

**Analyst Briefing Notes
Budget Committee
(October 30, 2008)**

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PART I: CAPITAL PROGRAM**Executive Summary**

- The 2008 Approved Capital Budget of \$8.828 million was 19%, or \$1.630 million spent as of June 30, 2008. Actual expenditures by year-end are projected to be \$7.058 million or 80% of the 2008 Approved Capital Budget. Under spending is primarily attributed to delays in the final construction phase of the 129 Peter Street Shelter and Referral Centre (with completion scheduled for December), and implementing two IT projects. Spending on both the Shelter Management Information System (SMIS) and the Social Housing Administration System (SHAS) will accelerate in the 3rd quarter, once user acceptance testing and the pilot phase of SMIS is finalized, and once the staff recruitment for SHAS has been completed. Of the unspent balance, \$1.220 million in funding is projected to be carried forward in 2009 to complete 2008 projects.
- The 2009 Recommended Capital Budget; the 2010 to 2013 Recommended Capital Plan and the 2014 to 2018 Proposed Forecast total \$31.959 million, of which \$15.959 million is included in the Program's 5-Year Capital Plan, requiring cash flow of \$3.647 million in 2009; \$2.712 million in 2010; \$3.2 million in 2011; \$3.2 million in 2012; and \$3.2 million in 2013. \$16.0 million is proposed for the 2014 – 2018 period. The 5-Year Capital Plan is below the debt target by \$0.2 million in 2009, and \$0.3 million in 2010.
- The 2009 Recommended Capital Budget; is allocated 80% to Service Improvement and Enhancement, and 20% to State of Good Repair; the 2010 to 2013 Recommended Capital Plan ; is allocated 69% to Service Improvement and Enhancement, and 31% to State of Good Repair; and the 2014 to 2018 Proposed Forecast ; is allocated 72% to Service Improvement and Enhancement, and 28% to State of Good Repair,
- The 10-Year Capital Plan and Forecast includes future year estimates of \$7.712 million in the 2010-2013 period, and \$11.5 million in the 2014-2018 period for Shelter redevelopment initiatives, which will be identified through feasibility studies that review existing sites and other City owned properties for redevelopment opportunities. Also included are ongoing SOGR projects of \$3.4 million in the 2010-2013 period, and \$4.5 million in the 2014-2018 period for in the City's 16 operated/ leased shelters.
- The Recommended 5-Year Capital Plan will fund a number of projects, including the completion of the Social Housing Administration System to improve the reporting, compliance and budgeting reporting for the Social Housing unit; maintain the SOGR for the City's 16 owned/ leased emergency shelters; complete the construction of the 129 Peter Street Shelter, Assessment and Referral Centre; develop the Shelter Plan that aligns the future shelter development with the Housing Opportunities Toronto (HOT) framework; create two new data base systems to enhance both the tracking of affordable housing projects and the grant applications processing as part of the Residential Rehabilitation Assistance Program.

- The 2009 Recommended Capital Budget includes:
 - commitments for previously approved projects and new/ change in scope projects requiring 2009 cash flow of \$3.647 million. This cash flow combined with carry forward funding of \$1.220 million for 2008 projects brings the total 2009 Recommended Capital Budget to \$4.867 million, and will require future year commitments of \$1.0 million in 2010, and \$0.2 million in 2011.
- The 2009 Recommended Capital Budget will provide funding for the following new projects:
 - \$0.950 million for ongoing SOGR maintenance in the City's 16 operated/ leased shelters;
 - \$0.6 million to complete the construction of the 129 Peter Street Shelter & Referral Centre, including adding a green wall and interior security/privacy enhancements;
 - \$0.350 million to develop a Shelter Plan study that informs the future years' Shelter Development plans; and
 - \$0.3 million for two new IT systems in the Affordable Housing Office that will create databases that track both the status of affordable housing development projects, and grant applications through the Residential Rehabilitation Assistance Program.
- The 2009 Recommended Capital Budget requires additional ongoing operating costs of \$0.871 million in 2011 to sustain the Social Housing Administration System for the addition of 7 positions, required to provide ongoing upgrades and maintain the new reporting system.
- The Recommended 5-Year Capital Plan does not include growth related projects, and consequently, does not receive development charge funding.
- The 2009 Recommended Capital Budget; the 2010 to 2013 Recommended Capital Plan and the 2014 to 2018 Proposed Forecast includes funding of \$8.850 million for SOGR maintenance in the City's 16 operated/ leased shelters that will fund ongoing facility repair/ replacement initiatives. The SOGR backlog remains at \$2.8 million throughout the 10-Year Plan.
- The Recommended 5-Year Capital Budget advances Council's priorities, through including \$0.350 million for a study that informs the development of a Shelter Plan, which will align shelter development with the Housing Opportunities Toronto (HOT) plan, and \$0.3 million to create a living green wall, which provides passive shading and reduces water run-off for the 129 Peter Street Shelter, Assessment and Referral Centre.
- The Recommended 2009 Capital Budget includes \$0.350 million for a shelter plan study that will align the program's future year development requirements with "housing first solutions" and with the Housing Opportunities Toronto framework. A report will be presented to Community Development and Recreation Committee prior to the 2010 Capital Budget process that outlines the findings of the shelter redevelopment plan, including the details of the future-year development requirements.

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

- (1) Council approve the 2009 Recommended Capital Budget for Shelter, Support and Housing Administration with a total project cost of \$2.2 million and a 2009 cash flow of \$4.867 million and future year commitments of \$1.2 million. The Recommended Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) five new and one change in scope sub-projects with a total project cost of \$2.2 million that requires cash flow of \$2.2 million in 2009;
 - ii) two previously approved sub-projects with a 2009 cash flow of \$1.447 million and future year commitments of \$1.0 million in 2010 and \$0.2 million in 2011; and
 - b) 2008 approved cash flow for two previously approved sub-projects with carry forward funding from 2008 into 2009 totalling \$1.220 million.
- (2) Council approve new debt service costs of \$0.050 million in 2009 and incremental costs of \$0.210 million in 2010 resulting from the approval of the 2009 Recommended Capital Budget to be included in the 2009 Operating Budget and future year operating budgets;
- (3) Council approve the 2010-2013 Capital Plan for Shelter, Support and Housing Administration totalling \$11.112 million in project estimates, comprised of \$1.712 million in 2010; \$3.0 million in 2011; \$3.2 million in 2012; and \$3.2 million in 2013;
- (4) Council approve in principle the 2014-2018 Capital Forecast for Shelter, Support and Housing Administration totalling \$16.0 million in project estimates, comprised of \$3.2 million in 2014; \$3.2 million in 2015; \$3.2 million in 2016; \$3.2 million in 2017; and \$3.2 million in 2018 be approved; and that this forecast be used as a foundation for preparing a 2010-2019 Capital Plan and Forecast as part of the 2010 Capital Budget process;
- (5) Council consider the operating impacts of \$0.871 million for 2011 that emanate from the approval of the 2009 Recommended Capital Budget to be included in the Shelter, Support and Housing Administration's 2009 Operating Budget and future years' operating budgets; and,
- (6) Prior to the 2010 Capital Budget process, the General Manager of Shelter, Support and Housing Administration report to Community Development and Recreation Committee and Budget Committee on the details of redeveloping the emergency shelter system in connection with the implementation of the Housing Opportunities (HOT) framework, once the \$0.350 million shelter plan study has been finalized.

2008 Capital Variance Review

2008 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2008 Approved	Actuals as of June 30 (2nd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
8,828	1,630	18.5%	7,058	80%	1,770

Comments / Issues:

At the end of the 2nd quarter, Shelter, Support and Housing Administration (SSHA) spent \$1.630 million or 18.5% of its 2008 Approved Capital Budget of \$8.828 million.

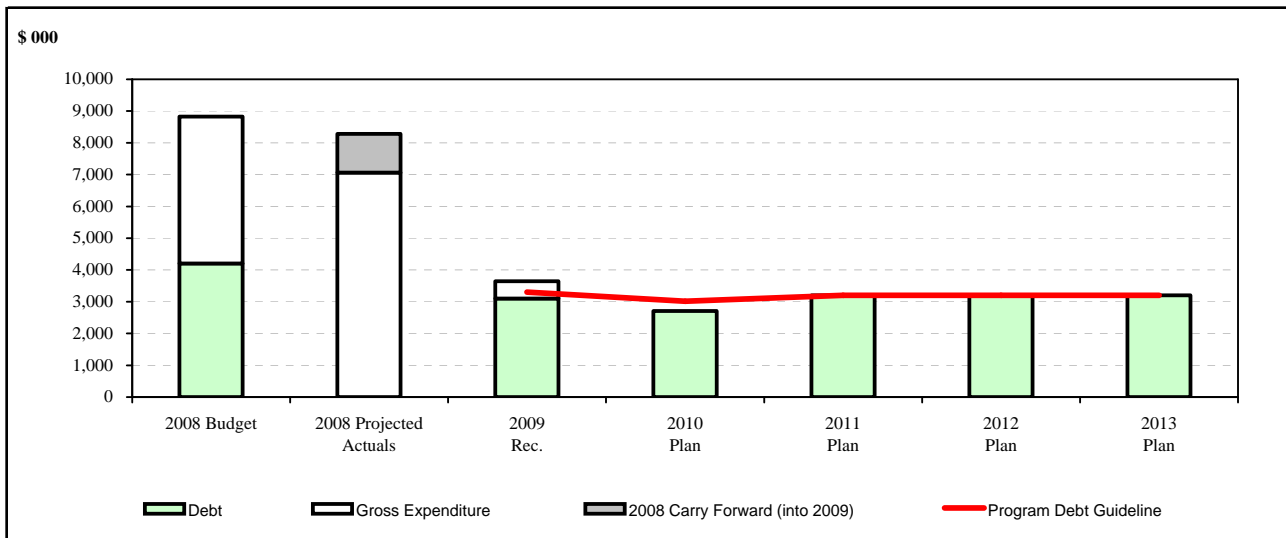
The Program is projecting to spend \$7.058 million or 80.0% of its 2008 Approved Capital Budget by year end. Of the unspent balance, \$1.220 million in funding is projected to be carried forward in 2009 to complete 2008 projects.

Spending is on target for the three previously approved shelter projects: Bethlehem United Shelter for \$0.639 million; Eva's Youth Shelter for \$1.927 million; and 129 Peter Street Shelter and Referral Centre for \$2.067 million. The capital maintenance projects in the City owned and leased shelters for \$0.707 million are also on target. The projected completion of these projects results in an improvement over past years spending rates (2007 at 70%; 2006 at 54%).

Projected under spending at year-end is attributed to SSHA's two IT projects and the HVAC upgrade at Seaton House:

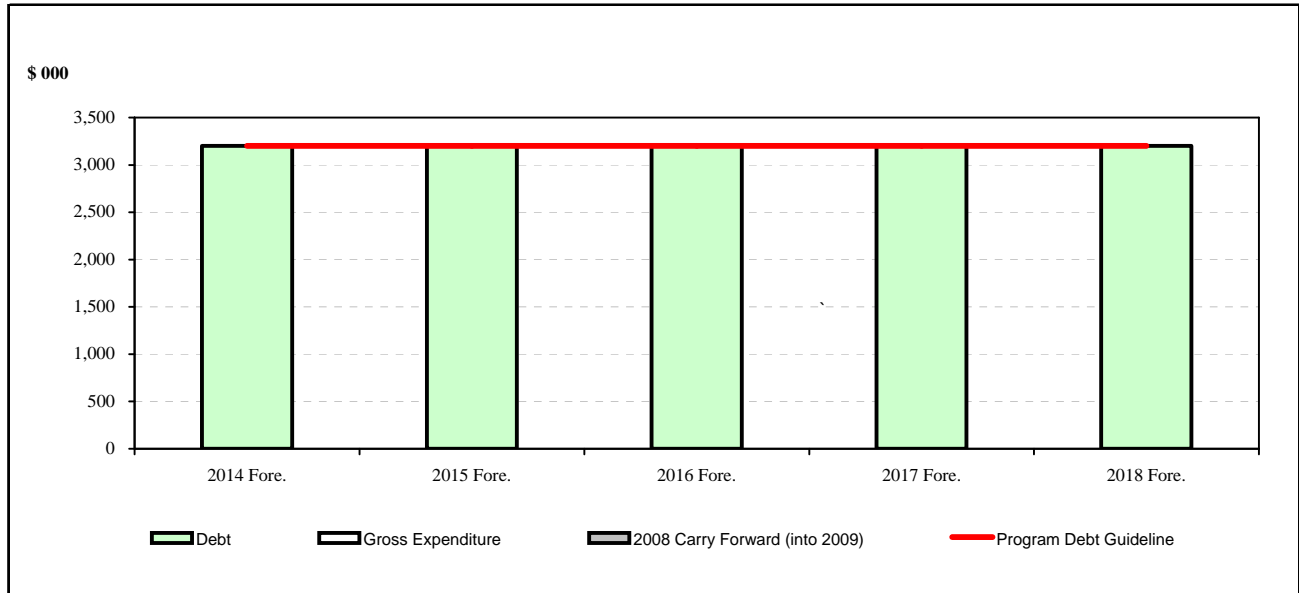
- The Shelter Management Information System is projected to be under spent by \$0.744 million, as the pilot phase of the system implementation will not be completed until early 2009;
- The Social Housing Administration System is projected to be under spent by \$0.476 million, due to delays in hiring development staff, which should be completed in the fall; and
- The Seaton House HVAC Upgrade has been deferred. Under spending is projected to be \$0.550 million, as engineering studies have indicated that the proposed system will require funding that is considerably greater than budget.

5-Year Capital Plan (2009-2013)



	2008		5-Year Capital Plan					2009-2013	5-Year Total Percent
	Budget	Projected Actual	2009	2010	2011	2012	2013		
	Gross Expenditures:								
2008 Capital Budget & Future Year Commitments	8,828	7,058	2,047	600				2,647	
Recommended Changes to Commitments			(600)	400	200			0	
2009 New/Change in Scope and Future Year Commitments			2,200					2,200	
2010 - 2013 Capital Plan Estimates				1,712	3,000	3,200	3,200	11,112	
1-Year Carry Forward to 2009		1,220	→						
Total Gross Annual Expenditures & Plan	8,828	8,278	3,647	2,712	3,200	3,200	3,200	15,959	
Program Debt Target	4,021		3,300	3,012	3,200	3,200	3,200	15,912	
Financing:									
Recommended Debt	4,201		3,100	2,712	3,200	3,200	3,200	15,412	97%
Reserves/Reserve Funds	385							0	0%
Development Charges	365							0	0%
Federal	1,273							0	0%
Provincial			200					200	1%
Other Revenue	2,604		347					347	2%
Total Financing	8,828		3,647	2,712	3,200	3,200	3,200	15,959	100%
By Category:									
Health & Safety	2,477							0	0%
Legislated								0	0%
SOGR	707		950	700	900	900	900	4,350	27%
Service Improvement	5,644		2,697	2,012	2,300	2,300	2,300	11,609	73%
Growth Related								0	0%
Total By Category	8,828		3,647	2,712	3,200	3,200	3,200	15,959	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)			0	0	0	0	0	0	
Accumulated Backlog Estimate (end of year)			2,800	2,800	2,800	2,800	2,800	2,800	
Operating Impact on Program Costs					871			871	
Debt Service Costs			50	253	255	395	416	1,369	

5-Year Capital Forecast (2014-2018)



	5-Year Capital Forecast							10-Year Total Percent
	2014	2015	2016	2017	2018	2014-2018	2009-2014	
Gross Expenditures:								
2008 Capital Budget & Future Year Commitments						0	2,647	
Recommended Changes to Commitments						0	0	
2009 New/Change in Scope and Future Year Commitments						0	2,200	
2014 - 2018 Capital Forecast Estimates	3,200	3,200	3,200	3,200	3,200	16,000	27,112	
Total Gross Annual Expenditures & Plan	3,200	3,200	3,200	3,200	3,200	16,000	31,959	
Program Debt Target	3,200	3,200	3,200	3,200	3,200	16,000	31,912	
Financing:								
Recommended Debt	3,200	3,200	3,200	3,200	3,200	16,000	31,412	98%
Reserves/Reserve Funds						0	0	0%
Development Charges						0	0	0%
Federal						0	0	0%
Provincial						0	200	1%
Other Revenue						0	347	1%
Total Financing	3,200	3,200	3,200	3,200	3,200	16,000	31,959	100%
By Category:								
Health & Safety						0	0	0%
Legislated						0	0	0%
SOGR	900	900	900	900	900	4,500	8,850	28%
Service Improvement	2,300	2,300	2,300	2,300	2,300	11,500	23,109	72%
Growth Related						0	0	0%
Total By Category	3,200	3,200	3,200	3,200	3,200	16,000	31,959	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)	0	0	0	0	0	0	0	
Accumulated Backlog Estimate (end of year)	2,800	2,800	2,800	2,800	2,800	2,800	2,800	
Operating Impact on Program Costs						0	871	
Debt Service Costs	416	416	416	416	416	2,080	3,449	

10 Year Capital Plan and Forecast Overview

- Shelter, Support and Housing Administration's 10 Year Plan and Forecast of \$31.959 million, with debt funding of \$31.412 million, is below the debt target of \$31.912 million by \$0.5 million.
- The 10 Year Capital Plan and Forecast provides funding for the following:
 - support for the shelter redevelopment that will focus on developing existing shelter sites to include supportive and affordable housing initiatives that align with the HOT framework. As the focus of Shelter Services has shifted from providing short-term emergency shelter for the homeless to finding permanent housing solutions. Through capital initiatives, the Program is exploring ways of changing the use of its existing infrastructure (land and buildings), to co-locate affordable housing and supportive housing services that could provide a greater benefit to residents with lower incomes;
 - provide ongoing SOGR maintenance for the City's 16 owned and leased shelters, including replacement of flooring, kitchen and bathroom repairs, HVAC and electrical upgrades;
 - complete the design of the Social Housing Administration System to provide budgeting, compliance and reporting efficiencies for the Social Housing unit, and design two new IT systems for the Affordable Housing Office that use a data-base to track the status of affordable housing projects, and track grant applications and funding as part of the Federal Residential Rehabilitation Assistance Program; and
 - complete the upgrades at the 129 Peter Street Shelter and Referral Centre, including the streetscape initiative, and adding a green wall that provides passive shading and reduces water-run-off.
- The 10 Year Capital Plan and Forecast is 72% allocated to Service Improvement at \$23.109 million; 28% allocated to State of Good Repair projects at \$8.850 million.
- The 10 Year Capital Plan and Forecast is funded from debt for \$31.412 million or 98%; Other Revenue for \$0.347 million or 1%; and Provincial subsidies for \$0.2 million or 1%.

Multi-Year Debt Affordability Target

The Recommended 5-Year Capital Plan and Proposed 5-Year Capital Forecast is below the debt target by \$0.5 million (\$0.2 million in 2009, and \$0.3 million in 2010).

Project Financing

The Recommended 5-Year Capital Plan is 97% or \$15.412 million debt funded, with \$0.347 million in Section 37 funding for the previously approved streetscape initiative at the 129 Peter Street Shelter, and \$0.2 million in Provincial funding for the Affordable Housing Data Tracking System.

Over the 10 year period, debt comprises 98% of the capital funding, while the Section 37 funding of \$0.347 million and \$0.2 million in Provincial funding comprise a total of 2%.

Development Charge Funded Projects

The Recommended 5-Year Capital Plan and Proposed 5-Year Capital Forecast do not include growth related projects, and consequently, does not receive development charge funding.

State of Good Repair (SOGR) and Backlog of Unmet Service Needs

State of Good Repair: The City owns 16 shelter sites, eight of which are City Operated Sites, and eight are purchase-of-service programs located in City facilities that are leased to shelter operators. The Program has established of its State of Good Repair maintenance backlog, estimated to be \$2.800 million at the end of 2008.

The Recommended 5-Year Capital Plan and 5-Year Proposed Forecast includes funding of \$0.950 million in 2009; \$3.4 million in the 2010-2013 period; and \$4.5 million in the 2014-2019 period for a total of \$8.850 million in SOGR for the City owned/ leased shelters. Based on the current assessments, the Program does not anticipate reducing the backlog over the 10-year term below \$2.8 million, as the 10-Year Capital Plan and Forecast only includes funding for on-going maintenance and emergency repair work.

Program Capacity and Readiness to Proceed

Past years' spending rates for Shelter Support and Housing Administration (2007 70%; 2006 54%; and 2005 17.5%) have been impacted by delays in completing new City shelters, and developing two major IT projects. Spending projections for 2008 are projected to be 80%, including carry forward funding of \$1.220 million for the IT projects.

In past years, Program spending was impacted by the need for community consultation, selection of shelter operators, and often the need to seek Ontario Municipal Board approvals before the Shelter projects could proceed. Since 2005, Bethlehem United, Eva's Youth have been completed, and the 129 Peter Street Shelter and Referral Centre will be substantially completed in December.

With the completion of the three City shelters in 2008 and 2009, the focus of the Program's capital budget has changed from large construction projects, to a smaller program that advances the state of good repair maintenance for City owned/ leased shelters, and continued IT development.

Historically, spending rates for SOGR maintenance projects have been improving, as the program continues the development of a maintenance plan that focuses on replacing windows and flooring, bathroom and kitchen upgrades, HVAC and other mechanical upgrades. In 2008, the Program is projecting to spend the full SOGR budget of \$0.707 million.

Beyond 2009, the future-year's shelter development/ redevelopment project for \$7.712 million will become the largest component of the capital Program. The future direction of the Program will depend on the outcome of a shelter plan study that will inform the future-year shelter development/ redevelopment.

As the shelter plan for development/ redevelopment is only in the preliminary stages, until the study has been completed, and the plan developed and approved, the Program's capacity to spend will be

measured by smaller projects that are not impacted by the same type of delays experienced with the construction of emergency shelters.

Changes to the 5-Year Capital Plan (2009-2013)

The 2009-2013 Recommended Capital Plan is virtually unchanged, with only one project change to the 2008-2012 Approved Capital Plan with the 2009-2013 Recommended Plan:

- Cash flow for the Social Housing Administration System that was previously approved for \$0.6 million in 2009, has now been delayed to 2010 (\$0.4 million) and to 2011 (\$0.2 million), reflecting difficulties in hiring qualified programming staff, which has pushed back the completion date of this project to 2011.

Capital Projects Highlights

Shelter Support and Housing Administration's Recommended 5-Year Capital Plan supports the following strategic priorities:

Creating 1,000 units of affordable housing each year

Shelter Support and Housing Administration's Recommended 5-Year Capital Plan includes \$0.350 million for a study that will inform the development of a Shelter Plan, which will focus on the changing direction of Shelter Services development needs, and align the redevelopment with the Housing Toronto Opportunities (HOT) Plan.

SSHA has included \$7.712 million for 2010 through 2013 as a future-year redevelopment project (a proposal that uses the debt target previously allocated to SSHA) to explore ways to maximize the potential of the land it owns and properties it leases to community agencies for redevelopment. The redevelopment may include supportive and affordable housing initiatives, as the Program is changing its focus from providing emergency shelter to providing emergency shelter with affordable and supportive housing solutions.

A Greener City

The Recommended 5-Year Capital Plan supports the strategic priority to "ensure ecologically friendly buildings" by including \$0.3 million in 2009 for the construction of a living green wall, which provides passive shading and reduces water run-off for the 129 Peter Street Shelter and Referral Centre.

Summary of Major Capital Initiatives

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 -2018 Forecast	2009 -2018 Total
New & Expanded Facility Projects								
129 Peter Street Shelter and Referral Centre Shelter Development/Redevelopment	947.0	1,012.0	2,100.0	2,300.0	2,300.0	947.0 7,712.0	11,500.0	947.0 19,212.0
IT Projects								
Social Housing Administration System	1,100.0	1,000.0	200.0			2,300.0		2,300.0
Affordable Housing Data Tracking System	200.0					200.0		200.0
RRAP Tracking and Monitoring System	100.0					100.0		100.0
Sub-Total	2,347.0	2,012.0	2,300.0	2,300.0	2,300.0	11,259.0	11,500.0	22,759.0
Other Major City Initiatives:								
Sub-Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	2,347.0	2,012.0	2,300.0	2,300.0	2,300.0	11,259.0	11,500.0	22,759.0

- For 2009, funding of \$0.947 million is required to complete the streetscape, green wall and security features for the 129 Peter Street Shelter, Assessment and Referral Centre. The shelter and referral centre are scheduled to open in December 2008. These upgrades will be completed after the facility opens.
- Over the next three years \$2.6 million is allocated for the completion of IT projects, including the previously Social Housing Administration System, (scheduled for completion in 2011), and two new projects for the Affordable Housing Office. The Affordable Housing Data Tracking System project for \$0.2 million will create a data-base to track the development of the City's Affordable Housing Projects, and the RRAP Tracking and Monitoring System for \$0.1 million will also create a data-base to track the status of applications and grants for renovations of existing housing stock as part of the Federal Housing Improvement Program
- The 2009 Recommended Capital Budget includes \$0.350 million to fund a study to develop a Shelter plan that informs the Program's redevelopment activities; the Recommended 5-Year Capital Plan and the Proposed 5-Year Capital Forecast include \$19.212 million to fund shelter redevelopment/ development initiatives.

**Operating Budget Impact - 10-Year Plan & Forecast
Incremental Operating Impact Summary**

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 - 2018 Forecast	2009-2018 Total
2009 Recommended Capital Budget								
Program Costs (net)						0.0		0.0
Approved Positions						0.0		0.0
Debt Service Costs	50.0	210.0	0.0	0.0	0.0	260.0	0.0	260.0
Recommended 2010-2013 Capital Plan								
Program Costs (net)			871.0			871.0		871.0
Approved Positions			7.0			7.0		7.0
Debt Service Costs	0.0	42.8	254.8	395.0	416.0	1,108.6	0.0	1,108.6
Proposed 2014-2018 Capital Forecast								
Program Costs (net)						0.0		0.0
Approved Positions						0.0		0.0
Debt Service Costs							2,080.0	2,080.0
Total								
Program Costs (net)	0.0	0.0	871.0	0.0	0.0	871.0	0.0	871.0
Approved Positions	0.0	0.0	7.0	0.0	0.0	7.0	0.0	7.0
Debt Service Costs	50.0	252.8	254.8	395.0	416.0	1,368.6	2,080.0	3,448.6

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

The 2011 projected operating cost of \$0.871 million is primarily the result of the addition of seven approved positions required to sustain the new IT system, once the Social Housing Administration System becomes fully operational. This project will improve the Program’s ability to administer day-to-day operations, as well as its budgeting, planning, risk management and compliance reporting. A Briefing Note will be distributed at the Budget Committee Wrap-Up Meeting on November 17 , commenting on the efficiencies to be brought about by the Social Housing Administration System.

New incremental debt service costs for the 2009 Recommended Capital Budget total \$0.260 million, with new debt service costs for the Recommended 5-Year Capital Plan totalling \$1.369 million. New debt service costs for the Proposed 5-Year Capital Forecast total \$2.080 million.

Future-year operating impacts identified through development initiatives outlined in the shelter plan have not been determined at this time, as the configuration of beds in the current shelter sites may change through redevelopment initiatives. Potential future year operating impacts will be included in the 2010 Capital Budget submission for SSHA.

Total 2009 Recommended Cash Flow & Future Year Commitments (\$000s)

	2007 & Prior Year Carry Forwards	2009 Previously Approved Cash Flow Commitments	2009 New Cash Flow Recommended	2009 Total Cash Flow Recommended	2009 Debt Target	2008 Carry Forwards	Total 2009 Cash Flow (Incl 2008 C/Fwd)	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Cost
Expenditures																	
Previously Approved		1,447		1,447		1,220	2,667	1,000	200								3,867
Change in Scope			600	600			600										600
New			1,600	1,600			1,600										1,600
New w/Future Year				-			-										0
Total Expenditure	-	1,447	2,200	3,647	3,300	1,220	4,867	1,000	200	-	-	-	-	-	-	-	6,067
Financing																	
Reserves/Res Funds																	0
Development Charges																	0
Other		347	200	547		1,220	1,767										1,767
Debt		1,100	2,000	3,100			3,100	1,000	200								4,300
Total Financing	-	1,447	2,200	3,647	-	1,220	4,867	1,000	200	-	-	-	-	-	-	-	6,067

Comments / Issues:

- The 2009 Recommended Capital Budget for Shelter Support and Housing is \$4.867 million gross, comprised of \$1.447 million in funding for previously approved project commitments; \$2.2 million for new / change in scope projects; and \$1.220 million in carry forward funding from 2008 to 2009. Approval of the 2009 Recommended Capital Budget will result in commitments of \$1.0 million in 2010; and \$0.2 million in 2011, required for the Social Housing Administration System, which is scheduled for completion in 2011.
- The 2009 Recommended Capital Budget requires new funding of \$2.2 million for the following projects: \$0.950 million for Capital Repairs/Replacement for City Operated & Leased Shelters; \$0.6 million for 129 Peter Street Shelter & Referral Centre to add a green wall and interior security/privacy enhancements for clients; and \$0.350 million for the Shelter Plan study for future years' Shelter Development/Redevelopment; \$0.2 million for the Affordable Housing Data Tracking System; and \$0.1 million for the RRAP Tracking and Monitoring System.
- The 2009 capital financing is comprised of new debt funding of \$2.0 million; a new Provincial grant \$0.2 million for an IT system for the Affordable Housing Office; previously approved funding of \$1.220 million from Capital from Current; previously approved debt of \$1.1 million; and previously approved funding of \$0.347 million from a Section 37 Agreement for the 129 Peter Street Shelter and Referral Centre.

2009 Recommended Capital Budget

2009 Recommended Capital Budget versus Debt Target

The 2009 Recommended Capital Budget for Shelter Support and Housing Administration is under the 2009 debt target of \$3.3 million by \$0.2 million, and is under the 2010 target of \$3.712 million by \$0.3 million.

Capital Budget by Project Categories

The 2009 Recommended Capital Budget of \$4.847 million is allocated to \$0.950 million or 20% for state of good repair for capital repairs to the 16 City owned/ leased shelters.

The 2009 Recommended Capital Budget is also allocated to 80% or \$3.897 million to five service improvement and enhancement projects: to complete the Social Housing Administration IT system for \$2.3 million; to complete the construction of the streetscape and new funding for the green wall/- security enhancements for 129 Peter Street Shelter, Assessment and Referral Centre for \$0.947 million; new funding for the Shelter Plan study for future-year shelter development/redevelopment for the City's shelters system for \$0.350 million; new funding to develop a data-base to track the City's Affordable Housing projects, and for a study to determine the business and system requirements to design a Web-based tracking system for the Affordable Housing Office for \$0.2 million; and new funding for the RRAP Activity and Tracking and Monitoring System for \$0.1 million to develop a data-base to track funding applications and grants for upgrades to existing housing stock as part of the Federal Housing Improvement Program.

Capacity and Readiness to Proceed

In past years, Program spending has been impacted by the construction of three shelters: Bethlehem United, Eva's Youth, and the 129 Peter Street Shelter, Assessment and Referral Centre. Past spending has been impacted by the need for community consultation, the selection of shelter operators, and often the requirement to seek Ontario Municipal Board approvals before the Shelter projects could proceed.

The 2008 Approved Capital Budget included commitments for the construction of three shelters: Bethlehem United, Eva's Youth, and the 129 Peter Street Shelter, Assessment and Referral Centre. Bethlehem United was completed in 2007, with final payments budgeted for 2008. Eva's Youth is scheduled for completion by the end of 2008. The 129 Peter Street Shelter and Referral Centre is scheduled to open in December 2008, with final project completion by mid-year 2009.

Program spending rates has also been impacted by the delay in the completion of the two IT projects, as both projects have funding being carried forward from 2008 to 2009 totalling \$1.220 million. The Shelter Management Information System is now scheduled for deployment starting in 2009, and the spending rates for the Social Housing Administration Information System will improve, as the recruitment of the development team has been completed.

The 2009 Capital Budget is comprised of smaller projects that feature SOGR maintenance projects for the City's operated and leased shelters that focuses on replacing windows and flooring, bathroom and kitchen upgrades and other mechanical upgrades in the City's 16 operated/ leased shelters. As well the program is proceeding with the development of three IT systems, and completing the construction of the 129 Peter Street Shelter, Assessment and Referral Centre.

PART II: ISSUES FOR DISCUSSION**5-Year Capital Plan Issues****Emerging Priorities**

SSHA's operational support function includes a Mass Care Response Unit that requires the co-ordination of the movement of people into safe shelter at the site of emergencies. Providing 'curb-side assistance' to the evacuees is the most effective way of providing community support. In the past year, the Program's Emergency Mass Care unit has responded to three significant emergencies: the fire at Queen Street West, the Secord Street apartment evacuation, (the result of a hydro vault explosion in an East York high-rise), and the Sunrise Propane explosion. SSHA works with fire services, police, EMS, and with organizations like the Red Cross and the Salvation Army to deliver a timely and coordinated response to community emergencies.

A report that outlines the City's emergency response plans will be presented to the Public Works and Infrastructure Committee in January, 2009. At that time a policy will be reviewed that outlines how program response to emergencies can be best co-ordinated throughout the City, including the required resources.

Shelter Redevelopment Project

The 5-Year Recommended Capital Plan includes \$0.350 million in 2009 to fund a Shelter Plan that will review future shelter development requirements, with a focus on the changing direction of Shelter's emergency service delivery needs and aligning shelter development with the Housing Opportunities Toronto framework.

The focus of the SSHA's 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 residents with lower incomes (such as health care centres, employment sites and day care) to existing shelter sites.

Future-year estimates for shelter redevelopment of \$7.712 million are included in the 2010-2013 period and \$11.5 million in the 2014-2018 period. These estimates are place-holders for possible redevelopment projects.

The Program will conduct feasibility studies to determine which existing shelter sites are best suited for redevelopment. After the sites have been identified, the Program will then seek approval to redevelop these properties, replacing specific existing City shelters. Once the plan has been completed, SSHA will revise its 5-Year Capital Plan and 5-Year Forecast cash flow as part of the 2010 Capital Budget submission to reflect specific redevelopment initiatives.

A report will be presented to Committee prior to the 2010 Capital Budget process that outlines the findings of the \$0.350 million shelter plan, including details of the future development.

Unmet Service Requirements

Due to funding limitations, the Program has included one project as an unmet need in the 2009 Capital Budget Submission. This proposal is part of the community out-reach through the Housing Opportunities Toronto Plan, and recognizes the need to purchase an existing property (such as an older hotel) for future redevelopment, while at the same time providing the community with a facility that can provide a matrix of services, such as drop-in services and emergency health care for the homeless and for those at risk of homelessness. The \$4.0 million proposal is debt funded and is also viewed as a hedge against affordability, given the rapid redevelopment in the downtown core.

It is recommended that SSHA include the details of this project as part of the report to Community Development and Recreation Committee that outlines the findings of the \$0.350 million shelter plan study for the HOT plan.

Appendix 1

**2009 Recommended Capital Budget; 2010 to 2013 Plan
and 2014 to 2018 Forecast**

Appendix 2

2009 Recommended Cash Flow and Future Year Commitments

Appendix 3
2009 Recommended Capital Projects
with Financing Details