



STAFF REPORT ACTION REQUIRED

Toronto Community Housing Corporation 2008 – 2010 Community Management Plan

Date:	June 5, 2008
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.

Toronto Community Housing's 2008 – 2010 Community Management Plan updates the priorities, outcomes and targets set out in its 2007 Plan and includes new initiatives developed as a result of that plan and complies with the requirements of the Shareholder Direction. The 2008 Plan proposes to improve TCHC's buildings and communities and highlights TCHC's efforts to align its city building plans with the City's affordable housing goals.

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 2008 – 2010 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 on the Plan.

FINANCIAL IMPACT

The recommendations in this report have no financial impact.

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 low average household income, equity issues are important to TCHC. The removal of systemic barriers and support for and accommodation of differences is vital to its 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 2008 – 2010 CMP that continue TCHC's focus on improving equity. Implementation of TCHC's diversity plan will provide a framework to increase the diversity of its workforce to reflect the demographics of the community. A number of other initiatives focus on improving social inclusion or reducing barriers to participation. These include pilot programs to address mental health and social isolation, anti-racism study circles that engage staff and tenants and an accessibility plan that identifies priorities for investments in improving accessibility. Another set of initiatives are intended to create economic opportunities and reduce barriers for tenants and youth through employment in contracted services and internship and mentoring programs.

DECISION HISTORY

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

At its December 14, 2007 meeting, the TCHC Board of Directors approved its 2008 – 2010 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. TCHC's draft 2008 – 2010 Community Management Plan is included as Attachment 3.

ISSUE BACKGROUND

Toronto Community Housing Corporation 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.

Toronto Community Housing's CMP provides a strategic framework for its operations. The Shareholder Direction to TCHC requires that it 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

Toronto Community Housing's 2008 – 2010 CMP refines its ambitious 2007 plan to improve the housing it provides for its tenants and the services and activities it undertakes, and highlights its efforts to align its city building plans with the City's affordable housing goals.

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 the commentary in Attachment 1.

Conclusions:

The City's Shareholder Direction requires that Toronto Community Housing submit its Community Management Plan to Council for comment annually. A review by staff indicates that the 2008 – 2010 Plan complies with the requirements of the Shareholder Direction. Staff comments on TCHC's 2008 – 2010 Plan are contained in Attachment 1.

CONTACT

Joe Borowiec, Strategic and Corporate Policy Division
Tel: 416-397-9110; Fax: 416-696-3645; e-mail: jborowie@toronto.ca

SIGNATURE

Shirley Hoy, City Manager

ATTACHMENTS

- Attachment 1 – Staff Comments on Toronto Community Housing Corporation 2009 – 2010 Community Management Plan
- Attachment 2 – Transmittal Letter from TCHC Chief Executive Officer
- Attachment 3 – 2008 – 2010 TCHC Community Management Plan

Attachment 1:

Comments on
Toronto Community Housing Corporation
2008 – 2010 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 is required by the Shareholder Direction to outline the following:

- (a) anticipated results for the year in progress;
- (b) key issues facing Toronto Community Housing Corporation;
- (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 Toronto Community Housing 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 2008 – 2010 TCHC Community Management Plan:

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

TCHC’s 2008 – 2010 CMP is an update of its 2007 Plan rather than an entirely new document. The CMP was developed with input from over 500 stakeholders including tenants, staff and community agencies at two consultation events held Monday, November 5, 2007, and the results of tenant and staff surveys done in early 2008. These processes indicated that the priorities in TCHC’s 2007 CMP continue to be appropriate but that some initiatives should be reframed to further align them with tenant needs and other initiatives. The following were identified as TCHC’s top three priorities for 2008:

- a state of good repair in buildings;
- safe communities;

- social inclusion, especially regarding mental health and social isolation.

Toronto Community Housing has organized the CMP into the following five focus areas that provide key themes that prioritize the work performed by the organization. Each focus area contains a list of outcomes or milestones with a number of initiatives aimed at achieving those objectives.

(1) Buildings

Toronto Community Housing has identified five priority areas to improve and maintain its building stock:

- an historic lack of preventive maintenance drives up operating costs and creates service interruptions;
- current pest control programs have not been 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 plans to take to achieve a good state of repair, better service to tenants and a sustainable housing portfolio include:

- completing the Building Renewal Program, a holistic approach to refurbishing 19 entire buildings over three years;
- completing an asset review and building strategic asset management plan;
- upgrading 5,000 kitchens and bathrooms through the Unit Refurbishment Program;
- initiating a standard best practices service delivery program to address preventative maintenance, pest control and building cleanliness issues;
- implementing a new pest control approach that combines pest biology information with tenant education;
- offsetting utility costs through energy retro-fits;
- continuing revitalization of Regent Park and Don Mount Court (Rivertowne);
- initiating the revitalization process for Lawrence Heights; and
- completing development projects at 1900 Sheppard, the Railway Lands and the West Don Lands.

TCHC notes that the transfer of housing stock in poor condition that had not received proper capital investment over a sustained period has produced a funding backlog estimated at \$300 million (2006) required to return all its buildings and houses to a good state of repair that is expected to climb to \$350 million in 2008.

(2) Communities

Building healthy communities is a key objective of Toronto Community Housing and is reflected in its investment in community engagement, including its Tenant Participation

System, and tenant involvement in budget allocations, policy development and governance. Over the course of the 2007 – 2009 CMP, work was done on the development of strategies and policies to further promote healthy communities. Some of the actions that TCHC plans to take to promote social inclusion, community engagement and to create good places to live in 2008 – 2010 include:

- implementing its mental health framework;
- implementing anti-racism study circle action plans;
- implementing its Accessibility Plan;
- building on reclaiming open space and Neighbourhood Action Team initiatives;
- developing Community Standards with its communities;
- creating opportunities for national and international tenant involvement; and
- repositioning its Social Investment Fund in alignment with community health goals.

Toronto Public Library has commented that it supports partnership development as a strategy identified in the CMP for creating healthy and safe communities. The Library has worked in partnership with TCHC as part of Neighbourhood Action Teams and its revitalization projects in support of the goals and strategies identified for improving and maintaining buildings because of the importance of a good state of repair in ensuring sustainable and effective library branches and services in TCHC facilities.

(3) Tenants

Toronto Community Housing's consultations and tenant surveys indicate the need for tenant-focused strategies to address a lack of sustainable economic opportunities for tenants, especially youth and seniors. TCHC's focus is on connecting individuals with the services and supports they require, rather than acting as a service provider itself. Programs to meet these objectives will include:

- leveraging its procurement process to facilitate tenant economic opportunities by
 - developing and implementing a value-based procurement policy;
 - developing and implementing tenant-vendor mentorship opportunities;
- promoting economic opportunities for youth by
 - employing youth in the Unit Refurbishment program;
 - realigning its annual business plan competition to promote self-employment and entrepreneurship;
 - consolidating and expanding internship opportunities;
- implementing its Seniors' Strategy; and
- continuing the implementation of its Children and Youth Strategy.

(4) Organization

TCHC staff, with the support of unions and management, have identified key indicators and measures of a healthy workplace. TCHC plans to continue to work over the course of its 2008 – 2010 Plan to continue to build a healthy organization by:

- completing its strategic organization review;
- expanding skills and career development opportunities;
- implementing its Diversity Strategy;
- renewing Healthy Workplace Action Plans;
- enhancing staff accountability system through performance measurement, succession planning and reporting; and
- developing and expanding its housing research and advocacy program.

(5) Finances

The majority of TCHC's \$1 billion debt is in the form of building mortgages fully insured by Canada Mortgage and Housing Corporation. TCHC issued \$250 million in debentures in 2007 supported by a –AA rating from Standard and Poor's, the first social housing provider in Canada to receive a credit rating. \$90 million of the proceeds from that issue funded Toronto Community Housing's Building Renewal Program with the remainder applied to redevelopment initiatives.

Over the past several years, TCHC's rental revenues have not increased as fast as its operating costs, with some building operating costs (e.g., energy) rising faster than the Consumer Price Index. To address its financial challenges, TCHC has created new revenue streams, leveraged operating cost savings achieved through energy savings and building reinvestment to support additional debt to fund capital investment and maintained tight control over its expenditures. However, its capital re-investment backlog continues to be a significant challenge for Toronto Community Housing. TCHC plans to respond to its financial challenges in 2008 through the following strategies:

- increasing rental revenues by reducing unit vacancies;
- reducing bad debt losses;
- reviewing opportunities to expand loans for capital improvement;
- completing implementation of its parking strategy;
- pursuing additional revenue improvement strategies.

TCHC's interim 2008 operating plan calls for spending \$485 million on housing operations, \$36 million on assisted housing wait list management and landlord housing payments, \$45 million on investments in communities, the organization and reserve contributions, and \$139 million on asset repair and replacement, with total expenditures of \$705 million. With total revenues of \$604 million, this plan leaves TCHC with a funding shortfall of \$101 million. TCHC plans to meet this financing need by the carry forward of unspent Building Renewal Program funding (\$13 million), withdrawals from reserves (\$25 million) and third-party financing (\$63 million). Toronto Community Housing recognizes that it faces a significant financial challenge. The Plan is clear that without external investment, TCHC cannot bridge the repair financing gap.