



STAFF REPORT ACTION REQUIRED

Toronto Community Housing Corporation – Annual Report to Shareholder, 2008 Audited Consolidated Annual Financial Statements and Annual General Meeting

Date:	August 18, 2009
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

Pursuant to the Ontario *Business Corporations Act*, Toronto Community Housing Corporation (TCHC) is required to hold an annual general meeting. TCHC plans to hold its Annual General Meeting outside of a City Council meeting. For this meeting to take place, the City, as TCHC's sole shareholder, must appoint and provide direction to a proxy holder to act on its behalf at the meeting.

RECOMMENDATIONS

The City Manager recommends that City Council:

1. appoint the Deputy City Manager for Cluster A or her designate as the City's proxy for the purposes of the 2009 annual shareholder meeting of the Toronto Community Housing Corporation to be held on October 16, 2009 and any adjournment thereof and direct the proxy holder to attend same and vote as follows:
 - a. approve the minutes of the previous Annual General Meeting held on October 24, 2008 (Attachment 3 to this report);
 - b. receive the 2008 annual audited financial statements of the Corporation for the period ended December 31, 2008, together with the auditor's report thereon (included in Attachment 2 to this report);

- c. reappoint Ernst & Young LLP, Chartered Accountants, as the Corporation's auditors until the next annual general meeting; and,
 - d. use her or his discretion to vote on such other matters as may properly on the agenda of the Meeting or any adjournment thereof;
- 2. authorize and direct the Deputy City Manager and Chief Financial Officer and the City Clerk to execute on behalf of the City the common share proxy substantially in the form of Attachment 1 to this report;
- 3. receive Toronto Community Housing Corporation's 2008 Annual Report (included as Attachment 2 to this report) comprising the letter from the Corporation's Acting Chief Executive Officer dated August 13, 2009 and related attachments;
- 4. refer Toronto Community Housing Corporation's 2008 audited annual consolidated financial statements and the auditor's report thereon dated March 27, 2009, to the City Audit Committee for its information.

Financial Impact

There are no financial impacts to the City or Toronto Community Housing Corporation as a result of approving the recommendations in this report.

The Deputy City Manager and Chief Financial Officer has reviewed TCHC's financial statements and his summary and comments are contained in Attachment 4 to this report.

Equity Statement

Toronto Community Housing Corporation's annual report to the shareholder forming Attachment 2 to this report describes the actions it is taking to achieve a wide range of equity objectives affecting its diverse communities across the City. There are no equity considerations in conducting the Annual General Meeting.

ISSUE BACKGROUND

The City's Shareholder Direction to TCHC sets out the shareholder's objectives, establishes governance principles for TCHC and its subsidiaries and the powers of the Board of Directors, and details the accountability and reporting requirements for TCHC to the City. City Council requires that TCHC's annual report to the City include identification of:

- any material variances between the TCHC's budget and actuals;
- any variances that may have a financial impact on the shareholder;
- anything that is likely to materially affect tenants' views of TCHC;
- any major findings of audits;
- performance of Toronto Community Housing such that the Shareholder can determine that the Shareholder Direction has been respected; and
- the number of evictions each year, the cost and the rationale.

The Shareholder Direction requires that TCHC prepare an annual report and audited consolidated financial statements and submit them to Council through the Executive Committee. TCHC's Board of Directors approved its 2008 audited annual financial statements at its meeting held on June 19, 2009.

COMMENTS

Highlights of TCHC's key 2008 achievements under each of four strategic focus areas – buildings, communities, tenants and organization – as well as additional information concerning finances and eviction statistics, are set out in the attached report to the shareholder forming Attachment 2 to this report. The Deputy City Manager and Chief Financial Officer has reviewed TCHC's financial statements and his summary and comments are contained in Attachment 4 to this report.

Shareholder Meeting

At the shareholder meeting scheduled for October 16, 2009, the proxyholder for the shareholder will be asked to receive the minutes of the previous Annual General Meeting, TCHC's audited annual consolidated financial statements and the auditor's report thereon, and appoint the auditor. In June 2003, Council appointed Ernst & Young as the City's external auditor and as auditor for TCHC for a five year period. City Council authorized extension of this contract for the 2008 and 2009 fiscal years at its meeting held on March 3, 4 and 5, 2008 by adoption of Audit Committee Item AU6.1. Under the OBCA, the appointment of the auditor for TCHC must be approved annually at the shareholders' meeting.

Conclusion

Toronto Community Housing Corporation, as an Ontario business corporation, has reporting requirements to the City pursuant to the Ontario *Business Corporations Act* and the City's Shareholder Direction.

CONTACT

Joe Borowiec, Corporate Management and Policy Consultant,
Tel: 416-397-9110; Fax: 416-696-3645; Email: jborowie@toronto.ca

Derek A. Brown, Solicitor, Legal Services Division,
Tel: 416-392-8055; Fax: 416-392-1017; e-mail: dbrown4@toronto.ca

SIGNATURE

Joseph P. Pennachetti,
City Manager

ATTACHMENTS

Attachment 1: Common Share Proxy Form

Attachment 2: Letter dated August 13, 2009 from TCHC Chief Executive Officer comprising TCHC 2008 Annual Report to Shareholder

Appendix A Secretary's Certificate – Resolution of the Toronto Community Housing Corporation Board of Directors, 2008 TCHC Revised Financial Statements and Audit Results

Appendix B 2008 TCHC Consolidated Audited Annual Financial Statements and Auditor's Report

Attachment 3: Minutes of Annual Shareholder's Meeting held on October 24, 2008

Attachment 4: Report of the Deputy City Manager and Chief Financial Officer dated August 17, 2009 entitled "Toronto Community Housing Corporation – Financial Statements 2008"

Attachment 1:

Toronto Community Housing Corporation

Proxy

City of Toronto (the “City”), the sole shareholder of Toronto Community Housing Corporation (the “Corporation”), hereby appoints Sue Corke as its full proxy, with power of substitution, to attend and vote for and on behalf of the City at the Annual Shareholder Meeting of the Corporation to be held on October 16, 2009, and at any adjournment thereof, and the City hereby revokes all proxies previously given.

Without limiting the generality of the powers hereby conferred, the above-named proxy and any substitute are specifically directed to vote in the name of the City as follows:

- (i) in favour of the approval of the minutes of the previous Annual Shareholder Meeting held on October 24, 2008 as provided to the City;
- (ii) in favour of the receipt and adoption of the financial statements of the Corporation for the period ended December 31, 2008, as referred to in the report thereon of the Corporation’s auditors, Ernst & Young LLP, Chartered Accountants, dated March 27, 2009, together with that report;
- (iii) in favour of the reappointment of Ernst & Young LLP, Chartered Accountants, as auditors of the Corporation until the next Annual Shareholder Meeting; and
- (iv) at her or his discretion on such other matters as may properly be on the agenda of such Annual Shareholder Meeting.

Dated the _____ day of _____, 2009.

City of Toronto
per:

Cameron S. Weldon, Deputy City Manager and
Chief Financial Officer

Ulli S. Watkiss, City Clerk

Attachment 2:

August 13, 2009

Mr. Joe Pennachetti
City Manager
City Hall
11th floor East Tower
100 Queen Street West
Toronto, ON M5H 2N2

Dear Mr. Pennachetti:

Subject: **Toronto Community Housing**
2008 Annual Report to the Shareholder

This Report is Toronto Community Housing's seventh Annual Report to its sole shareholder, the City of Toronto. The review of organizational performance provided in this Report fulfills all shareholder requirements, as outlined in the 2001 Shareholder direction from the City of Toronto that established Toronto Community Housing as a business corporation under the Ontario Business Corporations Act.

BACKGROUND

Toronto Community Housing has operated as an independent, City-owned corporation since January 1, 2002. The Corporation's mandate is to provide quality housing for low and moderate income households, and to assist in the creation of community conditions that minimize risk and promote resiliency.

Toronto Community Housing's operational responsibilities include the management of both buildings and tenancies within its extensive portfolio of affordable market value and subsidized rent-geared-to income units:

- The 58,500 units that comprise Toronto Community Housing's current housing stock are located in over 350 developments across the greater Toronto area.
- Approximately 164,000 people (over 6% of the city of Toronto's population) from a diverse range of age, gender, ethno-cultural and socio-economic backgrounds, are Toronto Community Housing tenants.
- Close to 1,400 staff are employed by the Corporation.
- The Corporation has a 2008 housing operation revenue of \$569 million and an operating budget of \$485 million.

In 2008, Toronto Community Housing invested more than \$138 million in its communities. Improvements funded from this investment included unit refurbishment and large scale building renewal programs, as well as various community-related investments, such as participatory budgeting and the Social Investment Fund.

- Tenant rent, commercial rent and other generated revenues comprise over 51 percent of Toronto Community Housing's operating budget.
- Toronto Community Housing derives its remaining 49 per cent of revenue from various levels of government.

This revenue subsidy includes the portion of subsidy Toronto Community Housing receives from the Greater Toronto Area under a provincially imposed program cost pooling formula. This pooling is being replaced by Provincial funding in a phased approach.

Corporate governance within Toronto Community Housing is led by the organization's thirteen member Board of Directors who are appointed by the City. The Board is comprised of 3 City Councillors, 9 citizens, two of which must be Toronto Community Housing tenants, and a representative of the Mayor. The Board of Directors oversees and is accountable for policy, operational and financial management of the Corporation and sets policy and business direction.

As part of its commitment to advising the Shareholder of organizational performance and strategic direction, Toronto Community Housing provides the City of Toronto, on an annual basis, with its Community Management Plan. The 2008-2010 Community Management Plan, submitted to the shareholder under a separate cover, is a strategic business plan detailing the initiatives that Toronto Community Housing will undertake over the three-year period.

This Annual Report responds to all Shareholder requirements as put forth in the Shareholder Direction. Specifically, the Report highlights significant achievements that Toronto Community Housing, in cooperation with its stakeholders and community partners, accomplished in 2008. The Report also provides specific information, as requested in the Shareholder Direction.

THE SHAREHOLDER DIRECTION

The Shareholder Direction defines the corporate relationship between Toronto Community Housing and the City of Toronto, including principles of governance and accountability. Included in the Direction are the Shareholder's objectives for Toronto Community Housing, principles of operation, funding arrangements and reporting requirements.

The Shareholder Direction defines the operating accountabilities of Toronto Community Housing to include:

- employment of its own staff;
- responsibility for the management of its housing portfolio;
- responsibility for all policy and operational decision making; and
- accountability for organizational decision making through submission, to City Council, of an annual update to the organization's three-year business plan (the Community Management Plan), and through submission of an Annual Report.

Toronto Community Housing has worked over the years, to not only fulfill these accountabilities, but, in cooperation with its community partners, it has invested in extensive community and organizational development in response to both Shareholder and stakeholder identified needs.

ANNUAL REPORT

The Shareholder Direction has directed Annual Reporting requirements to include:

- explanations and account of variances between actual operational and budgeted amounts;
- variances that may financially impact the Shareholder;
- information that is likely to materially affect tenant views of Toronto Community Housing;
- major findings of internal or other audits;
- information regarding organizational performance that the Shareholder may use to determine that the Shareholder Direction has been respected; and
- number of evictions per year, including costs and rationale.

Additionally the Annual Report offers Toronto Community Housing the opportunity to showcase some of its more significant annual achievements in relation to its strategic objectives, as stated in the Community Management Plan. The Annual Report is also accompanied by audited financial statements.

CREATION OF SUBSIDIARIES

In 2008, Toronto Community Housing incorporated two subsidiaries:

- **Toronto Community Housing Enterprises Inc.**, a wholly owned subsidiary charged with the community energy system currently under construction in Regent Park.
- **Regent Park Energy Inc.**, a nominee corporation, in which Toronto Community Housing will hold 60% interest. 40% interest will be held by the joint venture partner, Corix Utilities Inc.

Toronto Community Housing - Highlights of 2008

In 2008, Toronto Community Housing continued to address many of the key issues it has faced since its inception as a Corporation in 2002. These issues include:

- the strategic and financial challenges associated with improving the social and economic well-being of a large, diverse, and often marginalized tenant population; as well as
- the \$300 million dollar capital shortfall which has affected Toronto Community Housing's ability to repair its aging stock.

2008 was, however, also marked by a range of significant accomplishments and achievements which have enabled the Corporation to make great progress within its five focus areas of strategic priority:

Buildings, Communities, Tenants, Organization and Finance.

A crowning success for the organization and its stakeholders in 2008 was firm acknowledgment from provincial and municipal governments of the significant and growing need for capital funding for the repair of housing stock. The dedicated, multi-year advocacy work by Toronto Community Housing staff, tenants and community partners was vindicated by the announcement from provincial and municipal governments of their intention to provide a total of \$111.5 million in funding to Toronto Community Housing for the repair of existing social housing stock. Toronto Community Housing particularly appreciates the significant contribution of the City of Toronto which contributed the majority of the funding with \$75 million.

The funding will not completely alleviate the financial constraints faced by Toronto Community Housing in its management of housing stock and tenancies. However, the government funds will enable the Corporation in coming years to make gains towards achieving its strategic outcome of delivering housing in a good state of repair. Key Toronto Community Housing strategies for achieving a good state of repair were included in the comprehensive Real Estate Asset Investment Strategy (now known as *Housing Works*), developed by the Corporation and presented to its Board of Directors in 2008. The strategy includes recommendations for:

- sweeping energy savings measures that will achieve 30-40% reductions in green house gas emissions, energy consumption and potable water consumption by 2020;
- revitalization of 13 Toronto Community Housing communities; as well as
- a financial plan to increase annual capital expenditures, and consequently, quality of housing.

2008 has also been a year of significant milestones in the areas of tenant and community health. Following an extensive evaluation and consultation process with tenants and community stakeholders, in 2008, Toronto Community Housing, along with tenants, began implementation of a new and enhanced tenant engagement system. The system will build on the successes of Toronto Community Housing's previous system for tenant participation while providing tenants and community leaders with even more opportunities to engage in and influence community and municipal decision making.

Finally, of key significance, were the results of Toronto Community Housing's 2008 tenant survey on key service areas including maintenance, building conditions and community engagement. The results of the

survey indicated improved tenant perceptions between 2006 and 2008 for all areas surveyed. In fact, community pride jumped significantly 11 points to 65 in 2008.



COMMUNITY PRIDE INDEX

These results confirm that Toronto Community Housing has made firm progress towards building healthy and vibrant communities, progress upon which the organization will build in future years.

Outlined below are more significant accomplishments of 2008. These highlights are grouped in relation to Toronto Community Housing's key areas of strategic priority, as identified in the 2008-2010 Community Management plan.

BUILDINGS

Maintaining buildings in good state of repair is essential to the provision of both quality housing and healthy communities. Toronto Community Housing continues to face challenges in its building repair resulting from the age of its housing stock, as well as the lack of capital funds required to complete needed work. The 2008 funding commitments from the provincial and municipal governments towards the repair of housing stock will greatly assist Toronto Community Housing to improve its building conditions. However, as the funding will not be sufficient to address all needed repairs, Toronto Community Housing will continue to leverage its resources and capacity to enhance building conditions. Listed below are 2008 accomplishments in the key outcome areas of Good State of Repair, Better Service to Tenants and Sustainable Housing Portfolio.

Good State of Repair

- Continued large scale building refurbishment under the three year, \$125 million dollar, Building Renewal Program. By year end, the program was almost 87% complete. To date, the program has resulted in the upgrade of approximately 66 buildings and 7,655 units to a good state of repair with significant energy savings and greenhouse gas emission reductions.
- Developed a new Building Energy Retrofit Program (BERP) in conjunction with Clinton Climate Initiative. The program will be implemented in 19 communities in 2009.
- Over 2,621 units received bathroom and kitchen refurbishments through the Unit Refurbishment program, an initiative to refurbish kitchens and bathrooms assessed to be in very poor condition. An additional 900 units received bathroom and/or kitchen upgrades under the Move Out Program.
- Completed Building Condition Assessments of Toronto Community Housing's entire housing portfolio. Data from the assessments, Asset Reviews and other sources of capital information populated a planning tool to be used for strategic forecasting updates.
- Expanded the preventative maintenance program to include additional building components, as well as contract managed locations.
- As part of Toronto Community Housing's focus on pest management, over 3,100 units were treated during 2008 for bed bugs. By year end, as part of the Unit Refurbishment program, 6,000 units were sealed to prevent migration of pests.

- Made progress towards reducing water and energy usage in Toronto Community Housing communities. Overall electricity consumption in 2008 was reduced by 2% and over 4,200 low flush toilets were installed in units.

Better Service to Tenants

- Developed service standards for Tenant Service Coordinators and Customer Service Facilitators to enhance the level of front-line customer service in community offices.
- Provided training to Customer Service Facilitators on job specific duties, with a focus on Customer Service.
- Contracted the Housing Services Inc. Contact Centre to answer all incoming tenant phone calls and record service requests into the EasyTrac service management system for staff follow up.
- Launched help@torontohousing.ca and a voicemail feature through the Contact Centre for non-emergencies to respond to tenant service requests within 24 hours.
- Implemented realignment of contract managed communities within Toronto Community Housing to ensure service equity. Extended Contact Centre services and EasyTrac service management system to contract managed locations as part of the program to improve equity in distribution and availability of tenant services between direct and contract managed communities.

Sustainable Housing Portfolio

- Official opening held in July for 132 units of Don Mount Court's Phase One revitalization. All relocated households that asked to return were rehoused. The first tenants moved back into Phase One units. Construction of the remaining 94 units to continue in 2009.
- Community revitalization at Regent Park on track. Phase one construction is in progress. The first family and seniors rental buildings at Dundas and Sackville are underway, as is equipment installation of the Regent Park community energy system beneath the Sackville building.
- Successfully completed joint venture with Corix Utilities Inc. to own and operate *Regent Park Energy Incorporated* (RPEI). RPEI will operate the district energy system that will provide central heating and cooling to all buildings in Regent Park.
- Began construction of second family rental building at Parliament and Oak.
- Construction of the first condominium buildings at Parliament and Dundas is in progress. Sales are scheduled to start in 2009. In total, 517 (condominium, new affordable rental and rent-geared-to-income) units will be built and occupied in 2009. All other phase one buildings will be completed and occupied in 2010-11.
- Construction underway for Regent Park off-site replacement units in the east downtown area. Three family rental apartment buildings containing 233 rent-geared-to-income replacement units and 142 new affordable rental units are under construction. These buildings will ensure that there will not be a decrease in numbers of subsidized units as a result of the revitalization. All three new buildings will be completed and occupied in 2009.
- Continued development of preliminary business and concept plans for revitalization of Lawrence Heights.
- Continued work with the City of Toronto and Waterfront Toronto on development of new affordable housing communities on publicly-owned lands. The Board of Directors approved the proposal to proceed with redevelopment at 717 Broadview into a seniors affordable housing apartment building.
- Completed construction of 27 new affordable units at 1900 Sheppard. The building is now fully occupied and under Toronto Community Housing management.

- Completed report on strategic use of assets. Recommendations regarding key asset strategies such as repair, sale, intensification and combinations of current stock were presented to the Board of Directors.

COMMUNITIES

Healthy communities are governed by tolerance and respect. They are places where tenants feel safe and empowered to make decisions that can impact the institutions and civic processes of importance to their lives.

Over the past years, Toronto Community Housing has dedicated resources towards community development in recognition of the role healthy communities can play in enhancing tenant satisfaction and quality of life. The accomplishments listed below showcase the 2008 achievements of Toronto Community Housing, its tenants, and community partners in key outcome areas of Social Inclusion, Engaged Communities and Good Places to Live.

Social Inclusion

- Completed a pilot project in the downtown east core that explored how Toronto Community Housing can better support residents living with chronic drug use or having lived experience with homelessness.
- Held Anti-Racism circles in three former Community Housing Units (now called Operating Units). These resulted in two community-based action plans to help staff and tenants work together to address racism in their communities.
- Created Anti-Racism Study Circle Resource Centre for Toronto Community Housing staff and tenants.
- Developed, implemented and enforced new accessibility standards, regulations and requirements in compliance with the *Accessibility for Ontarians with Disabilities Act*, at new and existing Toronto Community Housing properties.
- Continued improvement of accessibility in Toronto Community Housing buildings through unit, building interior, exterior and common area upgrades. Allocated \$1.9 M towards accessibility upgrades.

Engaged Communities

- Allocated \$9 million in capital funds for tenant-identified priorities in communities across the portfolio through a participatory budgeting process.
- Held annual Tenant Forum which provided Tenant Representatives with an opportunity to network and discuss common issues and best practices.
- Developed new Tenant Engagement System, designed to enhance tenants' ability to engage in and influence community and city-wide decision making. The Model will be implemented in 2009.
- Rolled out extensive voter education program which included fact sheets in multiple languages, Web communications, press releases and an all party debate attended by 150 tenants.

Good Places to Live

- Held over 120 tenant-led Reclaiming Outdoor Space events in 8 Operating Units to promote community health in communities with trends of violent incidents in summer months.
- Held "Take Bac 13" in the 13 priority neighbourhoods involving youth in beautifying their communities.
- Established work group on Community Standards and developed work plan. Community Standards to be presented for Board approval following extensive consultations and best practice review in 2009.

- Awarded over \$975,000 in Social Investment Funds to tenants and groups working to improve Toronto Community Housing communities
- Completed the evaluation of the Social Investment Fund resulting in the restructuring of the fund to better address key objectives of both the Community Management Plan and the community health framework.
- Community Animator Program developed. Training program delivered to 55 Community Animators and Health Promotion Officers to support Toronto Community Housing's recycling program.
- Completed water re-commissioning at 1884 Davenport, which reduced water usage by over 20%.
- Secured \$180,000 in federal funding for fossil fuel replacement study.
- Launched 'Energy Saving through Education and Training' project, funded by Ontario Power Authority in partnership with other social housing providers.
- 36 new waste enclosures built to meet by-law requirements and improve site conditions.

TENANTS

Toronto Community Housing must often provide more than affordable housing in its role as social housing landlord. Multi-generational and systemic socio-economic barriers have resulted in poverty, economic and social exclusion within communities that are of key concern for the organization. The 2008 achievements in the outcome areas of Social and Economic Opportunities for Tenants and Better Access to Community Services reflect Toronto Community Housing's commitment to improving tenants' standard of living through the support of access to training, education, jobs and community services.

Social and Economic Opportunities for Tenants

- Partnership formed between Housing Services Inc. and Toronto Community Housing to support hiring of tenants by contractors.
- Tender content developed to reflect expectation that contractors hire from Toronto Community Housing communities.
- Supported initiatives to encourage youth entrepreneurship including "Ideas Fest" and a micro-lending program in partnership with the City of Toronto, Alterna Savings and Enterprise Toronto.
- Funding secured by Youth Challenge Fund for development of a Centre for Excellence in Social Enterprise.
- Held vendor information sessions to connect job-seeking tenants with Toronto Community Housing preferred vendors.

Better Access to Community Services

- Developed "Sustaining Age-Friendly Communities for Senior Tenants", a three-year plan for sustaining capacity to support independent living of seniors.
- Ongoing planning and construction of 12 new Operating Unit offices that are sustainable, accessible and welcoming for tenants and the community – to be completed in 2009.
- Introduced on-site services such as annual reviews and arrears prevention in select seniors' buildings.

ORGANIZATION

Toronto Community Housing's capacity to fulfill its strategic priorities is directly related to the strength and vitality of its workforce. Toronto Community Housing takes pride in its receipt of several prestigious employment awards in 2008, including the 2009 Canada's Top 100 Employer Award. In recognition, however, of the significance of a healthy workplace to both employee satisfaction and organizational objectives, Toronto Community Housing continues to review and further refine its organizational capacity, structure and processes.

Good Place to Work

- Developed and delivered three new training programs for Superintendents, Customer Service Facilitators and Community Housing Supervisors to further staff skills development.
- Formed a new Organizational Development Unit to create succession plans and other initiatives.
- Implemented a range of staff wellness initiatives that included free health clinics, a comprehensive health fair and personalized health coaching.
- Received the 2009 Canada's Top 100 Employer; 2009 Greater Toronto Top 75 Employer; 2009 Canada's Top 20 Family-Friendly Employers and Best Employers for New Canadians Awards. And was presented with the Ontario Non-Profit Housing Association Award for Excellence.
- Consolidated office and building staff into 13 Operating Units to reflect Toronto Community Housing's new organizational structure – increasing the number of front-line staff. Building staff moved to their new buildings and office staff moved into interim offices.
- Reviewed and revised Human Rights Harassment Fair Access Policy and complaints processes for staff and tenants to reflect the Ontario Human Rights Code Amendment Act.
- Commenced Human Rights Social Justice Training as part of an 8-week Tenant Human Rights Ambassadors mentoring program for tenant leaders and Tenant Representatives.
- Carried out localized mentoring and coaching at the Operating Unit level to facilitate staff understanding of guidelines for Human Rights and Accommodations of Tenants.

Learning Organization

- Protocol created for Toronto Community Housing-related research and information requests
- Hosted meeting of Toronto Neighbourhood Research Network. Introduced research request protocol and presented overview of Toronto Community Housing supported studies

Good Governance

- Engaged consultant to review decentralized process for risks and controls. Review is underway.
- Provided quarterly reporting on corporate performance including subsidiary performance.
- Linked business unit planning with Community Management Planning processes.

FINANCE

Successful financial management is crucial to an organization, but of particular importance in times of ongoing capital shortfall, decreased revenues, aging assets, and growing overhead costs. The costs associated with rising utilities and new municipal waste by-laws, have placed additional strain on Toronto Community Housing's budget in recent years.

In 2008, the funding grants from the provincial and municipal governments will aid significantly in alleviating some of the organization's capital repair costs. This funding will be supplemented by Toronto Community Housing's own leverage of resources and funding opportunities.

Sound Financial Management

- Implemented inventory control to manage owner-supplied building materials for unit refurbishment program.
- Laundry facilities in Toronto Community Housing buildings assessed to meet organization's physical and safety standards.
- Initiated continuous audit process of laundry income over a rolling three month period in order to better understand fluctuations in operational income.

- Value Added Centres added in laundry rooms that experienced high levels of defacement, reducing vandalism.
- Completed tenant parking re-registration program.
- Pursuing alternative uses for parking lots, including lease of parking spots to commercial users.
- Introduced Pay and Display machines in a number of parking lots with positive impact. Machines to be introduced across the portfolio in 2009.

Debt Program

- Received funding allocations from the Province and City towards the repair, greening and sustenance of social housing units.

In addition to the achievements against commitments set out in its Community Management Plan, the Shareholder Direction requires that the Annual Report to the Shareholder include the number and cost of evictions for the year. This information is provided below.

OTHER INFORMATION REQUESTED BY THE SHAREHOLDER

Eviction Statistics and Costs

Maintaining tenancies, as far as possible, is part of Toronto Community Housing's commitment to the provision of housing for low and moderate income households. Toronto Community Housing's Eviction Prevention Policy ensures that tenants with arrears and facing eviction are given every opportunity to retain their tenancies. Toronto Community Housing has, in addition, had a practice of re-housing tenants if they pay amounts owed directly after eviction. In 2008, there were 22 households evicted for non-payment of rent that were re-housed immediately after eviction.

2008 Eviction Statistics

- 347 sheriff facilitated evictions related to arrears.
- 48 households evicted for breach of lease.
- 130 households vacated their unit after receiving notice of legal action.
- 23 households vacated their unit upon receipt of eviction order.
- An average of 6,703 households (close to 10%) in arrears each month.
- The total amount of arrears for households involved in eviction for rental arrears was \$1,012,203.
- The average amount of arrears per evicted household was \$2,917.
- The direct cost of evictions is estimated at \$475 per household related to the direct costs of tribunal and sheriff fees.

CONCLUSION

This report together with the attached audited financial statements meets the requirements for annual reporting to the shareholder as set out in the Shareholder Direction. While the report is not an exhaustive list of Toronto Community Housing achievements or a full report on operational performance, it provides the shareholder with an overview of the highlights against key outcomes as committed to in its Community Management Plan 2008-2010.

Keiko Nakamura

A/Chief Executive Officer

Attachments: Resolution of the Board of Directors, Toronto Community Housing Corporation
Toronto Community Housing 2008 Audited Financial Statements

cc. Nancy Autton - City Manager's Office

SECRETARY'S CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true copy of a Resolution passed by the Board of Directors of the Toronto Community Housing Corporation on the 19th day of June, 2009, which Resolution was duly enacted in the manner authorized by law and in conformity with the constating documents of the Corporation and that this Resolution has not been amended and continues to be in full force and effect.

**Report: 2008 TORONTO COMMUNITY HOUSING CORPORATION REVISED
FINANCIAL STATEMENTS & AUDIT RESULTS (TCHC:2009-86)**

The Board of Directors resolved to:

- (1) authorize the A/Chief Executive Officer to cancel the Unrestricted Contingency Reserve Fund as of Dec 31, 2008 and transfer the closing balance to the Unrestricted Surplus balance sheet account;
- (1) approve the attached revised 2008 Toronto Community Housing Corporation Financial Statements and the report from the Auditor entitled "Toronto Community Housing Corporation, Audit Results – Year Ended December 31, 2008" and authorize two directors to sign the Balance Sheet on behalf of the Board;
- (2) forward the signed Audit Report, Financial Statements and related items to the Shareholder as part of the annual reporting to the Shareholder; and
- (3) authorize the appropriate Toronto Community Housing Corporation officials to take the necessary action to give effect thereto.

DATED at the City of Toronto this 22nd day of June, 2009.

Elora Nichols
Board Secretary
Toronto Community Housing Corporation

**Annual General Meeting of
Toronto Community Housing Corporation
Friday, October 24, 2008**

MINUTES of the Annual General Meeting of the Shareholder of Toronto Community Housing Corporation ("Corporation") held at Ontario Institute of Studies in Education (OISE) Auditorium - 252 Bloor Street West., Toronto, Ontario on the 24th day of October, 2008 at the hour of 7:16 p.m.

1. REPRESENTED BY PROXY

Toronto Community Housing Corporation: Sue Corke, Deputy City Manager, being all of the shareholders of the Corporation.

The City of Toronto is the sole shareholder for Toronto Community Housing Corporation. Ms. Sue Cork, representative from City Manager's Office, was designated as the 'proxy' for the Shareholder at the July 2008 City Council meeting.

2. PRESENT IN PERSON:

Mr. David Mitchell, Chair and Director, TCHC
Mr. Derek Ballantyne, Chief Executive Officer
Ms. Sue Corke, Deputy City Manager
Mr. Gordon Chu, Chief Financial Officer
Ms. Evelyn Murialdo, Director Tenant & Community Services
Ms. Keiko Nakamura, Chief Operating Officer, TCHC
Mr. Howie Wong, General Counsel

Councillor Paula Fletcher, Board Member
Councillor Suzan Hall, Board Member
Mr. Dan King, Board Member
Ms. Sheerin Anwer Sheikh, Board Member
Ms. Catherin Wilkinson, Board Member

3. CHAIRPERSON AND SECRETARY

With the unanimous consent of the meeting, Mr. David Mitchell took the Chair and Ms. Elora Nichols acted as Secretary of the meeting.

4. CONSTITUTION OF MEETING

All of the shareholders of the Corporation at the meeting being present in person or represented by proxy and all the directors of the Corporation having been sent notice of the meeting, the Chairperson declared the meeting properly constituted for the transaction of business.

5. FINANCIAL STATEMENTS

The Chairperson presented to the meeting the audited, consolidated financial statements of the Corporation for the fiscal year ended December 31, 2007. The Chairperson indicated that the auditor's report prepared by Ernst & Young LLP noted that the financial statements fairly represent the Corporation's financial position at fiscal year ended at December 31, 2007. The audited financial statements and the related management letters indicated that there are no major issues in the financial management of the Corporation.

On motion duly made, seconded and unanimously carried, the following resolution was passed:

RESOLVED:

that the audited, consolidated financial statements of the Corporation for the fiscal year ended December 31, 2007, which have been prepared by the auditor of the Corporation, together with the auditor's report thereon are hereby approved and adopted.

6. ANNUAL REPORT

The Chairperson presented to the meeting the Annual Report prepared by the Corporation.

On motion duly made, seconded and unanimously carried, the following resolution was passed:

RESOLVED:

that the Annual Report is hereby approved and adopted.

7. APPOINTMENT OF AUDITOR

On motion duly made, seconded and unanimously carried, the following resolution was passed:

RESOLVED:

that Ernst & Young LLP, Chartered Accountants, are hereby re-appointed as the auditor of the Corporation to hold office until the close of the next annual meeting of the shareholders of the Corporation, or until a successor is appointed.

8. CONFIRMATION OF THE MINUTES OF DECEMBER 14, 2007

On motion duly made, seconded and unanimously carried, the following resolution was passed:

RESOLVED:

that the minutes of the Annual General Meeting held on December 14, 2007 are hereby received and confirmed.

9. TERMINATION

There being no further business, the meeting then terminated.

Chairperson of the meeting

Secretary of the meeting