

Toronto Community Housing
931 Yonge Street
Toronto, ON
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May 5, 2014

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

Subject: Toronto Community Housing 2013 Annual Report

Dear Mr. Pennachetti,

I am pleased to submit the 2013 Annual Report for the Toronto Community Housing Corporation ("Toronto Community Housing" or "TCH" or "TCHC").

This report is Toronto Community Housing's Annual Report (herein "Report") to our sole shareholder, the City of Toronto. Our 2013 Annual Report, combined with this letter and its attachments, fulfills all shareholder and other City Council mandated reporting requirements, as outlined in the 2013 Shareholder Direction from the City of Toronto and various resolutions adopted at City Council.

Additionally, the Annual Report offers Toronto Community Housing the opportunity to showcase some of our significant annual achievements in relation to our strategic objectives, as stated in our Strategic Plan, *Homeward 2016*.

If you have any questions regarding the contents of this Report, please contact Hugh Lawson, Director of Strategic Planning and Stakeholder Relations at hugh.lawson@torontohousing.ca.

Thank you,



Greg Spear
Interim President and Chief Executive Officer
Chief Development Officer

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Shareholder Reporting Requirements

Our 2013 Annual Report, combined with this letter and its attachments, include the following information as required by the City of Toronto:

Shareholder Reporting Requirement	Source of Information
<ul style="list-style-type: none"> Objectives, accomplishments from prior year, and performance trends. 	Annual Report
<ul style="list-style-type: none"> Explanations, notes, and information as is required to explain and account for any variances between the actual results from operations and the budgeted amounts set forth in current Strategic Plan, and any material variances in the projected ability of any business activity to meet the financial objectives of the shareholder. 	Annual Report
<ul style="list-style-type: none"> The achievement of the financial and service targets set out in the Business Plan or the Operating Agreement and such explanations, notes, and information as is required to explain and account for any variances between the actual results from operations and the targets established in the Business Plan or the Operating Agreement. 	Annual Report: audited financial statements
<ul style="list-style-type: none"> Initiatives to provide responsive customer service. 	Annual Report
<ul style="list-style-type: none"> Tenant engagement activities. 	Annual Report
<ul style="list-style-type: none"> Information that is likely to materially affect the Shareholder's financial objectives. 	Annual Report
<ul style="list-style-type: none"> Information that is likely to materially affect Tenants' views or opinions regarding TCH. 	Annual Report
<ul style="list-style-type: none"> Information regarding any matter, occurrence, or other event which is a material breach or violation of any law, including major findings of internal or other audits 	Letter to the shareholder
<ul style="list-style-type: none"> Information regarding the performance of TCH such that the <i>Shareholder</i> can determine that this <i>Shareholder Direction</i> has been respected. 	Annual Report
<ul style="list-style-type: none"> Information on the disposition and uses of funds provided to TCH by the City. 	Annual Report
<ul style="list-style-type: none"> Information regarding the number of evictions each year and the rationale for these evictions. 	Letter to the shareholder
<ul style="list-style-type: none"> The status of the sale of any properties and on any tenant or community impacts resulting from such sales. 	Letter to the shareholder
<ul style="list-style-type: none"> Information, as permitted by law, regarding senior executive compensation. 	Letter to the shareholder
<ul style="list-style-type: none"> Matters identified in Section 9.1, 9.2, and 12 of the Shareholder Direction: <ul style="list-style-type: none"> 9.1: TCH and the Tenant will maintain a democratic system of active tenant participation and involvement that will: <ul style="list-style-type: none"> Provide a tenant council structure or similar organization; Provide for tenant input for decisions at the corporate and local levels; Provide for tenant input for setting local spending priorities and service levels; and Include tenant representation on the Board. The system of tenant participation will respect the terms of the Shareholder direction and the financial targets and performance benchmarks that are established for TCH by any service manager. 	Letter to the shareholder

Shareholder Reporting Requirement	Source of Information
<ul style="list-style-type: none"> • <u>9.2:</u> TCH shall, in consultation with Tenants and their representatives, and other parties as required, maintain and apply: <ul style="list-style-type: none"> • An eviction prevention policy which aims to balance efforts to ensure the payment of rent while facilitating the tenancies of households experiencing financial difficulties in paying rent. • A system of local accountability established between TCH and tenants such that Tenants are informed of the operating budget, capital plans, and that there is regular reporting on the achievement of the budget targets and progress on plans for repairs and renovations. • A complaint process that is accessible, transparent, that advocates on behalf of tenants to seek a solution to their complaints, and that respects the management accountabilities within TCH and allows for the review of operational decisions at a senior level within TCH. • TCH will ensure that tenants will be protected from harassment, in an environment where human rights are respected and updated. • TCH will ensure that all communications with Tenants will be undertaken in English and the language of tenants' choice. 	Letter to the shareholder
<ul style="list-style-type: none"> • <u>12:</u> <ul style="list-style-type: none"> • TCH will abide by all relevant employment and occupational health and safety legislation in the conduct of its operations, and will develop appropriate policies in areas such as, but not limited to, fair wages for contracted services consistent with that of the City and employee compensation to address these objectives. • TCH will ensure all procurement activities including, but not limited to, materials management, purchasing goods, service and construction contracts, involving purchasing leasing, or renting, are arrived at by competitive or non-competitive tendering processes, adhere to procurement best practices, policies, and procedures and are managed in an open and transparent manner. 	Letter to the shareholder
<ul style="list-style-type: none"> • TCH to report annually, through the TCH Annual Report to Council, with an updated Ten-Year Capital Financing Plan as of December 31st of the prior year that includes: <ul style="list-style-type: none"> • Total amount of capital backlog repair expenditures from the prior year; • Outstanding capital repair needs carried forward from the prior year; • Reductions to the capital repair backlog due to the sale of assets and/or revitalization; • Balance of the capital repair backlog reserve fund; • Changes in estimates for current and future capital repair requirements; and • Changes in estimates for current and future capital repair funding. 	Letter to the shareholder
<ul style="list-style-type: none"> • Results of the organizational review and the creation of a specialized unit with responsibility for single-family homes. 	Letter to the shareholder
<ul style="list-style-type: none"> • Efforts to partner with other organizations to further provide affordable ownership opportunities to Toronto Community Housing residents and qualifying families. 	Letter to the shareholder

Shareholder Reporting Requirement	Source of Information
<ul style="list-style-type: none"> • City Council request the major agencies, boards, commissions and corporations to provide an annual human rights report to Council detailing the numbers and types of human rights complaints received by the Human Rights Tribunal of Ontario involving the respective agency, board, commission and corporation, and the complaint resolutions and associated costs. 	Letter to the Shareholder
<ul style="list-style-type: none"> • Toronto Community Housing report annually, through Toronto Community Housing's Annual Report to Council on the status of revitalizations and on any tenant and community impacts resulting from revitalizations 	Letter to the Shareholder
<ul style="list-style-type: none"> • The Chief Executive Officer prepare a report to the Shareholder on: <ul style="list-style-type: none"> • a) The business case for each existing subsidiary corporation and significant investment interest, providing background information on purpose, governance, and other such information as may be relevant. Such information be reported in each Annual Report to the Shareholder. 	Appendix A
<ul style="list-style-type: none"> • City Council direct Toronto Community Housing to include as part of its Annual Report to Executive Committee an update on the progress of implementation of the Ombudsman's <i>Housing at Risk</i> recommendations and on the recommendations contained in the <i>LeSage Review Report</i> until such time that the recommendations have been fully implemented. 	Letter to the Shareholder

Sale of Houses, Revitalization Update, and Organizational Review

Status on Sales of Standalone Properties

In March 2012, City Council approved the sale of 56 vacant properties. Based on the recommendation made by Councillor Ana Bailão's special working group in its report *Putting People First: Transforming Toronto Community Housing*, Toronto City Council approved the sale of an additional 55 stand-alone properties on October 30, 2012. Ministerial approval has been received for the sale of properties where it was required. The sale of these 55 additional properties is expected to generate \$35 million for the State of Good Repair Fund B, which will provide a direct benefit to our residents by helping to improve the quality of our housing.

In 2013, Toronto Community Housing sold 26 of these houses for a net return of \$12,256,959. This had minimal impact on tenants and the community, as the houses sold were all vacant at the time of the sale. All properties with finalized agreements of purchase and sale have sold above the appraised value. On average, each house sold for \$55,000 (12%) above the appraised or listing value (a cumulative \$1.4 million above appraised value) for a total return of \$12,256,959. Interest and demand were high with 92% of the houses receiving multiple bids.

2013 Revitalization Update

Regent Park:

We are about half way through phase two of Regent Park, with a new rental building occupied in late fall 2013 and one additional building under construction (occupancy early 2015). Our partnership with the Daniels Group continues with success. One Park Place North condominiums are 97% sold, with new purchasers moving in at this time. One Park Place South condominiums are 36% sold, with a major public launch of sales in May, 2014 – the sales launch is expected to be very successful. There are two more market condominium buildings in phase two that will be brought to the market late 2014 and early 2015.

City Council recently unanimously approved the *Ontario Planning Act* and rezoning of the balance of the Regent Park lands, including phases 3, 4 and 5. We have renegotiated and extended the Daniels relationship to the phase 3 lands and are proceeding with resident relocations in preparation for demolition and new construction. Some phase 3 residents relocated directly into the recently completed rental building in phase 2, others relocated off-site. Significant demolition and infrastructure works will occur in 2014. Our objective is to open one new rental building per year for the next several years in order to significantly reduce the time that residents are located outside the community. We are conducting significant outreach to our residents to help them through the relocation process: for example, we have conducted more than 50 community meetings in the past nine months.

Alexandra Park:

All necessary City approvals were completed in 2013. Our partnership with Tridel is going very well. They have initiated presales on their first condominium building, with sales ahead of schedule. Construction on the building is expected to start in the fall of 2014. The resident relocation process went very well, with many families moving within the community and some choosing to move off-site, primarily to our building in the railway lands. The first 44 town homes have been demolished, with infrastructure work to commence in the spring/summer of 2014.

Allenbury Gardens:

Final approvals were achieved in 2013. Our partnership with the Fram Building Group is proceeding well, with agreements finalized in 2013. The sales center for the first condominium building will be open for business in May 2014. With presales in place, construction start is planned for 2015. Our first resident relocation meeting has been held in the community, with residents anxious to advance the process and relocate. Demolition and building permit applications are expected in the fall of 2014.

Leslie Nymark:

This site is a partnership with Tridel. Extensive planning work and negotiations with the City started in 2011 and continued through 2013, and are still on-going in 2014. It is our hope to conclude the process such that pre-sales of the first condominium building could commence in the fall of 2014.

Lawrence Heights:

During 2013, we completed a Request for Proposals (RFP) process, selected our developer partner and concluded contract negotiations with them. Our partners are Context and Metropia together, with the relationship risk managed very well through a simple land sale arrangement and certain guarantees on the cost of replacement rental housing. In the second half of 2013 we began design work on the first phase of development on the site on the west side of the Allen Expressway and south of Ranee Blvd. The site is adjacent to a subway station entrance and includes a for-sale condominium building, a rental replacement apartment building and some limited retail space. Our objective is to complete the necessary approvals for the first phase and begin pre-sales in the fall of 2014. First resident relocations will likely occur in early 2015. In 2013 the developer advanced a significant financial gift to the community, part of which was used in the fall of 2013 to fund 21 scholarships to post-secondary education for residents of the community. That program is currently being replicated in 2014.

250 Davenport:

During 2013 we completed an RFP process, selected a developer partner and began an extensive consultation process with the residents of our existing building on site, which will remain and be refurbished. Refurbishment is expected to commence early in 2015, along with an application for condominium development on the west side of the site. This transaction has been structured more as a land sale with profit share than a partnership. The purchaser on this site is Diamondcorp in partnership with Metropia.

Don Summerville:

This is a one half acre land sale to a development company called Urbancorp. Urbancorp was selected through an RFP process in 2013. Environmental due diligence has been completed on site, with remediation issues currently under discussion with the developer and the Province of Ontario.

2013 Update on Affordable Homeownership

Toronto Community Housing continues to work closely with Daniels Corporation to provide access to affordable home ownership loans through the Affordable Housing Program, funded by the City of Toronto. The “First Home Boost” program has been set up to provide 10% down payment assistance to qualified individuals and, with approval from the City of Toronto’s Affordable Housing Office, up to 35% down payment assistance can be provided to Regent Park residents through the “Foundation Program”. Interested individuals undergo a qualification process and – if deemed eligible - can receive a loan towards their mortgage.

In 2013, Toronto Community Housing provided 17 Boost Loans and 1 Foundation Loan. Since the start of revitalization, 183 Boost loans and 13 Foundation loans were distributed, for a total of 196 loans. Qualified Toronto Community Housing residents continue to express interest in Foundation loans.

As recommended in the 2012 “Putting People First” report, we have also been working to develop new partnership opportunities with non-profit organizations to manage or own our single family homes.¹ In 2013, we held a consultation with a broad group of sector organizations to discuss the profile of our scattered houses and explore partnership opportunities. We have also been meeting with Habitat for Humanity to discuss options for working with their organization on this issue.

Organizational Review and Creation of Specialized Unit for Single-Family Homes

As stated in the October 16, 2013, “Putting People First” report to Executive Committee, Toronto Community Housing has now realigned its Operations Division with the creation of divisions responsible for Resident and Community Services, Asset Management and Facilities Management.

We have also created a centralized group to respond to maintenance issues in our single family homes portfolio, which includes a dedicated Community Housing Supervisor and several Superintendents. We are in the process of centralizing all administration for these homes. Two different organizational structures for the housing portfolio are currently being considered, and a decision will be made in Q2 of this year, to consolidate as either a smaller Operating Unit or a sub unit within one larger Operating Unit.

¹ “Putting People First: Transforming Toronto Community Housing.” September 17, 2012. Bailao, Ana; Purves, Bud; Redway, Alan; and Pimblett, Jim.

Eviction Prevention and Statistics

Eviction Prevention

Toronto Community Housing continues to make prevention of eviction for arrears a priority. Eviction is a last resort, only after staff have done everything possible to work with residents on the repayment of rent. The *Eviction Prevention Policy for Non Payment of Rent* emphasizes early intervention so that arrears do not accumulate to a point where it is difficult for the resident to catch up. Our approach includes communication with residents about rental responsibilities, personal contact with residents, and performance management in high-arrears portfolios.

In response to a June 2013 report from the Office of the Ombudsman, City of Toronto, we have further strengthened our eviction prevention practices. In 2013, we developed a new arrears collection process that mandates personal contact before an N4 (Notice to Terminate) is served. This new arrears collection process is backed by effective compliance monitoring, and will be implemented in 2014. It is supported by a set of standards for arrears repayment plans that guide staff in negotiating agreements that are fair, reasonable and achievable by residents. Letters sent to residents regarding arrears have also been revised so that they are easier to read, more accurate and more accessible.

The work completed to implement the Ombudsman's recommendations is helping to strengthen Toronto Community Housing's eviction prevention practices by ensuring consistent application of the *Eviction Prevention Policy for Non-Payment of Rent* and accompanying guidelines, building staff capacity to respond effectively to arrears situations, and building in additional management oversight to ensure compliance.

In continued response to the LeSage Report, the board of directors of Toronto Community Housing approved the creation of the Office of the Commissioner of Housing Equity (OCHE) and hired the Commissioner with a mandate to ensure that all Toronto Community Housing staff and contracted companies fairly and consistently apply all policies and procedures relating to eviction and loss of subsidy for seniors and vulnerable residents. The OCHE will ensure all reasonable avenues have been exhausted to avoid evictions and in so doing, reduce the number of hearings before the LTB and associated costs.

2013 Eviction Statistics

Measure	2013
Tenant Evictions (Arrears)	375*
Tenant Evictions (Non-Arrears)	64
Total Tenant Evictions	439
Eviction Rate	<1%
Repayment arrangements initiated locally	681
Number of active TCH applications at the Landlord Tenant Board	2,529
Mediated settlements via Landlord Tenant Board	1,085

* Of these 375, 43 were 59 and older (age of the head of household).

Resident Participation and Resident Complaints Process

Resident Participation System

Tenant councils have been a fundamental part of the engagement strategy at Toronto Community Housing since our first year of operation in 2001. There have been several opportunities to review the system and make refinements over the past 12 years, but 2013 presented a unique opportunity to seek innovation.

During 2013, Toronto Community Housing hired a third party to review the current Resident Engagement Model. The review included tenant representatives, tenant councils, central issue-based groups, youth representatives, youth councils and all resources allocated to the function of the current system.

The results of the review will enable development of a new Resident Engagement Model, which will be implemented in 2014. While we develop the new Resident Engagement Model, we continue to operate under our existing model for electing tenants to our board.

Local Accountability with Residents

All relevant documents related to our operating budget, capital plan, and progress on targets of the Strategic Plan are posted publically on our website after they are approved by our Board of Directors. They are also available on demand from all of our Operating Unit offices. Our Annual Report is also available at all of our Operating Unit offices.

In addition, through our participatory budgeting program, we work with residents to plan the annual expenditure of \$5 million based on resident priorities. Residents are also notified of planned work in their communities with notices informing them of the type of work, the problem the work is addressing and the expected completion date. Notices contain instructions for residents where appropriate (for example if there is planned water or power shutdowns).

2013 Update on Communicating with Residents in the Language of Their Choice

Toronto Community Housing has a Translation and Interpretation Policy which will be reviewed in 2014. Currently, corporate communication products aimed at all residents are translated into 18 different languages. We also use icons and illustrations in information materials to improve communication with all language groups.

For in person or over the phone customer service language interpretation, the Client Care Center and our subsidiary, Housing Connections, rely on the Language Line to support conversations and services.

We are collecting information from each household about the language of their choice. Once we know the language preference for each household, we will communicate with them in their preferred language, with the exclusion of legal documents that are required to be in English or French.

Resident Complaint Process

Toronto Community Housing has had a resident complaint process in place since 2002. This process can be found on our website and is available in any of our offices for residents. This process is currently under review and a new, centralized complaint process is being designed and implemented as part of an updated Tenant Complaint Policy, which will be approved by the board. As part of the review, and as with all policy reviews where appropriate, we will hold consultations with residents to ensure that we incorporate their feedback in to the revised complaints process.

Complaints through the Office of the Ombudsman, and Councillor Complaints

Toronto Community Housing and the City of Toronto Office of the Ombudsman have established a protocol to stream all complaints to one staff contact within the corporation so that the appropriate staff can be contacted immediately to resolve the complaint. A similar process is in place for responding to complaints that come through Councillor's offices.

Human Rights and Fair Access Complaints

Toronto Community Housing has developed complaint procedures for investigating and resolving any complaints that may arise concerning discrimination and harassment. These procedures comply with the Ontario Human Rights Code, and cover all Toronto Community Housing employees and residents. All employees, contractors, agents, tenants, Board Directors, volunteers and appointees who serve on committees established by Toronto Community Housing are bound by these procedures in their dealings with Toronto Community Housing. Toronto Community Housing has the capacity to address complaints internally by relying on these procedures with the help of Toronto Community Housing management, our Office of Diversity, Fairness, and Human Rights, or external consultants hired by Toronto Community Housing.

Human Rights Policy

Toronto Community Housing ensures that residents and employees are protected from harassment, in an environment where human rights are respected. To this end, we have a *Human Rights, Harassment, and Fair Access Policy*, which is publically available on our website:

http://www.torontohousing.ca/policy/human_rights_harassment_and_fair_access_policy

This Policy is undergoing a review in 2014 to ensure it adheres to council directives including the principals of City policy as it relates to Human Rights, Harassment, Discrimination, and Responding to Hate.

In addition to our *Human Rights, Harassment, and Fair Access Policy*, Toronto Community Housing has also developed tenant and employee complaint procedures for investigating and resolving any complaints that may arise concerning discrimination and harassment.

We track and report all internal complaints quarterly, and support our commitment to fairness and transparency by producing an annual report on Human Rights.

Human Rights Applications to the Ontario Human Rights Tribunal (2011-2013)²

Year	Type of File	Resolution/Status				Total
		Withdrawn	Dismissed	Settled	Ongoing	
2011	Employment	1	1	1	1	4
	Housing Applicant		1	1		2
	Tenancy	1	2	1		4
	TOTAL					10
2012	Tenancy	2	2	0	0	4
	TOTAL					4
2013	Employment	1	0	0	1	2
	Tenancy	0	0	1	1	2
	TOTAL					4

Transparency and Accountability

Executive Compensation in 2013

The following table outlines senior executive compensation, as permitted by law, in 2013. Note that “senior executive” has been defined as anyone holding a Director position – or its equivalent – or above. The compensation of senior executives hired late in 2013, whose salaries were therefore not in the 2013 public salary disclosure list as per the *Public Sector Salary Disclosure Act*, will be reported in 2014.

Surname	Given Name	Position Title	Salary Paid	Taxable Benefits
BOND	JENNIFER	Director of Labour Relations and Legal Counsel	\$129,551.18	\$1,012.57
BOUSHEL*	MARY	Interim Director of Resident Access and Support	\$109,531.92	\$1,469.50
CANTON*	LOU	Senior Director of Operations Delivery	\$133,785.03	\$5,584.70
CHISHOLM	PAUL	General Manager Access Housing	\$137,621.48	\$962.02
DEMELO*	JIMMY	Director of Operations Delivery	\$108,356.27	\$1,789.57

² Resolutions and associates costs are sealed and therefore cannot be disclosed.

Surname	Given Name	Position Title	Salary Paid	Taxable Benefits
GARRETT	KIMBERLEY	Director of Community Housing	\$105,819.78	\$813.07
GASH	LESLIE	Director of Development	\$115,765.50	\$1,396.83
GOREL	JASON	Chief Financial Officer	\$189,322.26	\$9,568.39
GREY WOLF	HEATHER	Director of Development	\$115,765.51	\$896.83
HANEY KILEEG*	MICHELLE	Vice President of Resident and Community Services	\$145,642.51	\$6,205.73
IBRAHIM	ISMAIL	Director of Compliance and Legal Counsel	\$105,577.66	\$803.40
JEUNG*	PHILIP	Director of Smart Buildings and Energy Management	\$112,945.38	\$879.22
JONES*	EUGENE	President and Chief Executive Officer	\$270,581.79	\$9,568.39
LAWSON	WILLIAM	Director, Strategic Planning & Stakeholder Relations	\$125,270.38	\$974.40
LEAH	GRAHAM	Vice President of Asset Management	\$159,376.29	\$5,091.16
MAHARAJ	ANAND	Vice President of Human Resources	\$179,359.78	\$9,630.30
MALLOCH	BRUCE	Director of Strategic Communications	\$129,551.18	\$1,012.57
MESEC*	ROMAN	Senior Director of Strategic Procurement	\$145,032.20	\$6,476.00
NARINE	PATRICIA	Director of Resident Engagement and Community Development	\$109,990.19	\$768.32
OVERHOLT	LISA	Senior Director of Community Safety, Corporate Issues and Council Liaison	\$112,923.05	\$855.38

Surname	Given Name	Position Title	Salary Paid	Taxable Benefits
PAYNE	LAURIE	Director of Development	\$115,765.50	\$896.83
REID	ELIZABETH	Vice President of Information Technology and Systems	\$121,083.77	\$1,012.57
SMITH*	MARTHA	Director of Program Services	\$137,503.17	\$919.14
SPEARN	GREG	Chief Development Officer	\$189,322.23	\$8,391.31
TRAMONTOZZI	ANNA	Corporate Controller	\$129,551.18	\$1,012.57
VEAR	MICHAEL	Chief Internal Auditor	\$155,672.05	\$2,129.39
WARD*	WILLIAM	Director of Community Housing	\$137,793.53	\$908.46
WONG*	MICHELLE	General Counsel and Corporate Secretary	\$202,119.34	\$9,568.39
YORKE	GARY	Director of Vendor Management and Quality Assurance	\$109,371.30	\$796.20
YUNG	CINDY	Director of Financial Planning	\$144,493.89	\$1,129.39
ZEKAVICA	BORA	Director of Budget and Financial Services	\$131,296.60	\$1,504.29

* No longer employed at Toronto Community Housing.

Update on Auditor General Recommendations

Between 2011 and 2012, the City's Auditor General issued five reports to the Board of Directors of Toronto Community Housing, with a total of 80 recommendations. By March of 2012, 10 of the 80 recommendations had been implemented, leaving 70 recommendations outstanding.

In 2013, the Auditor General performed a follow-up review of the 70 outstanding recommendations. In his March 28, 2013 report to the board, the Auditor General indicated that out of the 70 outstanding recommendations, 30 had been fully implemented by management,

while a further three were deemed no longer applicable. Management has endeavored to action the remaining 37 recommendations throughout 2013 in anticipation of the Auditor General's 2014 follow-up of audit recommendations.

One of the reports recommended that Toronto Community Housing's subsidiaries be evaluated to determine their purpose, governance structure, and performance to determine if they should continue to exist. This information should then be sent to the Shareholder annually. For an overview of our subsidiaries, please see the enclosed report (Appendix A), "Overview of Toronto Community Housing Subsidiaries and Joint Ventures/Partnerships."

Update on City of Toronto Ombudsman Recommendations

In June 2013, the Ombudsman released her report, *Housing at Risk: An Investigation into the Toronto Community Housing Corporation's Eviction of Seniors on the Basis of Rent Arrears*, which presents the findings of an investigation into the eviction of seniors for rent arrears at Toronto Community Housing. Toronto Community Housing accepted all the recommendations and committed to implementing them within the timeframes outlined by the Ombudsman.

Substantial progress has been made to date in developing business processes and improving IT systems in order to implement the Ombudsman's recommendations. Staff training on these processes will take place from April to June 2014. Training will be followed by monitoring and performance management to ensure staff compliance and consistency across both the direct and contract managed portfolio. Improvements made in response to the Ombudsman's report will be sustained by a longer-term change management strategy to promote a shift in the corporation's culture to one that is more responsive and attuned to the needs of residents experiencing vulnerability.

For a more detailed overview of the progress made to date on each recommendation, please see the full implementation update report, which was reviewed by City Council on April 1st and 2nd, and can be found online:

<http://www.toronto.ca/legdocs/mmis/2014/cc/bgrd/backgroundfile-67971.pdf>

2013 Update on Ten Year Capital Plan

We are required to report annually, through our Annual Report to Council, with an updated Ten-Year Capital Financing Plan that includes:

- Total amount of capital backlog repair expenditures from the prior year;
- Outstanding capital repair needs carried forward from the prior year;
- Reductions to the capital repair backlog due to the sale of assets and/or revitalization;
- Balance of the capital repair backlog reserve fund;
- Changes in estimates for current and future capital repair requirements; and
- Changes in estimates for current and future capital repair funding.

All of these requirements are included in the updated Ten Year Capital Plan ("Plan"), which is attached as Appendix B. The only item not included in the attached Plan is "reductions to the capital repair backlog due to the sale of assets and/or revitalization." As of December 31, 2013, the reduction to the capital backlog in relation to the sale of assets (scattered units) and revitalization sites was \$7.8 Million and \$91.9 Million, respectively.

Employment and Procurement

2013 Procurement Update

Toronto Community Housing continues to work to ensure all procurement activities including, but not limited to, purchasing, leasing, or renting of goods and services, consulting, maintenance and construction contracts are arrived at by competitive or non-competitive tendering processes, adhere to public procurement best practices, policies, and procedures and are managed in an open and transparent manner to ensure value for money, the lowest total cost of ownership, and honest and ethical contracting.

In 2013, Toronto Community Housing Procurement issued 159 invitational and public requests for proposals and quotations for a total value of \$38,733,744 of which 59.6% was Building Repairs related, 35.6% was Tenant Support and Security related, and 4.8% was Toronto Community Housing internal operations support.

In 2013, Toronto Community Housing adopted an industry standard procurement metric to monitor the efforts and impact of the Procurement Department and the value being generated on behalf of the shareholder.

Known as "Procurement Cost Avoidance", the model is predicated on the clear assumption that the competitive public procurement process conducted by Toronto Community Housing purchasing professionals is an intentional action that results in lower costs for goods, services and construction than would otherwise be obtained by the organization without such competition.

Based on the competitive process and RFX process in 2013, total RFX Cost Avoidance exceeded \$8.0 Million, or 21% of the overall value of the projects.

2013 Procurement Cost Avoidance

	Average Value of Responses	Winning Responses	Procurement Cost Avoidance	% Cost Avoidance
Total of 159 Projects	\$38,733,744	\$30,785,012	\$8,066,179	21%
Average Value per Project	\$286,917	\$226,360	\$56,804	

Note: This methodology is used widely in private industry and has been adopted by the public sector, including the U.S National Association of State Procurement Officials (NASPO).

2013 Update on Employment and Occupational Health and Safety

In 2013, Toronto Community Housing continued to review employment policies and procedures to ensure compliance with applicable employment standards legislation and consistency with City of Toronto policies. We reviewed our overall health and safety compliance program to

ensure we are diligent with respect to our obligations as an employer under the *Occupational Health and Safety Act*, as well as other applicable legislation.

Toronto Community Housing has developed appropriate policies in areas such as, but not limited to, fair wages for contracted services consistent with that of the City. We have reviewed and revised our standard employment contracts, and continue to review all employment contracts to ensure compliance with applicable employment standards legislation.

In 2014, we will continue to provide training to all management regarding managing in a unionized environment, which includes information on minimum employment standards. We will continue to revise standard employment contracts and continue to review all employment contracts to ensure compliance with applicable employment standards legislation. We will also be working with the Learning and Development Unit to create and deliver effective training across the organization in health and safety programs and ensure compliance with regards to health and safety training.

APPENDIX A: Overview of Toronto Community Housing Subsidiaries and Joint Ventures/Partnerships, or “Entities”

This report provides an overview of the Entities following management evaluations of the companies for the purpose of providing this information to the Shareholder, the City of Toronto.

Ownership Structure

Development or Non-Development	Ownership	Entity
Development	Wholly Owned	<ul style="list-style-type: none"> • Don Mount Court Corporation • Regent Park Development Corporation • Railway Lands Development Corporation • Alexandra Park Development Corporation • Allenbury Gardens Development Corporation • Leslie Nymark Development Corporation
	Joint Venture/Partnership	<ul style="list-style-type: none"> • Dundas and Parliament Development Corporation • Parliament and Gerrard Development Corporation • Regent Park Arts Non-Profit Development Corporation • Library District Inc. • Alexandra Park Condominium Residences Inc. • Allenbury Gardens Revitalization General Partnership
Non-Development	Wholly Owned	<ul style="list-style-type: none"> • Access Housing Connections Inc. • Housing Services Inc. • 2001064 Ontario Inc. • Toronto Community Housing Enterprises Inc • Toronto Affordable Housing Fund (non-share capital subsidiary) • Regent Park Energy Inc. (owned by TCHEI)
	Joint Venture/Partnership	<ul style="list-style-type: none"> • InnoServ Inc.

Details about each Entity are outlined below.

Development Entities

Generally, the Entities related to Development were created for the purpose of shielding the parent from liability and/or to create joint ventures/partnerships with our development partners.

Beyond reducing liability, having a separate entity for each development project also allows for better tracking of project costs.

To date, with respect to the Development Entities, only the development project associated with Don Mount Court Corporation is completed, thus we will bring forward recommendations for the wind up of this entity.

Non Development Entities

Each Non-Development Entity is evaluated separately.

Housing Services Incorporated

Housing Services Incorporated is in the process of being dissolved as approved by the Toronto Community Housing Board of Directors and the Shareholder in 2012.

2001064 Ontario Incorporated

This entity owns the title to 112 Elizabeth Street, which is a retail building connected to a residential building owned by Toronto Community Housing (111 Chestnut).

Maintaining a separate title allows for a more efficient sale if Toronto Community Housing were ever to sell the commercial portion in the future. Therefore, it is recommended to maintain the entity as a separate entity.

This entity is a separate nominee entity where substantial operations are within Toronto Community Housing. Therefore, we are exploring further efficiencies in costs, including negotiating reduced reporting requirements with the City of Toronto.

Access Housing Connections Incorporated

Access Housing Connections Incorporated ("Housing Connections") manages the centralized waiting list for Rent-Geared-to-Income ("RGI") applicants for the entire City of Toronto, the rent supplement program in Toronto, and the Housing Allowance Program (Canada-Ontario-Toronto).

Since Housing Connections provides services to more than just Toronto Community Housing, a separate entity is desirable at this time from an independence perspective to keep Toronto Community Housing separate from issues raised by residents with respect to other housing providers. This is meant to minimize conflict of interest.

Toronto Community Housing Enterprises Incorporated

Toronto Community Housing Enterprises Incorporated (“TCHEI”) is a holding company for Innoserv and RPEI. It is recommended that Toronto Community Housing continue with the status quo with respect to TCHEI based on the fact that management wishes to use TCHEI as the conduit to sign ESCO contracts, thus reducing Toronto Community Housing’s risk with respect to these contracts.

Moreover, using the subsidiary for the ESCO contracts allows for more accurate monitoring of the performance of such contracts as the energy savings, debt service, and administrative costs associated with the contracts can be more easily identified.

Regent Park Energy Incorporated

Regent Park Energy Incorporated (“RPEI”) was created to manage the district energy system at Regent Park. RPEI is fully owned by TCHEI.

Toronto Community Housing is exploring various strategic options with respect to RPEI. Therefore, until a final assessment of the strategic options is made with respect to this entity, the entity needs to be kept separate from Toronto Community Housing. Furthermore, RPEI has separate contracts with utility customers, thus keeping the entity separate also protects Toronto Community Housing from any liability if any issues related to these contracts arise.

InnoServ Incorporated

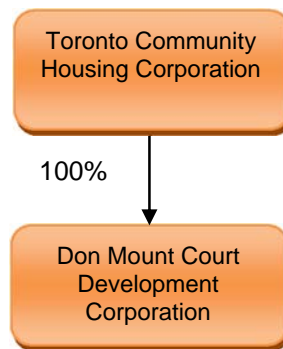
InnoServ Incorporated (“InnoServ”) was created for the construction of solar PV projects and development of revenues through the Ontario Power Authority Feed-in-Tariff program. Currently, TCHEI owns 70 shares of InnoServ and the remaining 90 shares are owned by Innoserv Share Trust.

As the solar PV projects are winding down and no other sources of revenue are expected, staff will be bringing forward recommendation to divest Toronto Community Housing of its shares in InnoServ.

Toronto Affordable Housing Fund

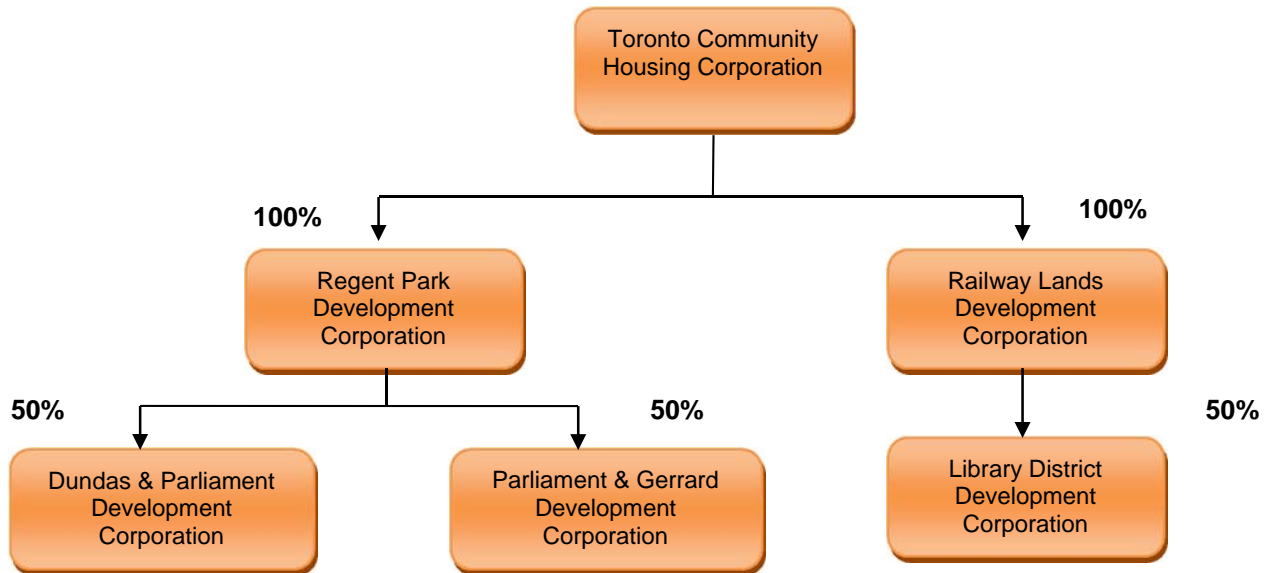
Toronto Affordable Housing Fund (“TAHF”) is a non-share capital subsidiary corporation, where Toronto Community Housing is the sole member. This entity delivers and administers home-ownership loans on behalf of the City/Canada Mortgage Housing Corporation and Toronto Community Housing. This entity also manages second mortgages to qualified purchasers, funds transactions, and other related matters related to implementation of the City of Toronto’s affordable ownership program.

This entity holds numerous outstanding mortgages that would be costly to assign to Toronto Community Housing, thus it is recommended that this entity continue to exist separately. Also, on April 30, 2029, Toronto Community Housing must relinquish these mortgages back to the City of Toronto. Containing all such activities in a subsidiary is deemed desirable, so as to make this future transfer back to the City as effective and efficient as possible.



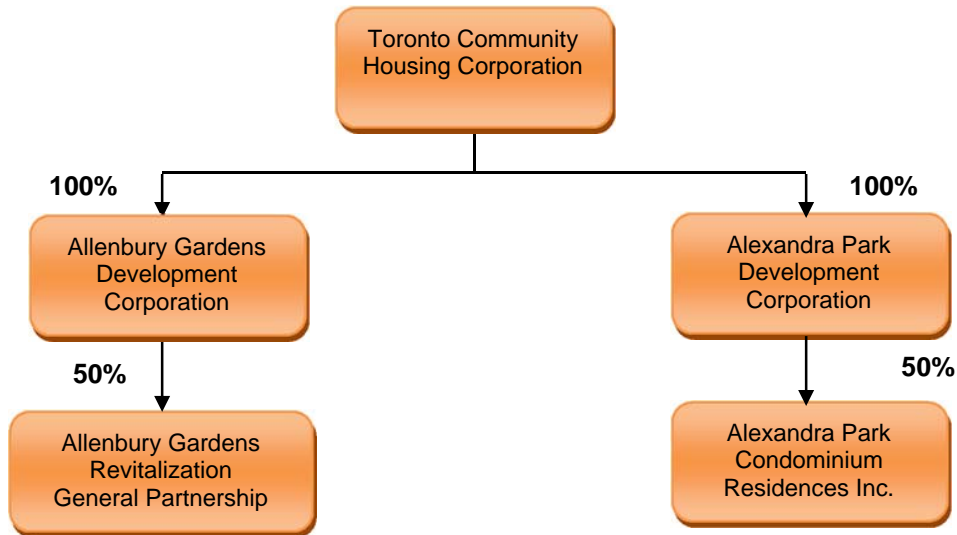
Overview of Subsidiary/Enterprise/Investment	
Purpose of Subsidiary/ Enterprise/ Investment	To Development Corporation oversee the redevelopment of Don Mount Court
Ownership	- TCHC 100%
Incorporation Number	- 1539709 Ontario Inc.
Incorporation Date	- August 28, 2002
Incorporation Document	- Articles of Incorporation
By-Laws	- By-Law No. 1
TCHC Board Report to Establish Subsidiary	- TCHC:2002-073
Original Rationale for Creation/ Separate Corporate Existence	<p>Board Expertise Required a Board at the time with particular skills and knowledge specific to the business:</p> <ul style="list-style-type: none"> • Board composed of individuals with the necessary expertise, knowledge and stakeholder perspectives for the redevelopment of Don Mount Court. • Board selection based on the following skills and/or representing stakeholders: TCHC Board, the tenant community, financial expertise (financial planning, real estate or related field), expertise in residential development), senior-level experience in the delivery of major projects and familiarity with management of tendering processes, expertise in urban planning and/or architecture. <p>Board Focus It was stated that there was a benefit for a more focused governance of a particular function or specialized activity:</p> <ul style="list-style-type: none"> • Within Board and staff of TCHC, the experience and skills required to provide the due diligence and scrutiny required in undertaking the project (to ensure fair and transparent selection of development partner, proper project controls, large capital investment from TCH, representation of tenant and community interests) was not there, thus it was recommended to use of outside resources.

	<p>Liability It was stated that separation of liabilities between the development and TCHC as a corporation, would be advantageous in the relationship to the development partner.</p>
Term of existence (short-term/defined, long-term/ongoing)	<p>Defined</p> <p>To be wound up upon completion of redevelopment of Don Mount Court (and expiry of warranties associated with development project)</p>
Management and staffing structure	<p>Officers: Dino Chiesa, Chair Greg Spearn, CEO Jason Gorel, Treasurer Marta Asturi, Secretary</p>
Governance Structure	<p>Directors: Minimum no. of directors = 2 John Brewin Christian Buhagiar Dino Chiesa Sayeh Lavasani Sandra Levy Cathie Macdonald</p>



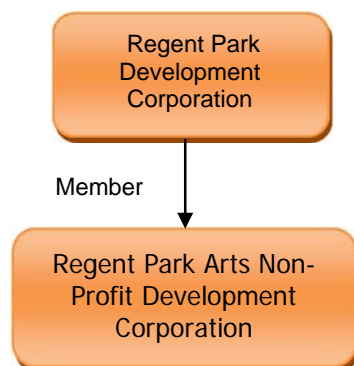
Overview			
Purpose of Subsidiary/ Enterprise/ Investment	Dundas & Parliament Co-tenancy for development and sale of market condos in Regent Park Phase I	Parliament & Gerrard Co-tenancy for development and sale of market condos in Regent Park Phase II	Library District Co-tenancy for development and sale of Railway Lands Market condos
Ownership	Dundas & Parliament 50% RPDC 50% Daniels Eastside Corporation	Parliament & Gerrard 50% RPDC 50% Daniels Eastside Corporation	Library District 50% RLDC 50% Context Construction Inc.
Incorporation Number	Dundas & Parliament 2115613 Ontario Inc.	Parliament & Gerrard 2225110 Ontario Inc.	Library District 001820240 Ontario Inc.
Incorporation Date	Dundas & Parliament October 10, 2006	Parliament & Gerrard November 25, 2009	Library District March 23, 2010
Incorporation Document	Dundas & Parliament Articles of Incorporation	Parliament & Gerrard Articles of Incorporation	Library District Articles of Incorporation
By-Laws	Dundas & Parliament By-Law 1	Parliament & Gerrard By-Law 1	Library District By-Law 1

TCHC Board Report to Establish Subsidiary/ Enterprise/ Investment	Dundas & Parliament	Parliament & Gerrard	Library District
	TCHC:C2006-35 TCHC:2006-134	TCHC:C2008-38	TCHC:C2010-33
Original Rationale for Creation/Separate Corporate Existence	Development projects require a two level subsidiary system to protect the parent company in cases where, at the project level, TCHC is not required to provide a financial guarantee for construction debt and where there is no full recourse to TCHC (or even the project level sub or co-tenancy)		
Term of existence (short-term/defined, long-term/ongoing)	Dundas & Parliament	Parliament & Gerrard	Library District
	Defined To be wound up upon completion of redevelopment of Regent Park (and expiry of warranties associated with DPDC).	Defined To be wound up upon completion of redevelopment of Regent Park (and expiry of warranties associated with PGDC).	Defined To be wound up upon completion of redevelopment of Railway Lands (and expiry of warranties associated with LDDC).
Management and Staffing Structure	Dundas & Parliament	Parliament & Gerrard	Library District
	Nominee Management Committee Members from RPDC: Heather Grey-Wolf Greg Spearn	Nominee Management Committee Members from RPDC: Heather Grey-Wolf Greg Spearn	Nominee Management Committee Members from RLDC: Heather Grey-Wolf Greg Spearn
Governance Structure	Nominee Directors from RPDC: Jason Gorel Greg Spearn	Nominee Directors from RPDC: Jason Gorel Greg Spearn	Nominee Directors from RLDC: Jason Gorel Greg Spearn
	Nominee Officers from RPDC: Jason Gorel Heather Grey-Wolf Greg Spearn	Nominee Officers from RPDC: Jason Gorel Heather Grey-Wolf Greg Spearn	Nominee Officers from RLDC: Jason Gorel Heather Grey-Wolf Greg Spearn



Overview		
Purpose of Subsidiary/ Enterprise/ Investment	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	General partnership between with FRAM subsidiary	Partnership nominee corporation through general partnership with Tridel to develop Alex Park condominiums
Ownership	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	50% AGDC 50% Fram	50% APDC 50% Tridel
Incorporation Number	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	230029612 Ontario Inc.	002329292 Ontario Inc.
Incorporation Date	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	January 11, 2013	May 24, 2012
Incorporation Document	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	Articles of Incorporation	Articles of Incorporation

By-Laws	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	TBD	By-Law # 1
TCHC Board Report to Establish Subsidiary/ Enterprise/ Investment	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	N/A – Report at the Holdco level	N/A – Report at the Holdco level
Original Rationale for Creation/Separate Corporate Existence	Development projects require a two level subsidiary system to protect the parent company in cases where, at the project level, TCHC is not required to provide a financial guarantee for construction debt and where there is no full recourse to TCHC (or even the project level sub or co-tenancy)	
Term of existence (short-term/defined, long-term/ongoing)	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	Defined To be wound up upon completion of development of Allenbury Gardens (and expiry of warranties associated with AGDC).	Defined To be wound up upon completion of development of Alexandra Park (and expiry of warranties associated with APDC).
Management and Staffing Structure	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	Management Committee: Jason Gorel Greg Spearn	Management Committee: Jason Gorel Greg Spearn
Governance Structure	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
	Board: TBD	Board: TBD



Overview	
Purpose of Subsidiary/ Enterprise/ Investment	Non-profit corporation and joint venture between Regent Park Development Corporation, Daniels Eastside Corporation and subsidiary of Toronto Artscape Inc. for the construction and ownership of the Regent Park Arts and Cultural Centre.
Ownership	Non-share corporation Members: - Regent Park Development Corporation - Daniels Eastside Corporation - Artscape Regent Park Non-Profit Development Corporation
Incorporation Number	1827847 Ontario Inc
Incorporation Date	July 28, 2010
Incorporation Document	Letters Patent
By-Laws	N/A
TCHC Board Report to Establish Subsidiary/ Enterprise/ Investment	TCHC: C2010-24
Original Rationale for Creation/Separate Corporate Existence	As per TCHC: C2010-24, it was stated that Toronto Community Housing would be in a better position to manage these risks since participation in the joint venture and the leasing arrangements allows Toronto Community Housing to become more involved in the project should the need arise. In addition, TCHC finance/CFO conducts an annual review of their financial statements which are audited to ensure that no financial risk may transfer back to TCHC, and we have a staff in Development on the Board for other oversight as well. We no longer consolidate this entity given that the risks and rewards associated with the entity have been transferred through the operating lease to the lessee.
Term of existence (short-term/defined, long-term/ongoing)	Long term - the risks and rewards of the entity have effectively been transferred given the long-term land lease at a nominal amount.
Proposed management and staffing structure	Nominee Officers from RPDC: Christine Burke
Governance Structure	Nominee Directors from RPDC: Christine Burke



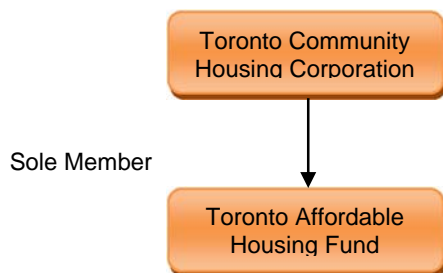
Overview	
Purpose of Subsidiary	Manages applications and wait list for access to housing programs under the Housing Services Act on behalf of the Service Manager.
Ownership	TCHC 100%
Incorporation Number	2031119 Ontario Inc.
Incorporation Date	August 14, 2003
Incorporation Document	Articles of Incorporation
By-Laws	By-law No. 1
TCHC Board Report to Establish Subsidiary	TCHC:2003-63
Original Rationale for Creation/Separate Corporate Existence	<p>AHCI was incorporated on August 14, 2003. TCHC Board Report 2003-63 outlines the original rationale for the subsidiary:</p> <p><i>Toronto Community Housing Corporation (TCHC) has an Operating Agreement with the City of Toronto that transfers the responsibility and accountability for the administration and management of the social housing common waiting list and the rent supplement programs to TCHC, on behalf of the City of Toronto.</i></p> <p><i>To effect these services in the most efficient, cost-effective, service-oriented way, TCHC proposes to establish a subsidiary corporation — Access Housing Connections Inc. (AHCI). The purpose of AHCI is to provide a coordinated approach for access to social housing.</i></p> <p><i>In 2000, the Social Housing Reform Act, 2000 (SHRA) defined a new set of accountability relationships and requirements for coordinated access services for social housing providers throughout the province. The SHRA made it mandatory for each municipality to establish a coordinated access system (common waiting list) and for all municipally subsidized social housing providers to use the system effective May 1, 2002. It also defined new parameters for the delivery of the coordinated access system as well as compliance requirements. The SHRA also devolved the management and administration of the rent supplement programs to the municipalities.</i></p> <p><i>While TCHC saw the benefits of continuing to administer both the coordinated access system and the rent supplement programs, we also realized the need to ensure that these functions were structured to deliver the programs in the most cost-efficient, service-effective way. We also felt that they should be operating at arm's length from</i></p>

	<p><i>TCHC's core businesses. An arms-length set up enables the following outcomes:</i></p> <ul style="list-style-type: none"> ▪ <i>the creation of a governance system that is focused on the mandate of the associated programs;</i> ▪ <i>the creation of structures and business systems that focus on achieving the programs goals;</i> ▪ <i>the ability to develop and provide additional services related to access to housing; and</i> ▪ <i>the removal of any perceived conflict which might result from TCHC being both an administrator and a user of the services.</i> <p><i>Between May and September 2002, the Berkeley Consulting Group undertook a project to define and assess optional governance structures for an AHCI subsidiary. The project included consulting with the stakeholders. The majority of community stakeholders saw the practical advantages of having the service operate as a subsidiary of TCHC.</i></p> <p><i>The governance structure best able to consolidate the advantages of managing housing access services as a focused business entity is felt to be a TCHC subsidiary corporation. The rationale for the subsidiary structure includes:</i></p> <ul style="list-style-type: none"> ▪ <i>a subsidiary is consistent with the TCHC Community Management Plan principle of focused governance for non-core business initiatives;</i> ▪ <i>stakeholders within the community served by the subsidiary can influence and be involved in governance of the housing access services;</i> ▪ <i>a separate subsidiary with its own identity reduces stakeholder concerns about a potential or perceived conflict of interest with TCHC's core property management business;</i> ▪ <i>a subsidiary contains the financial risk to the core business of these activities;</i> ▪ <i>a subsidiary for these purposes is within the parameters of TCHC's Shareholder Direction; and</i> ▪ <i>the relationship with TCHC would be defined through a shareholder direction and through other operating agreements as required (for example, an agreement regarding ongoing provision of shared services from TCHC).</i>
Term of existence (short-term/defined, long-term/ongoing)	Long term / ongoing until change in circumstances (i.e. no longer party to operating agreement with the City to manage Toronto social housing applications/wait lists)

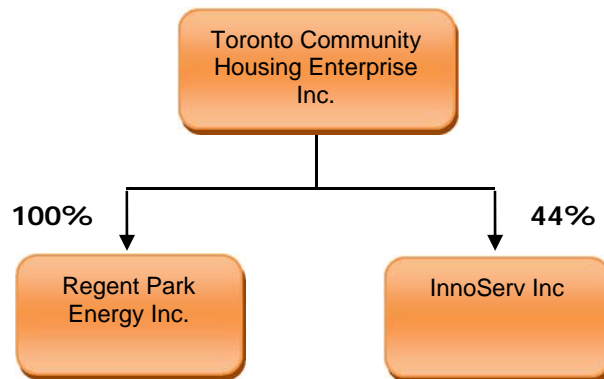
Proposed management and staffing structure	<p>Officers: Jennifer Wood, Chair Paul Chisholm, General Manager Denise Jones, Secretary</p>
Governance Structure	<p>Required Directors to sit on the Board: -By-law No. 1, s. 3.02 requires at least one director to be a member of Shareholder's Board of Directors or Executive - Shareholder Direction, s. 5.3 states that the CEO (or designate) and VP of Finance of TCHC shall automatically be directors of the Board while they hold such positions with TCHC</p> <p>Floating Board: Minimum of 1 and maximum of 10</p> <p>Directors: Minimum no. of directors = 2 Jason Gorel Eugene E. Jones Jr. Brian Kwan Councillor Cesar Palacio Jennifer Wood</p>



Overview of Subsidiary/Enterprise/Investment	
Purpose of Subsidiary/ Enterprise/ Investment	<p>2001064 Ontario Inc. is a nominee corporation established to act as trustee to hold legal title to the commercial portion of a commercial/residential complex at 112 Elizabeth Street upon the unwinding of the Chestnut-Elizabeth joint venture.</p> <p>The residential portion of the property is owned by TCHC. The purpose of separate ownership is to maintain severance and permit separate independent transfers and mortgaging.</p>
Ownership	TCHC 100%
Incorporation Number	2001064 Ontario Inc.
Incorporation Date	January 22, 2001
Incorporation Document	Articles of Incorporation
By-Laws	By-Law No. 1
TCHC Board Report to Establish Subsidiary	THC: 2073
Original Rationale for Creation/ Separate Corporate Existence	The severance and easement resulting from the unwinding of the Chestnut-Elizabeth joint venture could not be effective if one corporation (TCHC) held title to both properties (residential and commercial).
Performance Objectives	Nominee corporation created for the sole purpose of holding title to the commercial building at 112 Elizabeth Street.
Term of existence (short-term/defined, long-term/ongoing)	Long term / ongoing – Maintaining separate existence allows for a more efficient sale if TCHC would sell the commercial portion.
Proposed management and staffing structure	<p>Officers:</p> <p>Audrey Wubbenhorst, Chair Greg Spearn, General Manager Jason Gorel, Treasurer Cindy Yung, Secretary</p>
Governance Structure	<p>Directors:</p> <p>Minimum no. of directors = 1 Jason Gorel Eugene E. Jones Jr. Audrey Wubbenhorst</p>



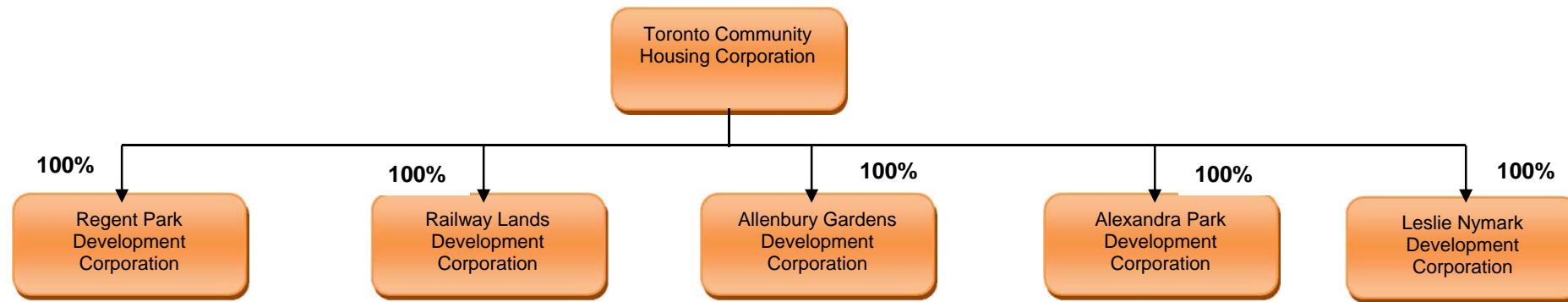
Overview of Subsidiary/Enterprise/Investment	
Purpose of Subsidiary/Enterprise/ Investment	To establish and operate a housing fund for the purposes of: <ul style="list-style-type: none"> • Providing financial support to qualified individuals so that they may purchase eligible homes; • Deliver and administer home-ownership loans on behalf of City/CMHC and TCHC; • Managing second mortgages to qualified purchasers, fund transactions, fund raising; • Providing access to and promoting the availability of long-term affordable ownership housing; and • Other related matters related to implementation of affordable ownership program.
Ownership	TCHC - Sole Member of non-share corporation
Incorporation Number	1792408 Ontario Inc.
Incorporation Date	March 18, 2009
Incorporation Document	Application for Incorporation of a Corporation without Share Capital & Letters Patent, dated March 18, 2009
By-Laws	By-Law 1
TCHC Board Report to Establish Subsidiary/Enterprise/ Investment	TCHC: C2008-121
Original Rationale for Creation/Separate Corporate Existence	In TCHC: 2008-121, it is stated that this entity is created as a foundation with the ability to receive charitable donations. It was envisioned that the entity would seek CRA charitable status.
Term of existence (short-term/defined, long-term/ongoing)	Long term as the entity holds numerous mortgages ("boost loans") that would be costly to transfer to TCHC. Also, TCHC must relinquish the mortgages back to the Shareholder on April 30, 2029. Thus containing all activities in the subsidiary is deemed desirable.
Proposed management and staffing structure	Officers: Audrey Wubbenhorst, Chair Greg Spearn, President Jason Gorel, Treasurer Heather Grey-Wolf, Secretary
Governance Structure	Directors: Minimum no. of directors = 3 Jason Gorel Eugene E. Jones Jr. Audrey Wubbenhorst



Overview of Subsidiary/Enterprise/Investment			
	TCHEI	RPEI	InnoServ
Purpose of Subsidiary/Enterprise/Investment	<p>Originally, a holding company for Toronto Community Housing's 60% equity interest in the Regent Park CES Joint Venture.</p> <p>Now, a holding company that owns 100% equity interest in the Regent Park CES Joint Venture.</p> <p>Also, TCHEI holds 70 common shares of InnoServ Inc. (out of 160 total)</p>	<p>Originally a joint venture with Corix Utilities Inc. ("Corix") for the development and management of the Regent Park Community Energy System ("Regent Park CES") at Regent Park.</p> <p>Now, TCHEI holds 100% of RPEI.</p>	<p>To build renewable energy projects, initially and primarily through PV solar on the rooftops of non-profit housing corporations. To create sustainable energy production, and earn funds through FIT program.</p>
Ownership	<p>TCHEI</p> <p>TCHC 100%</p>	<p>RPEI</p> <p>As of January 4, 2012: 100% TCHEI via TCHC: C2011-92</p> <p>Previously: 60% TCHEI & 40% Corix</p>	<p>InnoServ</p> <p>TCHEI 43.75% 56.25% InnoServ Share Trust</p>
Incorporation Number	<p>TCHEI</p> <p>2187799 Ontario Inc.</p>	<p>RPEI</p> <p>2187743 Ontario Inc.</p>	<p>InnoServ</p> <p>2147155 Ontario Inc.</p>
Incorporation Date	<p>TCHEI</p> <p>October 16, 2008</p>	<p>RPEI</p> <p>October 16, 2008</p>	<p>InnoServ</p> <p>September 4, 2007</p>
Incorporation Document	<p>TCHEI</p> <p>Articles of Incorporation</p>	<p>RPEI</p> <p>Articles of Incorporation</p>	<p>InnoServ</p> <p>Articles of Incorporation</p>

By-Laws	TCHEI	RPEI	InnoServ
	By-law No. 1	By-law No. 1	By-law No. 1
TCHC Board Report to Establish Subsidiary/ Enterprise/ Investment	TCHEI	RPEI	InnoServ
	TCHC:C2008-115	TCHC:C2008-115	TCHC C:2010-41
Original Rationale for Creation/Separate Corporate Existence	TCHEI	RPEI	InnoServ
	As per TCHC: C2008-115: <i>[i]t is proposed that a new subsidiary, rather than Toronto Community Housing, hold 60% interest in the CES Joint Venture. This is a common method used to insulate a parent corporation from potential liability as a direct holder of the equity interest.</i>	As per TCHC: C2008-115, RPEI was a joint venture between TCHC (via TCHEI) and Corix.	As per TCHC C:2010-41, InnoServ was created previously, and shares were to be distributed to housing providers that contribute to the aggregation of Solar PV projects.
Term of existence (short-term/defined, long-term/ongoing)	TCHEI	RPEI	InnoServ
	Long term as management proposes that this subsidiary would be the TCHC entity that contracts in ESCO's and energy arrangements to protect TCHC parent co. as well as establish a tracking of energy efficiency initiatives that it could charge back to the TCHC parent as income, and take on the financial debt to fund ESCO arrangements (interest expense and principal payments) - residual net income/cash flow shows if energy initiatives successful and makes the entity accountable/trackable for success.	Long term as separate entity provides more strategic flexibility. Separate subsidiary provides for more protection of parent from potential issues (parent currently not providing guarantee to customers).	Short term as management looking at divesting its shares in the corporation.
Proposed management and staffing structure	TCHEI	RPEI	InnoServ
	Officers: Brian Kwan, Chair Jason Gorel, President Jason Gorel, Treasurer Jason Gorel, Secretary	Officers: Jason Gorel, Chair Greg Spearn, President Jason Gorel, Treasurer Sheila Penny, Secretary	Officers: Colin Caie – CEO

Governance Structure	TCHEI	RPEI	InnoServ
	Directors: Minimum no. of directors = 1 Jason Gorel Eugene E. Jones Jr. Brian Kwan Jennifer Wood	Directors: Minimum no. of directors = 1 Jason Gorel Greg Spearn	Directors: Jason Gorel (TCHEI Nominee) Eugene E. Jones Jr. (TCHEI Nominee) Mervyn Hughes Catherine Boucher Derek Ballantyne



Overview of Subsidiary/Enterprise/Investment					
	Regent Park DC	Railway Lands DC	Alленbury Gardens DC	Alexandra Park DC	Leslie Nymark DC
Purpose of Subsidiary/Enterprise/Investment	To oversee the redevelopment of Regent Park. Holding company for TCHC's 50% equity interest in: 1. Dundas and Parliament Development Corporation (Regent Park Phase I); and 2. Parliament and Gerrard Development Corporation (Regent Park Phase II).	To oversee the redevelopment of Railway Lands (Blocks 32 and 36). TCHC's co-tenancy representative with Context Construction Inc. to form nominee corporation Library District Inc.	To oversee the redevelopment of Alленbury Gardens, including the demolition and replacement of 127TCHC units and the development of up to 979 market units.	To oversee the redevelopment of Alexandra Park, including the demolition and replacement of 333 Atkinson Co-operative/TCHC units, the refurbishment of 473 TCHC units and the development of 1,540 market units.	To oversee the redevelopment of Leslie Nymark
Ownership	Regent Park DC TCHC 100%	Railway Lands DC TCHC 100%	Alленbury Gardens DC TCHC 100%	Alexandra Park DC TCHC 100%	Leslie Nymark DC TCHC 100%
Incorporation Number	Regent Park DC 2047540 Ontario Inc.	Railway Lands DC 2239748 Ontario Inc.	Alленbury Gardens DC 002353917 Ontario Inc.	Alexandra Park DC 2380793 Ontario Inc.	Leslie Nymark DC 002395616 Ontario Inc.
Incorporation Date	Regent Park DC May 27, 2004	Railway Lands DC April 8, 2010	Alленbury Gardens DC December 14, 2012	Alexandra Park DC July 16, 2013	Leslie Nymark DC November 12, 2013

Incorporation Document	Regent Park DC	Railway Lands DC	Allenbury Gardens DC	Alexandra Park DC	Leslie Nymark DC
	Articles of Incorporation Articles of Amendment	Articles of Incorporation	Articles of Incorporation	Articles of Incorporation	Articles of Incorporation
By-Laws	Regent Park DC	Railway Lands DC	Allenbury Gardens DC	Alexandra Park DC	Leslie Nymark DC
	By-Law No. 1	By-Law 1	By-Law 1	By-Law 1	By-Law 1
TCHC Board Report to Establish Subsidiary	Regent Park DC	Railway Lands DC	Allenbury Gardens DC	Alexandra Park DC	Leslie Nymark DC
	TCHC:2003-30	TCHC:C2010-33	TCHC:2012-47	TCHC:2012-47	TCHC: 2012-47
Rationale for Creation/ Separate Corporate Existence	Regent Park DC	Railway Lands DC	Allenbury Gardens DC	Alexandra Park DC	Leslie Nymark DC
	<p>TCHC:2003-30 (May 11, 2005): Separation of liabilities between the development and TCHC as a corporation, which is of particular advantage in the relationship to the development partner.</p> <p>TCHC:2006-134 (September, 2006): The use of a subsidiary provides a separation of the development of the market component from the rental housing component. This will improve accountability between the two adjoining projects. The use of RPDC also separates TCHC from the market component in terms of primary liability. Contracts relating to the market development (such as agreements of purchase and sale with condominium purchasers) would be executed by RPDC, or the nominee, and not directly by TCHC. As a result, the primary</p>	<p>TCHC:2010-33 (March 16, 2010): To establish legal structure contemplated by the Board as per the Subsidiary Review Task Force for the accountability of the subsidiaries.</p>	<p>TCHC:2012-47 (July 31, 2012) In order to set up the land holding partnership structure contemplated in the partnership agreements.</p>	<p>TCHC:2012-47 (July 31, 2012) In order to set up the land holding partnership structure contemplated in the partnership agreements.</p>	<p>TCHC:2012-47 (July 31, 2012) In order to set up the land holding partnership structure contemplated in the partnership agreements.</p>

	liability on contracts rests with RPDC.				
Term of existence (short-term/ defined, long-term/ ongoing)	<p>Regent Park DC</p> <p>Defined</p> <p>To be wound up upon completion of redevelopment of Regent Park (and expiry of warranties associated with DPDC and PGDC)</p>	<p>Railway Lands DC</p> <p>Defined</p> <p>To be wound up upon completion of redevelopment of Railway Lands (and expiry of warranties associated with LDDC)</p>	<p>Allenbury Gardens DC</p> <p>Defined</p> <p>To be wound up upon completion of redevelopment of Allenbury Gardens (and expiry of warranties associated with joint venture)</p>	<p>Alexandra Park DC</p> <p>Defined</p> <p>To be wound up upon completion of redevelopment of Alexandra Park (and expiry of warranties associated with joint venture)</p>	<p>Leslie Nymark DC</p> <p>Defined</p> <p>To be wound up upon completion of redevelopment of Leslie Nymark (and expiry of warranties associated with joint venture)</p>
Management and Staffing Structure	<p>Regent Park DC</p> <p>Officers: Audrey Wubbenhorst, Chair Greg Spearn, General Manager Jason Gorel, Treasurer Cindy Yung, Secretary</p>	<p>Railway Lands DC</p> <p>Officers: Brian Kwan, Chair Greg Spearn, General Manager Jason Gorel, Treasurer Heather Grey-Wolf, Secretary</p>	<p>Allenbury Gardens DC</p> <p>Officers: Greg Spearn, President and CDO Laurie Payne, General Manager and Secretary Cindy Yung, Treasurer</p>	<p>Alexandra Park DC</p> <p>Officers: Greg Spearn, President and CDO Leslie Gash, General Manager and Secretary Cindy Yung, Treasurer</p>	<p>Leslie Nymark DC</p> <p>Greg Spearn, President and CDO Leslie Gash, General Manager and Secretary Cindy Yung, Treasurer</p>
Governance Structure	<p>Regent Park DC</p> <p>Directors: Minimum no. of directors = 2 Jason Gorel Eugene E. Jones Jr. Audrey Wubbenhorst</p>	<p>Railway Lands DC</p> <p>Directors: Minimum no. of directors = 2 Jason Gorel Eugene E. Jones Jr. Brian Kwan</p>	<p>Allenbury Gardens DC</p> <p>Directors: Minimum no. of directors = 2 Zahir Bhaidani Jason Gorel Eugene E. Jones Jr.</p>	<p>Alexandra Park DC</p> <p>Directors: Minimum no. of directors = 2 Jason Gorel Eugene E. Jones Jr. Audrey Wubbenhorst</p>	<p>Leslie Nymark DC</p> <p>Directors: Minimum no. of directors = 2 Jason Gorel Eugene E. Jones Jr. Zahir Bhaidani</p>

Appendix B: TCHC - 10 Year Capital Financing Plan

TCH Ten-Year Capital Financing Plan													
	(Forecast) 2013	(Actual) 2013	(Forecast) 2014	(Forecast) 2015	(Forecast) 2016	(Forecast) 2017	(Forecast) 2018	(Forecast) 2019	(Forecast) 2020	(Forecast) 2021	(Forecast) 2022	(Forecast) 2023	Total
Capital Needs (\$ millions)													
Outstanding needs, beginning of year	862	862	914	956	1,048	1,301	1,411	1,389	1,390	1,413	1,295	1,074	
Estimated growth in capital needs	138	121	159	260	468	332	259	292	359	196	73	71	
Inflation on opening balance	-	-	18	19	21	26	28	28	28	28	26	21	
Reduction due to sale/revitalization	(12)	(8)	(8)	(12)	(35)	(23)	(34)	(19)	(38)	(18)	(20)	(4)	
Reduction due to capital spending	(50)	(60)	(128)	(175)	(200)	(225)	(275)	(300)	(325)	(325)	(300)	(250)	(2,563)
Outstanding capital needs, end of year	938	914	956	1,048	1,301	1,411	1,389	1,390	1,413	1,295	1,074	912	
Year end Facilities Condition Index (FCI) (Note 1)	10.4%	10.1%	10.3%	11.1%	13.5%	14.4%	13.9%	13.6%	13.6%	12.2%	9.9%	8.3%	
Capital Funding Sources (\$ millions)													
City/TCH Funding Sources													
Annual Capital Funding (TCH Operating Budget)	50	50	51	52	53	54	55	56	57	59	60	61	608
Property Tax Exemption (Education Portion)	7	9	9	9	9	9	9	9	9	9	9	9	101
Development Charge Reserve Fund Allocation	5	10	-	-	-	-	-	-	-	-	-	-	10
Sale of TCH Single Family Houses Proceeds	20	12	30	18	5	-	-	-	-	-	-	-	65
TCH Mortgage refinancing	93	93	28	29	-	-	-	-	-	-	-	-	150
Total Annual City/TCHC Funding:	175	174	118	107	67	63	64	66	67	68	69	70	934
Capital reserve Draws(+)/Contributions(-)	(125)	(115)	10	68	5	(44)	(29)	(38)	(38)	(63)	(35)	180	
Sub-total	50	59	128	175	72	19	35	28	29	5	34	250	
Federal/Provincial Contributions													
Federal 1/3 total nominal funding	-	-	-	-	64	103	120	136	148	160	133	-	864
Provincial 1/3 total nominal funding	-	-	-	-	64	103	120	136	148	160	133	-	864
Total Annual Fed/Prov Funding:	-	-	-	-	128	206	240	272	296	320	266	-	1,728
Total Capital Spending:	50	59	128	175	200	225	275	300	325	325	300	250	2,662
TCHC Capital Reserve Balance (\$ millions)													
Opening balance	-	-	115	107	41	37	82	113	152	192	257	296	
Interest	-	-	2	2	1	1	1	2	2	3	4	4	
Capital reserve contributions(+)/draws(-)	125	115	(10)	(68)	(5)	44	29	38	38	63	35	(180)	
Year-End Balance	125	115	107	41	37	82	113	152	192	257	296	121	

Notes

- The ten year capital financial plan was initiated January 1, 2013 as retroactively approved by City Council. The FCI target of 10% is planned as the objective to meet within ten years from the start of the plan, and this is targetted by the end of 2022.