

Toronto Community Housing  
931 Yonge Street  
Toronto, ON  
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January 6, 2012

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

Dear Mr. Pennachetti:

Subject: **Toronto Community Housing  
2010 Annual Report to the Shareholder**

This Report is Toronto Community Housing's ninth 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.

## **BACKGROUND**

Toronto Community Housing has operated as an independent, City-owned corporation under the Ontario Business Corporations Act since January 1, 2002. The Corporation's renewed mission is to provide affordable housing, connect tenants to services and opportunities, and work together to build healthy communities.

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 call Toronto Community Housing home.
- About 1,400 staff is employed by the Corporation and its subsidiaries, Access Housing Connections and Housing Services Incorporated.

The Corporation has a 2010 housing operation revenue of \$610 million and an operating budget of \$574 million. Tenant rent, commercial rent and other generated revenues comprise 49.5 percent of Toronto Community Housing's operating budget. Toronto Community Housing derives its remaining 50.5 per cent of revenue from City of Toronto operating subsidies.

Toronto Community Housing invested \$165 million in capital spending and completed over 4,000 repair projects in 2010 that brought the average unfunded Facilities Condition Index (FCI) to 8.4%.

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 consists 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.

2010 was a year of challenge and change for Toronto Community Housing. Despite significant hurdles, the organization delivered results in several core business areas. The launch of the new and more focused Community Management Plan 2010-2012 reflected a shift towards a more strategic approach to addressing the complex issues facing the organization. The Community Management Plan is part of the Corporation's commitment to advising the Shareholder of organizational performance and strategic direction and is provided on an annual basis to the City of Toronto.

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 2010.

## **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.

## **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 accompanied by audited financial statements.

## TORONTO COMMUNITY HOUSING – 2010 HIGHLIGHTS

There are three strategic focus areas for the 2010-2012 strategic plan: Strengthening People, Strengthening Places, and Strengthening Our Foundation.

### STRENGTHENING PEOPLE

In 2010 Toronto Community Housing made significant strides towards improving the social and economic conditions of tenants. One of the best ways to achieve success is by supporting tenants to fulfill the obligations of their lease, and by connecting them with services that can lead to gainful employment, career development or overall improved health.

The results of Justice Patrick LeSage's review of the Eviction Prevention Policy were a catalyst for the organization. It resulted in changes to the Eviction Prevention Policy and to the way in which staff respond to vulnerable tenants. A copy of the LeSage Review Report is attached.

Highlights include:

- Implemented a Vulnerable Tenant Protocol that better positions us in identifying and responding to vulnerable tenants and connect them to appropriate supports
- Developed a comprehensive Eviction Prevention Workplan in response to the LeSage Review recommendations
- Continued to help break the cycle of poverty among tenants by partnering with agencies that distribute scholarships to youth to help them pursue education
- Supported multiple events for tenants, including Seniors Month and youth tenant elections (eleven Youth Councils made up of 167 young people aged 14 – 28 launched)
- Partnered with organizations such as RBC and the U of T Rotman School of Management to provide access to tenants for skill development and start-up capital to launch small business ideas; launched Small Business Portal at Regent Park
- Launched an Apprenticeship Cleaning program with 30 tenant participants; 29 of the 30 tenants moved on to a 50-week job placement with 27 actively participating at the end of 2010
- Awarded 20 scholarships of \$4,000 each to youth tenants through a partnership with Scadding Court

#### ***Spotlight: Eviction Prevention***

In response to the LeSage Review, Toronto Community Housing implemented a comprehensive set of changes to eviction prevention policies and procedures. At the policy level, a Vulnerable Tenants protocol was developed and implemented, the Eviction Prevention Policy was updated and a Customer Service Strategy was developed. Integrated teams were established to review individual cases and ensure ongoing communication and problem solving with vulnerable tenants.

Training sessions for front line staff were held with a focus on identifying vulnerable tenants during annual unit inspections. Informal building cafes gave tenants opportunities to meet staff and discuss their concerns. On-site attendance schedules for Tenant Service Coordinators were initiated, providing a reliable point of face-to-face contact for tenants. Letters to tenants were reviewed and made clearer and a new template allowed staff to input rent-geared-to-income calculations into tenant letters.

As a result of these changes, 2010 eviction rates were 48% lower than 2009 rates and the number of repayment agreements negotiated between staff and tenants showed an upward trend.

### Tenant Evictions & Reduction over Time

Measure	YTD Q410	YTD Q409	YTD Q408
Tenant Evictions (Arrears)	186	415	492
<b>Total Tenant Evictions</b>	<b>186</b>	<b>415</b>	<b>492</b>
<b>% Reduction / Increase from Year Previous (Evictions)</b>	<b>55%</b>	<b>16%</b>	
Repayment Arrangements Initiated within OU	555	545	
# of Applications to Tribunal (TCH)	875	1,760	
Mediated Settlements via Tribunal (Formal Resolution)	441	737	
<b>% Reduction / Increase from Previous Year</b>	<b>40%</b>		

## STRENGTHENING PLACES

In 2010, Toronto Community Housing continued to deliver on its commitment to ensuring that tenants live in good neighbourhoods with well-maintained buildings and green spaces. Over the past seven years, with the support of all three levels of government, Toronto Community Housing has invested more than \$630 million in building improvements, but there remains much more work to be done to bring all buildings to a state of good repair. The \$1.5-billion, 10-year *Housing Works* strategy is guiding investments in real estate assets and transforming Toronto Community Housing's portfolio into a healthy, accessible and safe place. *Housing Works* guides decisions for the repair, retrofit, revitalization and replacement of housing stock. 2010 was the second year of the strategy, where the focus was on continuing to make capital investments in buildings, reducing ecological footprint, pursuing an approach to revitalization that engages the community, and divesting properties that are no longer performing well.

Highlights included:

- Invested \$165 million on capital repairs
- Upgraded 2,703 units, including 2,437 kitchens and 879 bathrooms in 26 buildings
- 108 projects funded through the first instalment of funding from the Social Housing Renovation and Retrofit Program, including 10 accessibility retrofits, 2 new elevators, 4 building envelopes, 13 Life Safety programs, 7 new roofs, 13 sets of structural repairs, and refurbishing 40 units
- Overall portfolio average Facility Condition Index (unfunded) was 8.4%, well within the portfolio target range of 12%
- Provided Bug and Scrub service with mattress encasements to vulnerable tenants
- Strengthened partnership with Toronto Police Services in place and tested an enhanced community safety strategy in six communities
- Invested \$1 million in tenant-led projects that enhanced aesthetics in 8 communities
- First market condominiums in Regent Park (One Cole) were occupied
- All commercial retail in Regent Park leased (FreshCo by Sobeys opened in Q4), and 100% of replacement units and affordable rentals in revitalization sites were completed and delivered
- Reduced energy and water costs by 11% through energy retrofit investment and tenant education efforts
- Sold 14 high maintenance cost houses to reduce costs associated with upkeep

## STRENGTHENING OUR FOUNDATION

Organizational improvement was a priority in 2010. The focus was on strengthening the Corporation's ability to deliver core business by ensuring there is a strong foundation in place for the execution of solid business practices.

Highlights included:

- Developed a renewed Customer Service Strategy with staff and tenants that will increase access to integrated service and ensure service is respectful and helpful
- Credit rating was reaffirmed at AA-/Stable
- Implemented a move out program to shorten the turnaround time for unit refurbishment and minimize vacancies
- Established investigative and audit functions to manage policies, internal controls and suspected fraud
- Demonstrated a continued trend towards progressive representation of racialized individuals and women in the workforce
- Launched a revamped tenant newsletter, *the front door*
- Conducted first annual reputation survey to establish benchmark for future progress: 67% of respondents had heard of Toronto Community Housing; 48% favourable versus 29% unfavourable impressions (January 2010)

### **Spotlight: Organizational Response**

A six-alarm fire at 200 Wellesley Street East on September 24, 2010 left 1,200 tenants virtually homeless. Toronto Community Housing mobilized an organization-wide crisis response team of staff, management, and executives to support those affected by the fire. Staff from across the enterprise worked around the clock, coordinating with the City of Toronto's emergency response team and other agencies to support tenants. Toronto Community Housing used a tenant information hotline, on-site information, online resources and the media to ensure that all tenants were well informed on the status of their homes and the resources available during the transition period. The corporation exercised its right over a contracted property manager to take over property management in order to expedite the repair and move-in process.

By January 2011, all residents of the South Tower and more than 85% of the residents of the North Tower had moved back home. Residents of the badly damaged apartments on floors 23, 24 and 25 of the North Tower were provided with long-term accommodation in furnished Toronto Community Housing apartments.

Toronto Community Housing is proud of the way staff stepped forward, working thousands of extra hours to ensure that displaced tenants were supported. That crisis response was the right thing to do for tenants of 200 Wellesley; however, it did divert financial and strategic resources from other areas.

## **2010 PERFORMANCE SCORECARD**

In 2009, staff began developing a new system for performance reporting that provides the Board with improved reporting on how investments and actions taken are leading to desired outcomes. Appropriate indicators were identified and validated to track and report on progress towards achieving stated results.

The 2010 Performance Scorecard (see Attachment) illustrates progress towards achieving expected results where measures have been identified and approved.

Legend:

Green = expected results achieved;

Yellow = results moderately below expectations; and

Red = results far below expectations.

## **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. The report provides the shareholder with an overview of the highlights against key outcomes as committed to in the Community Management Plan 2010-2012.

Len Koroneos  
Chief Executive Officer (Interim)

Attachments: Resolution of the Board of Directors, Toronto Community Housing Corporation  
Toronto Community Housing 2010 Audited Financial Statements

2010 Performance Scorecard

LeSage Review Report

cc. Nancy Autton - City Manager's Office

2010 PERFORMANCE SCORECARD

CMP Strategic Focus Areas	CMP Outcome Areas	CMP Strategies	Measures	Q1 Measure Status	Q2 Measure Status	Q3 Measure Status	Q4 Measure Status	
1. Strengthening People	Successful Tenancies	Mental Health	TBD	TBD	TBD	TBD	TBD	
		Seniors	TBD	TBD	TBD	TBD		
		Eviction Prevention	HOUSEHOLD IN ARREARS (%)	Q3	Q3			
			TENANT EVICTION REDUCTION OVER TIME	Q3	Q3			
	Economic Development	Economic Opportunities	PURCHASING \$'s LEVERAGED INTO TENANT OPPORTUNITY	Q4	Q4	Q4		
	Empowered Tenants	Tenant Leadership	TENANT EXPERIENCE - LEADERSHIP TRAINING	Q3	Q3	Q3	TBD	
		Tenant Engagement	TENANT EXPERIENCE - DECISION-MAKING GROUPS	TBD	TBD	TBD	TBD	
2. Strengthening Places	Valuable Community Spaces	Curb Appeal	TBD	TBD	TBD	TBD		
		Community Gardens	TBD	TBD	TBD	TBD		
		Use of Space	TBD	TBD	TBD	TBD		
	Enhanced Community Safety	Community Safety	SERIOUS CRIME OCCURRENCES					
			ANTI-SOCIAL BEHAVIOUR OCCURRENCES	Q3	Q3			
	Well Maintained Buildings	Tenant Perception	TENANT PERCEPTION OF SAFETY	TBD	TBD	TBD	TBD	
		Maintenance	MLS ORDER DEFICIENCIES CLOSED vs. OUTSTANDING					
			Clean Buildings	TBD	TBD	TBD	TBD	
		Pest Management	PEST COMPLAINTS RECEIVED - UNIQUE ADDRESSES	TBD	TBD	TBD	TBD	
		Sound Investments In Real Estate Assets	Environmental Retrofit	UTILITY USAGE - HYDRO, GAS, WATER				
				CO2 FOOTPRINT REDUCTION				
	Capital Repair		STATE OF PORTFOLIO REPAIR					
			CAPITAL REPAIR SPEND					
Community Revitalization	BUILDING / NEW UNIT TURNOVER							
Housing Replacement	High FCI Units Sold or Transferred	Q4	Q4	Q4				
3. Strengthening our Foundation	Improved Customer Service	Customer Service	CLIENT CARE CENTRE RESPONSIVENESS					
			SERVICE REQUEST RESOLUTION TURNAROUND					
			REPAIR WORK ORDER RESOLUTION TIME					
			REPAIR QUALITY - TENANT SATISFACTION	TBD	TBD	TBD	TBD	
	Customer Supports & Systems	Customer Supports & Systems	TBD	TBD	TBD	TBD		
			TENANT SATISFACTION - CLIENT CARE RESPONSE	Q4	Q4	Q4	TBD	
			TENANT SATISFACTION - OU OFFICE INTERACTIONS	Q4	Q4	Q4	TBD	
			TBD	TBD	TBD	TBD		
	Improved Financial Discipline	Long-term Fin. Strategy	Business Operations	CREDIT RATING STATUS	Q3	Q3		
				NET OPERATING INCOME BEFORE DEBT				
		Business Operations	MANAGEABLE COST PER UNIT					
			VACANCY LOSS					
			RENTABLE UNIT AVERAGE TURNAROUND TIME					
	Healthy Workplaces	Succession	Succession	NON RENTAL REVENUES	Q1 11	Q1 11	Q1 11	Q1 11
				INTERNAL SUCCESSION				
		Diversity & Inclusion	Diversity & Inclusion	STAFF TURNOVER				
				TCH WORKFORCE vs. CMA				
		Health & Wellness	Health & Wellness	WORKFORCE DEMOGRAPHICS				
				HEALTH & PRODUCTIVITY INDEX				
	Managed Risk & Effective Governance	Enterprise Risk Management	Enterprise Risk Management	LITIGATION RISK - CIVIL CLAIMS > \$ 1M	Q3	Q3		
				Governance	TBD	TBD	TBD	TBD
	Better Communications	External Relations	Employee Communications	REPUTATION SURVEY RESULTS	TBD	TBD	TBD	TBD
				EMPLOYEE SURVEY RESULTS	TBD	TBD	TBD	TBD
Tenant Communications				EFFICACY OF TENANT COMMUNICATIONS	TBD	TBD	TBD	TBD

**AUDITED FINANCIAL STATEMENTS**

**LESAGE REVIEW REPORT**