

Toronto Community Housing
931 Yonge Street
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M4W 2H2



January 5, 2012

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
2009 Annual Report to the Shareholder**

This Report is Toronto Community Housing's eighth 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, are Toronto Community Housing tenants.
- About 1,400 staff is employed by the Corporation.
- The Corporation has a 2009 housing operation revenue of \$566 million and an operating budget of \$507 million.

In 2009, Toronto Community Housing invested \$174.4 million on capital repairs to buildings, 42% more than was spent in 2008; \$60 million was spent on unit refurbishment upgrades, including new kitchens and bathrooms. Improvements funded from this investment also included large-scale building renewal programs, accessibility improvements, and new technology such as the Safe T Elements for replacement stoves that reduce chances of cooking fires.

Tenant rent, commercial rent and other generated revenues comprised over 52 per cent of Toronto Community Housing's operating budget. Toronto Community Housing derived its remaining 48 per cent of revenue from City of Toronto operating subsidies.

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, its Community Management Plan. The plan is a three-year rolling plan that is updated each year. The 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 2009. 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.

Toronto Community Housing – 2009 Highlights

In 2009, 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 \$612-million dollar capital shortfall which has affected Toronto Community Housing's ability to repair its aging housing stock.

Despite lower cash flow from operations for capital repairs in 2009, the federal/provincial Social Housing Renovation and Retrofit Program (SHRRP) and stimulus funding as a result of capital grants from the City resulted in capital investments of \$174.4 million, representing an all-time high investment. Unfortunately, this funding is limited and will end in 2011, meaning the funding gap will continue to grow unless new sources of funding are found.

This year was marked by a range of significant accomplishments and achievements which enabled the Corporation to make great progress within its focus areas. As part of the strategic plan for 2010-2012, Toronto Community Housing's focus areas have been narrowed from five to three. Accomplishments from 2009 will be reported using the three new focus areas to ensure alignment with the future strategic direction. As part of the strategic planning review, the performance measurement system is being re-aligned and re-formulated. Therefore, performance measures and indicators for the year are being highlighted in simple table formats below. The 2010 Annual Report will reflect the launch of the new performance scorecard in 2010.

STRENGTHENING PEOPLE

Previous CMP priority: Investing in Communities and Tenants

Progress Highlights

- Formed new senior tenant councils to give seniors an increased voice in decisions.
- Standardized communication protocols for seniors, including 14-point font and recognizable header for all seniors' communications.
- Completed research partnership with Ryerson to study the aging at home model for Toronto Community Housing senior buildings.

- Negotiated a new building cleaner apprenticeship program for tenants with CUPE Local 416.
- Implemented a new Tenant Engagement System.
- Formed a Youth Engagement Reference Committee to outline the parameters for the 2010 Youth Tenant Representative elections.
- Identified tenant issue-based groups: food action, poverty reduction, social justice, and civic engagement.
- Developed a Community Animation Model for green plan initiatives.

Performance Indicator Highlights

14,500	tenants cast their votes in 189 polls across the Toronto Community Housing portfolio, representing 31% of eligible voters.
416	Tenant Representatives received a new three-year mandate; 244 tenant representatives were elected and 131 positions were filled by acclamation.
16	Youth Representatives in nine Operating Units.
20	youth recruited for the new Youth Ambassadors network.
\$1.1m	in Social Investment Funds allocated towards 47 projects.
30	youth engaged in the west end in a pilot program for sustainable livelihoods.
13	internship opportunities created through the Youth Internship program; interns were placed in positions of law clerks, make-up artists, and library assistants.
211	tenants hired by contractors as a result of the tenant employment programs.
12	tenants graduated from the 2009 CHOICE pre-apprenticeship carpentry program.
2	buildings in which mental health pilots were started.

Spotlight: Eviction Statistics

Maintaining tenancies wherever possible is part of Toronto Community Housing's commitment to providing 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 tenancy. In addition, Toronto Community Housing has a practice of reaching out to tenants in arrears through early intervention and offering individual payment plans that help tenants stay housed. We also re-house tenants if they pay amounts owed directly after eviction. In 2009, there were 15 households evicted for non-payment of rent that were re-housed immediately after eviction.

2009	2008	
415	492	evictions related to arrears.
6	48	households evicted for breach of lease.
\$617,731	\$1,012,203	total arrears for households involved in eviction for rental arrears.
\$485	\$475	estimated direct cost of evictions per household (direct costs of tribunal and sheriff fees).

STRENGTHENING PLACES

Previous CMP priorities: Maintaining and Sustaining Assets & Quality Housing Services

Progress Highlights

- Moved the Board-approved *Housing Works* strategy into its first full year of implementation, setting the stage for long-term priority based capital repair programs.

- Implemented EasyTrac (service tracking database) and 24/7 Response Centre for all sites, including contracted properties, ensuring equal access to recording and tracking maintenance requests.
- Trained 55 contract management staff on standardized processes and expectations.
- Introduced new environmental cleaning products.
- Adopted a Closed Circuit Television Surveillance Policy at the Board level.
- Adopted Community Standards at the Board level.
- Invested in Safe T Element technology for replacement stoves and in new developments to reduce the frequency of and losses due to cooking fires.

Progress Spotlight: Community Revitalization

- Broke ground on Regent Park's second condominium, One Park West, together with all Phase 1 townhouses.
- Engaged City of Toronto Planning staff regarding Lawrence Heights project plans and approvals, and acquired 247 Ranee, which allowed for a potential quick start to construction with minimal disruption to tenants.
- Began Regent Park Phase 2, with an estimated cost of \$100 million to replace rental housing units.
- Engaged the Alexandra Park community, planning staff and other stakeholders to develop a master plan for development.
- Continued the Don Mount Court (now Rivertowne) Phase 2 construction of 60 units with expected completion of all housing units in 2010.
- Began a Request for Proposal process for other Revitalization sites identified in the Housing Works Plan, which concluded in the first quarter of 2010.

Performance Indicator Highlights

Sound Investments in Real Estate Assets (Housing Works)

\$174.4m	spent on capital repairs, a 42% increase from 2008 expenditures of \$122.6 million.
\$60m	spent on the Unit Refurbishment Program (URP). Since inception in 2007 total spending has been \$109.2 million on more than 11,000 units.
8.4%	average portfolio-wide state of portfolio repair indicated by the Facilities Condition Index (FCI); FCI is 12.1% for current and potential revitalization sites. 10-year target is 12.1% portfolio-wide and 20% in revitalization sites.
3.34%	combined reduction in energy consumption compared to 2008, with CO ₂ emissions cut by 2.55% for the fourth straight year of improvement.
\$4.1m	in energy savings delivered by the Building Energy Retrofit Program (BERP).
150	tenants moved into the new buildings in Regent Park.
98%	of market condominium units sold (as of March 2010 100% of units at One Cole sold).
422	unit affordable housing rental building started in the Railway Lands.
243	unit affordable housing mid-rise building designed for seniors and two low-rise buildings; planning and design started in the West Don Lands.
69	unit seniors building in progress at 717 Broadview.
27	unit retrofit and reconstruction of an existing building at 42 Hubbard.

Well-Maintained Buildings

\$1M	invested in Curb Appeal strategy to enhance the aesthetic appearance of 9 communities, including landscaping, lighting, lobby upgrades, etc.
100	Municipal Licensing and Standards (MLS) work orders at the end of 2009; reduced from close to 200 at the end of 2008.
92%	of MLS work orders resolved within 60 days in Q4 (up from 51% in Q1)

12	buildings replaced common space carpeting with seamless hard surface floors for enhanced appearances and improved cleanliness
25%	portfolio participation in an integrated vacancy management pilot program that reduced vacant unit turnaround time in to 47 days (from 87), created four tenant jobs and increased rental revenues by almost \$900,000.

Enhanced Community Safety

2.6%	decrease in violent crimes in 2009 versus 2008.
32	Reclaiming Outdoor Space community safety summertime initiatives completed.
4	community safety prototypes initiated targeting youth, seniors, and anti-social behaviour in communities experiencing higher levels of illegal acts or disruptive behaviours.
20	youth trained and certified to conduct <i>CPTED</i> (Crime prevention through environmental design) audits of Toronto Community Housing communities.

STRENGTHENING OUR FOUNDATION

Alignment with Previous CMP priorities: Quality Housing Services, Strong Business and Operational Performance, Effective Organization

Progress Highlights

- Constructed and retrofitted fully accessible Operating Unit offices.
- Struck a Nominations Committee to renew HSI and Housing Connection boards. New subsidiary boards were appointed effective April 1, 2010.
- Recognized as one of the Top 100 Canadian employers for 2010.
- Negotiated successful new collective agreements with CUPE Local 416 and OPSEU Local 529.
- Recruited a new Chief Administrative Officer responsible for renewing the organization's strategic planning work and, over time, taking charge of human resources and information technology.
- Developed a Tenant Bulletin to share information with tenants in multiple languages.

Progress Spotlight: Financial Management

- Maintained Standard & Poor's credit rating at AA-.
- Implemented process to invest and manage various capital grants from governments.
- Developed corporate financing model for capital investment.
- Restructured investment portfolio to achieve \$200 million target by 2015.
- Completed Internal Financial Controls review with a plan to address weaknesses.
- Reported overall Net Operating Income at 14% (\$12.4m) below budget due to new unbudgeted City of Toronto waste pick-up charges of \$7.3 million and \$4.8 million lower interest income than budgeted.
- Non-rental revenue was 9.1% lower than budget due to lower interest revenue against budget (2009 interest rates and amount available for investment were lower than budget).
- Non-rental revenue (excluding interest income) was higher by 6.6% (\$1.6m) with increases from all areas of commercial operations.

Performance Indicator Highlights

Customer Service

75%	First-call resolutions; an improvement from 66% at the beginning of the year (industry standard is 70%).
59%	live answered calls in less than 2 minutes; an improvement over the year from 29%.
14%	abandoned calls; an improvement over the year from 32%.
86%	live answered calls; an improvement over the year from 68%.

59%	of work orders completed within 5-day standard; target is 80% for routine maintenance.
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Business Operations

4.91%	market unit vacancy rate; a reduction from 2008 average of 5.42%.
2.31%	RGI vacancy rates; a reduction from 2008 average of 2.77%.

Healthy Workplaces

59	score in Workforce Health and Productivity versus the target of 60 - 100 in the Towers Watson Bi-annual Staying at Work Survey. Performance rated "strong" relative to others.
1%	staff turnover; within the targeted 1% to 2% range.
\$375,000	raised for the United Way; a record amount, up from \$306,316 in 2008.
4%	over the CMA demographic representation for racialized persons.
8%	over the CMA demographic representation for persons with disabilities.
5.5%	over the CMA demographic representation for aboriginal peoples.

OTHER INFORMATION REQUESTED BY THE SHAREHOLDER

Illegal Act Proceedings: Weapons and drug crimes

As requested by the shareholder, a special report has been prepared on the number of households evicted by Toronto Community Housing Corporation in relation to charges involving weapons and drug crimes, and is included as an Appendix.

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 2009-2011.

Len Koroneos
Chief Executive Officer (Interim)

Attachments: Resolution of the Board of Directors, Toronto Community Housing Corporation
Toronto Community Housing 2009 Audited Financial Statements

Weapon and Drug Crime Evictions Report

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

Attachment 2



Toronto
Community
Housing

cc.

Toronto Community Housing



Annual Report to the City of Toronto

To: City of Toronto
From: Toronto Community Housing Corporation
Date: January 5, 2012

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PURPOSE:

To provide information to the City of Toronto on progress on community safety including the number of households evicted by Toronto Community Housing Corporation in relation to charges involving weapons and drug crimes.

BACKGROUND:

As a landlord, Toronto Community Housing is committed to improving safety conditions and to making tenants feel safer in their buildings and neighbourhoods as part of our support for healthy communities.

Toronto Community Housing Corporation must also respond to incidents that affect the safety of its tenants. As a result, when a tenant or a member of their household commits or enables illegal acts related to drugs or weapons, Toronto Community Housing takes action to ensure that the community remains a safe place for the other tenants, and commences eviction proceedings where the facts and circumstances warrant it. Under the *Residential Tenancies Act*, it is not necessary that a tenant be convicted criminally of the charge in order for a landlord to terminate a tenancy based on an illegal act.

PROGRESS ON COMMUNITY SAFETY

During 2009 progress was made in a number of ways that helped improve community safety for our tenants.

- Violent crimes decreased from 2008 by 2.6%.
- The Closed Circuit Television Surveillance Policy was adopted by the Board.
- Community Standards were adopted by the Board.
- Developed a community risk assessment tool that was used for summer readiness and reclaiming outdoor space initiatives.
- 32 Reclaiming Outdoor Space initiatives completed.

- Initiated four community safety prototypes that targeted youth, seniors, anti-social behaviour and enhanced support to communities experiencing higher levels of illegal acts or disruptive behaviours.
- Trained and certified more than 20 youth to conduct **Crime Prevention through Environmental Design** audits of Toronto Community Housing communities.
- Expanded meet and greet sessions to build trust and building relations between tenants, staff and community agencies to one another.

HOUSEHOLDS WITH WEAPON AND DRUG CHARGES

There are a range of possible outcomes when a tenant is charged with a drug or gun related crime and they may not result in eviction. The Residential Tenancies Act gives tenants the right to dispute the eviction at the Landlord and Tenant Board. Toronto Community Housing is required to provide sufficient evidence to justify the eviction. The Landlord and Tenant Board may grant or deny the eviction based on the evidence, the personal circumstances of the tenant, and impact on the community.

Each file is handled on a case-by-case basis, taking into account the household composition, whether the person charged was an occupant or a leaseholder, and any other considerations depending on the file.

The numbers below reflect only the number of files between January 1, 2007 – January 1, 2010 where a notice was served and the Operating Unit asked Legal Services to file an application for eviction. They do not reflect any settlements that may have been reached prior to receiving the file from the Operating Unit, (for example, if the Operating Unit Manager and tenant/occupant are able to reach an agreement, and the Operating Unit Manager does not wish to proceed at the Landlord and Tenant Board). Also, they may not reflect when tenants choose to leave after receiving the notice.

Illegal Act proceedings - January 1, 2007 - January 1, 2010
(Specific to drug and gun crimes only)

2007	8 Mediated Settlements	3 Evictions	1 Withdrawn	2 No Action	
2008	5 Mediated Settlements	4 Evictions	3 Withdrawn	1 No Action	
2009	16 Mediated Settlements	4 Evictions	7 Withdrawn	9 No Action	4 Still proceeding (past Jan. 1, 2010)

Mediated Settlements: consist of situations where an application has commenced, but Toronto Community Housing and the tenant are able to come to an agreement, which will result in a formal agreement or Consent Order at the Landlord and Tenant Board, and can be enforced if a breach occurs. This may include an agreement that an occupier is no longer allowed on the property and is taken off the lease, (if an occupant was charged as opposed to a leaseholder). These settlements occur on a case-by-case basis, depending on the individual circumstances.

Evictions: consist of evictions where the Sherriff is involved, and the tenants are removed from the unit. This only occurs after a Landlord and Tenant Board hearing and the Board issues an Order for eviction.

Withdrawn: applications are usually withdrawn as a result of the tenant vacating the unit, where the Operating Unit Manager is certain that the tenant has left, (i.e. handed over the keys etc), or potentially due to a lack of evidence.

No Action: typically occurs as a result of a defective notice served by the Operating Unit, which is then sent back to the Operating Unit to re-serve, or if tenant vacates the unit, negating the need to continue the Landlord and Tenant Board process.

CONCLUSION:

The work of Our Community Safety Unit, the Community Health Unit, our Operating Unit staff and the support of Toronto Police Services resulted in a minor decrease in violent crimes in our communities. Toronto Community Housing worked with tenants and agencies to promote community safety in a variety of ways over the year.

The number of eviction files increased since 2007. This is likely a result of more concentrated efforts by Toronto Police Services in gang-related investigations and major raids. Toronto Community Housing makes an effort to consider each file on a case-by-case basis and where possible, attempts to solve the issue without having to resort to eviction, which is demonstrated by the increased number of mediated settlements.

Nancy Autton - City Manager's Office