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Housing Corporation  
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M4W 2H2



May 25, 2010

Joe Pennachetti  
City Manager  
City of Toronto  
100 Queen Street West  
Toronto ON, M5H 2N2

Dear Mr. Pennachetti:

Enclosed you will find Toronto Community Housing's Community Management Plan 2010 - 2012.

### **Community Management Plan 2010 - 2012**

The Community Management Plan is presented annually to the City of Toronto as Shareholder for Toronto Community Housing. The plan is Toronto Community Housing's three-year strategic plan that is informed through an engagement process with the Board of Directors, tenants, staff, partners and stakeholders.

The Community Management Plan 2010 - 2012 is our roadmap for the next three years. It sets out the framework for our strategy and priorities, and how we will achieve them. The Plan is revised each year to ensure our objectives are being met, to respond to new issues and take advantage of new opportunities. It builds on our vision and mission, and on our commitment to the residents and communities we serve.

Over the next three years there are big challenges facing Toronto Community Housing. One is to improve how we support tenants who become vulnerable. This is not something that is specifically our responsibility but it is something we have to respond to. The other big issues relate to the sustainability of our organization and our housing. Without increasing our cash flow or securing additional, regular, capital contributions we will not be able to maintain our housing at the standard of repair we think is appropriate. This Community Management Plan has concentrated on strategies and activities that support action on these challenges.

### **Operating environment**

The environment Toronto Community Housing will be working in over the next three years is one of escalating needs and demands, as well as reduced subsidies and new and increased costs. The unprecedented government support we have received to revitalize communities and undertake overdue building refurbishment is scheduled to end after 2011. The capital repair deficit will grow at a rapid pace if adequate annual investments are not made.

**Support the City can provide**

Our plan includes strategies that need the support of the City. Most relate to our Housing Works plan which aims to invest \$1.5 billion to ensure our buildings are kept in a good state of repair. One element of the strategy is to increase our cash flow which increases our ability to borrow. Our specific request is for a property tax exemption which will free up about \$16 million annually that would otherwise go to the Province for education purposes. The funds would be applied to the Housing Works strategy. Its aim is to transform our portfolio into a valuable asset for tenants and the people of Toronto that provides a healthy, safe living environment for current and future tenants.

This increased funding is critical. To keep our social housing assets in a state of good repair requires an increase of annual capital funding by \$43 million to a total of \$100 million every year from now until at least 2019. A property tax exemption will help us in our efforts to close that gap. If we don't fill that gap, in 2019, we will have a minimum projected capital repair backlog of \$1.7 billion and, at best, an average FCI rating of 26%. At that level, buildings across the portfolio will be in poor condition.

Another element of the Housing Works plan is the sale of buildings that are underperforming or require extraordinary amounts of capital compared to the building's value. The City has already worked with us successfully in this area. We will seek the City's support on the sale and replacement of other buildings. These transfers and sales will allow us to direct funds to buildings that can more easily be kept in a good state of repair.

The City of Toronto's Solid Waste Management Services implemented a volume based rate structure as a new means by which property owners pay for waste collection services. The rationale behind this particular strategy is that the new rate structure provides a financial incentive for property owners to increase their diversion rates. Despite concerted efforts by Toronto Community Housing to mitigate these fees through social marketing and a tenant recycling champion campaign, the organization has been charged \$7.25 million for municipal waste collection in 2009.

When calculating our operating subsidy, the City of Toronto does not treat municipal waste collection fees like other base expenditures. Our mortgage and property tax costs are treated on a pass-through basis. Pass-through eliminates any inflationary impact on taxes and mortgages by guaranteeing that the operating subsidy will cover actual costs. This is a crucial element of ensuring our financial stability and ability to deliver on our mandate. The same practice is not extended to municipal waste collection. We seek to work with the City to find a long-term solution to this additional cost so that we can continue to invest as much as possible in our buildings and services.

The other general request is to work with Toronto Community Housing to assist us in whatever way possible with the revitalization of our communities. This may be through program partnership, advocacy with senior levels of government or in other ways.

### **This year's process**

In October 2009, more than 1,000 people took part in a total of 10 consultation meetings over four days. The top priorities from staff and tenants that emerged during the consultation process included: buildings and maintenance, communications, customer service, economic opportunity, community safety, tenant engagement and vulnerable tenants. Their comments and input have helped us to develop a more focused plan than in previous years. This reflects our commitment to focusing our activities and efforts where they will have the greatest impact, and we believe it will strengthen our ability to deliver the services that tenants need and which the people of Toronto count on us to provide.

After developing a draft plan based on the initial consultations and sharing the draft with our Board of Directors, we went back to staff, tenants and partner organizations to test the new plan and its strategies with these key audiences; gather additional feedback and confirm that we were headed in the right direction. This process made us confident that we have effectively addressed the needs of our important stakeholders in the plan.

Through a parallel process, we developed a renewed vision, mission and values that will help guide the organization through this period of re-direction and change. These strategic statements clearly outline our hope for social housing in the city, our role in achieving that vision and the way in which we will work together to achieve it.

### **The plan**

The plan identifies three focus areas that we will address over the next three years:

- Strengthening People
- Strengthening Places
- Strengthening Our Foundation

These Areas of Strategic Focus will guide organizational decision-making over the next three years. Achieving the outcomes laid out in this plan will require Toronto Community Housing to pursue strategies that will redefine how we partner with experts to connect social services to our tenants, renew our commitment to service through a culture of caring, and strengthen our business operations.

Within each area there are clearly defined outcomes (12 total), each with several strategies designed to achieve them (29 total). Internally, we have assigned an Executive Champion to lead each outcome area and a Director or Manager to lead each Strategy, which will help ensure clear accountability and progress is made.

The Community Management Plan 2010 - 2012 highlights are as follows.

**Strengthening People – Connecting, supporting and engaging tenants**

- *Successful Tenancies:* As a compassionate landlord, we will work with partners to help connect tenants to the services they need so they can maintain healthy, successful tenancies.
- *Economic Development:* We will connect tenants to jobs, small business development and skill-building opportunities and will use our relationships to influence community renewal.
- *Empowered tenants:* We will promote the active engagement of tenants in voicing issues of concern, advocating for resources, and effecting change in their communities.

**Strengthening places – Maintaining and creating good quality, safe housing**

- *Well-maintained buildings:* We will strive to ensure that tenants are housed in clean, well-maintained buildings.
- *Valuable community spaces:* We will enable uses of community space that improve access and bring enjoyment and pride to residents.
- *Enhanced community safety:* We will work to improve safety conditions and make tenants feel safer in their neighbourhoods.
- *Sound investments in real estate assets:* We will invest wisely in repairs to housing and revitalization of neighbourhoods. We will be leaders in energy conservation and environmental protection.

**Strengthening Our Foundation – Ensuring strong and solid business practices**

- *Improved customer service:* We will renew our emphasis on customer-focused service, and will provide consistent, convenient, and respectful customer service.
- *Healthy workplaces:* We will continue to create and sustain an engaged, diverse and inclusive workforce.
- *Improved financial discipline:* We manage our finances prudently and will continue to pursue strategies to improve business performance.
- *Managed risk and effective governance:* We will improve our ability to identify and mitigate risks. We will clearly identify who is responsible and accountable for achieving our strategic goals.
- *Better communications:* We will improve how we communicate with tenants, staff, partners and stakeholders.

While the plan sets out a three-year vision, we will review the plan each year to make sure we are meeting our objectives, responding to new issues and taking advantage of new opportunities. These reviews will help us to evaluate our progress and performance and report on our achievements. A performance scorecard is being developed that aligns with the structure of the plan and will be used as a public reporting tool. The plan is designed to be a fluid document that will evolve through ongoing feedback and consultations and represents a continuation of strategies, such as Housing Works, which is now in its second year of a 10-year plan. The process will therefore continually

engage all constituencies that will be affected by the plan or which have a role in its implementation.

I am planning on attending the meeting of the City's Executive Committee on June 14<sup>th</sup> to provide information on the Community Management Plan 2010 – 2012. I look forward to your comments.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Keiko Nakamura', with a stylized, cursive script.

Keiko Nakamura  
Chief Executive Officer

Encl. (1)