



Shelter, Support and Housing Administration

2016 OPERATING BUDGET OVERVIEW

Shelter, Support and Housing Administration (SSHA) contributes to healthy communities by ensuring that people have a range of shelter and affordable housing options. The Program provides temporary shelter and support services for homeless individuals and families, creates permanent affordable housing solutions, and funds and administers the City's social housing program.

2016 Budget Highlights

The total cost to deliver these services to Toronto residents is \$668.804 million gross and \$353.279 million net as shown below.

(in \$000's)	2015 Approved Budget		Change	
	Budget	2016 Budget	\$	%
Gross Expenditures	662,409.3	668,803.7	6,394.5	1.0%
Gross Revenues	340,926.4	315,524.9	(25,401.6)	(7.5%)
Net Expenditures	321,482.8	353,278.9	31,796.0	9.9%

The City faces significant pressures in Social Housing, primarily from the loss of federal funding and the cost of maintaining legislated and annually indexed subsidy levels. Since the transfer of Social Housing to the City, the program has faced an annual operating shortfall, exacerbated by the above. In the past, the Social Housing Reserves have been used to fund the annual shortfall. The projected balance for the reserves is sufficient to fund the 2016 shortfall but this would be a one-time option as the reserves would then be depleted. Without the contribution from the reserves, the 2016 Budget is 9.9% above the 2015 Approved net Operating Budget.

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Fast Facts

- Toronto Community Housing Corporation (TCHC) is the largest provider of social housing with 58,500 units. Another 240 not-for-profit housing providers have an additional 35,500 units.
- SSHA provides approximately 4,400 permanent emergency and transitional shelter beds in 59 locations, including 10 City-operated facilities.

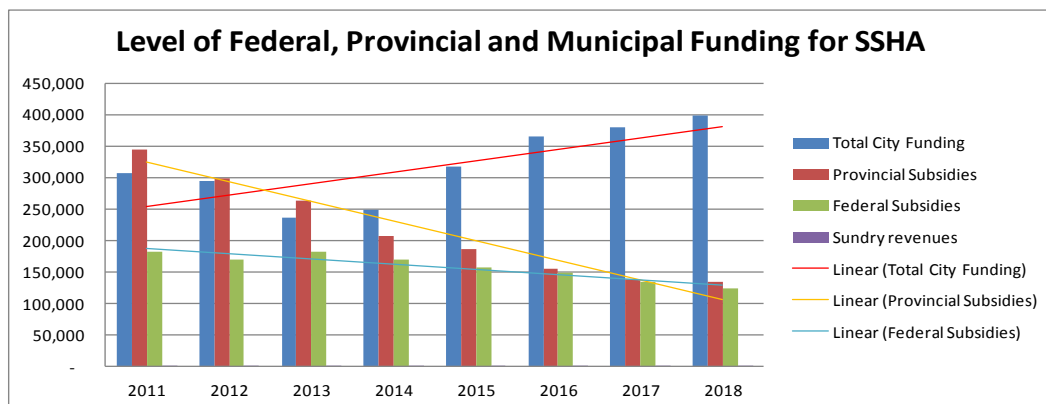
Trends

- Between 2013 – 2018, the City funding for Social Housing is projected to increase by \$162.1 million, or 26.1% in order to maintain service levels, due to the following revenue changes:
 - Loss of the Toronto Pooling Compensation from the Province that the City used to fund Social Housing of \$113.9 million over 2014 – 2016; and
 - Loss of Federal funding of \$48.2 million due to operating agreement expiries for Social Housing properties under administration.
- The loss of federal funding for expired operating agreements is expected to continue until 2031 for a total loss of \$175.1 million in federal funding over a 2013-2031 time period.

Our Service Deliverables for 2016

Shelter, Support and Housing Administration offers temporary shelter, support services and administers social housing. The 2016 Preliminary Operating Budget will:

- Provide 24-hour shelter, street outreach and housing services;
- Provide 1.586 million bed nights of emergency shelter (4,400 per night, 365 days a year) to homeless people including the provision of meals and supports
- Provide funding to more than 240 housing providers (including the Toronto Community Housing Corporation), with over 94,000 units of social housing;
- Provide housing allowances to over 4,900 households to help offset their rent;
- Provide 322,295 bed nights of boarding home service to adults with psychiatric disabilities;
- Administer the Federal and Provincial grants to over 115 community agencies; and
- Assist homeless individuals on the street to move into housing through the Streets to Homes Program, with over 5,000 people assisted into permanent housing since 2005, with the vast majority remaining in their new homes.

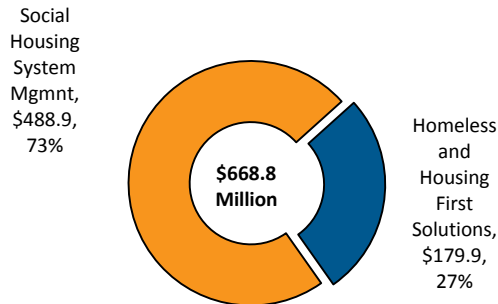


2016 Operating Budget Expenses & Funding

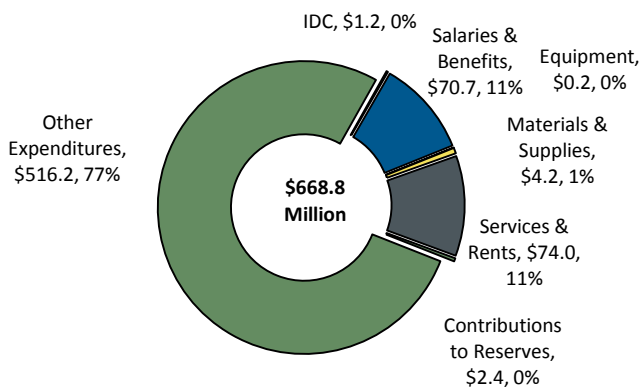
Our Key Issues & Priority Actions

Where the money goes:

2016 Budget by Service

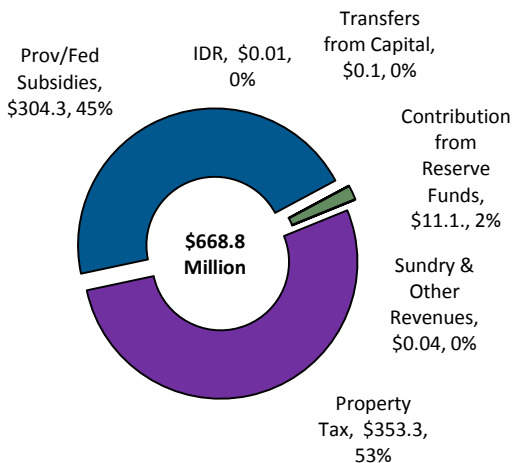


2016 Budget by Expenditure Category



Where the money comes from:

2016 Budget by Funding Source



- **Managing the funding gap in Social Housing** – The continued loss in federal funding for social housing, \$8.964 million for 2016, combined with firm provincial legislation creates a funding pressure on the property tax base and a lack of funding available to maintain state of good repair for the units.

 - ✓ Continue to develop strategies to address the funding shortfall with expiry of Federal operating agreements.
 - ✓ Continue to engage all orders of government to share responsibility for the impacts of the social housing legacy.
- **Maintaining Occupancy Levels below 90% in Shelters** – Program continues to implement strategies to alleviate occupancy pressures through several measures.

 - ✓ Investment of \$3.7 million new funding approved in 2015 to add 181 beds in the shelter system will increase bed nights from 1,510,018 in 2015 to 1,586,327 in 2016, an increase of 5%.
 - ✓ The full year cost of implementing the above initiative is included in the 2016 Preliminary Operating Budget for SSHA.

2016 Operating Budget Highlights

- The 2016 Preliminary Operating Budget for SSHA of \$668.804 million gross and \$353.279 million net provides funding for two services, Homeless & Housing First Solutions and Social Housing System Management.
- The budget as presented is \$31.796 million or 9.9% over the 2015 Approved Budget achieved through measures taken based on the following criteria:

 - ✓ The identification of sustainable, on-going base reductions;
 - ✓ Increasing gapping rate from 3.2% to 3.9%; and
 - ✓ An increase in provincial funding for the administration of the Investment in Affordable Housing (IAH) Program.
- A contribution from the Social Housing Reserve to offset operating pressures is not included as it is not a sustainable funding option.
- Any further reductions are not included as they would negatively impact service levels.

Actions for Consideration

Approval of the 2016 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2016 Preliminary Operating Budget for Shelter, Support and Housing Administration of \$668.804 million gross, \$353.279 million net for the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Homeless and Housing First Solutions:	179,936.0	70,051.0
Social Housing System Management:	488,867.7	283,227.8
Total Program Budget	<u>668,803.7</u>	<u>353,278.9</u>

2. City Council approve the 2016 preliminary service levels for Shelter, Support and Housing Administration as outlined on pages 14,15, and 19 of this report, and associated staff complement of 757.7 positions.
3. City Council reaffirm its request for the Federal government to reinvest the funds from expiring federal social housing agreements back into social housing to ensure affordable housing is available to the most vulnerable families.

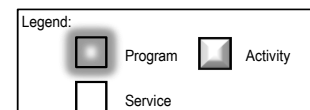
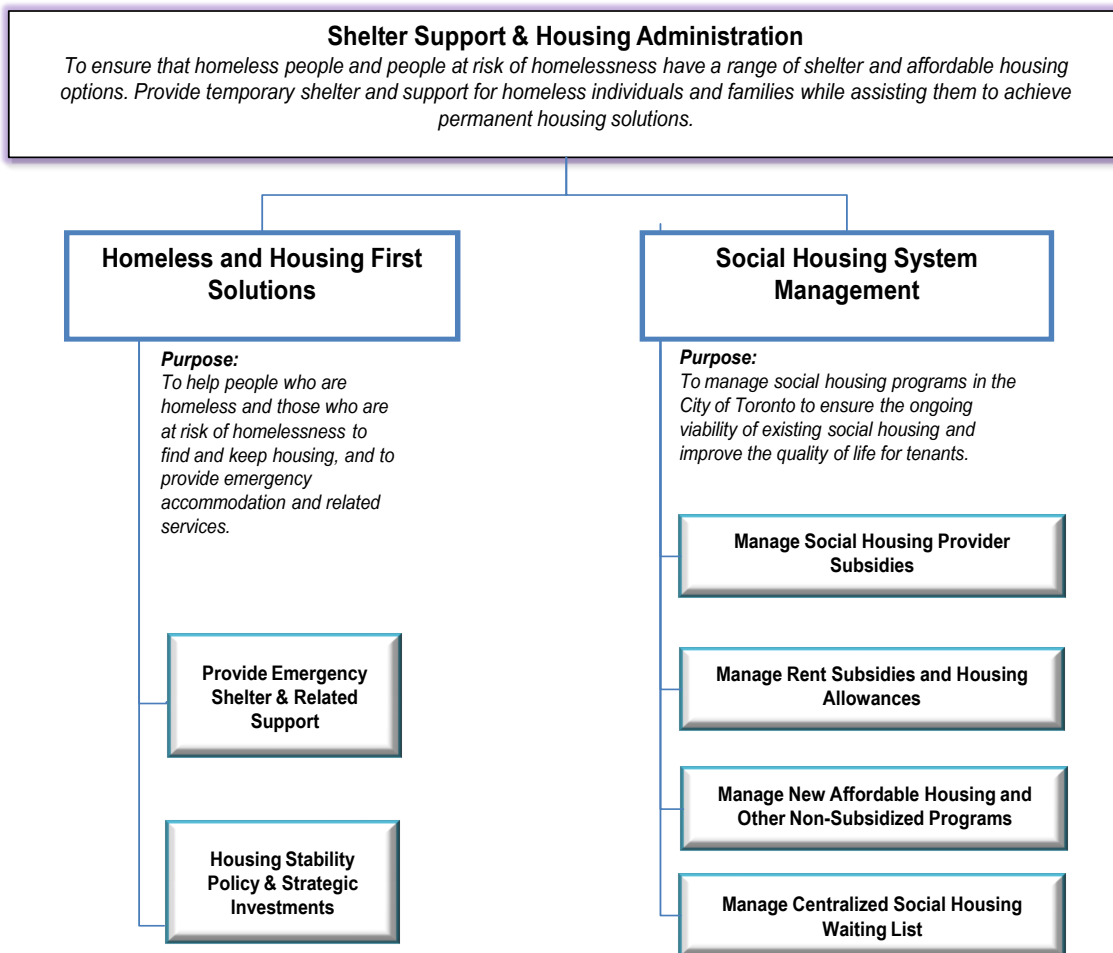


Part I:

2016 – 2018

Service Overview and
Plan

Program Map



Service Customers

Homeless and Housing First Solutions

- Homeless and at-risk populations
- Residents
- Community Agencies (Tenant Association, Not for Profit)
- Provincial and Federal Governments

Social Housing System Management

- Social Housing Tenants/Members
- Social Housing Owners
- Provincial and Federal Governments

Table 1
2016 Preliminary Operating Budget and Plan by Service

(In \$000s)	2015		2016 Operating Budget			2016 vs. 2015 Budget Approved Changes		Incremental Change 2017 and 2018 Plan			
	Approved Budget	Projected Actual	2016 Base	2016 New/Enhanced	2016 Budget			2017	2018	2017	2018
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Homeless and Housing First Solutions											
Gross Expenditures	183,344.3	182,889.3	179,936.0		179,936.0	(3,408.3)	(1.9%)	(516.6)	(0.3%)	420.7	0.2%
Revenue	112,484.8	112,296.3	109,885.1		109,885.1	(2,599.8)	(2.3%)	(800.0)	(0.7%)	-	
Net Expenditures	70,859.5	70,593.0	70,051.0		70,051.0	(808.5)	(1.1%)	283.4	0.4%	420.7	0.6%
Social Housing System Management											
Gross Expenditures	479,065.0	467,372.7	488,867.7		488,867.7	9,802.8	2.0%	(15,095.5)	(3.1%)	2,434.4	0.5%
Revenue	228,441.6	217,944.1	205,639.8		205,639.8	(22,801.8)	(10.0%)	(33,757.0)	(16.4%)	(13,236.6)	(7.7%)
Net Expenditures	250,623.3	249,428.6	283,227.8		283,227.8	32,604.5	13.0%	18,661.5	6.6%	15,671.0	5.2%
Total											
Gross Expenditures	662,409.3	650,262.0	668,803.7		668,803.7	6,394.5	1.0%	(15,612.1)	(2.3%)	2,855.1	0.4%
Revenue	340,926.4	330,240.4	315,524.9		315,524.9	(25,401.6)	(7.5%)	(34,557.0)	(11.0%)	(13,236.6)	(4.7%)
Total Net Expenditures	321,482.8	320,021.6	353,278.9		353,278.9	31,796.0	9.9%	18,944.9	5.4%	16,091.7	4.3%
Approved Positions	757.3	735.3	757.7		757.7	0.4	0.1%				

The Shelter, Support and Housing Administration's 2016 Preliminary Operating Budget is \$668.804 million gross and \$353.279 million net, representing a 9.9% increase over the 2015 Approved Net Operating Budget.

- Base pressures of \$33.989 million are mainly attributable to the ongoing pressures for Social Housing arising from a loss of federal funding and legislated and indexed cost increases as well as from the occupancy pressures in the shelter system.
- Unlike previous years, no contribution from the Social Housing reserves is included as it is an unsustainable funding option.
- The final year of the phased-in Toronto Pooling Compensation funding loss of \$37.979 million (2014-2016) is reflected in the City's Non-Program Revenue Budget.
- These pressures are partially offset by savings in salaries and benefits through PEP savings of \$0.805 million identified through moving to position-based budgeting with adjustments that aligned the budget with the actual PEP calculated salary and benefits costs.
- To help mitigate base pressures, base expenditure savings achieved through a line by line review, absorption of corporate inflationary factors and increasing gapping rate from 3.2% to 3.9% are included. Revenue changes include an adjustment of administration funding for the IAH Program to match actual experience.
- Approval of the 2016 Preliminary Operating Budget will result in an increase to Shelter, Support and Housing Administration's total staff complement by 0.4 positions from 757.3 to 757.7.
- The 2017 and 2018 Plan project a pressure of \$18.616 million and \$15.772 million, respectively for Social Housing Cost increases as well as adjustments in staff related costs. As 2016 is a collective bargaining year, no cost of living allowance estimate has been included.

Table 2
Key Cost Drivers

(In \$000s)	2016 Operating Budget				2016 Base Budget	
	Homeless and Housing First Solutions		Social Housing System Management		Total	
	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes						
Prior Year Impacts						
Reversal of 2015 Reserve Draw for Social Housing Pressures			25,636.1		25,636.1	
Reversal of one-time 2015 Fuel Savings	2.1		0.1		2.2	
Economic Factors						
2016 Corporate Wide Economic Factor - Water and Hydro	53.7				53.7	
Salary and Benefits						
Progression Pay, Step Increases and Fringe Benefit Adjustments	796.6	0.2	81.5		878.1	0.2
PEP Salary and Benefit Savings	(1,557.9)	0.8	(125.0)	(0.6)	(1,682.8)	0.3
Other Base Changes						
Motel Base Service Fees Pressure due to Occupancy Volume	547.2				547.2	
Social Housing Cost Drivers - TCHC			278.4		278.4	
Social Housing Cost Drivers - non TCHC			(598.0)		(598.0)	
Changes in CHPI Funding Envelope	(669.9)				(669.9)	
Increase in Solid Waste Collection Charges	45.2				45.2	
Changes to IDC's and Increase for Furniture of \$7K	(28.7)		21.2		(7.5)	
Total Gross Expenditure Changes	(811.8)	1.0	25,294.4	(0.6)	24,482.6	0.4
Revenue Changes (Increase) / Decrease						
Loss in Federal Housing Funding - TCH			6,825.6		6,825.6	
Loss in Federal Housing Funding - non TCH			2,138.0		2,138.0	
2nd and Final Year Phase out of Client Admin Fees	472.8				472.8	
Revenue related to IDC Changes	69.7				69.7	
Total Revenue Changes	542.5		8,963.6		9,506.1	
Net Expenditure Changes	(269.3)	1.0	34,258.0	(0.6)	33,988.7	0.4

Key cost drivers for Shelter, Support and Housing Administration are discussed below:

- **Prior Year Impacts:**
 - The reversal of the 2015 contribution of \$25.636 million from the Social Housing Reserve required to provide funding to offset social housing costs and loss in federal funding.
- **Salary and Benefit Changes:**
 - Known salary and benefit adjustments were offset by PEP savings for a total savings of \$0.805 million, resulting from moving to position-based budgeting resulting in reductions to salary and benefits based on actual budget requirements. COLA is not included as it is subject to collective bargaining.
 - An increase in 0.4 approved positions is related to adjustments to pooled positions in *Homeless and Housing First Solutions*.
- **Other Base Changes:**
 - Increased occupancy cost pressure for motel services, primarily in the family sector, due to longer stays and co-ed shelter admissions coupled with a modest rate increase has created a pressure of \$0.547 million.

- Social Housing costs for non-TCHC providers went down in 2016 by \$0.598 million primarily due to savings from mortgage rates being below 2% reflecting less subsidy.
 - The housing costs for TCHC providers have increased by \$0.278 million due to an increase in provincially supplied cost index factors of \$2.853 million that have been offset by a reduction of \$2.576 million for debenture payments. For more detail, refer to the “Issues” Section *Other Social Housing Pressures* on page 25.
 - Reversal of one-time CHPI contribution to the Social Housing Reserve will result in base budget savings of \$0.670 million due to a change in program funding requirements.
- Revenue Changes:
- The loss in Federal funding due to the expiry of federal operating agreements creates a pressure of \$8.964 million on *Social Housing System Management* service.
 - The final year of the 2-year phase out of client maintenance fees to harmonize the user fee policy in shelters across the City, adds \$0.473 million to the base pressures for the *Homeless and Housing First Solutions* service.

In order to offset the above net pressures, the 2016 service cost changes for Shelter, Support and Housing Administration consists of base expenditure savings of \$0.617 million net and base revenue changes of \$1.575 million, for a total of \$2.193 million net as detailed below.

Table 3
2016 Total Preliminary Service Change Summary

Description (\$000s)	2016 Preliminary Service Changes				Total Service Changes			Incremental Change			
	Homeless and Housing First Solutions		Social Housing System Management		\$	\$	#	2017 Plan		2018 Plan	
	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:											
Base Expenditure Changes											
<i>Line by line Review Savings</i>	(63.0)	(43.0)	(36.3)	(36.3)	(99.4)	(79.4)					
<i>Absorption of Corporate Economic Factors</i>	(53.7)	(53.7)			(53.7)	(53.7)					
<i>Increase Gapping Rate from 3.2% to 3.9%</i>	(442.5)	(442.5)	(41.8)	(41.8)	(484.3)	(484.3)					
Base Expenditure Change	(559.3)	(539.3)	(78.1)	(78.1)	(637.4)	(617.4)					
Base Revenue Changes											
<i>Increase Draw from IAH Revenue for Administration</i>				(1,575.3)		(1,575.3)					
Base Revenue Change				(1,575.3)		(1,575.3)					
Sub-Total	(559.3)	(539.3)	(78.1)	(1,653.4)	(637.4)	(2,192.7)					
Total Changes	(559.3)	(539.3)	(78.1)	(1,653.4)	(637.4)	(2,192.7)					

Base Expenditure Changes (Savings of \$0.637 million gross & \$0.617 million net)

Line by Line Review Savings

- Savings of \$0.079 million net will be realized through a line by line review of all expenditure accounts, across all services, to reflect actual experience.

Absorption of Corporate Economic Factors

- Specific to the *Homeless and Housing First Solutions* service is the absorption of the inflationary increases to hydro and water for savings of \$0.054 million.

Increase Gapping Rate from 3.2% to 3.9%

- Based on actual experience, SSHA has increased their gapping rate by 0.7% for savings of \$0.484 million while maintaining service levels.

Base Revenue Changes (Savings of \$1.575 million net)*Increase Draw from Investment in Affordable Housing (IAH) Revenue for Administration*

- Specific to the *Social Housing System Management* service, \$1.575 million in additional administration funding from the IAH program is included.

Approval of the 2016 Preliminary Budget for Shelter, Support and Housing Administration will result in a 2017 incremental net cost of \$18.945 million and a 2018 incremental net cost of \$16.092 million to maintain the 2016 service levels, as discussed on the following page.

Table 5
2017 and 2018 Plan by Program

Description (\$000s)	2017 - Incremental Increase					2018 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Economic Factors										
Salaries and Benefits adjustment (excluding Cola)	328.2		328.2	0.1%		319.3		319.3	0.1%	
Increase in IDC's	0.4		0.4	0.0%		0.5		0.5	0.0%	
Other (specify)										
Pan Am Games Rental Supplement	131.6	131.6								
Sub-Total	460.2	131.6	328.6	0.1%		319.8		319.8	0.1%	
Anticipated Impacts:										
Other										
Increase in Social Housing Pressures - TCHC and Non-TCHC	4,322.6	(14,293.7)	18,616.3	5.3%		6,034.8	(9,736.9)	15,771.7	4.2%	
Change in 100% Provincially Funded Social Housing	(868.5)	(868.5)				(533.7)	(533.7)			
Change in Affordable Housing Program Grants	(18,726.4)	(18,726.4)				(2,966.0)	(2,966.0)			
Change in CHPI Funding	(800.0)	(800.0)								
Operating Impact from George Street Revitalization*										
Sub-Total	(16,072.3)	(34,688.6)	18,616.3	5.3%		2,535.1	(13,236.6)	15,771.7	4.2%	
Total Incremental Impact	(15,612.1)	(34,557.0)	18,944.9	5.4%		2,855.0	(13,236.6)	16,091.6	4.3%	

*Not included as costs are contingent upon the GSR project being approved by Council in 2016.

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- Progression pay, step and fringe benefits increases will result in increased pressure of \$0.328 million net in 2017 and \$0.319 million net in 2018. Since 2016 is a collective bargaining year, no estimate of cost of living allowance is included.

Anticipated Impacts:

- The anticipated impacts for Social Housing of \$18.616 million in 2017 and \$15.772 million in 2018 are comprised of the following:
 - The annual indexing of subsidies paid to Social Housing providers to be in compliance with the *Housing Services Act* will result in increased costs of \$4.323 million in 2017 and \$6.035 million in 2018.
 - The loss in Federal funding of \$14.294 million in 2016 and \$9.737 million in 2018 from the expiry of operating agreements on properties under administration.
- Not included in the table above but important to note are future year operating impacts that will arise from the implementation of the George Street Revitalization project. The annual operating impact is estimated to be \$9.061 million and 34.6 FTEs which will either occur in 2017, 2018 or both.
 - These costs are conditional upon approval of Phase 2 of the GSR project and the timing will depend on when demolition and construction will begin.



Part II:

2016 Budget by
Service

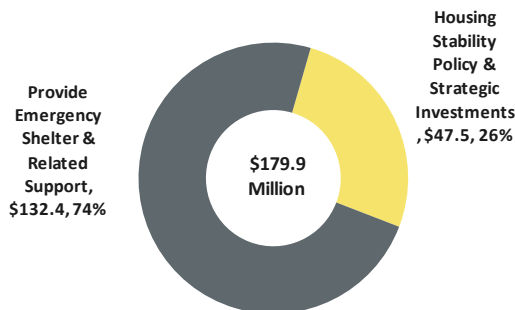
Homeless and Housing First Solutions



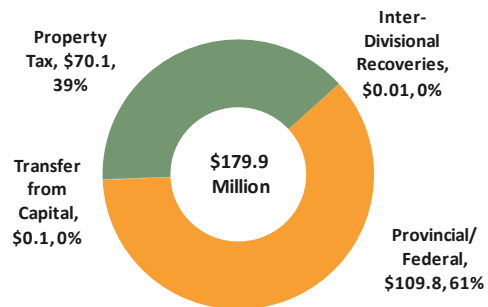
What We Do

- Provide street outreach services that assist street-involved people find and keep permanent housing.
- Manage over 4,400 shelter system beds in Toronto, overseeing the 59 locations that are operated by community agencies under contract and the 10 shelters that are operated by City staff.

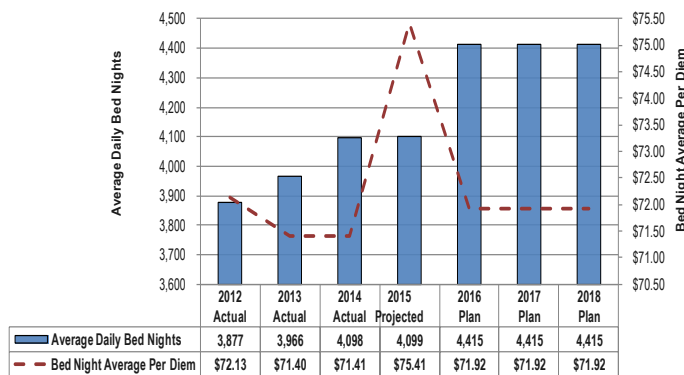
2016 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Hostels Average Daily Bed Nights and Average Bed Night Per Diem



- The cost per bed night is expected to decrease from \$75.41 to \$71.92 representing a decrease of \$3.49, or 4.6%.
- The average daily bed nights are steadily increasing reflecting the increase in demand across all sectors.
- The occupancy rate is increasing to over 93% in 2015 due to the delay implementing the additional beds approved in 2015. These beds will be fully utilized in 2016.

**2016 Service Levels
Homeless and Housing First Solutions**

Activity	Type	Sub-Type	Status	Approved Service Levels			2016	
				2013	2014	2015		
Provide Emergency Shelter & Related Support	A directly operated	Shelter Beds	Approved	1591 Shelter Beds available at 10 locations	1649 Shelter Beds available at 10 locations	1658 Shelter Beds available at 10 locations	1,658 Shelter Beds available at 10 locations	
		Food Services	Approved	862,401 of meals/snacks provided totalling \$5.5 M 153,375 food allowances provided totalling \$0.614 M	913,020 of meals/snacks provided totalling \$5.7 M 42,872 food allowances provided totalling \$0.322 M	942,051 of meals/snacks provided totalling \$5.7 M 42,872 food allowances provided totalling \$0.322 M	1,060,914 of meals/snacks provided totalling \$6.3 M 34,868 food allowances provided totalling \$0.266 M	
		Personal Needs Allowances	Approved	N/A as per budget submission, SSHA will not be providing PNA's in 2013	PNA taken out of the budget.			
		Personal Supports (Counselling, Housing Help services, Employment Support, Crisis Support, Daily Living Supports)	Approved	7,618 clients provided with supports	7,700 clients provided with supports	7,700 clients provided with supports	7,700 clients provided with supports	
		Children's Supports	Approved	1,698 children supported	1,700 children supported	1,700 children supported	1,990 children supported	
		Nursing Care	Approved	An average of 410 individuals per day supported with on-site nursing/medical care				
	Community Agencies	Emergency Shelter funding	Approved	Funding for 2,650 beds to 46 providers for a total value of \$49.0 M	Funding for 2,654 beds to 48 providers for a total value of \$51.0 M	Funding for 2,734 beds to 49 providers for a total value of \$53.2 M	Funding for 2,928 beds to 51 providers for a total value of \$57.5 M	
		Housing Help services inside shelters funding	Approved	Funding for 26 agencies provided for a total value of \$4.8 M	Funding for 26 agencies provided for a total value of \$4.8 M	Funding for 26 agencies provided for a total value of \$5.8 M	Funding for 28 agencies provided for a total value of \$5.98 M	
		Rooming/Boarding House funding	Approved	Funding for 931 beds for a total value of \$9.4 M	Funding for 931 beds for a total value of \$10.1 M			
			Out of the Cold program funding	Approved		Funding for an average of 89 spots nightly or 598 unique spots at 16 locations for a total value of \$9 M	Funding for an average of 92 spots nightly or 627 unique spots at 17 locations for a total value of \$9 M	Funding for an average of 95 spots nightly or 667 unique spots at 16 locations for a total value of \$9 M
			Contract Administration	Approved	31 contracts administered for 2,650 beds at 47 sites	31 contracts administered for 2,654 beds at 48 sites	32 contracts administered for 2734 beds at 50 sites	32 contracts administered for 2928 beds at 53 sites
			Quality Assurance	Approved	57 quality assurance visits	57 quality assurance visits	57 quality assurance visits	59 quality assurance visits
Complaints Management			Approved	250 complaints handled	260 complaints handled	260 complaints handled	222 complaints handled	
Central Intake			Approved	42,513 calls with 7,770 intakes	51,990 calls with 12,565 intakes	51,990 calls with 12,565 intakes	58,000 calls with 11,000 intakes	

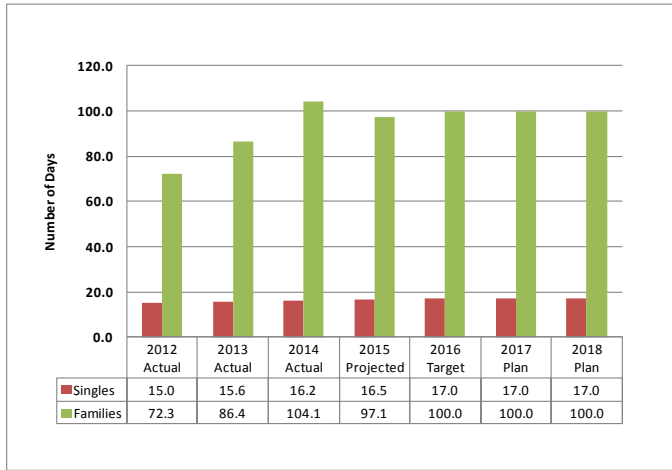
Activity	Type	Sub-Type	Status	Approved Service Levels			2016
				2013	2014	2015	
Provide Homeless & Housing Support in the Community	Community Agencies	Street Outreach funding	Approved	20 agencies funded with a total value of \$4.7M	19 agencies funded with a total value of \$3.2M	14 agencies funded with a total value of \$4.4M	14 agencies funded with a total value of \$4.4M
		Housing Follow-up funding	Approved	13 agencies funded with a total value of \$2.6 M	13 agencies funded with a total value of \$1.4M	10 agencies funded with a total value of \$2.9M	10 agencies funded with a total value of \$2.9M
		Housing Help services funding	Approved	52 agencies funded with a total value of \$9.2 M	52 agencies funded with a total value of \$8.5M	55 agencies funded with a total value of \$10.1M	46 agencies funded with a total value of \$8.7M
		Drop-in funding	Approved	29 agencies funded with a total value of \$3.4 M	29 agencies funded with a total value of \$3.2M	30 agencies funded with a total value of \$6.2M	28 agencies funded with a total value of \$7.4M
		Supports to Daily Living funding	Approved	11 agencies funded with a total value of \$3.8 M	11 agencies funded with a total value of \$3.9M	14 agencies funded with a total value of \$4.9M	14 agencies funded with a total value of \$4.9M
		Pre-employment Supports funding	Approved	13 agencies funded with a total value of \$1.8 M	19 agencies funded with a total value of \$0.9M	16 agencies funded with a total value of \$2.6M	16 agencies funded with a total value of \$2.6M
		Capital funding	Approved	49 agencies funded with a total value of \$4.0 M	37 agencies funded with a total value of \$8.9M	8 agencies funded with a total value of \$0.5M	8 agencies funded with a total value of \$0.5M
	Directly Operated:	Street Outreach	Approved	1,250 street outreach clients offered assistance	1,500 street outreach clients offered assistance	1,300 street outreach clients offered assistance	1,300 street outreach clients offered assistance
		Housing Follow-up	Approved	150 Housing Follow-up Clients with an average length of support of 18 months	150 Housing Follow-up Clients with an average length of support of 18 months	150 Housing Follow-up Clients with an average length of support of 18 months	150 Housing Follow-up Clients with an average length of support of 18 months
		Street Respite	Approved	1,460 clients using respite (not unique individuals)	2,400 clients using respite (not unique individuals)	2,500 clients using respite (not unique individuals)	2,500 clients using respite (not unique individuals)
		Shelter Referrals	Approved	Projection: 8,000 shelter referrals made from SHARC (not unique individuals)	Projection: 8,000 shelter referrals made from SHARC (not unique individuals)	Projection: 8,000 shelter referrals made from SHARC (not unique individuals)	Projection: 8,400 shelter referrals made from SHARC (not unique individuals)
		Transition to Housing Beds	Approved	200 clients using 40 available Transition to Housing Beds at SHARC (unique individuals)	200 clients using 40 available Transition to Housing Beds at SHARC (unique individuals)	200 clients using 40 available Transition to Housing Beds at SHARC (unique individuals)	200 clients using 40 available Transition to Housing Beds at SHARC (unique individuals)
Pre-employment Supports	Approved	280 pre-employment clients will be assisted	280 pre-employment clients will be assisted	280 pre-employment clients will be assisted	280 pre-employment clients will be assisted		
		Rent Reduction Notices to Tenants and Landlords	Approved	220,000 notices estimated for 2013	N/A Revenue Services are responsible for this. The budget was transferred to them in 2013		

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels with all changes highlighted in bold.

Most changes reflect annual volume and budget adjustments but a significant change is for the *Emergency Shelter Funding* activity for community agencies which shows a large increase in beds and funding due to the approved enhancements of 2015 which will be implemented in 2016.

Service Performance

Efficiency Measure – Emergency Shelter & Related Support Average Length of Stay per Admission Type



- The length of stay for singles has remained relatively stable over the years but the slight increase points to a shortage of affordable housing options for people with low income.
- The length of stay for families is expected to slightly decrease in 2015 and stabilize due to more affordable 2 to 3 bedroom options becoming available.

Table 6

2016 Preliminary Service Budget by Activity

(\$000s)	2015	2016 Operating Budget						2016 Budget vs. 2015 Budget		Incremental Change				
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015 Budget	% Change	New/Enhanced	2016 Budget	\$	%	2017 Plan	2018 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%		
GROSS EXP.														
Housing Stability Policy & Strategic Investments	48,119.4	47,541.6	6.3	47,548.0	(571.4)	(1.2%)		47,548.0	(571.4)	(1.2%)	(766.5)	(1.6%)	(4.2)	(0.0%)
Provide Emergency Shelter & Related Support	135,224.9	132,953.7	(565.6)	132,388.0	(2,836.9)	(2.1%)		132,388.0	(2,836.9)	(2.1%)	249.9	0.2%	424.9	0.3%
Total Gross Exp.	183,344.3	180,495.3	(559.3)	179,936.0	(3,408.3)	(1.9%)		179,936.0	(3,408.3)	(1.9%)	(516.6)	(0.3%)	420.7	0.2%
REVENUE														
Housing Stability Policy & Strategic Investments	36,284.4	35,869.9	(20.0)	35,849.9	(434.5)	(1.2%)		35,849.9	(434.5)	(1.2%)	(800.0)	(2.2%)		
Provide Emergency Shelter & Related Support	76,200.4	74,035.2		74,035.2	(2,165.3)	(2.8%)		74,035.2	(2,165.3)	(2.8%)				
Total Revenues	112,484.8	109,905.1	(20.0)	109,885.1	(2,599.8)	(2.3%)		109,885.1	(2,599.8)	(2.3%)	(800.0)	(0.7%)		
NET EXP.														
Housing Stability Policy & Strategic Investments	11,835.0	11,671.7	26.3	11,698.1	(136.9)	(1.2%)		11,698.1	(136.9)	(1.2%)	33.5	0.3%	(4.2)	(0.0%)
Provide Emergency Shelter & Related Support	59,024.5	58,918.5	(565.6)	58,352.9	(671.6)	(1.1%)		58,352.9	(671.6)	(1.1%)	249.9	0.4%	424.9	0.7%
Total Net Exp.	70,859.5	70,590.2	(539.3)	70,051.0	(808.5)	(1.1%)		70,051.0	(808.5)	(1.1%)	283.4	0.4%	420.7	0.6%
Approved Positions	659.8	660.8		660.8	1.0	0.2%		660.8	1.0	0.2%				

The *Homeless and Housing First Solutions* service helps people who are homeless or at risk of homelessness to find and keep housing, and to provide emergency accommodation and related support services.

The *Homeless and Housing First Solutions* service's 2016 Operating Budget of \$179.936 million gross and \$70.051 million net is \$0.809 million or 1.1% under the 2015 Approved Net Budget.

- Significant base budget pressures relate to the activity *Provide Emergency Shelter and Related Support* arise from an increase in occupancy pressure for motel services, primarily from the family sector, of \$0.547 million and the final year loss of client maintenance fees of \$0.473 million.
- Approved complement for this service represents 87% of the full program complement and as such the savings in salaries and benefits resulting from moving to position-based budgeting and

increasing the gapping rate by 0.7% were sizeable. Total savings related to salaries and benefits were \$1.204 million.

- In order to meet the reduction target, additional savings were achieved from a line by line review and absorbing inflationary increases for hydro and water.
- The 2017 and 2018 Plan increases are attributable to salary and benefit adjustments which do not include COLA.

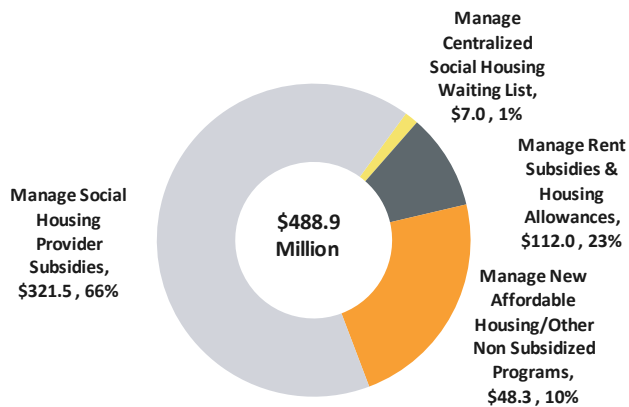
Social Housing System Management



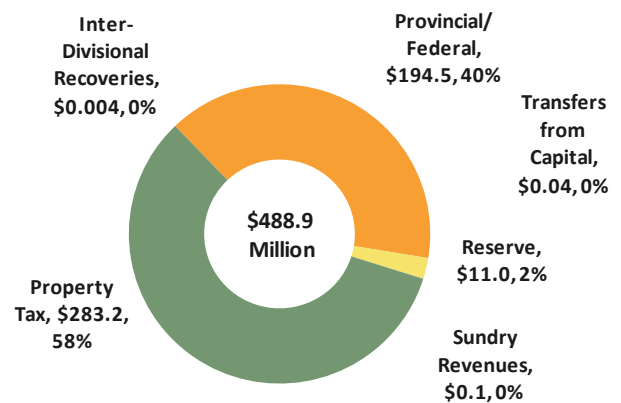
What We Do

- Administer contracts of the 240 community housing providers, including City-owned Toronto Community Housing.
- Fund the rent subsidies and housing allowances paid to housing providers as required under the *Housing Services Act*
- Manage the centralized wait list for Social Housing
- Administer the funding for new affordable housing construction

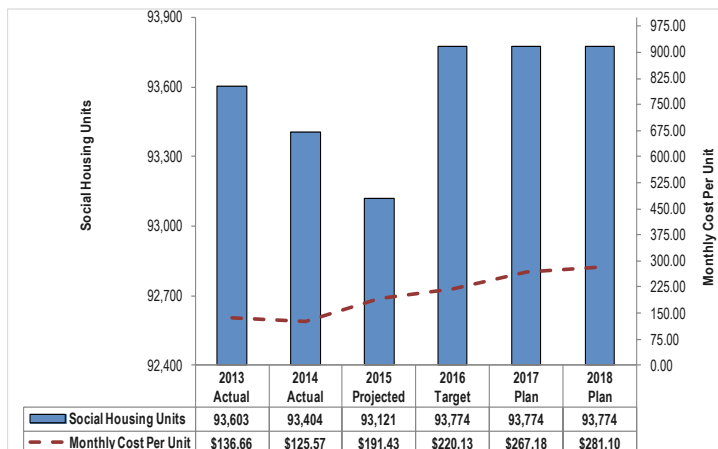
2016 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Social Housing Units and Monthly Cost per Unit



- The increases in Social Housing subsidy costs are due to cost factor increases and the loss of federal funding.
- The numbers of units are increasing in 2016 as new housing providers have been signed on to deliver new units.

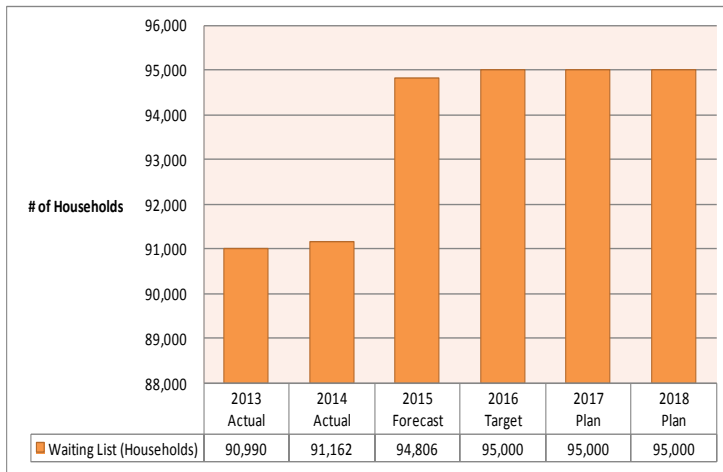
**2016 Service Levels
Social Housing System Management**

Activity	Type	Sub-Type	Status	Approved Service Levels			2016
				2013	2014	2015	
Manage Social Housing Provider Subsidies	Co-op Housing Subsidy		Approved	funding for 7,448 units in 68 providers for a total value of \$57.7 M	funding for 7,429 units in 68 providers for a total value of \$52.7 M	funding for 7,429 units in 68 providers for a total value of \$55.4 M	funding for 7,429 units in 68 providers for a total value of \$57.6 M
	Non-Profit Housing Subsidy		Approved	funding for 19,756 units in 157 providers for a total value of \$117.8 M	funding for 20,801 units in 156 providers for a total value of \$112.7 M	funding for 20,356 units in 156 providers for a total value of \$111.7 M	funding for 20,108 units in 154 providers for a total value of \$112.1 M
	Municipal Corporation Housing Subsidy (TCH)		Approved	funding for 59,753 units in 1 provider for a total value of \$312.9 M	funding for 58,925 units in 1 provider for a total value of \$251.1 M	funding for 59,148 units in 1 provider for a total value of \$233.1 M	funding for 58,912 units in 1 provider for a total value of \$232.3 M
Manage Centralized Social Housing Waiting List			Approved	83,681 Households	88,891 Households	95,732 Households	95,732 Households
Manage Rent Subsidies and Housing Allowances	Rent Supplements	Private Landlords	Approved	funding for 2,685 units for a total value of \$24.0 M	funding for 2,671 units for a total value of \$24.4 M	funding for 2,602 units for a total value of \$24.9 M	funding for 2,666 units for a total value of \$25.8 M
		Non-Profit Housing	Approved	funding for 976 units for a total value of \$8.7 M	funding for 974 units for a total value of \$8.7 M	funding for 917 units for a total value of \$8.8 M	funding for 979 units for a total value of \$9.1 M
	Housing Allowances	Private Landlords	Approved	funding for 868 units for a total value of \$.72 M	Program ended in 2013		
		Non-Profit Housing	Approved	funding for 141 units for a total value of \$0.07 M. * STRSP allowances are provided to market households in units already counted under Non-Profit units of administration.	Program ended in 2013		
Manage New Affordable Housing & Other Non Subsidized Programs	Privately Owned		Approved	16 Contracts administered totalling 1,891 units	17 Contracts administered totalling 2,039 units	16 Contracts administered totalling 1,921 units	20 Contracts administered totalling 2,362 units
	Non-Profit Owned		Approved	48 Contracts administered totalling 1,000 units	50 Contracts administered totalling 1,042 units	50 Contracts administered totalling 1,005 units	57 Contracts administered totalling 1,318 units
	Affordable Home Ownership		Approved	5 Contracts administered totalling 582 units	5 Contracts administered totalling 582 units	13 Contracts administered totalling 1,200 units	14 Contracts administered totalling 491 units

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels for Social Housing System Management, although there are annual fluctuations in volumes and budgets as highlighted in bold.

Service Performance

Output Measure – Number of Households on the Social Housing Waiting List



- Although the wait list trend has been steadily rising, it is expected to increase slightly in 2016 and level off due to several initiatives that are underway in SSHA, such as housing allowances and the merging of the waiting list function.
- Further, the number of affordable housing units created in 2016 and beyond is expected to increase with new initiatives underway.

Table 6

2016 Preliminary Service Budget by Activity

(\$000s)	2015		2016 Operating Budget						2016 Budget vs. 2015		Incremental Change				
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015	% Change	New/Enhanced	2016 Budget	Budget	%	2017 Plan		2018 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
Manage Centralized Social Housing Waiting List	2,094.5	7,039.8	(17.2)	7,022.7	4,928.2	235.3%		7,022.7	4,928.2	235.3%	0.0	0.0%	(28.9)	(0.4%)	
Manage New Affordable Housing/Other Non Subsidized Programs	38,612.8	48,363.8	(19.7)	48,344.1	9,731.4	25.2%		48,344.1	9,731.4	25.2%	(18,726.5)	(38.7%)	(2,993.8)	(10.1%)	
Manage Rent Subsidies & Housing Allowances	112,333.9	112,039.8	(19.7)	112,020.0	(313.9)	(0.3%)		112,020.0	(313.9)	(0.3%)	657.5	0.6%	1,182.4	1.0%	
Manage Social Housing Provider Subsidies	326,023.8	321,502.4	(21.5)	321,480.9	(4,542.9)	(1.4%)		321,480.9	(4,542.9)	(1.4%)	2,973.4	0.9%	4,274.6	1.3%	
Total Gross Exp.	153,041.1	167,443.4	(78.1)	167,443.4	9,802.8	6.4%		167,443.4	9,802.8	6.4%	(15,095.5)	(3.1%)	2,434.4	0.5%	
REVENUE															
Manage Centralized Social Housing Waiting List															
Manage New Affordable Housing/Other Non Subsidized Programs	36,780.5	46,517.4		46,517.4	9,736.9	26.5%		46,517.4	9,736.9	26.5%	(18,726.4)	(40.3%)	(2,966.0)	(10.7%)	
Manage Rent Subsidies & Housing Allowances	73,733.7	66,973.4		66,973.4	(6,760.3)	(9.2%)		66,973.4	(6,760.3)	(9.2%)	(3,438.1)	(5.1%)	(2,259.5)	(3.6%)	
Manage Social Housing Provider Subsidies	117,927.5	90,573.7	1,575.3	92,149.0	(25,778.4)	(21.9%)		92,149.0	(25,778.4)	(21.9%)	(11,592.5)	(12.6%)	(8,011.1)	(9.9%)	
Total Revenues	110,514.1	204,064.5	1,575.3	205,639.8	(22,801.8)	(20.6%)		205,639.8	(22,801.8)	(20.6%)	(33,757.0)	(16.4%)	(13,236.6)	(8.3%)	
NET EXP.															
Manage Centralized Social Housing Waiting List	2,094.5	7,039.8	(17.2)	7,022.7	4,928.2	235.3%		7,022.7	4,928.2	235.3%	0.0	0.0%	(28.9)	(0.4%)	
Manage New Affordable Housing/Other Non Subsidized Programs	1,832.3	1,846.4	(19.7)	1,826.7	(5.6)	(0.3%)		1,826.7	(5.6)	(0.3%)	(0.0)	0.0%	(27.8)	(1.5%)	
Manage Rent Subsidies & Housing Allowances	38,600.3	45,066.4	(19.7)	45,046.7	6,446.4	16.7%		45,046.7	6,446.4	16.7%	4,095.6	9.1%	3,442.0	7.0%	
Manage Social Housing Provider Subsidies	208,096.4	230,928.7	(1,596.9)	229,331.8	21,235.5	10.2%		229,331.8	21,235.5	10.2%	14,565.9	6.4%	12,285.7	5.0%	
Total Net Exp.	250,623.3	284,881.3	(1,653.4)	283,227.9	32,604.5	13.0%		283,227.9	32,604.5	13.0%	18,661.5	6.6%	15,671.0	4.9%	
Approved Positions	97.5	96.9		96.9	(0.6)	(0.6%)		96.9	(0.6)	(0.6%)					

The **Social Housing System Management Service** manages the social housing programs in the City of Toronto to ensure the ongoing viability of existing social housing and to improve the quality of life for tenants.

The Social Housing System Management Service's 2016 Operating Budget of \$488.868 million gross and \$283.228 million net is \$32.605 million or 13.0% over the 2015 Approved Net Budget.

- Significant base budget pressures for this service are driven from the loss in federal funding of \$8.964 million due to operating agreement expiries, legislated cost drivers for social housing and

the reversal of the 2015 contribution of \$25.636 million from the Social Housing Reserves which was used to fund previous years' social housing cost increases.

- The above pressures have been partially offset through an increased draw for administration of the IAH Program of \$1.575 million.
- The 2017 and 2018 Plan increases include the annual indexing of the subsidy to housing providers to be in compliance with the *Housing Services Act*, with \$4.323 million required in 2017 and \$6.035 million in 2018. To maintain 2016 service levels, the City must fund the loss in Federal funding of \$14.294 million in 2017 and \$9.737 million in 2018 from the expiry of operating agreements on properties under administration.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2016 Budget

Pressures in Social Housing

a) Federal and Provincial Funding Levels

- Ontario is the only province in Canada in which municipalities, including Toronto are responsible for the administration and funding of social housing. The City of Toronto provides 76% of the social housing in the GTA and approximately 40% in Ontario.
- Social Housing in Toronto is funded by the City and the Provincial and Federal governments. The City provides the largest funding contribution for the social housing system, amounting to 48% in 2015.

Municipal, Provincial and Federal Funding 2013-2018

	Actuals		Budget				Change from 2013-2018	
	2013	2014	2015*	2016	2017	2018	\$	%
Total Gross Expenditures	682,150	623,574	662,409	668,804	653,192	656,047	(26,103)	(3.8%)
Provincial Subsidies	263,564	206,393	185,287	155,920	139,251	133,670	(129,894)	(19.0%)
Federal Subsidies	181,744	168,821	157,339	148,375	134,082	124,345	(57,399)	(8.4%)
Sundry revenues	1,019	789	510	37	37	37	(982)	(0.1%)
Sub Total Other Funding	446,327	376,003	343,136	304,332	273,370	258,052	(188,275)	(27.6%)
Total City Funding	235,823	247,571	319,273	364,472	379,822	397,995	162,172	23.8%
City Funding % of Gross Expenditures	34.6%	39.7%	48.2%	54.5%	58.1%	60.7%	26.1%	

* In 2015, the Toronto Pooling Compensation funding from the Province was transferred to Non-Program. It is not reflected in this chart for comparison purposes.

- Since 2011, the responsibility to fund social housing has continued to shift to municipalities with the City's share of the social housing subsidy expected to increase from 34.6% in 2013 to 60.7% in 2018 due to the withdrawal of federal and provincial government funding. Municipalities have had to fund these costs through the property tax base to maintain provincially legislated service levels.
- The loss in Provincial funding and federal funding is primarily due to the following:
 - Phasing out of the Toronto Pooling Compensation from the Province of which the City used \$114 million to support legislated Social Housing obligations; and
 - Reduction in federal funding due to expiry of operating agreements on properties under administration.
- These losses are discussed further in the sections below.

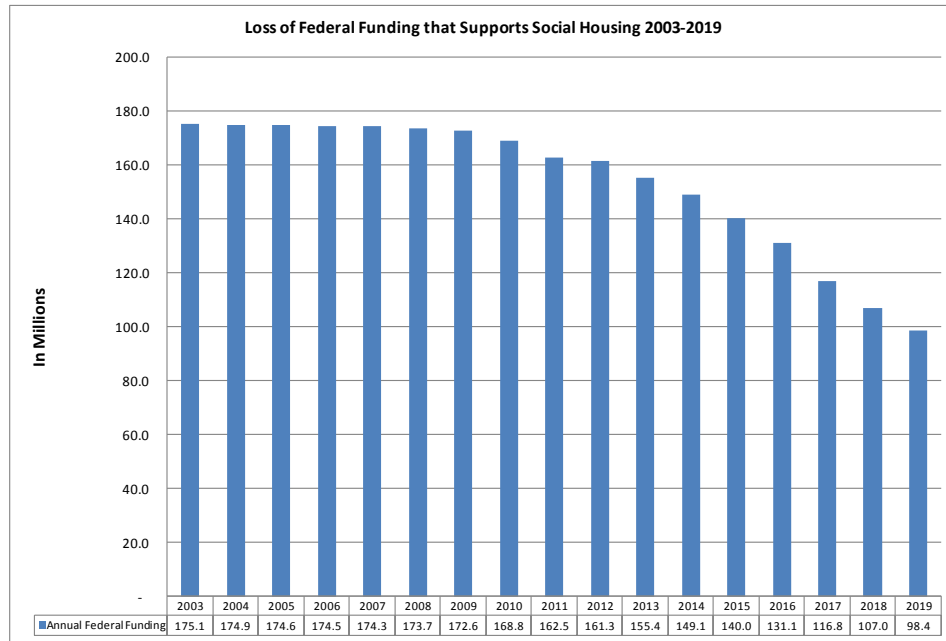
b) Phasing out of Toronto Pooling Compensation

- GTA pooling was established as an equalization mechanism to mitigate the disproportionate cost burden of providing social housing and social assistance services assumed by the City as a result of the Local Services Realignment in 1998.
- Municipalities and regions within the GTA made a transfer payment to the City to help offset these costs.

- In 2007, the Province began phasing out the pooling payment obligations of the pooling partners over a six year period with the Province assuming responsibility for the payments in the form of a Toronto Pooling Compensation grant to Toronto.
- In June 2013, the Province announced that it would be phasing out the Toronto Pooling Compensation grant over a three-year period starting in 2014. Because the City of Toronto had been allocating \$114 million from the Pooling Compensation grant to SSHA as base funding for social housing, the elimination of this provincial funding source has resulted in significant budget pressures and a permanent revenue shortfall that supports the City's social housing costs and transfers a financial burden to the City. This withdrawal of provincial funding has escalated to a \$114 million revenue shortfall in 2016.
- City Council at its meeting of March 10, 2015 approved a budget strategy included in the report, "*Loss of Toronto Pooling Compensation for Social Housing - Budget Strategy*" that spreads the pressure over four years (2015-2018) with a \$25.3m budget adjustment in 2015 and a three year schedule of \$45m budget adjustments and/or tax increases (1.7% annually) each year from 2016 to 2018. Please refer to the report for more information on this strategy.
<http://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-77291.pdf>
- The final year for the Toronto Pooling Compensation loss of \$37.980 million is reflected in Non-Program Revenue Budget.

c) *Expiry of Federal Funding*

- The Federal government has traditionally provided funding (transferred through the province under the *Canada-Ontario Social Housing Agreement*) to be used by the City to pay for mortgage and debenture repayments, certain operating costs and rent supplements for former federal housing providers.
- Once the housing provider's mortgage matures, funding from the federal government is no longer provided. Although there may sometime be some cost relief to the City as the mortgage and debenture debts are paid in full, there is a loss in operating subsidy and funding for ongoing capital maintenance. In addition, if the housing provider takes on a new mortgage, federal funding is no longer available to offset the associated costs. The City is legislatively required to maintain existing social housing service levels, and if the City does not fill the funding gap, the housing provider may not be able to keep the properties affordable, and reset the units at market rates.
- The City receives notice of the funding reduction from the Ministry of Municipal Affairs and Housing, which relies on the publications from the "Canada Gazette". As noted in the following chart, from 2003 through to 2019, the City will have lost \$76.700 million in Federal support required to fund subsidies to Social Housing providers. As previously reported in CD11.11 (December 11, 2007) "*Tied in Knots: Unlocking the Potential of Social Housing Communities in Toronto*", the remaining \$98.4 million may be withdrawn by 2031, pending notice from the Province.



- In 2016, federal funding for Social Housing will be reduced by \$8.964 million of which there was a relief of \$2.575 million in debenture payments. There is still a funding pressure of \$6.389 million.
- It is recommended that City Council reaffirm its request for the Federal government to reinvest the funds from expiring federal social housing agreements back into social housing to ensure affordable housing is available to the most vulnerable families.

d) Other Social Housing Pressures

- The loss of both Federal and provincial funding is not the only pressure facing social housing. As prescribed in the *Housing Services Act, 2011*, social housing costs are annually indexed to the CPI. The City is legally mandated to fund inflationary impacts which put a yearly pressure on the budget.
- The chart below highlights the anticipated pressures in 2016, 2017 and 2018 as well as the loss of Provincial and Federal Funding:

2016 Social Housing Operating Budget - 2017, 2018 Outlooks									
2016 Social Housing Changes				2017 Outlook			2018 Outlook		
	Gross	Revenue	Net	Gross	Revenue	Net	Gross	Revenue	Net
2015 Approved Budget	433,404.8	226,547.6	206,857.2	435,441.4	156,325.4	279,115.9	439,027.1	141,294.9	297,732.2
Housing Stability Allowance	1,169.0	1,169.0							
Transfer of TPC funding to Non-Program		(37,978.5)	37,978.5						
2015 Budget	434,573.8	189,738.1	244,835.8	435,441.4	156,325.4	279,115.9	439,027.1	141,294.9	297,732.2
Mortgage Renewals	(1,184.7)		(1,184.7)	100.0		100.0	100.0		100.0
RGI Subsidy Increases	3,310.4		3,310.4	4,423.2		4,423.2	4,520.5		4,520.5
Cost Factor Increases	(913.5)		(913.5)	2,157.0		2,157.0	2,829.7		2,829.7
Property Tax	542.9		542.9	556.5		556.5	567.0		567.0
Strong Community*	300.0	300.0	0.0	(300.0)	(300.0)	0.0			
Affordability payments	395.8	395.8	0.0						
Housing Stability Allowance*	(67.1)	(67.1)	0.0	(568.5)	(568.5)	0.0	(533.7)	(533.7)	0.0
PanAm Games Allowance*	558.4	558.4	0.0	131.6	131.6	0.0			
Settlements				2,500.0		2,500.0			
Federal Subsidy		(8,963.6)	8,963.6		(8,879.6)	8,879.6		(7,754.5)	7,754.5
Debentures (Federal Subsidy)	(2,574.7)		(2,574.7)	(5,414.1)	(5,414.1)	0.0	(1,982.4)	(1,982.4)	0.0
Reduction in Approved Budget**	500.0		500.0						
Changes from 2015	867.5	(7,776.5)	8,644.0	3,585.7	(15,030.6)	18,616.3	5,501.1	(10,270.6)	15,771.7
Reversal of One-Time 2015 Reserve Funding		(25,636.1)	25,636.1						
2016 Preliminary Budget	435,441.4	156,325.4	279,115.9	439,027.1	141,294.9	297,732.2	444,528.2	131,024.3	313,503.9
Incremental Impact	867.5	(33,412.6)	34,280.1	3,585.7	(15,030.6)	18,616.3	5,501.1	(10,270.6)	15,771.7

* 100% Provincially Funded Programs

** Reduction from last year's increase to Housing Allowance

- The Toronto Pooling Compensation grant is being phased out over a period of 3 years (2014-2016). The final year loss of \$37.979 million in 2016 is reflected in Non-Program Revenue Budget.
- The cost drivers that comprise the \$8.644 million net pressure between 2015 to 2016, are noted below:
 - The loss of Federal funding of \$8.964 million from expiry of the mortgages and loss of debenture funding on properties under administration between the City and the social housing providers as previously described.
 - RGI subsidy increases of \$3.310 million and property tax increases of \$0.543 million.
 - These pressures are offset by the savings totalling:
 - \$0.914 million for Cost Factor Index, a combination of index increases associated with market-rent adjustments and changes to CPI set by the Province, to reflect actual experience;
 - \$2.575 million for debentures; and
 - \$1.185 million for mortgage renewals at lower interest rates.
- For 2016, there is also a pressure of \$25.636 million from the reversal of the 2015 budgeted contribution from the Social Housing Stabilization Reserve and Social Housing Federal Reserve Fund previously used to stabilize operating impact.
- For 2017 and 2018 similar cost drivers are anticipated.

e) Depletion of Social Housing Reserves

- Historically, the Social Housing Stabilization Reserve and the Social Housing Federal Reserve Fund have been used to fund ongoing pressures in social housing. The cost increases for social housing have been significant in the past few years and as previously noted, are mandated through the *Housing Services Act, 2011* and are linked to cost drivers that are outside the Program's control, including market-rent rate and CPI increases, property tax increases, and reductions in Federal and Provincial subsidy transfers. Funding from the Province and Federal government does not take inflation into consideration.
- The 2016 Preliminary Operating Budget for SSHA is \$31.796 million or 9.9% over the 2015 net.
- In the past, Social Housing Reserve has been used to offset annual operating pressures. For 2016, a reserve draw of \$31.796 million will be required for a 0% increase from the 2015 Net Operating Budget leaving \$2.949 million in the reserve which will be insufficient to meet ongoing pressures in social housing estimated to be \$18.616 million net in 2017 and \$15.772 million in 2018.

SOCIAL HOUSING RESERVE FUNDS (XR2105 and XQ1106)						
(Millions)	Actual			Budgeted		Total Reseves XR2105 XQ1106
	2001-2012	2013	2014	2015	2016	
Beginning Balance		32.5	61.0	57.8	34.7	
Add:						
Provincial Downloading Transfer	12.4					12.4
Divisional Net Surplus	24.1					24.1
Federal Transfer	30.9					30.9
GTA Pooling Adjustment	13.2					13.2
Transfer of City Surplus	8.2	34.1				42.3
Provincial Contribution for Homelessness Services				2.5		2.5
Investment Income	23.7	0.2	0.2	0.1		24.2
Total additions	112.4	34.3	0.2	2.6		149.5
Less:						
Draw to fund Social Housing	(48.9)	(5.8)	(2.9)	(25.6)		(83.2)
Draw to fund Shelter Services			(0.6)			(0.6)
Loan/Grant to Housing Providers for SOGR	(31.0)					(31.0)
Total withdrawals	(79.9)	(5.8)	(3.5)	(25.6)		(114.8)
Ending Balance	32.5	61.0	57.8	34.7	34.7	34.7

- The 2016 Preliminary Operating Budget for SSHA does not include a contribution from the Social Housing Reserve Funds (XR2105 and XQ1106) for 2016.

Toronto Community Housing (TCHC)a) *Operating Subsidy and SOGR Backlog*

- Toronto Community Housing (TCHC) was established in 2001 as an arm's length corporation under the *Ontario Business Corporations Act* (OBCA). The City is obliged as a Service Manager, under the *Housing Services Act* (HSA) to provide TCHC, its local housing corporation, with sufficient funding to deliver its program and maintain its housing in a state of repair.
- TCHC, with an aging inventory (on average buildings are more than 40 years old) requires \$2.6 billion over ten years to address its backlog of capital requirements and maintain the TCHC portfolio in a current 'fair' state of repair.
 - TCHC represents 61% of the City's social housing stock and has an annual net operating budget in excess of \$600 million with the City's share at \$257.8 million (gross) in 2015.
 - The subsidy from the City flows through the Operating Budget of Shelter Support and Housing Administration to TCHC and funds mortgage and debenture repayments, property taxes and a portion of TCHC's remaining operating costs net of rental income. The City uses revenue from all 3 levels of government to fund the subsidy provided to TCHC with the City's share in 2015 being \$128 million net.
 - The City indirectly funds the TCHC capital as TCHC was directed by Council on November 13, 14, 15 and 18, 2013 through the report EX35.4, "*A Ten-Year Capital Financing Plan for Toronto Community Housing*" to allocate \$50 million for capital back log repairs from the subsidy and then adjust this amount by the annual Consumer Price Index (CPI) for each year thereafter.
- In the same report Council approved a Ten-Year Capital Financing Plan (2013-2022) to address these capital repairs in the short-term and provide the funding necessary for TCHC to effectively manage its assets over the long-term.
 - The Plan assumes a federal/provincial/City partnership, where each government contributes an equal one-third share (\$864 million) of the funding required by TCHC from 2013-2022 and that after 10 years, from 2023 onward, TCHC will be able to address its capital needs from City and TCHC funding sources. To date neither the Province nor Federal governments has committed to this funding. The City remains on track to raising its share of funding.
- The 2016 Preliminary Operating Budget includes funding of \$258.1 million gross and \$166.2 million net for TCH to provide affordable and subsidized rental housing to low and moderate income households in Toronto that includes a provision for TCH to address its SOGR backlog requirements.

b) *2016 Budget Reporting*

- City Council at its meeting of July 7, 8th and 9th 2015, adopted EX 7.29 "*Toronto Community Housing Corporation (TCHC) Budget Report*" <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX7.29> and in doing so requested that TCHC, commencing in 2016, submit a Business Plan at a date specified by the City Manager and aligned with the City's budget review process to permit due consideration and inclusion in the City's financial planning process. Council also requested TCHC to provide a presentation for information purposes to City Council's Budget Committee on each aspect of its

Board approved Business Plan, including operating budget and outlooks, 10-year Capital plan requirements, financial and service targets and performance measures beginning with the 2016 City Budget.

- More information on the Budget Committee presentation, expected to be in January 2016, will be made available at a later date.

c) *Mayor's Task Force*

- In 2015, the Mayor appointed a six-person Task Force to review the Toronto Community Housing Corporation. The Task Force is led by Senator Art Eggleton and includes representatives from social housing, finance, real estate development and social policy sectors as well as a tenant member. The task force is scheduled to deliver its findings and recommendations by January 2016.
- On July 10th, the task force presented the Mayor with an Interim Report which made seven recommendations aimed at improving conditions for TCHC residents:
 - Secure additional funding to move forward on the 10-year capital repair program
 - Develop and implement an action plan on increasing safety and security
 - Develop and implement an action plan on improving building conditions
 - Develop and implement an action plan on providing more jobs and opportunities for residents
 - Develop and implement an action plan on more effective training for TCHC staff and contractors
 - Engage with residents in the creation of a Resident Charter and review the tenant engagement system
 - Hire a Chief Operating Officer
- The final report, to be considered by City Council in 2016 will focus on:
 - TCHC's current operations and service delivery
 - Partnerships and innovation
 - Capital revitalization and new development
 - Governance
- Details of the interim report can be found on the link:
<http://www1.toronto.ca/City%20of%20Toronto/Strategic%20Communications/Mayor's%20Task%20Force%20on%20Toronto%20Community%20Housing/PDF/Mayor-Task-Force-Interim-Report.pdf>
- In December, TCHC submitted a request to the City for additional funding of \$13.7 million to their 2016 operating subsidy so that they could fully implement the recommendations from the Task Force. This additional funding request is not included in the 2016 Preliminary Operating Budget; however it is included for Council's consideration as part of the list of New/Enhanced requests referred to the Budget process to be distributed for Budget Committee's consideration in the 2016 Budget process.
- In 2016, the City will be reviewing TCHC's current funding formula and will also take into consideration recommendations from the Task Force.

Affordable Housing Grants

- The 2016 Preliminary Operating Budget includes affordable housing funding provided through the Development Charges Reserve Fund for Subsidized Housing (DCRF), Capital Revolving Reserve Fund for Affordable Housing (CRRF) and Federal/Provincial Programs, which are summarized in the following table:

2016 Grants for Affordable Housing

Project Name	2016 Budget (\$000s)					
	Number of Units	MHIRF	CRRF	DCRF	Provincial Funds	Total
Habitat for Humanity - Ordnance Phase 1	8			200,000		200,000
HOAP RFP 2015/2016	22			2,550,000		2,550,000
BT Tippet N	50			1,250,000		1,250,000
Malibu 4&6 Tippet Malibu Ph1	25			625,000		625,000
City Home Ownership Assistance Program (DCRF)	105			4,625,000		4,625,000
HH Birchmount	9				250,000	250,000
Delivery Agent Not Yet Chosen	57				860,550	860,550
Delivery Agent Not Yet Chosen	3				50,000	50,000
Delivery Agent Not Yet Chosen	56				842,000	842,000
TCHC Foundations (PH1)	5				500,000	500,000
TCHC Foundations (PH2)	5				500,000	500,000
TCHC Foundations (PH3)	5				500,000	500,000
Fed/Prov Affordable Ownership Revolving Fund	141				3,502,550	3,502,550
Medallion - 3415 Weston Road Ltd (PH 1)	148				1,560,000	1,560,000
Medallion - 3415 Weston Road Ltd (PH 2)	6				63,200	63,200
TCHC - Block 24	47				2,820,000	2,820,000
IAH New Affordable Rental Housing 1 (2011-2014)	201				4,443,200	4,443,200
Applicants Approved - Various Addresses	30				236,800	236,800
IAH Toronto Renovates 1 (2011-2014)	30				236,800	236,800
Delivery Agent Not Yet Chosen	21				310,000	310,000
IAH Homeownership 1 (2011-2014)	TBD				310,000	310,000
Medallion - 3415 Weston Road Ltd (PH 3)	18				189,729	189,729
Medallion - 3415 Weston Road Ltd (PH 4)	176				7,420,000	7,420,000
Artscape-Weston Community/Cultural Hub	26				600,000	600,000
Block 36 North Railway Lands (PH 1)	80				1,700,000	1,700,000
IAH New Affordable Rental Housing (2014-2020)	300				9,909,729	9,909,729
Applicants Approved - Various Addresses	475				5,949,160	5,949,160
IAH Toronto Renovates (2014-2020)	475				5,949,160	5,949,160
Bayside Pilot Project	80			3,500,000	6,000,000	9,500,000
Bayside Pilot Project	80			3,500,000	6,000,000	9,500,000
200 Madison Affordable Rental Project	82				6,150,000	6,150,000
200 Madison Affordable Rental Project	82				6,150,000	6,150,000
Toronto Community Housing - Covenant House	7	850,000				850,000
Mayor's Homelessness Initiative Fund	7	850,000				850,000
Toronto Community Housing - Covenant House	7		200,000			200,000
Artscape-Weston Community/Cultural Hub	26		676,000			676,000
Capital Revolving Fund (CRF)	33		876,000			876,000
Total	1,475	850,000	876,000	8,125,000	36,501,439	46,352,439

CRRF - Capital Revolving Reserve Fund
MHIRF - Mayor's Homeless Initiative Reserve Fund
DCRF - Development Charges Reserve Fund for Subsidized Housing
IAH - Investment in Affordable Housing for Ontario Program

- The Affordable Housing Office transfers funding from the Provincial and Federal governments, as well as the City's Development Charge Reserve Fund for Subsidized Housing and the Capital Revolving Reserve Fund for Affordable Housing to provide financial support to non-profit and private sector developers, as well as homeowners and landlords, to increase the supply, quality and stability of affordable housing for low-income residents in Toronto.
- The transfer of program funding managed by the AHO flows through the Shelter, Support and Housing Administration (SSHA) Operating Budget.

Pressures in Homeless and Housing First Solutions

a) *Hostel Services Volume and Capacity*

- The 2016 Operating Budget provides funds for an increase of 76,309 bed nights or 5% up from budgeted bed nights of 1,510,018 in 2015 to 1,586,327 in 2016.

Hostel Description	Bednight Volume								
	2013	2014	2015				2016		
	Actuals	Actuals	Budgeted Bednights (2)	Projected Bednights (1)	Capacity (3)	Projected Occupancy % e=c/d	Budgeted Bednights	Capacity	Budgeted Occupancy % h=f/g
a	a	b	c	d		f	g	h=f/g	
Coed Shelters	124,182	123,282	145,100	125,698	149,285	84.2%	145,739	154,760	94.2%
Family Shelters	346,199	371,957	325,369	368,076	408,051	90.2%	380,527	424,860	89.6%
Men Shelters	562,933	568,338	581,674	572,241	593,641	96.4%	589,164	615,755	95.7%
Seasonal Shelters	47,654	55,979	55,939	55,365	70,840	78.2%	55,740	71,570	77.9%
Women Shelters	195,828	205,415	220,763	206,761	220,095	93.9%	219,950	224,840	97.8%
Youth Shelters	170,710	170,931	181,173	174,607	185,005	94.4%	195,207	208,415	93.7%
TOTAL (DOS & POS)	1,447,506	1,495,902	1,510,018	1,502,748	1,626,917	92.4%	1,586,327	1,700,200	93.3%

(1) Projected 2015 year-end actual bednights as of September 30, 2015

(2) Includes budgeted occupancy of \$2.5m

(3) Net of bednights capacity offline due to temporary closures

- In response to high shelter occupancy rates experienced in 2014, the 2015 Approved Operating Budget provided funding that increased the capacity of the shelter system by adding 181 new beds as per below:
 - Funding of \$0.600 million in 2015, \$1.2 million annualized in 2016 was added to increase shelter beds for LGBTQ2S youth - In fall 2015, YMCA LGBTQ2S Housing Program opened a 25 bed transitional housing program and in 2016, Egale Youth Housing Inc will be aiming to open a 25 bed transitional housing program for LGBTQ2S homeless youth.
 - Funding of \$2.250 million in 2015 and \$3 million annualized in 2016 was provided to develop 2 safe, low barrier 24 hour drop-in programs for women who will not go to shelters - Both programs, one operated by Fred Victor Centre in the downtown East and one operated by Sistering in the west end were operational by September 2015.
 - Funding of \$2.500 million was approved in 2015 to add 127 beds through the purchased service sector. Council approved the allocations report CD7.3 “2015 Hostels Allocations to Relieve Occupancy Pressures” on November 3rd, 2015, which will add a total of 91 permanent beds to the shelter system and add a further 30 permanent beds in 2016 pending the outcome of securing a location. Fifteen of the beds have opened by the beginning of Q4 2015 with the remaining expected to be in place by the end of 2015 or early 2016.
- Council has endorsed a 90% occupancy service standard in the City's emergency shelter system, through the report CD25.10, "2014-2019 Housing Stability Service Planning Framework" <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD25.10>. Throughout 2015, occupancy in the system has consistently been higher than 90% overall. The occupancy rate is expected to come down as the new beds come on stream.

- Demand for emergency shelter beds has continued to increase throughout 2015 as the City's housing market has resulted in fewer available affordable rental units and no increase in rent-geared-to-income units.
- Although the current occupancy rate for 2015 is over 90%, work is underway to invest the additional \$2.5 million, approved in 2015, which will expand the existing shelter systems with an additional 121 beds to help ensure occupancy rates are maintained at or below 90% in all sectors.
- A report entitled CD 7.3a "*Homelessness Service Planning for the 2015-2016 Winter Season*" <http://www.toronto.ca/legdocs/mmis/2015/cc/bgrd/backgroundfile-85309.pdf> approved by Council on November 3rd, 2015 included a winter 2016 homelessness strategy that makes use of motels as swing space and other steps that are being taken to address the occupancy rates at some additional cost to be funded from the 2015 Approved Operating Budget.

Issues Impacting Future Year

Non-TCHC housing Providers – Capital Repair Backlog

- City Council at its meeting of July 7, 2015 adopted CD5.7, "*Transforming Social Housing: Renewing the Partnership with the City's Social Housing Providers*" <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD5.7> and in so doing, requested the General Manager, Shelter, Support and Housing Administration (SSHA), to report to Council in Q1 2016 on the final recommendations for the capital repair financing strategy to support capital renewal of non-profit and co-op housing in Toronto.
- Under the *Housing Services Act, 2011* (HSA), the City as Service Manager is responsible for administering and funding a social housing system that includes both Toronto Community Housing (TCHC) and over 240 community-based non-profit and co-operative housing providers.
- The City is the owner (sole shareholder) of TCHC, which owns and manages over 58,000 social housing units and has a legislated funding and oversight relationship with other non-profit and co-operative housing providers, which provide over 30,000 units in projects of varying sizes that were developed by community-based organizations with government funding and represent significant public investment over the years.
- Although, much attention has been focused on the significant capital repair backlog at TCHC, the SOGR backlog also poses a key challenge faced by the 240 non-profit and co-operative housing providers.
- As Service Manager, the City is required to provide funding to housing providers based on a funding formula prescribed under HSA, which also requires the provider to set aside a defined portion of the funding for ongoing capital maintenance projects.
 - Council was previously advised in 2005 of the results of studies conducted on the physical condition of the City's social housing stock which had determined that the buildings were generally in good condition, but that most housing providers would not have sufficient funds to meet their future capital repair needs (such as roof repairs, mechanical and electrical systems).
- In order to ensure sustainability and good quality housing, the City must work with all housing providers under its administration to ensure they meet their capital repair needs.

- Work is currently under way to establish and quantify the existing backlog in the social housing system (excluding TCHC), determine when funding will be required and the capacity of individual housing providers to borrow to meet these funding needs.
 - This work will also identify financial management strategies and potential financing options available to the City and potential funding partners, including other orders of government and partners in the housing sector, such as Housing Partnership Canada's proposed housing sector bank. The development of additional training, education and practical tools for housing providers related to asset preservation and preventative maintenance will also continue.
- SSHA is working with Financial Planning Division to develop a Capital Repair Strategy based on the above methodology and will submit a report for Council consideration in Q2 -2016.

Issues Referred to the 2016 Operating Budget Process

New/Enhanced Priorities

New / Enhanced Service Description (\$000s)	2016 Impact				Net Incremental Impact			
	Gross	Revenue	Net	Positions	2017 Plan		2018 Plan	
					Net	Positions	Net	Positions
Not Included								
Referred to the Budget Process								
Housing First Pilot (Total cost \$800K, \$0 net)								
Shelter - Purchase of Service Increase	1,124.2		1,124.2					
Enhancement to Warming Centres	416.0		416.0					
Total New/Enhanced Services (Not Included)	1,124.2		1,124.2					

- At its meeting of November 3rd, 2015, Council adopted EX 9.5 “TO Prosperity: Toronto Poverty Reduction Strategy” <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.5> which included the recommendation to forward TO Prosperity 2016 Annual Work Plan and the financial impacts to the City Manager for consideration as part of the 2016 Budget Process.
- The above new and enhanced initiatives in the table were included in SSHA's 2016 Operating Budget submission for consideration to help support the Poverty Reduction themes of providing housing stability by assisting low-income families to secure affordable housing and to increase service access and availability and are described below:
 - **Housing First Pilot** – In April 2015, Council approved CD2.1, *Infrastructure and Service Improvement Plan for the Emergency Shelter System*, which set out a number of strategies to achieve shelter occupancy rate of 90%. The strategies include a pilot project to identify and house 200 long-term shelter users over a 12 month period.
 - Funding of \$0.800 million required for this pilot initiative will be provided in 2016 with no net impact to SSHA's operating budget by redirecting funding from the annual subsidy to the rent bank program. This is possible as a onetime measure in 2016 because of the rent bank's repaid loans, which are sufficient to offset administration costs of the rent bank in 2016.
 - If this initiative does not proceed, shelter beds will continue to be locked up by long-term users increasing shelter occupancy pressures.
 - **Shelter - Purchase of Service Increase** - Funding is currently provided to 49 shelter sites operated by 32 community not-for-profit agencies through purchase of service (POS)

contracts. In order to address inflationary impacts on the POS providers, an additional 2% per diem increase of \$1.124 million is being requested. The last per diem rate increase was in 2014.

- **Enhancement to Warming Centres** - Additional funding of \$0.416 million gross and net, would allow for warming centres to keep open for 24 hours a day throughout the months of January and February with alert-based services based on Extreme Cold Weather Alerts (ECWA) for November, December, March and April. This enhancement priority also supports City Council's recommendations from the report CD 4.4 "*Feasibility of Enhanced Cold Weather Drop-In Services*".
- The above listed initiatives are not included in the 2016 Preliminary Budget for Shelter, Support and Housing Administration; however they are included for Council's consideration as part of the list of New/Enhanced requests referred to the Budget process to be distributed for Budget Committee's consideration in the 2016 Budget process.

Service Improvement for the Emergency Shelter System

- City Council approved CD 2.2 "*Infrastructure and Service Improvement Plan for the Emergency Shelter System*" <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD2.2> on March 31, April 1 and 2, 2015, and in so doing, requested that SSHA report through the 2016 Budget process on the impacts of the strategies identified in this report in achieving a 90 percent occupancy target in each emergency shelter sector, and the implications for additional resources needed.
- The plan recommended by Council includes actions in four key areas:
 1. Housing First approaches for long term shelter users
 2. Adding new emergency shelter capacity
 3. Maintaining existing shelter capacity by managing redevelopment and relocation pressures
 4. Reviewing policies and processes to improve use of existing resources
- The status of the above recommendations are discussed below:

Housing First:

- Funding for a pilot Housing First Program which is aimed at reducing demand for emergency shelters by assisting long term shelter users to move into permanent housing was submitted as part of the 2016 Budget Process.
- The 2016 Preliminary Operating Budget does not include this initiative; however it is included for Council's consideration as part of the list of New/Enhanced requests referred to the Budget process to be distributed for Budget Committee's consideration.

Add Emergency Shelter Capacity:

- The 2016 Preliminary Operating Budget includes funding for the annualized impact of new LGBTQ2S youth shelters and two 24 hours drop-ins for women added in 2015. Although work is underway for additional shelters to be in full service, overall shelter capacity in all sectors is

expected to increase as discussed under the issue *Hostel Services Volumes and Capacity* on page 31.

Maintain Existing Shelter Capacity:

- Over the next few years, a total of six shelters will have to relocate, barring any unforeseen circumstances at other shelter locations. This issue and how it is addressed is discussed in the Issues referred to the 2016 Budget Process section in the 2016 Preliminary Capital Budget Notes for Shelter, Support and Housing Administration.
- A report was received by the Community Development and Recreation Committee on October 13th entitled CD7.4 "City Supports to Shelter Service Providers for Successful Service Delivery" which reported on supports that help ensure shelter service providers are successful, including supports when a shelter service is in crisis.
- The report highlighted that dissolutions of a shelter agency is rare but, in the past five years, two youth shelters have made the decision to close in different circumstances: Touchstone Youth Centre which closed its doors in November 2012 was replaced in May 2014 by Kennedy House Youth Shelter. The other shelter to close its doors in October 2015 is the Second Base Youth Shelter due to ongoing concerns related to governance, financial challenges and program delivery standards.
- Subsequently, the GM, SSHA wrote a report for information to Council on December 9th and 10th, entitled CD 8.7 "Options for 702 Kennedy Road (Ward 35)" which advised that the Second Base Youth Shelter is in discussions with two established Shelter Operators – YWCA and Salvation Army (SA), who have expressed an interest in purchasing the property to run a Shelter.

Review of policies and processes to improve use of existing resources

- On September 30, October 1st and 2nd 2015, Council adopted CD6.5 "Updated Toronto Shelter Standards" <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD6.5> which provides an updated and clear set of expectations, guidelines and minimum requirements for the provision of shelter services in Toronto.

Social Housing Waiting List

- City Council on May 5, 6 and 7, 2015, adopted EX. 5.11 "Recommendations Regarding the Social Housing Waiting List" <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX5.11> thereby approving SSHA to acquire, execute and deliver the social housing waiting list function previously delegated to Toronto Community Housing Corporation (TCHC) and managed by Housing Connections Inc (a subsidiary of TCHC).
- The transfer of all delegated functions and roles by Housing Connections into the City's reporting and governance structure has been fully implemented.
- The 2016 Preliminary Operating Budget reflects the increase in 49 FTE staff and annualized costs fully offset by the grant previously provided by SSHA to TCHC to deliver this service.

Enhanced Cold Weather Drop-In Services

- City Council on June 10, 11 and 12, 2015, adopted the CD 4.4 “*Feasibility of Cold Weather Drop-in Services*” <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD4.4> which requested that SSHA submit a business case for enhanced Cold Weather drop-in services for consideration through the 2016 City Operating budget process.
 - A new request for funding of \$0.416 million for an Enhanced Cold Weather Drop-in Service was submitted but it is not included in the 2016 Preliminary Operating Budget; however it is included for Council's consideration as part of the list of New/Enhanced requests referred to the Budget process to be distributed for Budget Committee's consideration.

Rent Geared to Income Subsidies

- City Council on July 8, 9, 10 and 11, 2014, adopted AU16.19, “*Strengthening the City's Oversight of Social Housing Programs*” <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.AU16.19> and in doing so requested that the General Manager, Shelter, Support and Housing Administration to report as part of the annual budget process on number of rent geared-to-income households provided assistance and the total assistance provided.
 - The 2016 Preliminary Operating Budget includes \$154.65 million of funding to social housing providers for 60,050 RGI units. In 2015 the Approved Operating Budget included \$152.13 million for RGI subsidy for 60,090 RGI units. The difference from the 2015 budget is due to provincial cost factor increases of benchmarked market rents. The 2016 budget projects 40 less RGI units based on social housing provider's estimation within their program target range.



Appendices:

Appendix 1

2015 Service Performance

2015 Key Service Accomplishments

In 2015, Shelter, Support and Housing Administration accomplished the following:

Homeless and Housing First Solutions

- ✓ Added new shelter capacity in 2015 on an interim basis, issued an REOI, and negotiated with community agencies for additional permanent shelter capacity.
- ✓ Opened two 24-hour drop-ins for vulnerable street involved women.
- ✓ First of 2 LGBTQ2S youth shelters opening in the fall; second facility in process of preparing a site to open in 2016
- ✓ Initiated Housing First pilot for long-term shelter users: completed development and testing of housing needs assessment tool; completed staff training; case management and placements to launch in the fall; target is to house and support approximately 200 long term shelter users over a 12 month period.
- ✓ Council-approval of the Shelter Infrastructure Strategy in March which identified the need to open 15 new shelters city-wide.
- ✓ Completed comprehensive revision of Toronto Shelter Standards.
- ✓ Provided two 24-hour extreme cold weather drop-in facilities.
- ✓ A Drop-In RFP resulted in an increased investment in Drop-Ins which play a critical role in housing stability

Social Housing System Management

- ✓ Supporting TCH's 10 Year Capital Management Strategy and Council's Close the Housing Gap campaign
- ✓ Began transformation of access to social housing through development of the Toronto housing web portal and direct City operation of the social housing waiting list, laying the groundwork for an integrated, choice-based housing access system. The effective Housing Connections transfer date is at the end of October.
- ✓ Completed comprehensive policy review of the social housing program, culminating in a report to Council and launch of Raising the Bar quality initiative for 240 housing providers.
- ✓ Completed a Service Manager Assessment of TCHC, resulting in comprehensive business improvement recommendations for both the City and the TCHC Board.

Appendix 2

2016 Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2013	2014	2015	2015	2016	2016 Change from		Plan	
	Actual	Actual	Budget	Projected	Budget	2015 Approved		2017	2018
	\$	\$	\$	Actual *	\$	\$	%	\$	\$
Salaries and Benefits	63,894.7	64,745.7	68,280.9	65,644.1	70,651.5	2,370.6	3.5%	70,979.7	71,299.1
Materials and Supplies	3,758.1	3,900.7	4,238.3	3,424.1	4,150.3	(88.0)	(2.1%)	4,150.3	4,150.3
Equipment	146.4	156.6	173.1	79.9	243.3	70.2	40.6%	243.3	243.3
Services & Rents	65,686.4	67,605.2	70,154.5	71,454.3	74,026.8	3,872.4	5.5%	74,026.8	74,026.8
Contributions to Capital	344.8						-		
Contributions to Reserve/Res Funds	4,997.5	1,162.7	4,841.9	4,841.9	2,367.9	(2,474.0)	(51.1%)	2,367.9	2,367.9
Other Expenditures	522,941.2	484,842.6	513,551.6	503,632.9	516,173.6	2,622.0	0.5%	500,232.8	502,768.0
Interdivisional Charges	20,380.4	1,160.4	1,169.2	1,184.9	1,190.4	21.3	1.8%	1,190.8	1,191.4
Total Gross Expenditures	682,149.5	623,573.9	662,409.3	650,262.1	668,803.7	6,394.5	1.0%	653,191.6	656,046.7
Interdivisional Recoveries	11.8	37,989.8	11.3	11.3	11.3			11.3	11.3
Provincial Subsidies	149,639.8	130,098.0	147,308.4	140,501.4	155,919.7	8,611.4	5.8%	139,250.9	133,669.9
Federal Subsidies	181,744.0	168,820.7	157,339.0	157,339.0	148,375.4	(8,963.6)	(5.7%)	134,081.7	124,344.8
Other Subsidies	113,924.1	76,295.4	(0.0)		(0.0)				
User Fees & Donations	839.5	768.3	472.8	385.8		(472.8)	(100.0%)		
Transfers from Capital Fund	71.0	179.6	169.3	168.1	128.5	(40.8)	(24.1%)	128.5	128.5
Contribution from Reserve/Reserve Funds	18,892.8	11,907.3	35,588.7	31,683.7	11,053.0	(24,535.7)	(68.9%)	9,539.8	7,458.5
Sundry Revenues	830.7	(1.0)	37.0	151.2	37.0	0.0	0.0%	37.0	37.0
Total Revenues	465,953.7	426,058.1	340,926.4	330,240.5	315,524.9	(25,401.6)	(7.5%)	281,767.9	268,531.3
Total Net Expenditures	216,195.9	197,515.8	321,482.8	320,021.6	353,278.9	31,796.0	9.9%	371,423.8	387,515.4
Approved Positions	718.9	718.6	757.3	735.3	757.7	0.4	0.1%	757.7	757.7

* Based on the 2015 9-month Operating Variance Report

For additional information regarding the 2015 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2015" approved by City Council at its meeting on December 9, 2015.

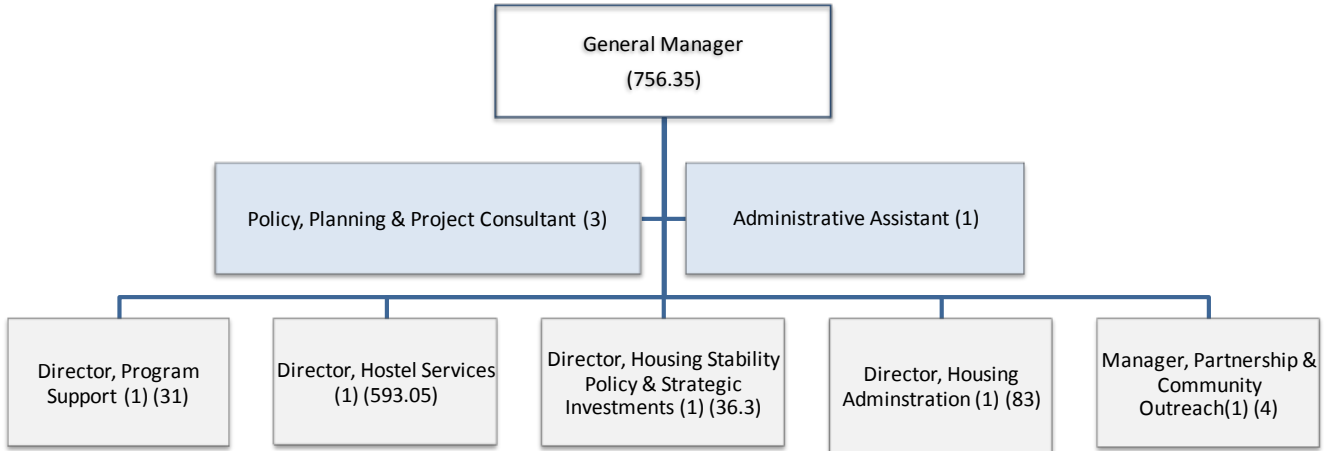
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.27>

Impact of 2015 Operating Variance on the 2016 Budget

Gapping was adjusted in the 2016 Budget, based on 2015 experience, for savings of \$0.484 million.

Appendix 3

2016 Organization Chart



2016 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	186.0	1.0	427.0	615.0
Temporary		15.4		127.0	142.4
Total	1.0	201.4	1.0	554.0	757.4

Chart represents FTEs (equivalent to 757.7 positions)

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2016 \$	2017 \$	2018 \$
Projected Beginning Balance			31,449.0	23,324.0	17,199.0
Dev Charges (2009) - Subsidized Housing	XR2116	31,449.0			
<i>Proposed Withdrawals (-)</i>			(8,125.0)	(6,125.0)	(3,140.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		31,449.0	23,324.0	17,199.0	14,059.0
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		31,449.0	23,324.0	17,199.0	14,059.0

* Based on 9-month 2015 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2016 \$	2017 \$	2018 \$
Projected Beginning Balance			8,783.7	7,408.7	6,209.7
Capital Revolving Fund - Affordable Housing	XR1058	8,783.7			
<i>Proposed Withdrawals (-)</i>			(876.0)	(700.0)	(6,300.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		8,783.7	7,907.7	6,708.7	(90.3)
Other Program / Agency Net Withdrawals & Contributions			(499.0)	(499.0)	6,501.0
Balance at Year-End		8,783.7	7,408.7	6,209.7	6,410.7

* Based on 9-month 2015 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2016 \$	2017 \$	2018 \$
Projected Beginning Balance			2,732.7	2,702.5	3,240.8
Housing Allowance	XQ1112	2,732.7			
<i>Proposed Withdrawals (-)</i>			(1,102.2)	(533.7)	
<i>Contributions (+)</i>			1,072.0	1,072.0	1,072.0
Total Reserve / Reserve Fund Draws / Contributions		2,732.7	2,702.5	3,240.8	4,312.8
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		2,732.7	2,702.5	3,240.8	4,312.8

* Based on 9-month 2015 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2016 \$	2017 \$	2018 \$
Projected Beginning Balance			99.9	108.9	118.0
Vehicle Reserve- SSHA	XQ1100	99.9			
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			9.1	9.1	9.1
Total Reserve / Reserve Fund Draws / Contributions		99.9	108.9	118.0	127.1
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		99.9	108.9	118.0	127.1

* Based on 9-month 2015 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance			132,950.3	132,854.3	132,758.3
Section 37	XR3026	132,950.3			
<i>Proposed Withdrawals (-)</i>			(96.0)	(96.0)	(96.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		132,950.3	132,854.3	132,758.3	132,662.3
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		132,950.3	132,854.3	132,758.3	132,662.3

* Based on 9-month 2015 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance			25,335.2	26,566.5	27,797.8
Insurance Reserve	XR1010	25,335.2			
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			1,231.3	1,231.3	1,231.3
Total Reserve / Reserve Fund Draws / Contributions		25,335.2	26,566.5	27,797.8	29,029.1
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		25,335.2	26,566.5	27,797.8	29,029.1

* Based on 9-month 2015 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance			60,355.7	60,411.2	60,466.7
Sick Leave	XR1007	60,355.7			
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			55.5	55.5	55.5
Total Reserve / Reserve Fund Draws / Contributions		60,355.7	60,411.2	60,466.7	60,522.2
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		60,355.7	60,411.2	60,466.7	60,522.2

* Based on 9-month 2015 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance			920.7	70.7	70.7
Mayor's Homeless Initiative Reserve	XR1104	920.7			
<i>Proposed Withdrawals (-)</i>			(850.0)		
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		920.7	70.7	70.7	70.7
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		920.7	70.7	70.7	70.7

* Based on 9-month 2015 Reserve Fund Variance Report