Subsidies	190,352.8	190,352.8	186,552.8	(3,800.0)	(2.0%)	186,552.8	186,552.8
Other Subsidies	52,267.0	52,267.0	39,751.0	(12,516.0)	(23.9%)	39,751.0	39,751.0
User Fees & Donations	921.4	975.2	921.4	0.0	0.0%	921.4	921.4
Transfers from Capital Fund	1,598.3	1,598.3	1,600.0	1.7	0.1%	1,600.0	1,600.0
Contribution from Reserve Funds	130,386.3	109,231.7	40,415.4	(89,970.9)	(69.0%)	20,273.4	20,273.4
Contribution from Reserve	8,611.8	7,889.2	16,443.8	7,832.0	90.9%	9,530.8	9,530.8
Sundry Revenues	27.1	(45.9)	2,426.4	2,399.3	8853.5%	2,426.4	2,426.4
TOTAL REVENUE	658,416.9	637,709.9	595,653.4	(62,763.5)	(9.5%)	568,962.4	569,673.4
TOTAL NET EXPENDITURES	266,639.8	261,872.7	258,679.9	(7,959.9)	(3.0%)	290,199.9	295,129.9
APPROVED POSITIONS	758.9	758.9	763.9	5.0	0.7%	763.9	758.9

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
Social Housing Stabilization Reserve	XQ1106	Uncommitted December 31, 2009	7,817.1	0.0	0.0
		Proposed Withdrawals (-) / Contributions (+) **	(7,817.1)		
		Total Proposed Contributions (Withdrawals)	(7,817.1)	0.0	0.0
SOCIAL HOUSING STABILIZATION RESERVE XQ1106 BALANCE AT YEAR END			0.0	0.0	0.0

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
Social Housing Federal Reserve Fund	XR2105	Uncommitted December 31, 2009	22,061.1	2,823.5	0.0
		Proposed Withdrawals (-) / Contributions (+)	(19,237.6)		
		Total Proposed Contributions (Withdrawals)	(19,237.6)	0.0	0.0
SOCIAL HOUSING FEDERAL RESERVE FUND XR2105 BALANCE AT YEAR END			2,823.5	0.0	0.0