



STAFF REPORT ACTION REQUIRED

Toronto Community Housing Corporation 2007 – 2009 Community Management Plan

Date:	March 9, 2007
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

The City's Shareholder Direction to Toronto Community Housing Corporation (TCHC) requires TCHC to submit an annual Community Management Plan (CMP) to the City for comment. The CMP is a rolling three-year business plan including long-term business strategies, key multi-year targets and financial plans, but is not a detailed activity plan. The City's comments on the CMP are to be taken into consideration in preparing detailed action plans to be approved by TCHC's Board of Directors.

A review by staff indicates that the 2007 – 2009 CMP complies with the requirements of the Shareholder Direction. The CMP is an ambitious plan that proposes to improve housing for TCHC tenants and the services and activities TCHC undertakes. Through implementing the Plan, TCHC will help deliver on the Mayor's commitment to provide 1,000 new affordable housing units, especially through the revitalization of Regent Park. The CMP highlights the need for the City and TCHC to co-ordinate their capital programs on projects of mutual interest such as Regent Park, Lawrence Heights and the Railway lands. As part of its CMP, TCHC has requested a \$7 million annual increase to its funding. This request will be reviewed and reported on as part of the 2007 operating budget process.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council, in its role as Shareholder of the Toronto Community Housing Corporation, receive Toronto Community Housing Corporation's 2007 – 2009 Community Management Plan; and
2. the City Manager forward a copy of this report to the Board of Directors of the Toronto Community Housing Corporation as the City's comments.

FINANCIAL IMPACT

The recommendations in this report have no financial impact.

Through the submission of its 2007 – 2009 CMP, TCHC has requested a \$7 million increase to its annual operating subsidy. The City's operating agreement with TCHC does not include a mechanism to increase annual funding for the specific items identified in the 2007 – 2009 CMP. If the agreement were to be amended to allow for these items, the Shelter, Support and Housing Administration (SSHA) operating budget would have to increase by \$7 million annually to accommodate TCHC's request. This request from TCHC will be reviewed and reported on as part of the 2007 operating budget process.

EQUITY IMPACT

The CMP addresses the challenges faced by Toronto Community Housing and sets out actions that will help build and strengthen healthy communities. TCHC has a very diverse tenant population with over 70 languages spoken. Because of this diversity and the very low average household income, equity issues are very clear and very important to TCHC. The removal of systemic barriers and support for and accommodation of differences is vital to the work. Tenant participation in governance, support for youth programs and employment, translation and interpretation services and many other actions have been part of TCHC's approach since it came into existence.

There are a number of initiatives in the 2007 - 2009 CMP that continue the focus on improving equity. The diversity plan provides the framework for increasing diversity in the workforce so that it reflects the demographics of the community. A number of initiatives focus on improving social inclusion or reducing the barriers to participation. These include the development of pilot programs to address mental health and social isolation, anti-racism study circles that engage staff and tenants and the development of an accessibility plan that identifies priorities for investments in improving accessibility. Another set of initiatives work to create economic opportunities for tenants through setting goals and targets for tenant employment in contracted services and through programs focused on employment and education that provide opportunities and reduce barriers for youth within TCHC's communities.

DECISION HISTORY

City Council approved the Shareholder Direction to TCHC on October 2, 3 and 4, 2001. Section 9.1 requires TCHC to submit an annual Community Management Plan to the City for comment.

At its November 15, 2006 meeting, the TCHC Board of Directors approved the 2007 – 2009 Community Management Plan and authorized its submission to the City. A copy of TCHC’s letter to the City formally submitting the plan is included as Attachment 2. The draft version of the 2007 – 2009 Community Management Plan is included as Attachment 3. TCHC will submit the final version reflecting the City’s comments in the first quarter of 2007.

ISSUE BACKGROUND

TCHC is an arms-length corporation established by the City under the Ontario *Business Corporations Act*. TCHC owns and manages approximately 58,500 rental housing units in more than 2,000 buildings in 350 developments located across the City. Currently serving more than 164,000 tenants, TCHC’s mandate is to provide affordable housing for people with low and moderate incomes. TCHC is one of over 230 social housing providers in the City, operating under the *Social Housing Reform Act, 2000*. The Shelter, Support and Housing Division is the Service Manager that administers funding on behalf of the City and Province.

TCHC’s CMP provides a strategic framework for its operations and is required to outline the following:

- (a) anticipated results for the year in progress;
- (b) key issues facing TCHC;
- (c) strategies to resolve key issues facing TCHC;
- (d) aggregate budget estimates;
- (e) financial targets and performance measures;
- (f) service level targets and changes;
- (g) environmental and energy efficiency targets; and
- (h) major initiatives to be undertaken by TCHC in the medium and long term.

COMMENTS

TCHC’s CMP is an ambitious plan that proposes to improve housing for TCHC tenants and the services and activities TCHC undertakes. Through implementing the Plan, TCHC will help deliver on the Mayor’s commitment to provide 1,000 new affordable housing units, especially through the revitalization of Regent Park. The CMP highlights the need for the City and TCHC to co-ordinate their capital programs on projects of mutual interest such as Regent Park, Lawrence Heights and the Railway lands.

The CMP was circulated to a number of City divisions, the Affordable Housing Office, the Toronto Police Service, Toronto Public Library and Toronto Public Health. Their comments have been incorporated into this report and the commentary in Attachment 1.

Conclusions:

The City's Shareholder Direction requires that TCHC submit its Community Management Plan to Council for comment annually. A review by staff indicates that the 2007 – 2009 CMP complies with the requirements of the Shareholder Direction. TCHC's request for an increase in annual funding of \$7 million will be reviewed and reported on as part of the 2007 operating budget process.

CONTACT

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SIGNATURE

Shirley Hoy, City Manager

ATTACHMENTS

Attachment 1 – Staff Comments on Toronto Community Housing Corporation's 2007-2009 Community Management Plan

Attachment 2 – Transmittal Letter from TCHC Chief Executive Officer

Attachment 3 – 2007 – 2009 TCHC Community Management Plan

Attachment 1:

Comments on Toronto Community Housing Corporation's
2007 – 2009 Community Management Plan

TCHC Background:

The Community Management Plan (CMP) is “a rolling three-year business plan including long-term business strategies, key multi-year targets and financial plans, but not including detailed activity plans” that is to be submitted to the City annually for comment. It is designed to guide the management of TCHC’s operations and outlines the following:

- (a) anticipated results for the year in progress;
- (b) key issues facing TCHC;
- (c) key strategies to be implemented to resolve key issues facing TCHC;
- (d) aggregate budget estimates;
- (e) financial targets and performance measures;
- (f) service level targets and changes;
- (g) environmental and energy efficiency targets; and
- (h) major initiatives to be undertaken by TCHC in the medium and long term.

The Community Management Plan is a way for TCHC to identify the issues and directions affecting its management of its housing portfolio, including any proposals to convert to co-operative housing corporations or implement other forms of self-management.

Comments on 2007 – 2009 TCHC Community Management Plan:

TCHC’s CMP provides the strategic framework for the organization and is updated annually through a process that engages tenants, TCHC staff, community agencies, City staff, Councillors and other interested stakeholders. The directions set out in the CMP provide the underpinning for development of business plans by Community Housing Units, corporate business units, divisions and individual work and performance plans. The CMP also acts as an accountability tool for the City as shareholder.

TCHC’s CMP was developed with the input of over 1,100 stakeholders, including over 900 tenants, approximately 100 staff and 100 community partners. In addition, the plan was influenced by themes identified at building level meetings attended by over 6,800 participants. This stakeholder engagement has identified a number of areas of stakeholder concern including:

- a need to improve service standards, levels and approach;
- support for community engagement opportunities and a need to increase opportunities to have an impact on decision making;
- ongoing need for access to programs in Toronto Community Housing communities, primarily for seniors, youth and those facing mental health challenges;

- improved perceptions of safety and recognition of improved community safety, but with a continued need for a community safety focus;
- a need for improvements to buildings, especially in relation to repairs, cleanliness and kitchen and bathroom upgrades.

TCHC has organized the work of the organization into the following five focus areas. Each focus area in the plan has a specific set of outcomes attached to it with a number of initiatives aimed at achieving those objectives.

(1) Buildings

Based on input from tenants and staff as well as technical reviews, TCHC has identified five priority areas to improve and maintain its building stock:

- a lack of preventive maintenance is driving up operating costs and creating service interruptions;
- current pest control programs are not effective in addressing all infestations;
- sustained building cleanliness standards are not being achieved in all communities;
- unit interiors in older buildings are in poor condition, particularly bathrooms and kitchens;
- better capital planning and longer lasting repairs are needed.

Some of the actions that TCHC is taking to achieve a good state of repair, better service to tenants and a sustainable housing portfolio include:

- continuing its Building Renewal Program (\$100 million over 4 years for 19 communities);
- initiation of a Unit Refurbishment Program to upgrade bathrooms and kitchens (\$75 million over 3 years);
- initiation of a Maintenance Improvement Program to address issues related to preventative maintenance, pest control and building cleanliness;
- initiation of a service improvement program;
- continued revitalization of Regent Park and Don Mount Court; and
- initiation of the revitalization process for Lawrence Heights.

TCHC notes that, despite the above actions, the transfer of housing stock in poor condition that had not received property capital investment over a sustained period has resulted in a funding backlog estimated at \$300 million (2006) required to return all buildings and houses to a good state of repair.

The Fire Chief strongly encourages all future construction and major retrofit programs mandate the use of residential fire sprinkler systems in the interest of life safety, considering the history of fires in TCHC buildings.

(2) Communities

Building healthy communities is a key objective of TCHC and is reflected in its investment in community engagement, including its Tenant Participation System, tenant engagement in budget allocations, and the involvement of tenants in policy development and governance. Some of the key actions that TCHC is taking to promote social inclusion, community engagement and to create good places to live in 2007 include:

- initiating a mental health and social isolation program;
- annual investment in accessibility improvements and development of an Accessibility Plan;
- annual community investment of \$1 million through the Social Investment Fund;
- investment in green programs, including education and awareness programs for staff and tenants; and
- continued investment in community safety through community development work, capital investment and security services.

(3) Tenants

TCHC's consultations and tenant surveys indicate the need for tenant-focused strategies addressing a lack of sustainable economic opportunities for tenants, especially youth and seniors. TCHC's focus on connecting individuals with the services and supports they require, rather than to be a primary service provider. Programs to meet these objectives include:

- leveraging its procurement process to facilitate tenant-owned businesses,
- promoting opportunities for youth such as scholarships and internships;
- initiating changes to its Children and Youth Services to better meet the needs of youth; and
- development of a Seniors' Strategy.

(4) Organization

TCHC staff, with the support of unions and management, have identified key indicators and measures of a healthy workplace. As TCHC matures since its creation in 2002, it plans to continue to work to create a healthy organization by:

- staff engagement in building a healthy workplace;
- building organizational capacity through skills development;
- increasing workplace diversity through a Diversity Plan;
- reviewing governance structures and systems to enhance performance measurement, planning and reporting processes; and
- developing the organization's learning capacity by undertaking research and advocacy.

(5) Finances

TCHC's rental revenues have not increased at the rate of cost inflation, while some building operating costs (e.g., energy) have risen even faster than the Consumer Price Index. Over the past four years, TCHC has focused on improving the cost effectiveness of operations, reducing utility expenses, and making capital investments that reduce long-term operating expenses. The resulting savings and increases in non-rental revenues have created cash flow that can support an additional \$90 million in debt through its corporate debt placement program to fund deferred maintenance and repairs. TCHC has applied for and received an AA- debt rating from the debt rating agency Standard and Poors which will assist its capital financing strategy but TCHC must remain vigilant to ensure that its cash flow supports debt repayment. TCHC plans to continue to apply improved financial controls and to pursue opportunities to increase revenue such as by managing rent-geared-to-income and commercial revenues.

In the first year of this plan, TCHC plans to spend over \$487 million in the areas of housing operations, \$56 million to invest in communities and the organization, and an additional \$138 million for capital repairs for a total investment of \$682 million towards meeting its mandate. However, with annual housing revenues of \$569 million, this plan leaves TCHC with a shortfall of \$113 million to implement this plan. TCHC plans to meet this financing need by the carry forward of unspent Building Renewal Program funding (\$18 million), withdrawals from reserves (\$33 million) and additional third-party debt financing (\$62 million).

TCHC's 2007 – 2009 CMP includes a request for a \$7 million increase to its annual operating subsidy. The City's funding agreement with TCHC does not include a mechanism to increase annual funding for the specific items identified in the CMP. If the agreement were to be amended to allow for these items, the Shelter, Support and Housing Administration (SSHA) operating budget would have to increase by \$7 million annually to accommodate TCHC's request.