

Toronto Community  
Housing Corporation  
931 Yonge Street  
Toronto, ON  
M4W 2H2



**Toronto  
Community  
Housing**

Attachment 2

May 13, 2008

Ms Shirley Hoy  
City Manager  
City Hall  
11<sup>th</sup> floor East Tower  
100 Queen Street West  
Toronto, ON M5H 2N2

Dear Ms. Hoy:

Subject: **Toronto Community Housing  
2008 - 2010 Community Management Plan (CMP)**

The Toronto Community Housing Board of Directors approved the attached 2008-2010 Community Management Plan on December 14, 2007. This plan updates Toronto Community Housings' 2007-2009 three year business plan identifying the strategic direction being taken to fulfill the mandate of the organization and the initiatives being undertaken or continued in response to the various challenges being faced by the organization.

### **Background**

Toronto Community Housing Corporation has operated since January 1, 2002. The Corporation owns and is responsible for managing a portfolio of 58,500 units of housing in over 2000 buildings and 350 developments across the City of Toronto. The organization has a mandate to provide affordable rental housing for low and moderate-income households in the city providing homes to more than 164, 000 tenants.

The Shareholder Direction between Toronto Community Housing and its sole shareholder, the City of Toronto, requires the corporation to submit its Community Management Plan (CMP) to the City for comment on an annual basis. The Community Management Plan is the 3 year rolling strategic plan that outlines the organizations' long-term business strategies, multi-year targets and financial plans. It provides the strategic framework for the direction Toronto Community Housing will take over a 3 year horizon to fulfill its mandate. The Community Management Plan is updated every year through an assessment of achievements, issues and goals in consultation with the organization's stakeholder groups. Stakeholder consultation sessions held in November 2007 confirmed that the focus and priorities set out in the 2007 – 2009 Community Management Plan remain relevant.

The 2008 -2010 Community Management Plan builds on those priorities and presents a plan to improve housing conditions, community health, organizational health and the level of affordable housing in the city while recognizing the constrained financial environment that Toronto Community Housing continues to operate in. The initiatives identified in the plan are aimed at moving the organization forward toward delivery of its mandate for the provision of quality affordable housing for low and moderate income residents of Toronto.

In accordance with the Shareholder Direction to Toronto Community Housing, the 2008-2010 Community Management Plan outlines the following:

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

Highlights of planned initiatives, opportunities and challenges facing the organization and its communities as outlined in the attached Community Management Plan 2008-2010, are identified below:

### **Initiatives and Opportunities – 2008-2010 Community Management Plan**

Since its inception in 2002, Toronto Community Housing has continually set and achieved aggressive goals. The Community Management Plan sets out these goals and initiatives. It is updated on an annual basis engaging staff, tenants and community stakeholders in identifying the issues, challenges and opportunities facing the organization, its tenants and its communities. Over the course of the past 5 years a good working relationship has been built with staff and unions; significant investment has been made in training and workplace improvements; resources have been assigned to developing opportunity and building capacity for tenants to have a greater say in the decisions that affect them; and, a unique, robust tenant participation system of over 300 tenant volunteers from across the city, has been built. And these are just a few of the many achievements the organization and its tenants have accomplished in its first five years.

The strategies and initiatives set out in the 2008-2010 Community Management Plan continue Toronto Community Housing's belief that it is more than just a landlord. The board and staff believe that "bricks and mortar" alone cannot create the sustainable, healthy communities that the city needs and that the organization is mandated to deliver. Toronto Community Housing will continue to dedicate resources to build and maintain healthy communities and to invest in community assets through a healthy organization.

Toronto Community Housing has implemented a community-management model. In this organizational model Community Housing Units are responsible for the delivery of property management and community development to 164,000 tenants. Over the course of its first five years, the value of the community model has been confirmed. Through the strategic direction set out in the overarching Community Decision making has been brought closer to the community and the unique attributes of each community are recognized in the business plans built with tenants and specific to the Community Housing Unit. Toronto Community Housing is now taking the opportunity to look at areas where the model can be strengthened. In 2008 the organization will make improvements to the community model with the goal of simplifying service delivery and improving the quality of services that it provides to its tenants. This will require some changes to the organizational structures.

Engaging tenants and enabling economic opportunity and the building of capacity are priority initiatives identified in the 2008-2010 Plan. Building the capacity of tenants to engage in decision making, in civic participation and in economic opportunity are key to the creation of healthy and sustainable communities that are integrated with the broader neighbourhood.

The 2008-2010 Community Management Plan also carries on the organizations commitment to return the housing stock to a good state of repair. Early in 2008, Toronto Community Housing will complete a comprehensive review of its entire housing portfolio. The review will produce a

strategy for the long term approach to the management of its significant asset. A strategy that identifies the conditions, options and opportunities for housing that needs repair, housing that needs replacement because continued investment does not make economic sense and housing that could be sold with the money earned used to rebuild housing elsewhere. This review is framed by the need to keep current levels of geared-to-income units in service as well as the need to maintain access to affordable housing in all Toronto neighbourhoods.

In the first year of the Community Management Plan 2008-2010, Toronto Community Housing will invest:

- \$485 million in housing operations
- \$45 million in communities and organization
- \$139 million in asset repair and replacement

Over the past five years and continuing over the duration of this plan, Toronto Community Housing makes cost effectiveness of its operations a top priority. The success of previous Community Management Plans have resulted in reduced overheads, improved management of building operations, reduced consumption of energy, and an increase in capital investment to reduce long-term operating costs. In addition to managing costs, the organization has also been paying attention to its revenues. Toronto Community Housings' revenue comes from four (4) distinct areas: subsidies, geared-to-income rent, market rent, and commercial revenue. With rent revenues and subsidies expected to remain relatively flat over the planning period, an increased emphasis is placed on growing the organizations' commercial revenue stream. Commercial operations are an area where Toronto Community Housing has been able to significantly increase its revenues. Referred to as non-rental revenues this includes:

- leasing of commercial space
- non-tenant parking
- coin-operated laundry facilities
- leasing of building exteriors for signage
- leasing of rooftops for telecommunications equipment

In 2006 Toronto Community Housing initiated a revenue plan that has realized a \$3.6 million increase in commercial revenue. The full impact of this plan will be realized in 2008 upon full implementation. With ongoing management, Toronto Community Housing expects to increase its commercial revenues by approximately \$2 million per year – a 10 per cent annual increase. These revenues are vital to provide the ability to generate the investment dollars needed to respond to aging buildings through longer term cost management initiatives such as preventive maintenance programs and the re-commissioning of building systems. The 2008-2010 Community Management Plan sees the organization continuing its focus on building new business opportunities to increase revenue and reduce costs.

On the organizational front, the 2008-2010 the Plan outlines the ongoing efforts of the organization to increase the diversity of its workforce, foster leadership and skills development and continue its response to the healthy workplace survey results at both the business unit and organization wide level. Governance and management of risk continue to be identified as priority areas in the ongoing monitoring of the alignment between governance and management controls with the community model.

## **Challenges**

The Community Management Plan 2008-2010 responds to what was heard from stakeholders in consultation sessions and surveys, to the mandate the organization has been given, to the direction of the Board and to the challenges the organization continues to face year after year.

The Plan identifies the initiatives that will be taken over the course of the next three years. It also recognizes that there are challenges that the Plan cannot address. The organization can, and does, respond within its capacity, but the challenges identified below are those faced by the organization that must be responded to in conjunction with others. Toronto Community Housing cannot fully address these challenges on its own.

### *Condition of Buildings*

Maintaining the buildings in a good state of repair remains the organization's biggest challenge. Much of the housing stock is more than 40 years old and little was done in the past to ensure the level of financing required to maintain these homes as good places to live. The gap between the organization's current capital budget and the estimated cost of repairs is estimated at \$300 million and is growing each year. To achieve and maintain a good state of repair in all Toronto Community Housing buildings, over \$1 billion must be spent over the next 10 years. In addition, there is a need for investment to support the regeneration of those communities where repair of the assets is no longer possible. This will double the investment requirement.

Without significant investment from the provincial and federal governments it will not be possible to bring all of these units up to a state of good repair. Toronto Community Housing tenants will continue to be forced to live in buildings that are not in a good state of repair and for which the corporation has little ability to bring it up to standard. In the absence of funding from senior governments, managing how best to invest the limited funds available for repairs and asset maintenance will continue to be Toronto Community Housing's biggest challenge.

While the provincial government did make a commitment during the 2008 budget to address the social housing repair backlog, the pledged amount falls significantly short of what is needed. Toronto Community Housing, tenants and other partners will continue to actively pursue this issue with senior levels of government.

### *Cash Flow*

Toronto Community Housing has faced a constrained financial situation since the organization was created in 2002. While the organization has worked hard over the past five years to reduce costs and increase revenues in order to generate cash flow there are now limited opportunities to leverage any additional borrowing for re-investment. At this point, the investment in the asset required to bring it up to a good state of repair must come primarily from external government sources.

With the initial capital repair gap inherited by Toronto Community Housing not yet addressed by the higher levels of government, the strained financial envelope that Toronto Community Housing operates within becomes even tighter. And without investment, the repair gap continues to grow, further reducing the organizations' capacity to leverage its investment dollars toward healthy communities. Housing subsidies do not grow at the same pace as costs, rental revenues do not keep up with inflation, and building operating costs rise higher and higher as the repair gap continues to grow. The full value of the additional investment dollars that Toronto Community Housing is able to generate through borrowing; energy reduction re-investment; overhead reduction re-investment and increases to commercial revenues are compromised by the growing repair need. There is no way that the organization can keep up with the demand without the financial investment by senior governments that should have been made years ago.

Within this tight financial framework, Toronto Community Housing has done and will continue to do, everything that it can to attract and create the investment dollars it needs to create sustainable buildings in healthy communities. However, it cannot generate sufficient dollars to close the repair gap on its own. It is near its borrowing capacity and as major gains in operational and administrative savings potential have already been realized, the ability to redirect those

dollars is minimal and the ability to increase the amount of the corporate debt and retain the ability to manage that debt is limited. To bring its buildings up to a good level of repair and to maintain them at that state, the capital repair gap must be closed. To close the capital repair gap external investment dollars are needed. It's as plain as that.

### *c) Community Health*

Toronto Community Housing believes that its tenants have the right to live in healthy communities. To be part of communities that are integrated with the neighbourhood that forms part of the city. To achieve this goal, others must come to the table in recognizing that Toronto Community Housing communities are an integral piece of the fabric of the city of Toronto. Its communities stretch from one end of the city to the other and form part of nearly every neighbourhood across the city of Toronto.

To reach the goal of healthy communities, the resources and opportunities available to all residents of Toronto must be clearly made available to tenants of Toronto Community Housing. Partners to the goals of healthy communities must be at the table. A significant amount of Toronto Community Housing tenants live below the poverty line. The supports and focus that are needed to address the inherent issues associated with large populations of poverty cannot be accomplished by Toronto Community Housing on its own.

Toronto Community Housing has invested significant amounts of time and resources implementing initiatives to improving the health of its communities, inclusive of community safety. This work is undertaken in partnership with community agencies, tenants and other stakeholders. It has undertaken a Child & Youth Strategy which sees it moving its resources from primarily children, where there are external resources already available – to youth – who are under resourced in many of its communities. It has engaged tenants in civic participation to help foster the understanding that, regardless of income, there can be opportunity and that opportunity includes engagement in civic processes. It has shifted its approach to community safety from a primarily enforcement role to a more holistic role in the building of community health which includes safe communities. And it has increased its partnerships and the leveraging of community investment through the application of its \$1 million Social Investment Fund. This work will continue along with the \$12 million spent annually on direct community safety services as part of the core service provision to tenants.

### **Conclusion**

The attached 2008 - 2010 update to the Toronto Community Housing Community Management Plan builds on its achievements to date, affirms the direction of the organization and allocates resources in alignment with the priorities the corporation has set based on the direction it is heading, what it has achieved, the resources available to it and what it has heard from its stakeholders. This plan builds on a legacy of success in the past five years and recognizes the many challenges that remain for Toronto Community Housing.

Sincerely,

Derek Ballantyne  
Chief Executive Officer  
Toronto Community Housing