

Toronto Community Housing Corporation
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Toronto, ON
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June 15, 2015

Mr. John Livey, City Manager (acting)
11th Floor, East Tower
City Hall
Toronto, ON M5H 2N2

Subject: Toronto Community Housing 2014 Annual Report

Dear Mr. Livey,

I am pleased to submit the enclosed 2014 Annual Report for the Toronto Community Housing Corporation (Toronto Community Housing). The 2014 Annual Report showcases our 2014 achievements in relation to our goals and objectives as stated in our strategic plan, *Homeward 2016*.

Our 2014 Annual Report, this Letter to the Shareholder, and its attachments, fulfill all Shareholder and other City Council mandated reporting requirements. These are outlined in the 2013 Shareholder Direction from the City of Toronto and various resolutions adopted at City Council.

Since 2015 is the last year of *Homeward 2016*, I would like to request City Council's approval on our approach to developing our next strategic plan, as outlined in Appendix D to this Letter to the Shareholder.¹

If you have questions about the contents of this letter or the 2014 Annual Report, please contact Hugh Lawson, Director of Strategic Planning and Stakeholder Relations.

Sincerely,



Greg Spearn
President and Chief Executive Officer (Interim)

Enclosed: 2014 Annual Report

¹ Section 10.1 of the Shareholder Direction requires the development of a four year Business Plan and operating budget which are updated annually.

Annual Report

The enclosed report highlights Toronto Community Housing's accomplishments in 2014.



Toronto Community Housing is required, through the 2013 Shareholder Direction from the City of Toronto and various resolutions adopted at City Council, to report on a broad range of matters. The sections below address any reporting requirements that are not covered in our 2014 Annual Report. For an overview of our reporting requirements, see **Appendix A, “Shareholder Reporting Requirements.”**

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Quality Homes

1. Sale of Standalone Properties

As per Section 10.2.1 (l) in the 2013 Shareholder Direction, we are required to report annually on the sale of any properties and on the resident and community impacts resulting from such sales. As outlined in our Ten-Year Capital Financing Plan, we use the revenue generated through the sale of standalone houses to fund much needed capital repairs.

In 2014, we generated approximately \$32M in net revenues through the sale of 57 standalone houses: roughly \$2.7M, or 9%, above budget projections. As a result of diligent marketing efforts and the strong housing market, all properties were sold well above appraised value with each house being sold at an average of \$92.5K above appraised value (for a cumulative \$5.3M above appraised).

We are committed to minimizing the impact of the sale of houses on the lives of residents. All of the houses sold in 2014 were vacant, and as such no residents were directly affected by the sale of these houses. We have also developed a specific Tenant Relocation and Assistance Implementation Plan for the relocation of households in the standalone properties approved for sale, should the homes approved for sale in the future not be vacant. As part of this plan, residents will be given at least five months' notice to relocate and households with special needs will be accommodated. Furthermore, we will make sure there are enough units available for households to choose a new unit that is appropriate to their needs.

Residents required to relocate will be able to select a different unit from anywhere in our portfolio that matches their needs. Standalone homes are currently being held for relocation purposes and will be offered to residents. Where feasible, tenants will be provided with the option of moving to a single family home in their neighbourhood. Households may also choose to move to a Toronto Community Housing-owned unit outside of their current neighbourhood.

2. Affordable Home Ownership

As per council motion EX35.3 2013, we are required to report on our efforts to partner with other organizations to provide affordable homeownership opportunities to our residents. In 2014, we secured over \$1M for affordable home ownership loans from the City of Toronto. The [Expanded Foundations Program](#), which is a partnership with the City of Toronto's Affordable Housing Office to provide down-payment assistance to Toronto Community Housing residents so that they can purchase their first home in one

of the revitalization communities, is underway in Lawrence Heights, Regent Park and Allenbury Gardens. In total, three families made their first home purchase with the support of Toronto Community Housing's Affordable Housing Fund and the contributions from the City of Toronto.

3. Organizational Realignment and Creation of Specialized Unit for Single-Family Homes

As per council motion EX35.3 2013, we must report annually on the results of the organizational review and the creation of a specialized unit with responsibility for single-family homes. As stated in our 2013 Letter to the Shareholder, as well as the October 16, 2013, "Putting People First" report to the City's Executive Committee,¹ Toronto Community Housing has realigned its operational function with the creation of divisions responsible for Resident and Community Services, Asset Management and Facilities Management.

We have also centralized all administration for our single family homes portfolio, including the creation of a specialized group to respond to maintenance issues in these homes. This group includes a dedicated Community Housing Supervisor and several Superintendents.

4. 2014 Update on Ten-Year Capital Financing Plan

According to council motion EX35.4, 2013, we are required to report annually 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.

The updated Ten-Year Capital Financing Plan in **Appendix C** fulfills the above noted requirements. 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, 2014, the reduction to the capital backlog in relation to the sale of assets (scattered units) and revitalization sites was \$81.3M and \$4.5M, respectively.

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

Vibrant Communities

5. Resident Engagement System

As per Section 9.1 in the 2013 Shareholder Direction, we are required to report on how residents provide input on corporate and local decisions, as well as resident input for setting local spending priorities, and how we include resident representation on our board.

In 2013, we held a series of consultations with residents and developed a Resident Engagement System Refresh Framework (“Framework”). Building on this Framework, in 2014 we established an internal, cross-divisional working group consisting of six staff members, tasked with implementing the Framework. In 2015, the working group will be expanded to include 12 resident participants who will be selected through a process that is fair, open and transparent.

In parallel with the implementation of the Framework, elections for Tenant Representatives will be held on March 26, 2015. These elections will take place across the Toronto Community Housing portfolio and will enable residents to select peers through an open and democratic process. These individuals will represent residents at Tenant Councils and will participate in making decisions about a range of issues that affect all residents. One of the first tasks for the new Tenant Representatives will be to select two residents for nomination to the City Council for its consideration for our Board of Directors.

We are committed to ensuring that residents have a say on the allocation of local spending priorities, as illustrated in our participatory budgeting program. Through our participatory budgeting program, we worked with residents to plan the expenditure of \$5M of capital funds based on resident priorities for 2014. In 2015, our allocation for participatory budgeting will be increased to \$8M.

6. Eviction Prevention Policy and 2014 Eviction Results

a. Eviction Prevention Policy

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 Office of the Commissioner of Housing Equity (OCHE), which became operational on April 1, 2014, helps prevent eviction for arrears by fulfilling its mandate of helping seniors and vulnerable residents who face loss of subsidy or eviction due to rental arrears.

In addition, 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 communicating with residents about rental responsibilities, personal contact with residents, and performance management in high-arrears portfolios.

In 2014, we implemented a revised arrears collection process that emphasizes early intervention, requires increased personal contact with residents in arrears, and focuses staff efforts on signing repayment agreements with residents to resolve arrears. Since training on the revised process was completed in June/July 2014, there has been a 134% increase in the total amount of arrears covered by local repayment agreements and a 35% increase in the number of local agreements negotiated on a monthly basis.

The number of local repayment agreements increased to 2,658 in 2014 from 681 in 2013 (a 290% increase), and the number of applications at the Landlord and Tenant Board (LTB) decreased by 87% from the previous year.

b. Eviction Statistics

| Measure | 2014 | 2013 | % change |
|---|-------|-------|----------|
| Eviction Rate | <1% | <1% | - |
| Tenant Evictions (Non-Arrears) | 91 | 64 | 42% |
| Tenant Evictions (Arrears) | 134 | 375 | -64% |
| Repayment arrangements initiated locally | 2,658 | 681 | 290% |
| Number of Active TCHC applications at the LTB | 328 | 2,529 | -87% |
| Mediated settlements via LTB | 548 | 1,085 | -49% |
| Total Tenant Evictions | 225 | 439 | -49% |

7. Human Rights Policy and Applications to the Human Rights Tribunal

a. Human Rights, Harassment, and Fair Access Policy

We ensure that residents and employees live and work in an environment free from harassment and discrimination as per our Human Rights, Harassment, and Fair Access Policy (“Policy”). We are dedicated to building our employees’ capacity and awareness of human rights by ensuring all new employees are aware of the Policy during the onboarding process.

Toronto Community Housing’s Office of Diversity, Fairness, and Human Rights (the ODFHR) administers this Policy, and is committed to ensuring residents are aware of their rights and responsibilities under our Policy. In 2014, the Office conducted over 15 training sessions promoting awareness on human rights and mutual respect. The ODFHR has also been involved in delivering youth workshops on anti-oppression and human rights.

b. Human Rights and Fair Access Complaints

Toronto Community Housing has developed complaints procedures for investigating and resolving complaints that may arise concerning discrimination and harassment. We address complaints by following these procedures with support from management, our ODFHR, or external consultants hired by Toronto Community Housing. All complaints are tracked and reported quarterly and annually.

These complaints procedures comply with the *Ontario Human Rights Code*. All Toronto Community Housing employees, contractors, agents, residents, Board members, volunteers and appointees who serve on committees established by Toronto Community Housing are bound by these procedures in their dealings with Toronto Community Housing.

c. Human Rights Applications to the Ontario Human Rights Tribunal

| Human Rights Applications (2011-2014) | | | | | | |
|---------------------------------------|---------------------|-------------------|-----------|---------|---------|-----------|
| Year | Type of File | Resolution/Status | | | | Total |
| | | Withdrawn | Dismissed | Settled | Ongoing | |
| 2011 | Employment | 1 | 1 | 1 | 1 | 4 |
| | Housing Application | | 1 | 1 | | 2 |
| | Tenancy | 1 | 2 | 1 | | 4 |
| | Total | | | | | 10 |
| 2012 | Tenancy | 2 | 2 | 0 | 0 | 4 |
| | Total | | | | | 4 |
| 2013 | Employment | 1 | 1 | 0 | 0 | 2 |
| | Tenancy | 0 | 1 | 1 | 0 | 2 |
| | Total | | | | | 4 |
| 2014 | Employment | 0 | 0 | 0 | 4 | 4 |
| | Housing Application | 0 | 1 | 0 | 0 | 1 |
| | Tenancy | 0 | 0 | 0 | 2 | 2 |
| | Total | | | | | 7 |

Service Excellence

8. Communicating with Residents

a. Communicating with Residents in the Language of Their Choice

Over 40% of our residents speak a language other than English, and serving residents in the language of their choice is a priority for us.

Currently, corporate communication products aimed at all residents are translated into 18 different languages upon request. When we mail important information to our residents, we include a cover letter in these 18 languages which explains that the communication can be made available in the language of their choice. We also use icons, illustrations, and plain language in information materials to improve communication with all language groups.

For in-person or over-the-phone customer service language interpretation, the Client Care Centre and our subsidiary, Housing Connections, rely on a “language line” to support conversations and services in 138 languages.

We collect information from households about the language of their choice. If a household identifies a language preference when they receive a publication, we will send future versions of that publication in their preferred language.

b. Local Accountability with Residents

As outlined in Section 9.2 of the 2013 Shareholder Direction, we are responsible for maintaining and reporting on a system of local accountability established with residents such that they are informed of the operating budget and capital plans, and that there is regular reporting on the achievement of the budget targets and progress on plans for repairs and renovations.

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

Residents are 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 are planned water or power shutdowns).

c. Resident Complaints Processes

i. Resident Complaints Process

We make sure that residents have the ability to raise a complaint through an open and accessible process, and to address complaints in a timely manner. Our Resident Complaints Process was first approved in 2002. This [process](#) can be found on our website and is available in all of our offices.

A review of the resident complaints process and related systems was conducted in 2014, including research into prevailing best practices. The review will inform changes we are going to make to strengthen our response to complaints when they are received. We will also conduct consultations with residents to incorporate their perspective on the revised process.

ii. Complaints through the Office of the Ombudsman or Councillors' offices:

Toronto Community Housing and the City of Toronto Ombudsman have established a protocol to stream all complaints from Councillors' offices and the Office of the City of Toronto's Ombudsman to a central point of contact within Toronto Community Housing. This way, the appropriate employee can be contacted immediately to resolve the complaint. A similar process is in place for responding to complaints that come through Councillors' offices.

9. Transparency and Accountability

a. 2014 Executive Compensation

The Shareholder Direction requires us to report annually on information, as permitted by law, regarding senior executive compensation. The following table outlines senior executive compensation, as permitted by law, in 2014. Note that "senior executive" has been defined as our Executive Leadership Team.

| Surname | Given Name | Position | Salary Paid | Taxable Benefits |
|----------|------------|---|--------------|------------------|
| Bradburn | Lenna | Vice President, Resident and Community Services | \$167,711.20 | \$878.64 |
| Gorel | Jason | Chief Financial Officer and Treasurer | \$225,079.43 | \$10278.72 |
| Leah | Graham | Vice President, Asset Management | \$190,388.96 | \$7,378.64 |
| Penny | Sheila | Vice President, Facilities Management | \$181,713.68 | \$6,878.66 |
| Spearn | Greg | President and Chief Executive Officer, (Interim)* | \$267,445.89 | \$8,835.42 |
| Spencer | Pamela | General Counsel and Corporate Secretary** | \$208,091.23 | \$8,955.39 |

* Greg Spearn is also the Chief Development Officer

**Pamela Spencer also served as interim Vice President of Human Resources

b. 2014 Status of 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. We have implemented 62 of the 80 recommendations from these reports, and as of March 25, 2015 are undergoing an assessment by the Auditor General's office on the implementation of the last 18 recommendations. Auditor General Beverly Romeo-Beehler has commended Toronto Community Housing for the speed at which we are implementing the recommendations, given their number and complexity.

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

c. Update on City of Toronto Ombudsman Recommendations and the LeSage Report

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 in the timeframes outlined by the Ombudsman. City Council also directed Toronto Community Housing to include, as part of its Annual Report to the City's Executive Committee, an update on the progress of implementation of the Ombudsman's *Housing at Risk* recommendations

and on the recommendations contained in Justice LeSage's *Report on the Eviction of Al Gosling and the Eviction Prevention Policy of Toronto Community Housing Corporation*, until such time that the recommendations have been fully implemented.

A task force of employees from across the organization worked for 18 months to develop new policies and processes to meet the 30 recommendations in the Ombudsman's report. In June and July 2014, over 200 staff and managers were trained on new policies and processes. As a result of the implementation, Toronto Community Housing business processes are better documented, staff roles are clearer, and process compliance is improving.

Training is being 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 long-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.

In 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 is an independent office reporting directly to the Board of Directors with three core functions: 1) to ensure procedural fairness for seniors and vulnerable tenants facing potential eviction for rental arrears; 2) to invite seniors and vulnerable tenants facing eviction for rental arrears to participate in mediation/other alternative dispute resolution efforts facilitated by the OCHE to encourage the resolution of arrears; and, 3) prior to or during mediation, when the OCHE determines that assistance from a social support agency is warranted, engage appropriate Toronto Community Housing staff to connect the tenant to an appropriate agency.

10. Procurement

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. Our procurement activities also 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 2014 further control enhancements were implemented, including moving to electronic bid responses for all construction and maintenance related Requests for Proposals. These enhancements earned us the Canadian Public Procurement Council's 2014

Leadership in Public Procurement Award, presented at their annual conference in Montreal last October.

In 2013, Toronto Community Housing adopted an industry standard procurement metric called *Procurement Cost Avoidance*, which monitors the value being generated on behalf of the shareholder.

2014 Procurement Cost Avoidance

| 2014 Procurement | 2014 Fiscal Year | 2013 Fiscal Year | Year over Year Trends |
|---|-------------------------|-------------------------|------------------------------|
| Total Average Value of Vendor Bids | \$104,756,000 | \$38,734,000 | 170% |
| Procurement Cost Avoidance \$ | \$22,276,400 | \$8,066,000 | 176% |
| Procurement Cost Avoidance % | 21% | 21% | 0% |
| Number of Requests for Proposals Issued | 181 | 159 | 14% |
| Average Value per Project | \$578,800 | \$244,000 | |

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).

In 2014, we issued 181 Requests for Proposals (RFPs) with a total average bid value of \$104,756,000, and through the RFP process generated cost avoidance of \$22,276,400, or 21%.

11. 2014 Update on Employment Policies and Occupational Health and Safety

As per Section 12 of the Shareholder Direction, we must demonstrate that we abide by all relevant employment and occupational health and safety legislation in the conduct of our operations.

In 2014, we commenced a comprehensive review and development of employment and human resources-related policies and procedures to ensure alignment with City of Toronto policies. This includes, but is not limited to:

- Hiring Policy
- Acting Assignment Policy
- Development of a recruitment guide
- Drafting of a police reference check policy
- Procedures to meet requirements under the *Accessibility for Ontarians with Disabilities Act*

- Job evaluation of non-union positions to meet pay equity requirements and align with market rates
- Workplace Violence and Harassment Policy
- Heat Stress Policy
- Work Refusal Policy
- Disability and Absence Management Program

We also continue to review all employment contracts and are in the process of implementing the recommendations contained in the Ombudsman's 2014 report, *Unrule(y) Behaviour: An Investigation into Toronto Community Housing Corporation's Human Resources Policies and Practices* regarding hiring practices.

In 2014, we delivered training to managers on interviewing, reference checking and providing feedback while incorporating obligations under the *Employment Standards Act, Human Rights Code, Accessibility for Ontarians with Disabilities Act, Municipal Freedom of Information and Protection of Privacy Act*, and applicable collective agreements.

We also 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. We offered basic health and safety awareness training including training on workplace violence, incident reporting, and work refusal to all staff in 2014. We also trained applicable staff in supervisor incident reporting, WHMIS, first aid certification, lift-truck operation, and Joint Health and Safety Committee member responsibilities.

In 2015, we will continue with our health and safety plan which includes training on supervisor competency, workplace violence and harassment, designated substances, first aid certification, and fall protection procedures. We will also continue to provide training and information to management on employment related policies, legislation, collective agreements, managing in a unionized environment, and attendance management.

Appendix A: Shareholder Reporting Requirements

Our 2014 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 Requirement | TCHC Report |
|--|-----------------------|---|
| Shareholder Direction | | |
| <ul style="list-style-type: none"> Objectives, accomplishments from prior year, and performance trends. | Shareholder Direction | 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. | Shareholder Direction | Annual Report: Audited financial statements |
| <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. | Shareholder Direction | Annual Report: Audited financial statements |
| <ul style="list-style-type: none"> Initiatives to provide responsive customer service. | Shareholder Direction | Annual Report: Service Excellence |
| <ul style="list-style-type: none"> Tenant engagement activities. | Shareholder Direction | Annual Report |
| <ul style="list-style-type: none"> Information that is likely to materially affect the Shareholder's financial objectives. | Shareholder Direction | Annual Report: Audited financial statements |
| <ul style="list-style-type: none"> Information that is likely to materially affect Tenants' views or opinions regarding TCH. | Shareholder Direction | 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. | Shareholder Direction | None in 2014 |
| <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. | Shareholder Direction | Annual Report |
| <ul style="list-style-type: none"> Information on the disposition and uses of funds provided to TCH by the City. | Shareholder Direction | Annual Report |
| <ul style="list-style-type: none"> Information regarding the number of evictions each year and the rationale for these evictions. | Shareholder Direction | Letter to the Shareholder, p.8 |
| <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. | Shareholder Direction | Letter to the Shareholder, p.6 |

| Shareholder Reporting Requirement | Source of Requirement | TCHC Report |
|--|-----------------------|--|
| <ul style="list-style-type: none"> Information, as permitted by law, regarding senior executive compensation. | Shareholder Direction | Letter to the Shareholder, p. 13 |
| <ul style="list-style-type: none"> Matters identified in Section 9.1, 9.2, and 12 of the Shareholder Direction: <u>9.1:</u> 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. | Shareholder Direction | Letter to the Shareholder, p.8 |
| <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. | Shareholder Direction | Letter to the Shareholder, p.8 p.11 p.12 p.9 p.11 |
| <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, | Shareholder Direction | Letter to the Shareholder p.15 |

| Shareholder Reporting Requirement | Source of Requirement | TCHC Report |
|---|---|---|
| <p>but not limited to, fair wages for contracted services consistent with that of the City and employee compensation to address these objectives.</p> <ul style="list-style-type: none"> • 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. | | p. 14 |
| City Council Directions | | |
| <ul style="list-style-type: none"> • City Council, in its capacity as Shareholder of Toronto Community Housing Corporation (TCH): <ul style="list-style-type: none"> ▪ approve the extension of Toronto Community Housing's mortgage subsidy for 47 identified properties, based on the current monthly mortgage payment, until the end of 2044, both on condition that: <ul style="list-style-type: none"> • i. the net amount of incremental financing be deposited to a new special reserve other than the State of Good Repair Fund dedicated to the repair or replacement of building components with a useful life of at least 30 years; and • ii. Toronto Community Housing report annually, through Toronto Community Housing's Annual Report to Council, on the status and use of funding deposited to such special reserve. | <p>Report EX44.8</p> <p><i>Executive Compensation Policy at City Agencies and Corporations</i></p> <p>August 25, 2014</p> | <p>Annual Report: Audited financial statements</p> <p>Ten-Year Capital Financing Plan</p> |
| <ul style="list-style-type: none"> • City Council, in its capacity as Shareholder of Toronto Community Housing Corporation (TCH): <ul style="list-style-type: none"> ▪ approve the extension of TCH's mortgage subsidy for 8 properties identified in Attachment 2 to the report (June 17, 2014) from the City Manager and the Deputy City Manager and Chief Financial Officer, based on the current monthly mortgage payment, until the end of 2045, both on condition that: <ul style="list-style-type: none"> i. the net amount of incremental financing be deposited to a new special reserve other than the State of Good Repair Fund dedicated to the repair or replacement of building | <p>Report EX43.10</p> <p><i>Infrastructure Ontario Refinancing of Toronto Community Housing Mortgages</i></p> <p>July 8, 2014</p> | <p>Annual Report: Audited financial statements</p> <p>Ten Year Capital Financing Plan</p> |

| Shareholder Reporting Requirement | Source of Requirement | TCHC Report |
|---|---|--|
| <p>components with a useful life of at least 30 years; and</p> <p>ii. Toronto Community Housing Corporation report annually, through Toronto Community Housing Corporation's Annual Report to Council, on the status and use of funding deposited to such special reserve.</p> | | |
| <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. | <p>It is a condition on most revitalization decisions. E.g.: See Report CD14.9</p> <p><i>Alexandra Park Revitalization – Corporate Actions and Social Development Plan</i></p> <p>July 11, 2014</p> | Annual Report |
| <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. | <p>Report EX35.3</p> <p><i>Putting People First</i></p> <p>October 16, 2013</p> | Letter to the Shareholder, p.6 |
| <ul style="list-style-type: none"> • Results of the organizational review and the creation of a specialized unit with responsibility for single-family homes. | <p>Report, EX35.3</p> <p><i>Putting People First</i></p> <p>October 16, 2013</p> | Letter to the Shareholder, p.7 |
| <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. | <p>Report AU9.4</p> <p><i>Audit of City Performance in Achieving Access, Equity, and Human Rights Goals</i></p> <p>November 4, 2008</p> | Letter to the Shareholder, p.10 |
| <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. | <p>Report CC50.4</p> <p><i>Update on Implementation of Housing at Risk Ombudsman Recommendations for Toronto Community Housing</i></p> <p>April 1-3, 2014</p> | Letter to the Shareholder, p.13 |
| <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; | <p>Report EX35.4</p> <p><i>Ten Year Capital Plan</i></p> <p>November 13, 2013</p> | Letter to the Shareholder, p.7, and Appendix C |

| Shareholder Reporting Requirement | Source of Requirement | TCHC Report |
|--|--|--|
| <ul style="list-style-type: none"> • 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. | | |
| <ul style="list-style-type: none"> • The Chief Executive Officer prepare a report to the Shareholder on: <ul style="list-style-type: none"> • 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. | <p>Auditor General Report: <i>Toronto Community Housing Corporation Needs to Strengthen its Oversight of Subsidiaries and Other Business Interests</i></p> <p>December 1, 2011</p> | <p>Letter to the Shareholder, Appendix B</p> |
| <ul style="list-style-type: none"> • City Council direct City agency and corporation Boards to review their executive compensation policy every four years after the initial policy is approved (excluding restricted Boards), with results to be disclosed on public websites and annual reports, and authorize the City Manager to incorporate this requirement and the guiding principles and practices per Attachment 1 to the report (August 6, 2014) from the City Manager and the City Solicitor, into existing and future Relationship Frameworks, Shareholder Declarations and Directions. | <p>Report EX44.8</p> <p><i>Executive Compensation Policy at City Agencies and Corporations.</i></p> <p>August 25, 2014</p> | <p>As per Report EX44.8, City Council has directed us to submit a senior executive compensation policy to the City in April, 2015. However, as per Report EX5.8, April 22, 2015, the submission deadline was extended to October 30, 2015.</p> |

Appendix B: Overview of Toronto Community Housing Subsidiaries and Joint Ventures/Partnerships

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 has been wound up and is due to be dissolved in 2015.

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. 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 liabilities if any issues related to these contracts arise.

InnoServ Incorporated

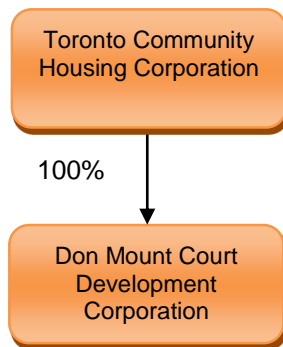
InnoServ Incorporated (“InnoServ”) was created for the construction of solar PV projects and development of revenues through the Ontario Power Authority Feed-in-Tariff program. Currently, TCHEI owns 70 shares of InnoServ and the remaining 90 shares are owned by InnoServ Share Trust.

InnoServ was dissolved on May 6, 2014.

Toronto Affordable Housing Fund

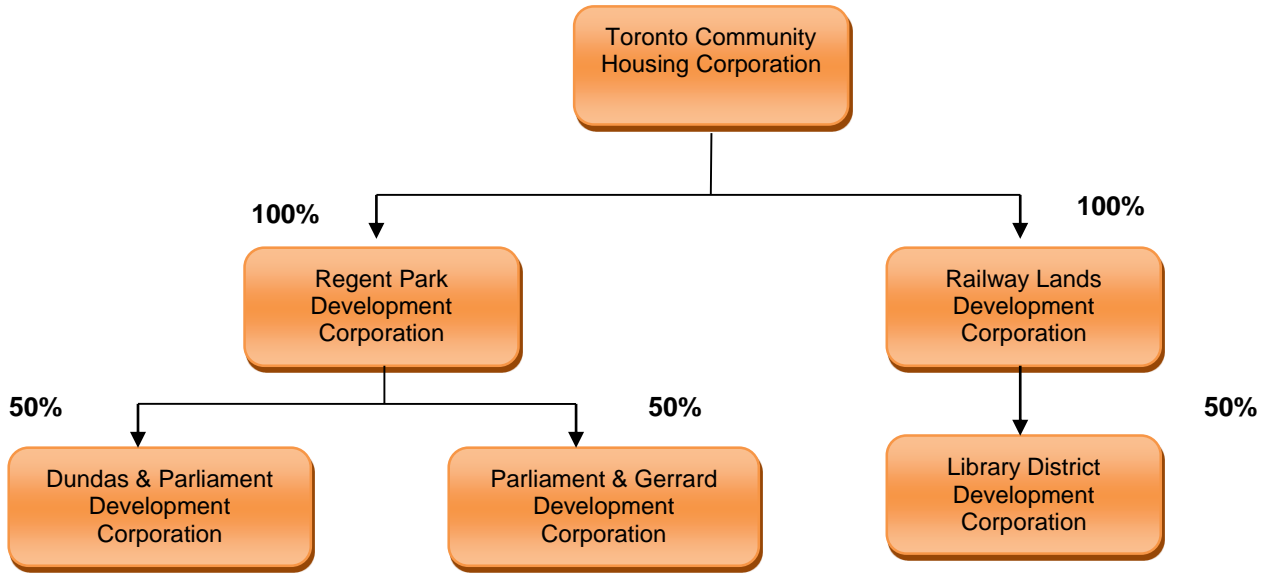
Toronto Affordable Housing Fund (“TAHF”) is a non-share capital subsidiary corporation, where Toronto Community Housing is the sole member. This entity delivers and administers home-ownership loans on behalf of the City, Canada Mortgage Housing Corporation, and Toronto Community Housing. This entity 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.



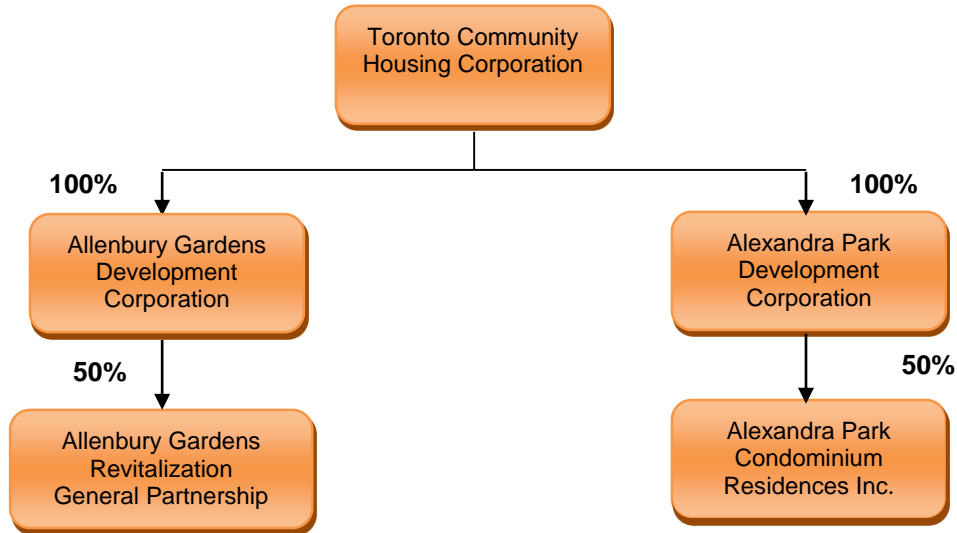
| Overview of Subsidiary/Enterprise/Investment | |
|---|---|
| Purpose of Subsidiary/ Enterprise/ Investment | To oversee the redevelopment of Don Mount Court. |
| Ownership | TCHC 100% |
| Incorporation Number | 1539709 Ontario Inc. |
| Incorporation Date | August 28, 2002 |
| Incorporation Document | 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 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 as operational activities conclude.</p> |
| Management and staffing structure | <p>Officers: Norman Purves, Chair Greg Spearn, CEO Jason Gorel, Treasurer Marta Asturi, Secretary</p> |
| Governance Structure | <p>Directors: Minimum no. of directors = 2 Norman Purves Christian Buhagiar Dino Chiesa</p> |



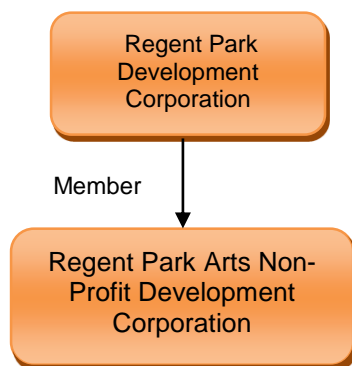
| Overview | | | |
|---|---|--|--|
| | Dundas & Parliament | Parliament & Gerrard | Library District |
| Purpose of Subsidiary/Enterprise/Investment | Co-tenancy for development and sale of market condos in Regent Park Phase I | Co-tenancy for development and sale of market condos in Regent Park Phase II | Co-tenancy for development and sale of Railway Lands Market condos |
| Ownership | 50% RPDC 50% Daniels Eastside Corporation | 50% RPDC 50% Daniels Eastside Corporation | 50% RLDC 50% Context Construction Inc. |
| Incorporation Number | 2115613 Ontario Inc. | 2225110 Ontario Inc. | 001820240 Ontario Inc. |
| Incorporation Date | October 10, 2006 | November 25, 2009 | March 23, 2010 |
| Incorporation Document | Articles of Incorporation | Articles of Incorporation | Articles of Incorporation |
| By-Laws | By-Law 1 | By-Law 1 | 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: Len Koroneos Lizette Zuniga (To be changed) |
| | Nominee Officers from RPDC: Jason Gorel Greg Spearn (To be changed) | Nominee Officers from RPDC: Jason Gorel Greg Spearn (To be changed) | Nominee Officers from RLDC: Lizette Zuniga Francesco Laneve Len Koroneos (To be changed) |

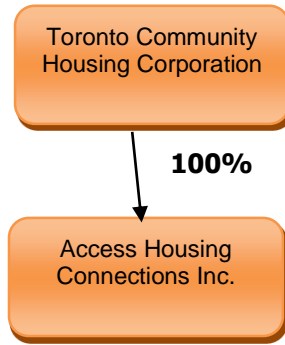


| Overview | | |
|--|---|---|
| Purpose of Subsidiary/ Enterprise/ Investment | Allenbury Gardens Revitalization General Partnership | Alexandra Park Condominium Residences Inc. |
| | General partnership between with FRAM subsidiary | Partnership nominee corporation through general partnership with Tridel 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. |
| | Business Name Registration Number 230039612 | 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. |
| | Master Business License | 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: Leslie Gash Greg Spearn | Management Committee: Jason Gorel Greg Spearn |
| Governance Structure | Allenbury Gardens Revitalization General Partnership | Alexandra Park Condominium Residences Inc. |
| | Management Committee: Leslie Gash Greg Spearn Frank Giannone (FRAM) Fred Serraferrero (FRAM) | Board: Dino Carmel (Tridel) Leslie Gash Len Gigliotti (Tridel) Greg Spearn Officers: Dino Carmel (Tridel), President Greg Spearn, Vice President Leslie Gash, Vice President Len Gigliotti (Tridel), Secretary |



| 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: <ul style="list-style-type: none"> - 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 | <p>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.</p> <p>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.</p> |
| 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: Ilidio Coito |
| Governance Structure | Nominee Directors from RPDC: Ilidio Coito |



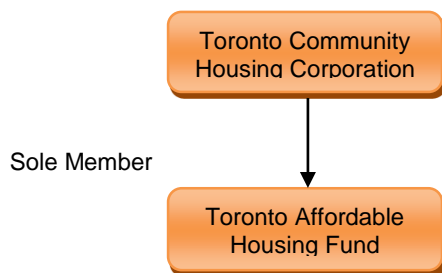
| Overview | |
|--|---|
| Purpose of Subsidiary | Manages applications and wait list for access to housing programs under the Housing Services Act on behalf of the Service Manager. |
| Ownership | TCHC 100% |
| Incorporation Number | 2031119 Ontario Inc. |
| Incorporation Date | August 14, 2003 |
| Incorporation 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) |

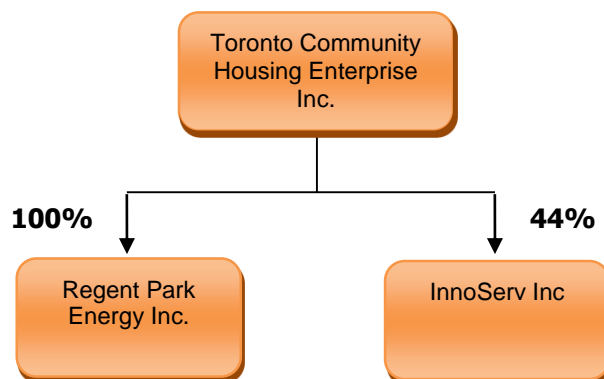
| | |
|--|---|
| Proposed management and staffing structure | <p>Officers: Christian Buhagiar, Chair Brian Kwan, Vice Chair Paul Chisholm, General Manager Brigitte Bardeau, Secretary</p> |
| Governance Structure | <p>Required Directors to sit on the Board: -By-law No. 1, s. 3.02 requires at least one 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 Greg Spearn Brian Kwan Christian Buhagiar - Chair</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: Audrey Wubbenhorst, Chair Greg Spearn, General Manager Jason Gorel, Treasurer Cindy Yung, Secretary</p> |
| Governance Structure | <p>Directors: Minimum no. of directors = 1 Jason Gorel Greg Spearn Audrey Wubbenhorst</p> |



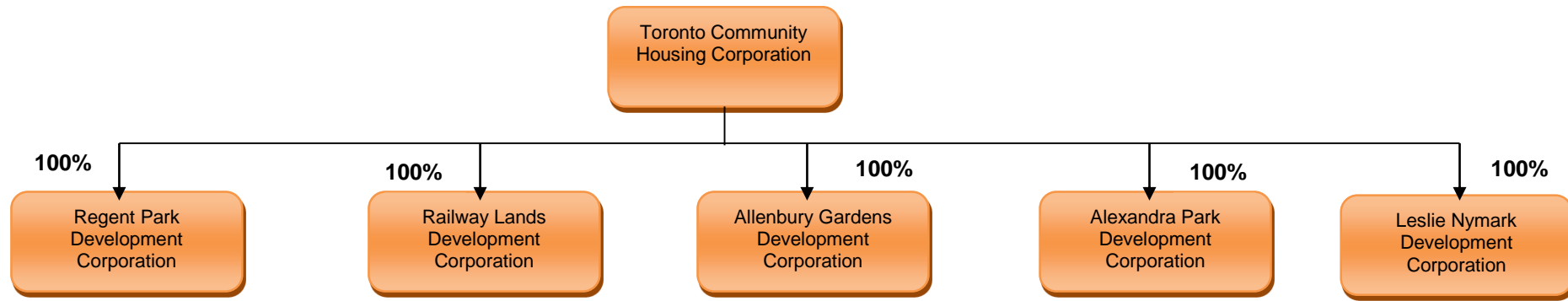
| Overview of Subsidiary/Enterprise/Investment | |
|--|--|
| Purpose of Subsidiary/Enterprise/ Investment | To establish and operate a housing fund for the purposes of: <ul style="list-style-type: none"> • Providing financial support to qualified individuals so that they may purchase eligible homes; • Deliver and administer home-ownership loans on behalf of City/CMHC and TCHC; • Managing second mortgages to qualified purchasers, fund transactions, fundraising; • 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 Audrey Wubbenhorst Greg Spearn |



| 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 | <p>TCHEI</p> <p>By-law No. 1</p> | <p>RPEI</p> <p>By-law No. 1</p> | <p>InnoServ</p> <p>By-law No. 1</p> |

| | | | |
|---|---|--|---|
| 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. The corporation was dissolved on May 16, 2014. |
| 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 Derek Ballantyne – Chair Catherine Boucher – Signing officer Jason Gorel – Signing officer |

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



| Overview of Subsidiary/Enterprise/Investment | | | | | |
|---|--|--|--|--|---|
| Purpose of Subsidiary/Enterprise/Investment | Regent Park DC | Railway Lands DC | Allenbury Gardens DC | Alexandra Park DC | Leslie Nymark DC |
| | 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 Allenbury Gardens, including the demolition and replacement of 127 TCHC 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 | Railway Lands DC | Allenbury Gardens DC | Alexandra Park DC | Leslie Nymark DC |
| | TCHC 100% | TCHC 100% | TCHC 100% | TCHC 100% | TCHC 100% |
| Incorporation Number | Regent Park DC | Railway Lands DC | Allenbury Gardens DC | Alexandra Park DC | Leslie Nymark DC |
| | 2047540 Ontario Inc. | 2239748 Ontario Inc. | 002353917 Ontario Inc. | 2380793 Ontario Inc. | 002395616 Ontario Inc. |
| Incorporation Date | Regent Park DC | Railway Lands DC | Allenbury Gardens DC | Alexandra Park DC | Leslie Nymark DC |
| | May 27, 2004 | April 8, 2010 | December 14, 2012 | July 16, 2013 | 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</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> |

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



Toronto
Community
Housing



Strong Foundations Build Great Futures

Annual Report 2014

Our vision:

Better homes, better neighbourhoods and a better Toronto for all. We will provide better homes for residents and help build better neighbourhoods. Our work will make Toronto a better place to live by delivering real social value.

110,000

We're home to more than 110,000 people (this number changes as household sizes change).

\$9b

Our housing portfolio is a \$9 billion publicly funded asset.

90%

About 90% of households pay rent-geared-to-income (RGI). The rest pay affordable or market rental rates.

70%

About 70% of residents have lived in Toronto Community Housing for less than 10 years.

43%

About 43% of our revenue comes from rent.

76%

About 76% of households spend less than \$500 per month on rent.

40%

A second language is spoken in more than 40% of households.

1,600

We employ 1,600 people who do repairs, answer residents' questions about their lease, clean buildings, answer safety calls and more.

\$20,000

More than three-quarters of all households earn less than \$20,000 per year in total income.



Greg

Bud

Making progress in 2014

Our employees worked hard in 2014 responding to challenges. They put their heads down and focused on delivering the many things, big and small, that Toronto Community Housing does every day to be a good landlord and serve residents' needs.

As employees delivered the day-to-day, management and the board worked to improve the company's performance, enhance accountability and oversight, and strengthen our relationship with the City of Toronto.

As a result of these efforts, Toronto Community Housing made real progress in 2014 toward achieving our vision of better homes, better neighborhoods and a better Toronto for all.

For example:

- Using funding secured through the City, we delivered a \$128-million capital repair plan to improve our homes – and spent these dollars in an efficient, timely manner.
- We expanded our Revitalization program beyond Regent Park to include five more communities.
- We continued working toward securing federal and provincial support for our 10-year capital financing plan to repair our buildings.

- With our many partners, we opened doors to opportunities for residents through a wide range of community programs.
- We enhanced the board's oversight and effectiveness by developing a new board charter and realigning the board committee structure.
- We made changes in our human resources practices to promote consistency, fairness, and opportunity for advancement.

These achievements happened because our employees came together to work as one team: we thank all of them for their dedication and hard work. We will build on this foundation in 2015 through a continued focus on improving our housing, delivering better services, finding solutions to our challenges, and being the best company we can be.

Greg Spearn
President and CEO (Interim)

Norman W. (Bud) Purves
Chair, Board of Directors



Our home, our future

Building strong communities isn't only about bricks and mortar; it's also about people. It's about providing stable, secure housing that can be a solid foundation for people to live their lives and focus on their goals. By investing in community partnerships and programs that provide access to economic opportunities such as entrepreneurship, mentorship, education and employment, we help residents achieve their full potential and contribute to making our city a better place for all.



Developing the new workforce

Working with YouthWorx gave Lesley the chance to give back to his community. It also provided him with the opportunity to take his business venture forward.

An aspiring entrepreneur, Lesley credits his involvement with Toronto Community Housing's YouthWorx program for the valuable connections he has made and the skills he has put to good use. The YouthWorx program, which provides young people from Toronto Community Housing neighbourhoods with job opportunities and training, exposed Lesley to important skills such as time management and money management, as well as career exploration and development opportunities.

Lesley has since developed a business idea and turned it into a company that focuses on youth training and development. Addressing today's looming skills gap, he works with young people to identify and develop the career skills they'll need to meet the demands of today's new job environment. He partners with organizations that work with youth to connect these companies with the energetic and motivated young workers they need.



Connecting the community

Lynda has always been the first person to step up when others needed her. Having spearheaded a number of programs for the residents of her building over the years, she's committed to helping improve the lives of people in her community.

"If I see something that needs to be done, I do it," says Lynda. For the Toronto Community Housing resident, getting involved has always come naturally. Over the years, Lynda has been the driving force behind a wide range of programs that have helped bring together the residents of her east-end building and the broader community. Whether it's organizing a cooking and lunch program or health and wellness classes, she has always been counted on to make it happen. With the help of the Toronto Intergenerational

Partnerships, Lynda started up the Seniors in Cyberspace program in her building, which pairs high school youth volunteers from the community with seniors who want to learn to use computers.

Running these programs is not without its challenges, and some days, the demands on her time and energy can be exhausting. But that won't stop Lynda from continuing to look out for the well-being of her fellow residents. For Lynda, it's all about bringing happy smiles to the people around her.

Creating lasting social change

When **Fatima** first heard about the Youth Anti-Oppression Collective, she knew it was something she wanted to be part of. As someone who has always had a passion for social justice issues and an interest in facilitation, Fatima was keen to get involved – and to share her experience with others.

The Youth Anti-Oppression Collective brings together young people from Toronto Community Housing neighbourhoods across the city to share their experiences of and perspectives on discrimination and oppression. Each week, Fatima and her fellow group members would come together for training sessions that explored a range of social justice issues. As part of these sessions, they would learn how to facilitate their own training workshops for others.

Putting these skills to use, Fatima and the other group members facilitated a number of training workshops for the Toronto District School Board, City of Toronto staff and others.

Interested in expanding the potential of these workshops, Fatima applied for and was accepted to the Business in the Streets (BITS) Boot Camp, a program that helps young professionals start and sustain their business ideas. Through the program, she worked with a mentor to hone a business pitch, which earned her a funding grant for her business.

While Fatima plans to study nursing in September, she also intends to continue her facilitation work to help improve her community and create lasting social change.



Fast facts

- 38% of residents are 24 years of age and younger
- 25% of residents are 59 years and older
- 29% of households have a member living with a disability

These numbers are approximate and change as household sizes and tenancies change.



Because we care

Our employees are passionate about working together to build better homes, create vibrant neighbourhoods and improve the lives of residents of our communities. We also go beyond our obligations as a residential landlord, to help connect tenants to the services, organizations and opportunities they need.



Making the connections

Last fall, a Community Services Coordinator received a file about a tenant who had not paid rent for several months.

Staff had been trying to contact the tenant, with no success. The Community Services Coordinator (CSC) was brought in for another try. The CSC reviewed the tenant's file and met with the tenant. It became clear the tenant was living with mental health challenges. The tenant's file showed a history of involvement by the Office of the Public Guardian and Trustee (OPGT) and mental health agencies.

In speaking with the tenant, the CSC learned that the tenant

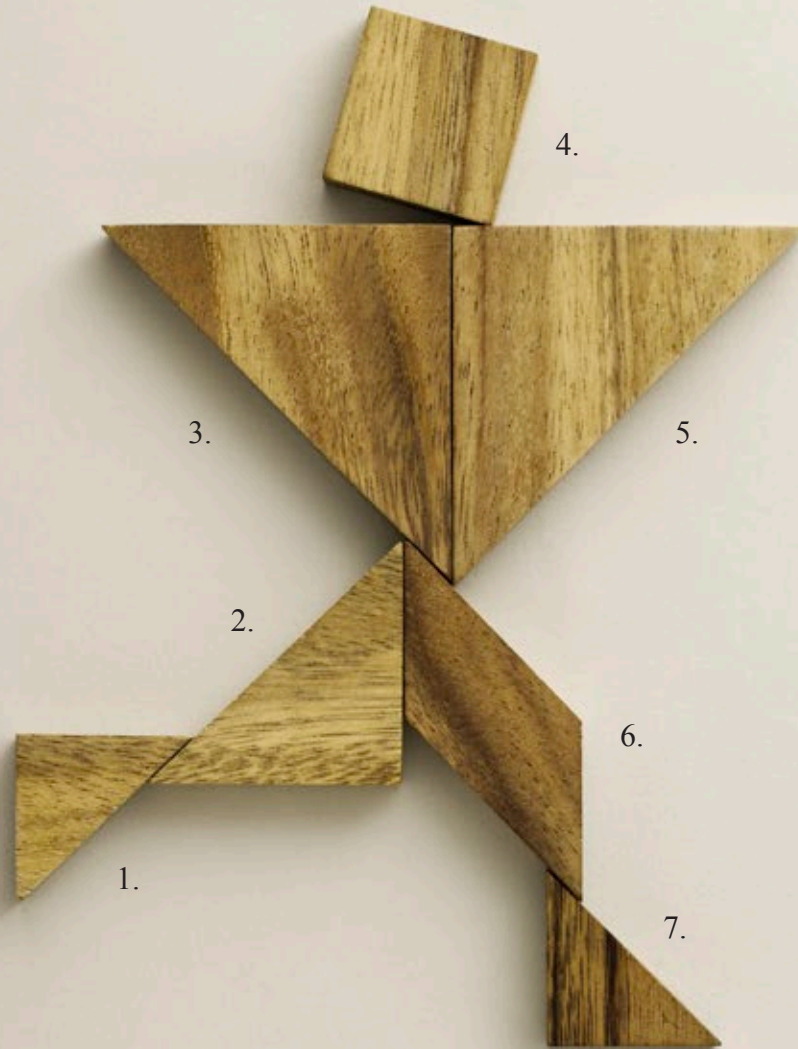
also had an adult child living in the unit. The CSC shared her concerns about their tenancy with the adult child, who had been unaware of the rent issues and was overwhelmed by the situation. With some coaching and encouragement, the CSC connected the household with community resources to help the family better manage their tenancy. The CSC also contacted the OPGT, which stepped in to help the household with the next steps, including figuring out how to deal with their rent arrears.

Fast fact

1,100

We connected approximately 1,100 residents with exceptional needs to health, social service and community supports in 2014.

Many months later, the Community Services Coordinator received a phone call from the tenant thanking her for her help. The efforts to connect the tenant with the resources that the household needed were critical to helping this family stay in their home and to access the services they need to be able to continue to maintain their tenancy.



It takes many pieces

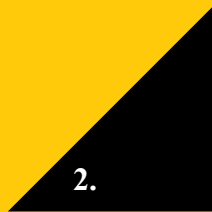
Strong partnerships are an essential part of what we do as city builders. Our work strengthens communities and the people who live in them. We have a limited number of resources, a broad range of innovative ideas and the potential to improve the lives of thousands of people. We recognize that partnerships can accomplish so much more than what we are capable of doing on our own. Our partners share our desire to overcome barriers, find solutions to complex problems and make great things happen.

How we strengthen communities and people



Identifying needs and coordinating support

We work with Local Health Integration Networks and other partners to build a strong network of organizations that provide services where residents live, for residents who need help to maintain their tenancy.



Participatory budgeting

We give residents a say in how money is spent to improve the common areas where they live. Residents worked together to decide how to spend \$5 million for capital repair work in 2014. We're expanding this program to \$8 million in 2015.



Resident engagement

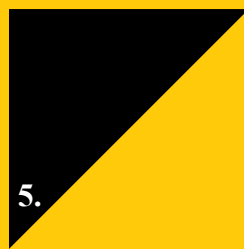
We engage residents in decisions that affect them. This includes supporting tenant councils made up of elected Tenant Representatives and consulting residents about designing revitalization projects to put the needs of the people who live there first.

How our partners help



Employment and apprenticeship

We work with our partners to create, promote and participate in job fairs, and provide apprenticeship and job training opportunities for residents.



Active living programs

We work with our partners to help us offer programs to kids and youth that give them a chance to stay active and participate in sports programs in a safe and welcoming environment.



Healthy communities

We work with our partners to promote access to local healthy food choices through community gardening programs, farmers' markets and as part of revitalization planning.



Scholarship opportunities

We work with our partners to create, promote and deliver scholarship opportunities for students to further their education.



A commitment to service

We're committed to safe and well-maintained communities. This means investment in improving the state of good repair, working to enhance community safety, being accountable as a landlord and helping residents become more involved in their communities. It means doing what it takes to deliver service to the people who count on us.

2014 Fast facts

- We received more than 700,000 calls and emails
- About 80% of general administrative requests were resolved on the first call
- We sent community safety patrol officers out 33,000 times to provide help onsite
- We signed more than 3,000 leases with new tenants
- We completed more than 300,000 work orders in response to service requests

Going to great lengths



12:00 a.m.

Water penetration from a backed up kitchen stack caused flooding in a unit. Staff at the Client Care Centre immediately arranged for containment and clean-up crews, and dispatched the Community Safety Unit to the building. However, when staff arrived onsite, flooding had already caused extensive damage and the unit was deemed uninhabitable. The tenant could not stay in the unit that night.

12:20 a.m.

Received a call about flooding in a second unit.



12:30 a.m.

Neither household had anywhere they could go for the night. The shift coordinators at the Client Care Centre set out to make arrangements to accommodate both residents for the night. However, this situation happened during the Toronto International Film Festival, which meant no hotel or motel rooms were available in the city. The dispatchers stayed in contact with the

distraught tenants during this time to make them feel comfortable and assure them that they would be taken care of.



1:00 a.m.

After many calls, staff located a motel with a vacancy – in Oshawa.

1:20 a.m.

Thanks to collaboration between the Client Care Centre, the Community Safety Unit and the Asset Management team, all the necessary arrangements were made and the tenants were transported to Oshawa for the night.

The next morning

Client Care Centre agents followed up with the residents in the morning and worked with the Operating Unit office on next steps. In the end, both residents needed to spend an extra few days out of their unit, but were grateful for the help that Toronto Community Housing provided.

This is the kind of work we do every day.

Ramping up repairs in 2014

The majority of our buildings are more than 50 years old. Without repairs, thousands of these homes will need to be boarded up as they become unsafe to live in. We need to make \$2.6 billion in repairs over 10 years to address these critical capital repair needs. Working with the City of Toronto, we have secured just over one-third of the needed funds, and have been using these funds to make repairs in 2013, 2014 and 2015. We need the federal and provincial governments to invest the remainder, one-third each, starting in 2016.



Roofing

Improved about 44,000 square metres of roof area equal to 7 football fields



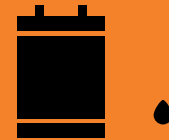
Parking garages

Improved over 2,100 spots for cars



Plumbing

Improved over 1,300 resident suites with upgraded domestic water piping



Boilers

Improved heating to over 5,000 resident suites

In 2015, our capital plan will grow to \$175 million.

Highlights include:

\$54.4m

Interiors

67% increase from 2014

\$33.7m

Mechanical Systems

78% increase from 2014

\$26.1m

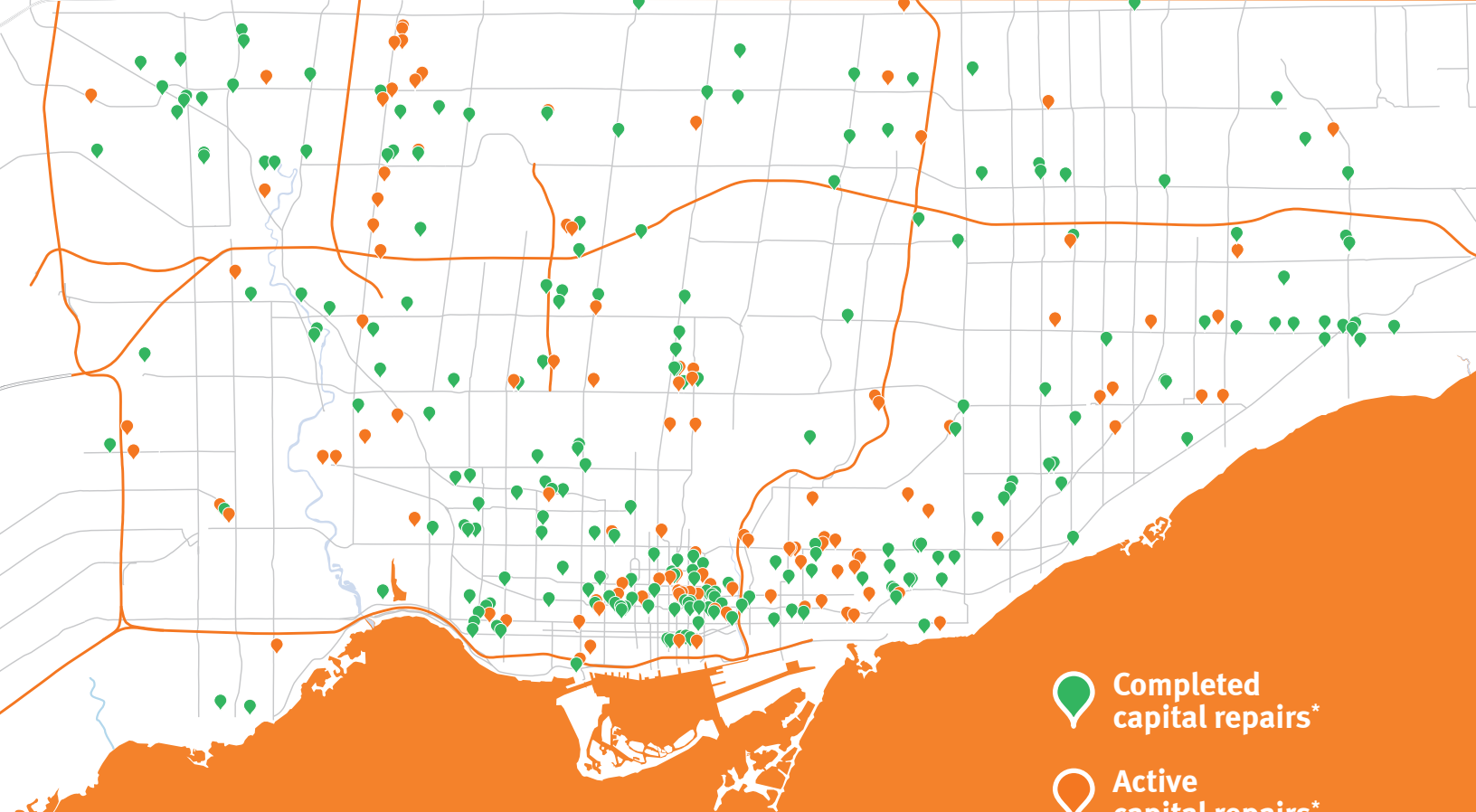
Building Envelope

129% increase from 2014

\$13.9m

Life Safety

244% increase from 2014



 Completed capital repairs*

 Active capital repairs*

*As of December 31, 2014

City-wide impacts

Our \$128-million capital program in 2014 included over 500 large-scale capital repair projects in 261 developments across the city – representing 70% of our portfolio.

Visit torontohousing.ca/capitalmap to see a map that is updated regularly.

Funds will start to run out in 2016

Without support from the provincial and federal governments the money we have secured will start to run out in 2016. Without this funding we will need to close thousands of homes as they become unsafe, displacing thousands of our residents.

There is still time to act, but we can't do it alone. Unless we get the support we need from the provincial and federal governments we will be forced to slow down our capital repair plan.

\$2.6b

Investment in capital repairs needed over a decade

Everyone deserves to live in a home that is clean, safe and in good repair. This past year – despite significant funding gaps – we continued to use innovative approaches and partnerships to build and maintain better homes.

Addressing the needs of residents

- The State of Good Repair: In Your Unit program focuses on repairs in resident units in buildings with high repair needs. In 2014, we invested \$10.2 million to complete more than 76,000 repairs in over 4,000 units in 27 communities across the city.
- Through the Participatory Budgeting program, 135 common area upgrade projects were chosen as priorities by residents. The budgets have been approved to start work in 121 communities.

Securing funding for capital repairs

We continue to find innovative ways to secure much-needed additional funding for our 10-year capital plan:

- We completed mortgage and loan refinancing deals with Infrastructure Ontario (\$31 million) and the City of Toronto (\$33 million).
- We sold 57 standalone houses in 2014, 54 transactions were completed in 2014 and three were finalized in January 2015, generating about \$32.7 million in net revenues. Due to diligent efforts and a resilient market, all properties sold above appraised value and we exceeded our sales target by \$2.7 million.

Revitalizing communities

We work with partners and engage with residents to transform aging housing infrastructure into mixed-income, mixed-use neighbourhoods. This means replacing aging buildings with new replacement rent-geared-to-income homes while also building new affordable rental homes, private condominiums, commercial space and community facilities. It also means creating new active parks and open space.

In 2014, Toronto Community Housing continued its revitalization work in neighbourhoods across the city:

- We broke ground on Phase 1 in **Alexandra Park**, a partnership with Atkinson Housing Co-operative and Tridel to renew aging housing, build rental townhomes, two market condominium buildings and new amenities to connect the community with the neighbourhoods around it.
- In partnership with FRAM Building Group, we launched sales for the first market condominium in **Allenbury Gardens** and relocated all Phase 1 households. Construction will begin in 2015.
- In **Lawrence Heights** we finalized the designs for the first new rental housing building and market condominiums with input from residents. About



600 condominium units were pre-sold in four months by our partners, Context and Metropia. This will allow us to accelerate the first phase of construction and move residents into new homes sooner.

- The plan for **Leslie Nymark** moved forward with submissions to the City and ongoing resident engagement. Market condominium sales will begin in 2015 with our partner Tridel.
- In **Regent Park** we continued construction on the newest rental building at 180 Sackville, with the first families moving into new townhomes in December. The new central park, Regent Park, opened in time for summer. We also broke ground on Phase 3 in 2014, completing the refurbished hockey rink at the Regent Park Athletic Grounds, thanks to our partnership with the MLSE Foundation, Hockey Canada Foundation, The Daniels Corporation and the City of Toronto.
- At **250 Davenport** we worked with residents, community stakeholders and project developers Diamond Corp. and Metropia to create a \$13.2-million building improvement plan making it one of the largest tower renewal projects in the city.

Revitalization is about building new homes and neighbourhoods. It's also an opportunity for Toronto Community Housing to work with partners to create social and economic opportunities for residents:

- When funding is available, we create affordable home ownership opportunities for residents. In 2014, two families who were renting from Toronto Community Housing purchased a home in the new condominium buildings in Lawrence Heights and one family in Regent Park.
- Also in Lawrence Heights, residents were connected to over \$100,000 in new employment opportunities through revitalization partnerships. The 'Limitless Heights' Scholarship program provided 25 residents with financial support to pursue higher education.
- In Allenbury Gardens, 23 residents were hired in full and part-time positions through partnerships with FRAM Building Group and Self Reliance Solutions.
- In Alexandra Park residents benefitted from the creation of about 68 jobs. In Regent Park 203 jobs were created for residents.

A part of new neighbourhoods

- In 2014, residents began moving into three new affordable housing buildings in the **West Don Lands**. Residents living in these 243 units are part of this growing community which is also home to the Athletes' Village for the Pan Am and Parapan Am Games.
- With our development partner Context, we completed and sold all units in a market condominium building in the Railway Lands, with significantly higher returns than anticipated.

Safe, healthy, liveable communities are vital to the quality of life and well-being of residents. We continued to create and foster opportunities in 2014 for the people who call our communities home.

Successful youth summit

In November 2014, hundreds of youth leaders from Toronto Community Housing neighbourhoods came together for the third annual *If I Ruled T.O* summit. Sponsored in partnership with the City of Toronto's Social Development and Finance Division, the summit gave youth the opportunity to engage with city leaders on important issues such as education, jobs and the economy, police relations, developing community space, politics and housing. It was an opportunity for some of the brightest young minds in the city to share their ideas on changes and decisions they would make if they could.

Journeys to success

Celebrating “ordinary women with exceptional lives,” the second annual *Journeys to Success* gala brought together 130 women of all ages, and provided them with an opportunity to connect with community partners and support services. Aimed at recognizing the accomplishments of women in non-traditional jobs, the goal of the event was to inspire participants by providing them with positive female role models they could look to as mentors. A panel discussion included the Honourable Jean Augustine as well as women from various sectors.

Support for residents

In late 2014, Toronto Community Housing partnered with community-based non-profit organization Cota on a pilot project to deliver on-site health supports to residents living with mental health and cognitive challenges at 220 Oak Street in the downtown east. Under the pilot project, an integrated team delivers services to residents at the Toronto Community Housing building six days a week. The program has potential to reduce costly crisis interventions,

including emergency department visits, and paramedic and police calls. It's also one example of how working together to provide dedicated on-site support can improve outcomes for residents in the most vulnerable situations, and also have a positive impact on the broader health and social service systems. The pilot project will run from December 1, 2014 to November 30, 2015, with the aim to sustain the initiative beyond its initial phase.



Active living programs

We work with partners to deliver children and youth programs that promote health and offer skill-building and leadership opportunities:

- **KickStart**, in partnership with Kia Canada, Maple Leaf Sports and Entertainment Foundation and Toronto FC, provides soccer programming
- **Midnight Madness**, a partnership with the Department of Athletics and Recreation at University of Toronto Scarborough, provides basketball training
- **Rookie League**, a partnership with Jays Care Foundation, is a summer-long baseball day camp

Visit torontohousing.ca/activeliving to read more.

Engaging senior residents

One example was a seniors' volunteer awards dinner in September, where senior residents from a North York building recognized a number of their peers, community organizations and frontline employees for their contributions to the community. Organized by the building's social club, with support from Toronto Community Housing, this resident-led event celebrated the volunteer work of 17 senior residents. Also recognized with awards were SPRINT Senior Care (a community organization that provides care and activities that enhance the quality of life for seniors), building superintendent Amin P. and cleaner Maira P.



Promoting safe communities

Our day-to-day safety work in 2014 included responding to 33,000 calls for help onsite and conducting 19 community safety audits. Toronto Community Housing also worked closely with Toronto Police Service to conduct 740 joint patrols in our neighbourhoods and hold 57 integrated community safety meetings. In addition, 161 safety events were held including: community council meetings, seminars, workshops, information sessions, building walkthroughs, lobby intercepts and community fairs.

Commissioner of Housing Equity

A first for North America, Toronto Community Housing officially opened the Office of the Commissioner of Housing Equity. Commissioner Cynthia Summers and her team have a mandate to review files involving seniors or vulnerable residents who have lost their subsidy or face eviction for arrears. Their work will help ensure Toronto Community Housing's Eviction Prevention Policy is correctly and consistently applied while staff continue to work to find solutions that can keep residents housed.

We strive to provide Toronto Community Housing residents with clean, well-maintained, affordable homes and are accountable to the citizens of Toronto for delivering these services in a fiscally responsible manner. This means continually striving to work smarter and finding better ways to operate while keeping the needs of residents top of mind.

Cost savings and cost avoidance

In 2014, we confirmed implementation of 80 recommendations from Toronto's Auditor General, leading to improvements to our procurement processes and significant savings.

Procurement excellence recognized

Toronto Community Housing's ability to demonstrate value for money was acknowledged with the Leadership in Public Procurement Award from *Summit Magazine* and the Canadian Public Procurement Council in October 2014. The Toronto Community Housing procurement team won the award as a result of their work in implementing improved controls and automating procurement procedures to maximize productivity and efficiency. The award demonstrates our commitment to spending wisely in order to direct more funds toward capital repairs.

Responding to service requests

We are continually evaluating and working to improve the level of service that we provide for tenants. At our 24-hour client care centre, we hired additional part-time employees, scheduled more employees for peak demand times, trained employees on how to provide better service on frequent types of calls and re-prioritized how calls are distributed to agents. Our focus in 2015 is to reduce call answer times and improve interactions with residents. The client care centre will use performance standards to make sure we deliver the best service possible.

Progress on improving HR practices

Four out of 11 recommendations from Toronto's Ombudsman to improve human resources practices were completed in 2014, with significant progress made toward completing the remaining seven in 2015.

The top service requests included:



Administration
35,812



Account Inquiry
13,719



Transfers
5,292

The top maintenance requests included:



Plumbing
71,564



Doors
46,441



Electrical
37,638

Making our spaces more accessible

Meeting the needs of residents and employees living with disabilities is important to us. We also must meet legislative requirements for accessibility. The Accessibility Program relies on residents, family members, agencies, resident advocacy groups, and employees for a more complete view of the needs for residents and employees with disabilities.

An increase in the 2014 capital budget allowed for more accessibility improvements in common spaces such as lobbies, mail rooms, community rooms, and parking garages with improvements to 25 buildings. We received requests from residents for accessible accommodation in 28 units: 11 units were completed, three are underway and 14 more will be completed in 2015, allowing residents to stay in their current unit or be transferred to a unit tailored to their needs.

Every year we conduct inspections in each of our units. In 2014:

- More than 1,600 CO detectors were repaired or replaced
- More than 1,000 smoke alarms were replaced
- More than 1,900 window locks and screens were repaired or replaced
- 44,020 units received a “pass” in all categories (kitchen, bathroom, floor and water penetration)

Outstanding service in resolving complaints

Toronto Community Housing employees have been nominated for the Ombudsman Awards to acknowledge outstanding public service in proactive complaint resolution and improving systems that result in better service within the City of Toronto. In 2014, Operating Unit Manager Antoanela Culcearu was one of five Toronto public sector employees selected for the award, in recognition of building strong relationships with residents and partners to help preserve tenancies. General Counsel and Corporate Secretary Pamela Spencer was also nominated for the 2014 award.

A new Tenant Guide

After working closely with the Tenant-Staff Communications Workgroup, we completed a new Tenant Guide handbook that includes details about the rights and responsibilities of tenants, information about common areas, phone numbers, tips for safety, and much more. The Tenant Guide was available to residents starting in early 2015.

Toronto Community Housing is committed to transparency. We provide our financial results to the City of Toronto, as well as other key stakeholders. We post the State of Good Repair Fund financials and board and employee expenses on our website.

Report on financial performance

Toronto Community Housing strengthened its financial position by \$77.9 million with total net assets increasing from \$849.8 million in 2013 to \$927.7 million in 2014.

Net income for 2014 was \$73.3 million compared with \$54.6 million in 2013. The increase of \$18.7 million is primarily a result of:

- Higher joint venture income of \$34.5 million as compared with the prior year.
- There were gains in rent revenue from residential and commercial sources of \$1.8 million as compared with the prior year and gains on sale of assets of \$20.6 million as compared with the prior year.

Cash position increased by \$0.1 million in 2014 compared with a decrease of \$21.4 million in 2013. The increase of \$0.1 million is a result of:

- \$115.4 million in cash in-flows from operations as strong operating cash flow performance continues and is needed to fund capital activities.
- \$14.2 million in cash out-flows for investing activities, predominantly to establish cash reserves for capital spending.

- \$128.4 million in cash out-flows for capital activities, to fund capital repair needs and investments in newly developed properties.
- \$27.3 million in cash in-flows from financing activities, resulting from the success of the Infrastructure Ontario mortgage transaction and the City of Toronto loan transaction.

2014 Key financial highlights

We finalized a mortgage transaction with Infrastructure Ontario for \$49.7 million and a loan transaction with the City of Toronto for \$52.4 million which will provide significant new capital funding as noted on page 14 for repairs to our properties.

Favourable financial results in 2014 included an improvement to our net asset position, which is needed to address a growing and significant capital repair backlog.

We implemented more internal controls recommended by the City Auditor General which continue to strengthen our financial discipline.

Consolidated Statement of Financial Position

(IN THOUSANDS OF DOLLARS)

December 31, 2014

December 31, 2013

\$

\$

Assets

Current assets

| | | |
|-----------------------|--------|---------|
| Cash | 29,137 | 29,026 |
| Restricted cash | 82,002 | 107,256 |
| Investments | 24,915 | 716 |
| Restricted investment | 25,000 | - |
| Accounts receivable | 67,543 | 75,027 |
| Loans receivable | 676 | 676 |
| Prepaid expenses | 5,127 | 6,401 |

234,400

219,102

| | | |
|--|-----------|-----------|
| Loans receivable | 14,250 | 14,518 |
| Grants receivable | 17,217 | 13,491 |
| Equity investments | 28,364 | 15,541 |
| Investments for capital asset replacement reserve | 37,132 | 34,829 |
| Investments for internally restricted purposes | 144,938 | 163,069 |
| Investments for capital expenditures under restrictions with lenders | 43,649 | 11,903 |
| Receivable from the City of Toronto | 21,325 | 26,325 |
| Housing projects acquired or developed | 1,574,121 | 1,562,347 |
| Improvements to housing projects | 943,955 | 899,181 |
| Guaranteed equity housing project | 8,679 | 8,946 |
| Prepaid lease | 1,078 | 1,135 |

Total assets

3,069,108

2,970,387

Consolidated Statement of Financial Position ... continued

(IN THOUSANDS OF DOLLARS)

| | December 31, 2014 \$ | December 31, 2013 \$ |
|---|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 141,120 | 114,507 |
| Tenants' deposits and rents received in advance | 12,892 | 12,334 |
| Deferred revenue | 3,771 | 854 |
| Current portion of deferred revenue on long-term leases | 71 | 71 |
| Current portion of project financing | 79,723 | 70,253 |
| | 237,577 | 198,019 |
| Capital asset replacement reserve | 37,132 | 37,427 |
| Deferred revenue on long-term leases | 1,045 | 1,115 |
| Employee benefits | 81,402 | 77,439 |
| Project financing | 1,244,098 | 1,236,040 |
| Interest rate swap | 2,732 | 3,278 |
| Debenture loans | 15,637 | 21,711 |
| Deferred capital contributions | 521,771 | 545,538 |
| Total liabilities | 2,141,394 | 2,120,567 |
| Surplus | | |
| Share capital | | |
| Authorized | | |
| Issued 100 common shares | 1 | 1 |
| Internally restricted funds | 170,037 | 186,836 |
| Contributed surplus | 5,136 | — |
| Unrestricted surplus | 751,702 | 663,414 |
| Accumulated remeasurement gains (losses) | 838 | (431) |
| Total net assets | 927,714 | 849,820 |
| | 3,069,108 | 2,970,387 |

Consolidated Statement of Operations

(IN THOUSANDS OF DOLLARS)

| | December 31, 2014 \$ | December 31, 2013 \$ |
|---|-------------------------|-------------------------|
| Revenue | | |
| Subsidies | 228,790 | 231,036 |
| Rent | | |
| Residential | 288,674 | 287,141 |
| Commercial | 14,065 | 13,839 |
| Amortization of deferred capital contributions | 47,220 | 45,908 |
| Parking, laundry and cable fees | 16,663 | 16,792 |
| Investment income | 10,354 | 10,051 |
| External sales | — | 1,398 |
| Joint venture income | 35,090 | 621 |
| Gain of easement | 625 | 700 |
| Gain on sale of housing projects | 29,508 | 12,324 |
| Gain on sale of land | 3,432 | — |
| Gain on sale of capital assets | 23 | 51 |
| Plant | 1,330 | 1,125 |
| Other | 2,434 | 4,160 |
| | 678,208 | 625,146 |
| Expenses | | |
| Operating and maintenance | 278,952 | 262,456 |
| Municipal taxes | 17,357 | 15,071 |
| Depreciation and write-downs | 137,960 | 128,930 |
| Interest | 69,913 | 66,792 |
| Administration | 63,746 | 61,185 |
| Residential services | 9,441 | 8,917 |
| Rent supplement program | 24,859 | 25,271 |
| Plant | 2,140 | 1,495 |
| Loss from guaranteed equity housing project | 534 | 402 |
| | 604,902 | 570,519 |
| Excess of revenue over expenses for the year | 73,306 | 54,627 |

Board of Directors

Our Board of Directors consists of three City Councillors, the Mayor or his representative, and nine citizens including two Toronto Community Housing tenants. The Board of Directors oversees the management of Toronto Community Housing and monitors its performance against its strategic plan. The Board is accountable to the sole shareholder, the City of Toronto, through presentation of its business plan, annual reports and financial statements. Board members are active, involved and dedicated to ensuring we reach our goals and achieve our vision.

N.W. (Bud) Purves (Chair)
Munira Abukar (Tenant)
Ana Bailão (City Councillor)
Zahir Bhaidani
Christian Buhagiar
Raymond Cho (City Councillor)
Joe Cressy (City Councillor)
Frank Di Giorgio (City Councillor)
Brian Kwan
Karen Newman
Catherine Wilkinson (Tenant)
Jennifer Wood
Audrey Wubbenhorst

Executive Leadership Team

Our Executive Leadership Team is responsible for the strategic oversight of the corporate and operational functions with the company and its subsidiaries.

Greg Spearn (Officer)
President and Chief Executive Officer (Interim)
Vice President and Chief Development Officer
Cathy Barker (Officer, effective March 2015)
Vice President, Human Resources
Lenna Bradburn
Vice President, Resident and Community Services
Jason F. Gorel (Officer)
Chief Financial Officer and Treasurer
Graham Leah
Vice President, Asset Management
Sheila Penny
Vice President, Facilities Management
Pamela C. Spencer (Officer)
General Counsel and Corporate Secretary

Toronto Community Housing is Canada's largest social housing provider and a key part of our city's infrastructure. We provide homes for nearly 60,000 households with low and moderate incomes across the city. We continue to work with many partners and create new partnerships to help build vibrant communities and a better city for all.

Contact us

Toronto Community Housing
931 Yonge Street
Toronto, Ontario M4W 2H2
416.981.5500
info@torontohousing.ca
torontohousing.ca

Social



Twitter: @TOHousing



Facebook: TorontoCommunityHousing



Instagram: torontohousing



YouTube: TOCommunityHousing



LETTER TO THE SHAREHOLDER: APPENDIX C

Revised: Tuesday, April 7, 2015

| TCH Ten-Year Capital Financing Plan | | | | | | | | | | | | | | | |
|--|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|--------------------|--------------|--------------|
| Original 10-Year Plan | | | | | | | | | | | | Original Plan Total | Rolling Plan Total | Grand Total | |
| (Actual) 2013 | (Actual) 2014 | (Forecast) 2015 | (Forecast) 2016 | (Forecast) 2017 | (Forecast) 2018 | (Forecast) 2019 | (Forecast) 2020 | (Forecast) 2021 | (Forecast) 2022 | (Forecast) 2023 | (Forecast) 2024 | | | | |
| Capital Needs (\$ millions) | | | | | | | | | | | | | | | |
| Outstanding needs carried over from prior year | 862 | 914 | 896 | 937 | 1,121 | 1,210 | 1,169 | 1,245 | 1,278 | 1,170 | 982 | 1,028 | 862 | 896 | 862 |
| Growth in capital needs | 121 | 200 | 206 | 440 | 414 | 294 | 421 | 369 | 208 | 111 | 133 | 159 | 2,783 | 2,755 | 3,075 |
| Inflation on opening balance | - | - | 18 | 19 | 22 | 24 | 23 | 25 | 26 | 23 | 20 | 21 | 181 | 221 | 221 |
| Reduction due to sale/revitalization | (8) | (8) | (9) | (24) | (22) | (35) | (19) | (36) | (17) | (21) | (7) | - | (199) | (190) | (206) |
| Backlog adjustment due to changes in engineering estimates | | (86) | | | | | | | | | | | (86) | - | (86) |
| Reduction due to capital spending (** below) | (60) | (123) | (175) | (250) | (325) | (325) | (350) | (325) | (325) | (300) | (100) | (100) | (2,558) | (2,575) | (2,758) |
| Outstanding capital needs, end of year: | 914 | 896 | 937 | 1,121 | 1,210 | 1,169 | 1,245 | 1,278 | 1,170 | 982 | 1,028 | 1,107 | 982 | 1,107 | 1,107 |
| Year end Facilities Condition Index (FCI): | 10.1% | 9.7% | 9.9% | 11.6% | 12.3% | 11.7% | 12.2% | 12.3% | 11.0% | 9.1% | 9.3% | 10.0% | 9.1% | 10.0% | 10.0% |
| Capital Funding Sources (\$ millions) | | | | | | | | | | | | | | | |
| City/TCH Funding Sources | | | | | | | | | | | | | | | |
| Annual Capital Funding (TCH Operating Budget) | 50 | 61 | 53 | 54 | 55 | 56 | 57 | 59 | 60 | 61 | 62 | 63 | 567 | 581 | 692 |
| Property Tax Exemption (Education Portion) | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 91 | 92 | 110 |
| Development Charge Reserve Fund Allocation | 10 | - | - | - | - | - | - | - | - | - | - | - | 10 | - | 10 |
| Sale of TCH Single Family Houses Proceeds | 12 | 30 | 18 | 5 | - | - | - | - | - | - | - | - | 65 | 23 | 65 |
| TCH Mortgage Refinancing | 93 | 31 | 29 | - | - | - | - | - | - | - | - | - | 153 | 29 | 153 |
| City Loans Refinancing | - | 33 | - | - | - | - | - | - | - | - | - | - | 33 | - | 33 |
| Total Annual City/TCHC Funding: | 174 | 164 | 109 | 68 | 64 | 66 | 67 | 68 | 69 | 70 | 71 | 73 | 919 | 725 | 1,063 |
| Capital reserve Draws(+)/Contributions(-) | (114) | (38) | 66 | 54 | 55 | 19 | 11 | (39) | (64) | (36) | 29 | 27 | (86) | 122 | (30) |
| Sub-total | 60 | 127 | 175 | 122 | 119 | 85 | 78 | 29 | 5 | 34 | 100 | 100 | 834 | 847 | 1,034 |
| Uncommitted Federal/Provincial Contributions | | | | | | | | | | | | | | | |
| Uncommitted Federal 1/3 total nominal funding | - | - | - | 64 | 103 | 120 | 136 | 148 | 160 | 133 | - | - | 864 | 864 | 864 |
| Uncommitted Provincial 1/3 total nominal funding | - | - | - | 64 | 103 | 120 | 136 | 148 | 160 | 133 | - | - | 864 | 864 | 864 |
| Total Uncommitted Annual Fed/Prov Funding: | - | - | - | 128 | 206 | 240 | 272 | 296 | 320 | 266 | - | - | 1,728 | 1,728 | 1,728 |
| **Total Capital Spending: | 60 | 127 | 175 | 250 | 325 | 325 | 350 | 325 | 325 | 300 | 100 | 100 | 2,562 | 2,575 | 2,762 |
| TCHC Capital Reserve Balance (\$ millions) | | | | | | | | | | | | | | | |
| Opening balance | - | 114 | 154 | 90 | 38 | (16) | (36) | (48) | (10) | 54 | 91 | 63 | - | 154 | - |
| Interest | - | 2 | 2 | 1 | 1 | (0) | (1) | (1) | (0) | 1 | 1 | 1 | 5 | 6 | 7 |
| Capital reserve contributions(+)/draws(-) | 114 | 38 | (66) | (54) | (55) | (19) | (11) | 39 | 64 | 36 | (29) | (27) | 86 | (122) | 30 |
| Year-End Balance: | 114 | 154 | 90 | 38 | (16) | (36) | (48) | (10) | 54 | 91 | 63 | 37 | 91 | 37 | 37 |

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



Toronto
Community
Housing

Appendix D: Proposed Approach to Strategic Plan

May 12, 2015

John Livey, City Manager (acting)
11th Floor, East Tower
City Hall
Toronto, ON
M5H 2N2

Dear Mr. Livey,

2015 is the last year of Toronto Community Housing's current Strategic Plan, *Homeward 2016*. As such, I would like to request your approval on our approach to developing our next strategic plan.

We would like to develop a set of 2016 Corporate Goals that build on *Homeward 2016*, and will deliver a full four-year strategic plan for 2017 – 2020 to the Board and our Shareholder by the end of 2016. This will ensure that the many significant reviews and assessments being conducted in 2015 are appropriately resourced, and that we are well positioned to ensure alignment between their outcomes and our strategic direction. It also ensures that the board members who will be appointed in June 2015 benefit from a fulsome on-boarding before leading the direction of a new strategic plan.

Please let me know if we can proceed with our proposed approach.

Sincerely,

Greg Spearn
President and CEO (Interim)

cc Bud Purves, Chair