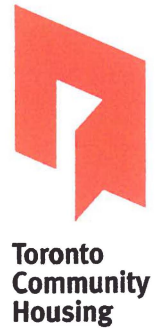


RE: EX16.9

Attachment 1

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



April 27, 2016

Mr. Peter Wallace, City Manager
11th Floor, East Tower
City Hall
Toronto, ON M5H 2N2

Subject: **Toronto Community Housing 2015 Annual Report**

Dear Mr. Wallace,

I am pleased to submit the enclosed 2015 Annual Report for the Toronto Community Housing Corporation (Toronto Community Housing). The 2015 Annual Report showcases our 2015 achievements in relation to our goals and objectives as stated in our strategic plan, *Homeward 2016*.

Our 2015 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 and various resolutions adopted at Council.

With direction from our Board of Directors, I would like to request City Council's approval on our approach to developing our next strategic plan so that it is aligned with City Council motion [EX11.21 2016](#) on how to move forward with the transformation of Toronto Community Housing Corporation relative to the recommendations from the Mayor's Task Force final report. This proposed approach is outlined in Appendix D to this Letter to the Shareholder.¹

If you have questions about the contents of this letter or the 2015 Annual Report, please contact Hugh Lawson, Director of Strategic Planning and Stakeholder Relations.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Bud Purves'.

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

A handwritten signature in blue ink, appearing to read 'Greg Spearn'.

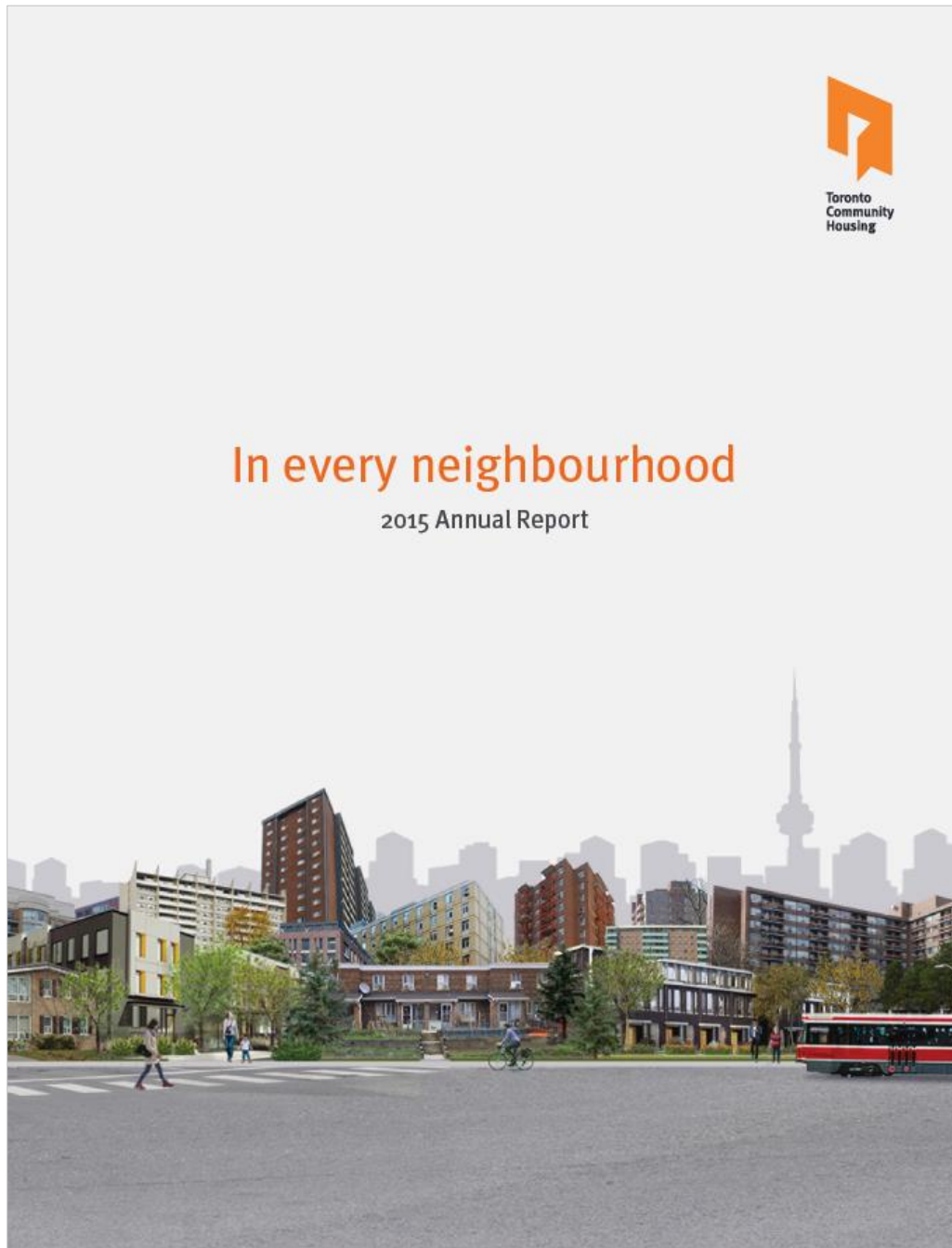
Greg Spearn
President and Chief Executive Officer (Interim)

Enclosed: 2015 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 2015.



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 2015 Annual Report. For an overview of our reporting requirements, see **Appendix A, “Shareholder Reporting Requirements.”**

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Quality Homes

1. Sale of Single Family Homes

We report annually on the sale of properties and on the resident and community impacts resulting from such sales, as required by Section 10.2.1 (l) in the 2013 Shareholder Direction. In October 2012, City Council adopted recommendations from the *Putting People First* report, which explored alternative funding sources to address the repair backlog in our portfolio. The report recommended the sale of single family homes with an estimated market value at or above \$600K and vacant properties in poor condition that required costly repairs. As outlined in our Ten-Year Capital Financing Plan, we use the revenue generated through the sale of single family homes to fund much needed capital repairs.

In 2015, we generated approximately \$18M in gross (\$17.5M in net) revenues through the sale of 20 single family homes in line with budget projections. As a result of diligent marketing efforts and the resilient housing market, most properties were sold above appraised value with each house being sold at an average of \$123K above appraised value (for a cumulative \$2.5M above appraised value).

We are committed to minimizing the impact of the sale of houses on the lives of residents. In 2015, we successfully relocated all 20 households before the properties were sold. An interdisciplinary team approach was applied to working with each household and all households were relocated to another unit of their choice.

2. Affordable Home Ownership

We report on our efforts to partner with other organizations to provide affordable homeownership opportunities to our residents, as requested in City Council motion [EX35.3 2013](#).

More than \$1.3M in funding from a number of programs operated by the City of Toronto and Province of Ontario enabled ten resident families to make their first home purchases in our revitalization communities in 2015. This included two in Regent Park, one in Lawrence Heights, five in Alexandra Park, and two in Allenbury Gardens. Funding from these programs also enabled two non-resident families to purchase their first homes in Alexandra Park.

In addition to the above sales, for the first time ever, we sold a single family home to the household that has been living in it for over 8 years. While the household did not access any funding programs for the purchase, they were offered the option to purchase before the house was listed on the open market.

3. Update on 10-year financing plan

We report annually on an updated Ten-Year Capital Financing Plan as directed by City Council motion [EX35.4 2013](#) that includes:

- i. total amount of capital backlog repair expenditures from the prior year;
- ii. outstanding capital repair needs carried forward from the prior year;
- iii. reductions to the capital repair backlog due to the sale of assets and/or revitalization;
- iv. balance of the capital repair backlog reserve fund;
- v. changes in estimates for current and future capital repair requirements; and
- vi. changes in estimates for current and future capital repair funding.

The updated Ten-Year Capital Financing Plan in **Appendix C** fulfills all above noted requirements.

Vibrant Communities

4. Resident Engagement System

We report on how residents provide input on corporate and local decisions, as well as local spending priorities, and how we include resident representation on our board, as outlined in Section 9.1 in the 2013 Shareholder Direction.

On March 26, 2015, over 7,000 residents from across the city participated in an open and democratic process to elect their nominated peers to represent their communities at local area councils. Through this process, 96 tenant representatives were elected and 219 were acclaimed. Shortly after these May elections, the newly elected tenant representatives chose two tenant members to sit on the Toronto Community Housing Board of Directors.

We also began a Tenant Engagement System refresh in 2015. A tenant committee met to plan an engagement strategy to ensure that the maximum number of residents are able to participate in developing a refreshed system. The committee will host related consultations in early 2016.

We are committed to supporting resident leadership and engagement in local decision making. The Participatory Budgeting program is a demonstration of our commitment to this mandate and direction. Through this program in 2015, we worked with residents to plan the capital expenditure of \$8M based on their priorities. About 300 building meetings were held and 205 projects were approved. Construction work for these projects is projected for completion by the end of Q2 2016. In December 2015, our Board of Directors requested a review of the program, the results of which will be available in April 2016.

5. Eviction Prevention Policy and 2015 Eviction Results

a. Eviction Prevention Policy

Toronto Community Housing makes the prevention of eviction for arrears a priority, per Section 9.2 (a) in the 2013 Shareholder Direction. 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 evictions 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.

The most significant increase in the number of local repayment agreements negotiated was realized in 2014, in which staff arranged 2,658 repayment agreements. This was a 290% increase from the 681 in 2013. This number remained steady through 2015. Similarly, the number of applications for eviction at the Landlord and Tenant Board dropped by 87% in 2014 from 2013, and also remained steady through 2015 as staff continued to implement the revised collection process.

b. Eviction Statistics

Measure	2013	2014	2015	% change from 2014
Eviction Rate	<1%	<1%	<1%	-
Tenant Evictions (Non-Arrears)	64	91	42	-54%
Tenant Evictions (Arrears)	375	134	204	52%
Repayment arrangements initiated locally	681	2,658	2,687	1%
Number of Active TCHC applications at the Landlord and Tenant Board	2,529	328	335	2%
Mediated settlements via LTB	1,085	548	774	41%
Total Tenant Evictions	439	225	246	9%

6. 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 Section 9.2 (d) in the 2013 Shareholder Direction and our Human Rights, Harassment, and Fair Access Policy (“Policy”). Our 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 2015, we conducted training sessions to promote awareness of human rights and mutual respect to over 150 residents. We also included related materials in the orientation for newly-elected tenant representatives.

We are dedicated to building our employees’ capacity and awareness of human rights. In 2015, we collaborated with the 519 Church Community Centre to design and deliver sessions that create awareness and foster an LGBTQ-inclusive environment. These sessions were specifically tailored to staff in the Community Safety Unit and one pilot session was designed for Operating Unit staff.

In December 2015, the City of Toronto awarded Toronto Community Housing a gold rating for our achievements in the areas of equity, diversity and human rights for 2014.

b. Human Rights Complaints

Toronto Community Housing has developed and implemented complaints procedures for resolving complaints that may arise concerning discrimination and/or harassment. We address complaints by following these procedures and report on complaints 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 (2014 and 2015)						
Year	Type of File	Resolution/Status				Total
		Withdrawn	Dismissed	Settled	Ongoing	
2014	Employment	0	0	0	4	4
	Housing Application	0	1	0	0	1
	Tenancy	0	0	0	2	2
	Total					7

Human Rights Applications (2014 and 2015)						
Year	Type of File	Resolution/Status				Total
		Withdrawn	Dismissed	Settled	Ongoing	
2015	Employment		1	1	6	8
	Housing Application		1	1	3	5
	Tenancy		0	0	3	3
	Total					16

Service Excellence

7. Communicating with Residents

a. Communication with Residents in the Language of Their Choice

Over 30% of our residents speak a language other than English, and serving residents in the language of their choice is a priority for us.

We collect information from households about their preferred language for communication. In May 2015, the language field in our tenancy management system became a mandatory field to be filled in when making changes to other fields of the account. This will improve our ability to accommodate the diverse language needs of our tenants.

Currently, corporate communication products aimed at all residents are translated into 18 different languages upon request. We also use icons, illustrations, and plain language in information materials to improve communication with all language groups. For important documents such as legal notices, which we must serve to residents in English, we include a cover letter explaining in 18 languages that the document they received is important and that they should have it translated if needed.

If a household identifies a language preference when they receive a publication, we will send future versions of that publication in their preferred language. We updated our Tenant Guide in 2015 and translated it into 18 languages. We also created braille, large print, and audio formats for the Tenant Guide, which are available upon request.

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

b. Local Accountability with Residents

We maintain and report on a system of local accountability established with residents as outlined in Section 9.2 of the 2013 Shareholder Direction. Residents 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 publically on our website after they are approved by our Board of Directors. These documents, along with copies of our Annual Report, are also available on request from all of our Operating Unit offices. After our 2015 and 2016 budgets were approved by the Board of Directors, informational posters were posted in buildings to inform residents of what the investment in capital repairs will mean for our communities across the city.

Residents are notified of planned maintenance and repair 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).

In addition, in 2015 we produced three issues of *Housing Update*, a resident-facing newsletter that is mailed to every household. These newsletters included information about our 2015 capital repair plan, results of the tenant representative election, and ways to get involved with summer active living programs.

While a very low number of Toronto Community Housing residents were using social media to engage with the company in 2015, we shared information about events and opportunities on Twitter, Facebook, YouTube and Instagram. We also provided online customer service by responding to information requests received via social media. Our social media communities also include partners, staff, family or advocates of Toronto Community Housing residents, and the public.

c. Resident Complaints Process

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 our offices.

As we continue to strengthen our focus on customer service, it was important to seek further feedback on the complaints management process and update the policy and associated procedures. We began a review in 2015, which will be completed in 2016 in conjunction with the customer service strategy and the resident charter. Consultations with staff, residents, and stakeholders will help inform any changes that are needed. The new process will involve more rigorous reporting on metrics and issues/trends, clear standards, and an integrated escalation process for unresolved complaints.

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

Toronto Community Housing has a single point of contact for all complaints from the City of Toronto Ombudsman and the Councillors' offices. The centralized function ensures consistency of information shared and expedites the follow-up process with the appropriate staff.

In 2015, we received a total of over 2,500 requests from offices of elected officials (i.e. the Mayor, City Councillors, Members of Provincial Parliament, and Members of Parliament), with an average response time of two business days (against a service standard of five business days). We also received 80 requests from the Ombudsman's office, with an average response time of four business days.

8. Transparency and Accountability

a. Executive Compensation

We report annually on senior executive compensation per Section 10.2.4 of the Shareholder Direction. The following table outlines senior executive compensation, as permitted by law, in 2015.

In April 2015, our Board of Directors approved an Executive Compensation Policy in accordance with the City Council decision [EX 44.8 2014](#). TCHC's Executive Compensation policy was submitted to the City Manager in May 2015. Note that "senior executive" has been defined as our Executive Leadership Team.

Surname	Given Name	Position	Total Compensation 2015
Spearn	Greg	President and Chief Executive Officer (Interim)*	\$330,386.06
Gorel	Jason	Chief Financial Officer and Treasurer	\$259,107.13
Leah	Graham	Vice President, Asset Management	\$230,351.22
Penny	Sheila	Vice President, Facilities Management	\$223,287.19
Barker	Catherine	Vice President, Human Resources	\$181,233.47
Ibrahim	Ismail	General Counsel and Corporate Secretary (Interim)	\$142,414.91
Atungo	Simone	Vice President, Resident & Community Services (Interim)	\$132,470.30

*Greg Spearn is also Vice President and Chief Development Officer.

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

In June 2013, the City of Toronto 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. We 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 2014 and 2015, 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. Management continues to complete auditing and performance management to ensure staff compliance and consistency across both the direct and contract managed portfolio.

In July 2015, the Ombudsman expressed her satisfaction that Toronto Community Housing has completed the work necessary to finalize implementation of the 30 recommendations, and that she now considered the matter closed. As such, we will no longer be reporting on this work starting in 2016.

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). The OCHE plays an integral role in supporting the Board's oversight and governance of the operations of Toronto Community Housing in the areas of Loss of Subsidy and Evictions for Arrears for seniors and vulnerable residents living in Toronto Community Housing buildings. The OCHE supports successful tenancies at Toronto Community Housing in accordance with the OCHE Terms of Reference. The OCHE oversees compliance with Toronto Community Housing policies, procedures, applicable legislation and guidelines relating to Evictions for Arrears and Loss of Subsidy. The Commissioner works to ensure that necessary support and protections exist for seniors and vulnerable residents, and ensures that all reasonable avenues have been exhausted for those residents who have lost their subsidy or face eviction proceedings due to arrears.

2015 was the first full-year of operations for the OCHE, during which the role of the OCHE continued to crystallize. This is most evident through the work done to review

and update the OCHE's Terms of Reference, which were approved by the Toronto Community Housing Board of Directors on December 3, 2015.

In 2015, the Commissioner delivered 12 monthly Loss of Subsidy Reports and Recommendations to Toronto Community Housing, detailing the results of the audits for 666 files where senior and vulnerable residents had lost their Rent-Geared-to-Income Subsidies along with recommendations for specific resolution steps or systemic improvements. In addition, the Commissioner delivered 217 Reports and Recommendations for senior and vulnerable residents at risk of eviction due to rental arrears. Through the arrears resolution process, the OCHE was able to effectively engage with 95% of the residents referred to the OCHE, and resolve the need for eviction proceedings in 78.5% of cases. In those cases where engagement or resolution of the arrears was not possible, and where the Commissioner found no issues with procedural fairness, the Commissioner recommended Toronto Community Housing proceed with an Eviction Application to the Landlord and Tenant Board.

9. Procurement

Toronto Community Housing works diligently 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 2015, we implemented further control enhancements including the introduction of a procurement systems database which monitors the procurement lifecycle. In addition, we developed a contractor performance evaluation database that enables us to monitor and manage vendor performance. Furthermore, procurement transitioned to a more efficient electronic tendering platform that allows for electronic submission and evaluation of proponent submissions.

In 2015, we issued 395 RFX's (e.g. Requests for Information, Quotes, or Proposals) with a total value of winning bids received of \$163,590,584, and through the RFX process generated a cost avoidance of \$41,373,003 or 21%.

10. 2015 Update on Policies and Occupational Health and Safety

We abide by all relevant employment and occupational health and safety legislation in the conduct of our operations, as outlined in Section 12.1 of the Shareholder Direction.

In 2015, we continued our comprehensive review and development of human resources policies and procedures with reference to the City of Toronto's policies. We met established targets within our multi-year strategy for reviewing and modernizing all safety-related policies and procedures to reflect best practice and legislative

requirements. Procedures relating to workplace violence risk assessment, traumatic incident response, handling suspicious packages, and heat stress were approved. We successfully executed our 2015 training plan, providing training to over 1,300 staff in 55 in-class sessions as of December 2015. An additional 17 voluntary wellness seminars were coordinated for staff on a variety of topics.

We revised a number of other recruitment-related policies. We also developed and introduced an Applicant Tracking System, which went live in early 2016. This system automates and streamlines the recruitment function, resulting in more efficient and transparent recruitment for the organization. We successfully met a key 2015 human resource priority, which was to fill over 100 front line positions including cleaners, community patrol officers, operating unit clerks, building and community facilitators, and superintendents. Supporting and maintaining full staff complements, particularly on the frontline, means that we are resourced to carry out our work as planned, to serve residents.

In addition, we successfully supported and implemented several key training and development initiatives across the organization. Nonviolent crisis intervention training was made available for staff to support identification of risk behaviours and appropriate responses for de-escalation and prevention. In addition, building sciences training and cleaner standard operating procedure training were provided to enhance staff skills and knowledge, and to standardize service delivery. Training for the *Accessibility for Ontarians with Disabilities Act, 2005* was further developed in 2015 to ensure that we are in compliance and continue to make Ontario and our organization more accessible by 2025.

We revised our Employee Code of Conduct, which was adopted by our Board of Directors on December 3, 2015. The revision was in accordance with the City Council decision [EX42.3 2014](#), which directs City Corporations to adopt policies related to conflict of interest, political activity and disclosure of wrongdoing and reprisal protection. We have existing policies related to political activity. We are currently revising our Conflict of Interest policy and developing a whistleblower protection policy.

Appendix A: Shareholder Reporting Requirements

Our 2015 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, Section 10.2.1 (a)	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, Section 10.2.1 (b)	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, Section 10.2.1 (c)	Annual Report: Audited financial statements
<ul style="list-style-type: none"> Initiatives to provide responsive customer service. 	Shareholder Direction, Section 10.2.1 (d)	Annual Report: Service Excellence
<ul style="list-style-type: none"> Tenant engagement activities. 	Shareholder Direction, Section 10.2.1 (e)	Annual Report
<ul style="list-style-type: none"> Information that is likely to materially affect the Shareholder's financial objectives. 	Shareholder Direction, Section 10.2.1 (f)	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, Section 10.2.1 (g)	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, Section 10.2.1 (h)	None in 2015
<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, Section 10.2.1 (i)	Annual Report
<ul style="list-style-type: none"> Information regarding the number of evictions each year and the rationale for these evictions. 	Shareholder Direction, Section 10.2.1 (j)	Letter to the Shareholder, p. 6
<ul style="list-style-type: none"> Information on the disposition and uses of funds provided to TCH by the City. 	Shareholder Direction, Section 10.2.1 (k)	Annual Report

Shareholder Reporting Requirement	Source of Requirement	TCHC Report
<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, Section 10.2.1 (l)	Letter to the Shareholder, p. 4
<ul style="list-style-type: none"> Information, as permitted by law, regarding senior executive compensation. 	Shareholder Direction, Section 10.2.4	Letter to the Shareholder, p. 10
<ul style="list-style-type: none"> 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, Section 9.1	Letter to the Shareholder, p. 5
<ul style="list-style-type: none"> <i>TCH</i> 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, Section 9.2	Letter to the Shareholder, p. 6 p. 8 p. 9 p. 7 p. 8
<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 	Shareholder Direction, Section 12.1	Letter to the Shareholder, p. 12

Shareholder Reporting Requirement	Source of Requirement	TCHC Report
appropriate policies in areas such as, but not limited to, fair wages for contracted services consistent with that of the City and employee compensation to address these objectives.		
<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. 	Shareholder Direction, Section 12.2	Letter to the Shareholder, p. 12
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: <ol style="list-style-type: none"> I. 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. 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. 	Report EX43.11 2014 <i>Refinancing of City Loans to Toronto Community Housing</i> July 8, 2014	Annual Report: Audited financial statements Ten-Year Capital Financing Plan
<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: <ol 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 	Report EX43.10 2014 <i>Infrastructure Ontario Refinancing of Toronto Community Housing Mortgages</i> July 8, 2014	Annual Report: Audited financial statements Ten-Year Capital Financing Plan

Shareholder Reporting Requirement	Source of Requirement	TCHC Report
<p>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"> • City Council, in its capacity as Shareholder of Toronto Community Housing Corporation: <ul style="list-style-type: none"> ▪ approve the extension of Toronto Community Housing Corporation's mortgage subsidy for 12 identified properties, 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 components with a useful life of at least 30 years; and ii. Toronto Community Housing Corporation report annually, through Toronto Community Housing Corporation's Annual Report to City Council, on the status and use of funding deposited to such special reserve. 	<p>Report EX8.4 2015</p> <p><i>Infrastructure Ontario Refinancing of Toronto Community Housing Mortgages Being Renewed in 2015</i></p> <p>September 30, 2015</p>	<p>Annual Report: Audited financial statements</p> <p>Ten-Year Capital Financing Plan</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 2012</p> <p><i>Alexandra Park Revitalization – Corporate Actions and Social Development Plan</i></p> <p>July 11, 2012</p>	<p>Annual Report</p>
<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 2013</p> <p><i>Putting People First – Moving Forward</i></p> <p>November 13, 2013</p>	<p>Letter to the Shareholder, p. 4</p>

Shareholder Reporting Requirement	Source of Requirement	TCHC Report
<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. 	Report AU9.4 2008 <i>Audit of City Performance in Achieving Access, Equity, and Human Rights Goals</i> November 4, 2008	Letter to the Shareholder, p. 7
<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. 	Report CC50.4 2014 <i>Update on Implementation of Housing at Risk Ombudsman Recommendations for Toronto Community Housing</i> April 1, 2014	Letter to the Shareholder, p. 11
<ul style="list-style-type: none"> TCH to report annually, through the TCH Annual Report to Council, with an updated Ten-Year Capital Financing Plan as of December 31st of the prior year that includes: <ul style="list-style-type: none"> Total amount of capital backlog repair expenditures from the prior year; Outstanding capital repair needs carried forward from the prior year; Reductions to the capital repair backlog due to the sale of assets and/or revitalization; Balance of the capital repair backlog reserve fund; Changes in estimates for current and future capital repair requirements; and Changes in estimates for current and future capital repair funding. 	Report EX35.4 2013 <i>A Ten-Year Capital Financing Plan for Toronto Community Housing</i> November 13, 2013	Letter to the Shareholder, p.5 and Appendix C
<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. 	Auditor General Report: The City and Toronto Community Housing Corporation Needs to Strengthen its Oversight of Subsidiaries and Other Business Interests December 1, 2011	Letter to the Shareholder, Appendix B
<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 	Report EX44.8 2014	Letter to the Shareholder, p.10

Shareholder Reporting Requirement	Source of Requirement	TCHC Report
<p>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>	<p><i>Executive Compensation Policy at City Agencies and Corporations.</i></p> <p>August 25, 2014</p>	

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

This report provides an overview of the Subsidiaries and Joint Ventures/Partnerships ("Entities") following management evaluations of the companies for the purpose of providing this information to the Shareholder, the City of Toronto. In January 2016, the new chair of our Governance, Communications, Human Resources and Compensation Committee requested a review of all subsidiaries in 2016 with a view to reducing the total number where possible.

Ownership Structure

Development or Non-Development	Ownership	Entity
Development	Wholly Owned	<ul style="list-style-type: none"> • Don Mount Court Development 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 • Soul Residences Inc. • Connect Residences Inc.
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)

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 Development 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.

1. *Housing Services Incorporated*

Housing Services Incorporated has been wound up and is due to be dissolved in 2016.

2. *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.

3. *Access Housing Connections Incorporated ("AHCI")*

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). Toronto Community Housing Corporation's Board of Directors approved the transfer of the wait list function of Housing Connections to the City of Toronto. Employees were transferred to the City in 2015. Remaining assets are to be transferred in 2016. AHCI will subsequently be wound up and dissolved in 2017.

4. *Toronto Community Housing Enterprises Incorporated ("TCHEI")*

Toronto Community Housing Enterprises Incorporated ("TCHEI") is a holding company for Regent Park Energy Incorporated. It is recommended that TCHEI remains as a holding company based on the fact that management wishes to use TCHEI as the conduit to sign energy savings performance contracts, thus reducing Toronto Community Housing's risk with respect to these contracts.

Moreover, using the subsidiary for the energy savings performance 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.

5. 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.

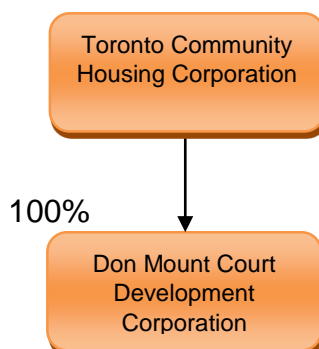
Toronto Community Housing is exploring various strategic options with respect to RPEI. Until a final assessment of the strategic options is made with respect to this entity, the entity needs to be kept separate from Toronto Community Housing. Furthermore, RPEI has separate contracts with utility customers,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

6. Toronto Affordable Housing Fund (“TAHF”)

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.

1. Don Mount Court Development Corporation

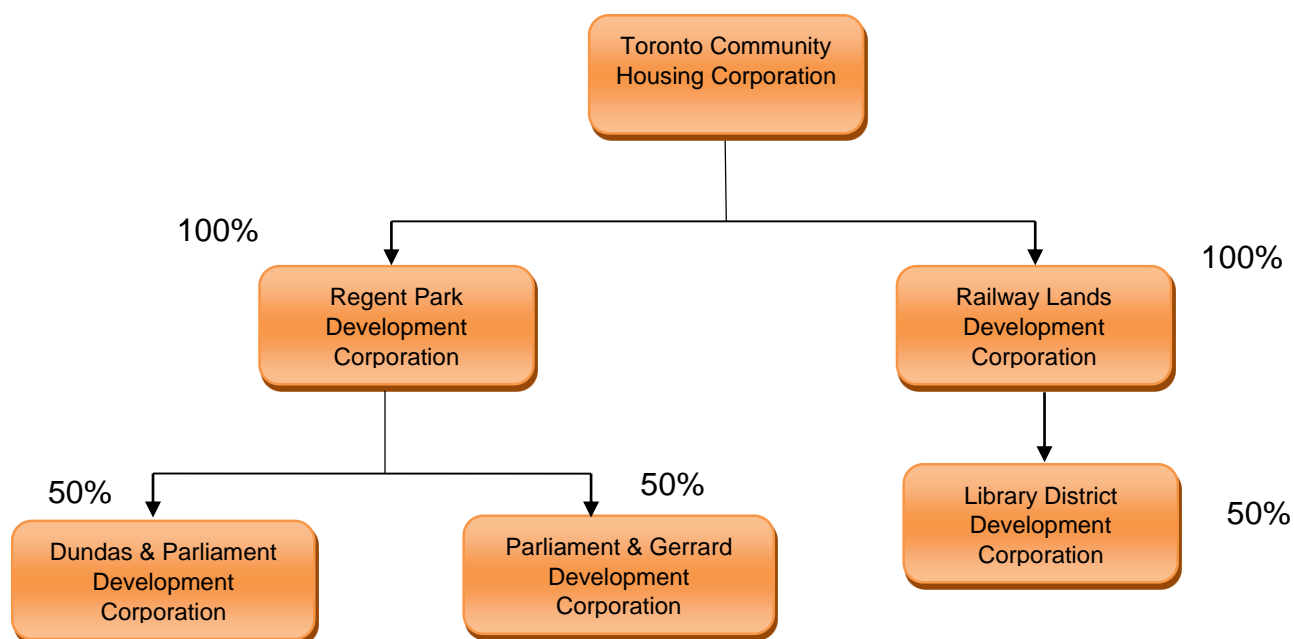


Overview of Subsidiary/Enterprise/Investment

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

	<p>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> <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: Pamela Taylor, Chair Greg Spearn, CEO Rose-Ann Lee, Treasurer Marta Asturi, Secretary</p>
Governance Structure	<p>Directors: Minimum no. of directors = 2 Rose-Ann Lee Greg Spearn Pamela Taylor</p>

**2. Dundas & Parliament Development Corporation
Parliament & Gerrard Development Corporation
Library District Development Corporation**

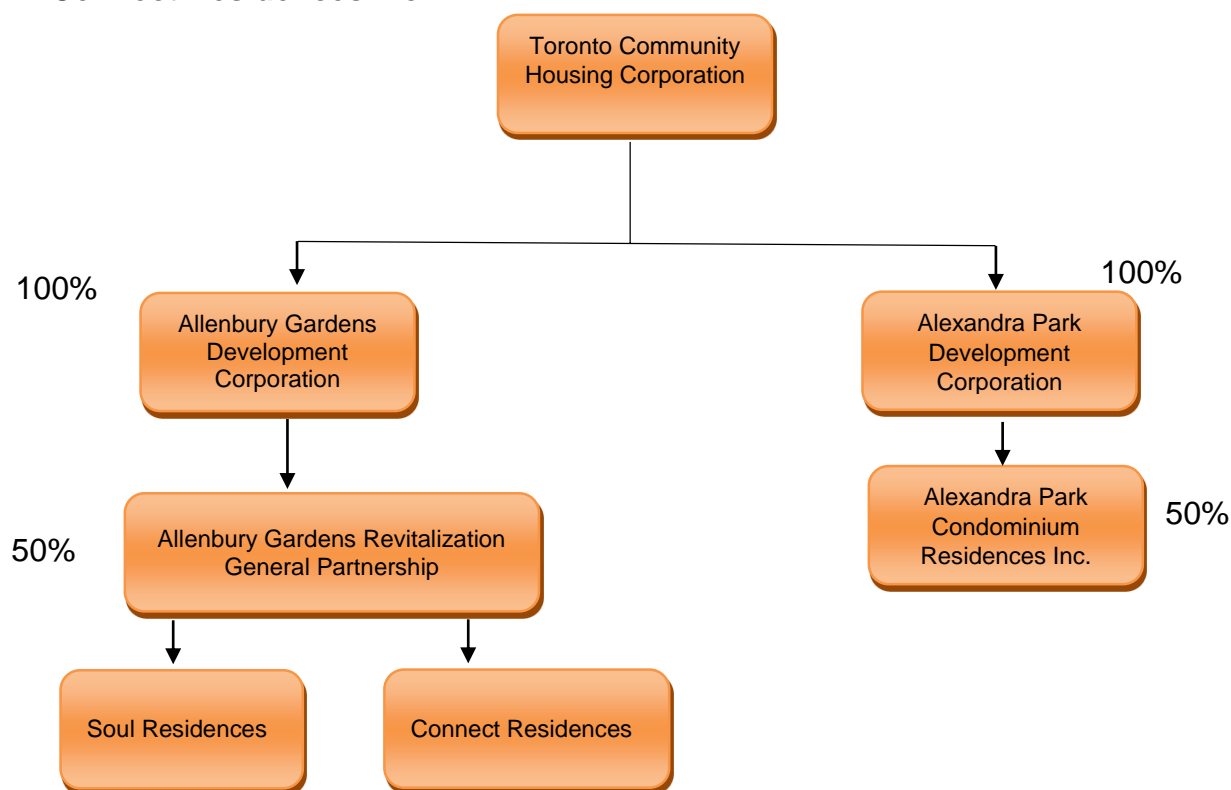


Overview of Subsidiary/Enterprise/Investment

	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.	1820240 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	TCHC:C2006-35 TCHC:2006-134	TCHC:C2008-38	TCHC:C2010-33

	Dundas & Parliament	Parliament & Gerrard	Library District
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)	<p>Defined</p> <p>To be wound up upon completion of redevelopment of Regent Park (and expiry of warranties associated with DPDC).</p>	<p>Defined</p> <p>To be wound up upon completion of redevelopment of Regent Park (and expiry of warranties associated with PGDC).</p>	<p>Defined</p> <p>To be wound up upon completion of redevelopment of Railway Lands (and expiry of warranties associated with LDDC).</p>
Management and Staffing Structure	<p>Nominee Management Committee Members from RPDC: Heather Grey-Wolf Greg Spearn</p>	<p>Nominee Management Committee Members from RPDC: Heather Grey-Wolf Greg Spearn</p>	<p>Nominee Management Committee Members from RLDC: Heather Grey-Wolf Greg Spearn</p>
Governance Structure	<p>Directors : Rose-Ann Lee</p> <p>Greg Spearn Remo Agostino Martin Blake</p> <p>Officers: Remo Agostino-Secretary Rose-Ann Lee-Treasurer Greg Spearn-President Martin Blake-Vice President Judy Lem-Authorized Signing Officer</p>	<p>Directors: Rose-Ann Lee Greg Spearn Remo Agostino Martin Blake</p> <p>Officers: Remo Agostino-Secretary Martin Blake-Vice President Rose-Ann Lee-Treasurer Greg Spearn-President Judy Lem-Authorized Signing Officer</p>	<p>Directors: Howard Cohen Stephen Gross Sam Skurecki Len Koroneos Lizette Zuniga</p> <p>Officers: Sam Skurecki-Treasurer Howard Cohen-President Lizette Zuniga-Secretary Francesco Laneve-Authorized Signing Officer Len Koroneos-Vice President (To be changed)</p>

**3. Allenbury Gardens Revitalization General Partnership
Alexandra Park Condominium Residences Inc.
Soul Residences Inc.
Connect Residences Inc.**



Overview of Subsidiary/Enterprise/Investment

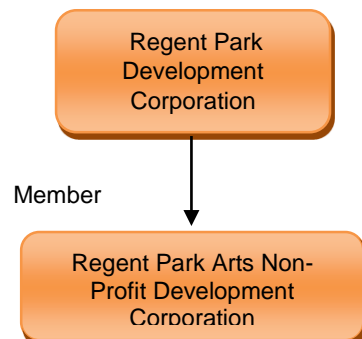
	Alленbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
Purpose of Subsidiary/Enterprise/Investment	General partnership between AGDC and FRAM subsidiary	Partnership nominee corporation through general partnership with Tridel to develop Alex Park condominiums
Ownership	50% AGDC 50% Fram	50% APDC 50% Tridel
Incorporation Number	Business Name Registration Number 230039612	2329292 Ontario Inc.
Incorporation Date	January 11, 2013	May 24, 2012
Incorporation Document	Master Business License	Articles of Incorporation
By-Laws	TBD	By-Law # 1

	Allenbury Gardens Revitalization General Partnership	Alexandra Park Condominium Residences Inc.
TCHC Board Report to Establish Subsidiary/ Enterprise/ Investment	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)	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	N/A Partnership	Nominee Management Committee Members from APDC: Rose-Ann Lee Greg Spearn
Governance Structure	N/A Partnership	Directors: 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

	Soul Residences Inc.	Connect Residences Inc.
Purpose of Subsidiary/ Enterprise/ Investment	Co-tenancy for development and sale of market condos in Allenbury Gardens	Co-tenancy for development and sale of market condos in Allenbury Gardens

	Soul Residences Inc.	Connect Residences Inc.
Ownership	100% Allenbury Gardens Revitalization General Partnership	100% Allenbury Gardens Revitalization General Partnership
Incorporation Number	2415299	2456722
Incorporation Date	2014/04/17	2015/03/06
Incorporation Document	Articles of Incorporation	Articles of Incorporation
By-Laws	By-Law No. 1 By-Law No. 2	
TCHC Board Report to Establish Subsidiary/ Enterprise/ Investment	TCHC:2015-49	TCHC:2015-49
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)	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 Allenbury Gardens (and expiry of warranties associated with AGDC).
Management and Staffing Structure	Officers: Federico Serrafiero- Vice President Greg Spearn- President Leslie Gash-Vice President Frank Giannone-President and Other Steve Lorimer-Authorized Signing Officer	Officers: <i>To be determined.</i>
Governance Structure	Directors: Greg Spearn Leslie Gash Frank Giannone Federico Serrafiero	Directors: Frank Giannone

4. Regent Park Arts Non-Profit Development Corporation

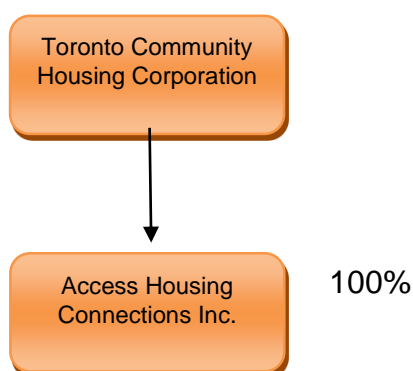


Overview of Subsidiary/Enterprise/Investment

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 (Daniels Spectrum).
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. The nature of our involvement in this project is restricted to a long-term 50-year ground lease.</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.
Management and Staffing Structure	<p>Officers from Regent Park Arts Non-Profit Development Corporation: Paul Davidson-Chair and President Ilidio Coito-Treasurer (TCHC employee) Celia Smith-Authorized Signing Officer Martin Blake-Secretary</p>
Governance Structure	<p>Directors from Regent Park Arts Non-Profit Development Corporation: Mahubub Hasan Richard Marsella Paul Davidson Martin Stuart Blake Ilidio Coito Celia Smith</p>

5. Access Housing Connections Inc.



Overview of Subsidiary/Enterprise/Investment

Purpose of Subsidiary	Manages applications and waiting 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 established 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>

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.

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 TCHC's core businesses. An arms-length set up enables the following outcomes:

- *the creation of a governance system that is focused on the mandate of the associated programs;*
- *the creation of structures and business systems that focus on achieving the programs goals;*
- *the ability to develop and provide additional services related to access to housing; and*
- *the removal of any perceived conflict which might result from TCHC being both an administrator and a user of the services.*

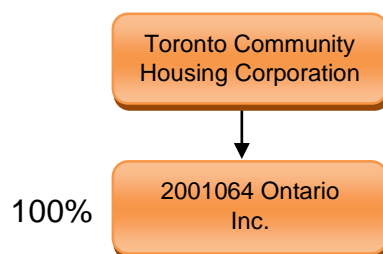
Between May and September 2002, the Berkeley Consulting Group undertook a project to define and assess optional governance structures for an AHCI subsidiary. The project included consulting with the stakeholders. The majority of community stakeholders saw the practical advantages of having the service operate as a subsidiary of TCHC.

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:

- *a subsidiary is consistent with the TCHC Community Management Plan principle of focused governance for non-core business initiatives;*

	<ul style="list-style-type: none"> • <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)	Once transfer to the City of Toronto is complete, company will be dissolved (likely in 2017).
Management and staffing structure	<p>Officers: Catherine Wilkinson, 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 Rose-Ann Lee Greg Spearn Catherine Wilkinson</p>

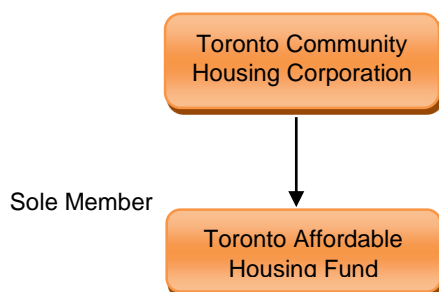
6. 2001064 Ontario Inc.



Overview of Subsidiary/Enterprise/Investment

Purpose of Subsidiary/Enterprise/Investment	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. 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.
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 effected 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.
Management and Staffing Structure	Officers: Pamela Taylor, Chair Greg Spearn, General Manager Rose-Ann Lee, Treasurer Cindy Yung, Secretary
Governance Structure	Directors: Minimum no. of directors = 1 Rose-Ann Lee Greg Spearn Pamela Taylor

7. Toronto Affordable Housing Fund

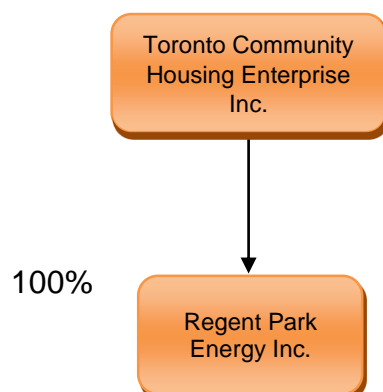


Overview of Subsidiary/Enterprise/Investment

Purpose of Subsidiary/Enterprise/Investment	<p>To establish and operate a housing fund for the purposes of:</p> <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.

Management and Staffing Structure	Officers: Linda Jackson, Chair Greg Spearn, President Rose-Ann Lee, Treasurer Heather Grey-Wolf, Secretary
Governance Structure	Directors: Minimum no. of directors = 3 Rose-Ann Lee Linda Jackson Greg Spearn

8. Toronto Community Housing Enterprise Inc. Regent Park Energy Inc.

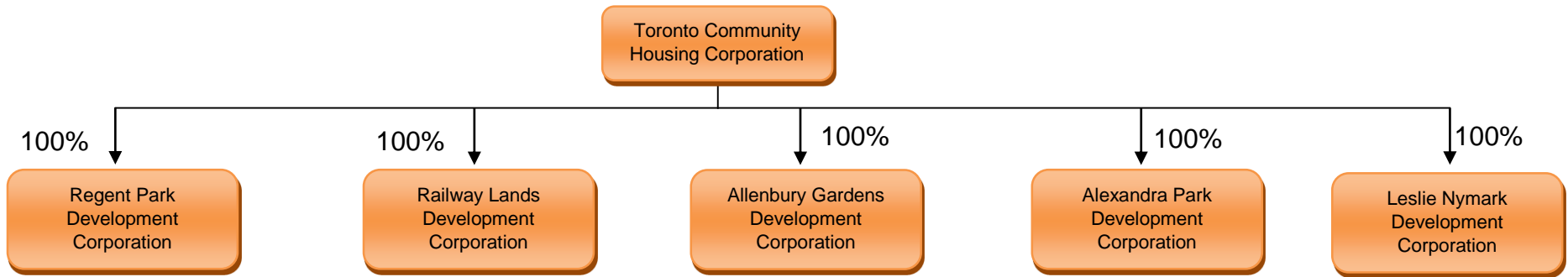


Overview of Subsidiary/Enterprise/Investment

	TCHEI	RPEI
Purpose of Subsidiary/Enterprise/Investment	Originally, a holding company for Toronto Community Housing's 60% equity interest in the Regent Park CES Joint Venture. Now, a holding company that owns 100% equity interest in the Regent Park CES Joint Venture.	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. Now, TCHEI holds 100% of RPEI.
Ownership	TCHC 100%	As of January 4, 2012: 100% TCHEI via TCHC: C2011-92 Previously: 60% TCHEI & 40% Corix
Incorporation Number	2187799 Ontario Inc.	2187743 Ontario Inc.
Incorporation Date	October 16, 2008	October 16, 2008
Incorporation Document	Articles of Incorporation	Articles of Incorporation
By-Laws	By-law No. 1	By-law No. 1
TCHC Board Report to Establish Subsidiary/Enterprise/Investment	TCHC:C2008-115	TCHC:C2008-115
Original Rationale for	As per TCHC: C2008-115: [i]t is proposed that a new subsidiary, rather than	As per TCHC: C2008-115, RPEI was a joint venture

Creation/Separate Corporate Existence	<i>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>	between TCHC (via TCHEI) and Corix.
Term of existence (short-term/defined, long-term/ongoing)	Long term as management proposes that this subsidiary would be the TCHC entity that contracts in ESCOs and energy arrangements to protect TCHC parent company 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).
Management and Staffing Structure	Officers: Vincent Gasparro, Chair Rose-Ann Lee, President Rose-Ann Lee, Treasurer Rose-Ann Lee, Secretary	Officers: Vincent Gasparro, Chair Greg Spearn, President Rose-Ann Lee, Treasurer Sheila Penny, Secretary
Governance Structure	Directors: Minimum no. of directors = 1 Rose-Ann Lee Greg Spearn Vincent Gasparro	Directors: Minimum no. of directors = 1 Rose-Ann Lee Greg Spearn Vincent Gasparro

**9. Regent Park Development Corporation
 Railway Lands Development Corporation
 Allenbury Gardens Development Corporation
 Alexandra Park Development Corporation
 Leslie Nymark Development Corporation**



Overview of Subsidiary/Enterprise/Investment

	Regent Park DC	Railway Lands DC	Alленbury Gardens DC	Alexandra Park DC	Leslie Nymark DC
Purpose of Subsidiary/Enterprise/Investment	To oversee the redevelopment of Regent Park. Holding company for TCHC’s 50% equity interest in: 1. Dundas and Parliament Development Corporation (Regent Park Phase I); and	To oversee the redevelopment of Railway Lands (Blocks 32 and 36). TCHC’s co-tenancy representative with Context Construction Inc. to form nominee corporation Library District Inc.	To oversee the redevelopment of Alленbury Gardens, including the demolition and replacement of 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

	Regent Park DC	Railway Lands DC	Allenbury Gardens DC	Alexandra Park DC	Leslie Nymark DC
	2. Parliament and Gerrard Development Corporation (Regent Park Phase II).				
Ownership	TCHC 100%	TCHC 100%	TCHC 100%	TCHC 100%	TCHC 100%
Incorporation Number	2047540 Ontario Inc.	2239748 Ontario Inc.	2353917 Ontario Inc.	2380793 Ontario Inc.	2395616 Ontario Inc.
Incorporation Date	May 27, 2004	April 8, 2010	December 14, 2012	July 16, 2013	November 12, 2013
Incorporation Document	Articles of Incorporation Articles of Amendment	Articles of Incorporation	Articles of Incorporation	Articles of Incorporation	Articles of Incorporation
By-Laws	By-Law No. 1	By-Law 1	By-Law 1	By-Law 1	By-Law 1
TCHC Board Report to Establish Subsidiary	TCHC:2003-30	TCHC:C2010-33	TCHC:2012-47	TCHC:2012-47	TCHC: 2012-47
Rationale for Creation/ Separate Corporate Existence	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.	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.	TCHC:2012-47 (July 31, 2012) In order to set up the land holding partnership structure contemplated in the partnership agreements.	TCHC:2012-47 (July 31, 2012) In order to set up the land holding partnership structure contemplated in the partnership agreements.	TCHC:2012-47 (July 31, 2012) In order to set up the land holding partnership structure contemplated in the partnership agreements.

	Regent Park DC	Railway Lands DC	Allenbury Gardens DC	Alexandra Park DC	Leslie Nymark DC
	<p>TCHC:2006-134 (September, 2006): The use of a subsidiary provides a separation of the development of the market component from the rental housing component. This will improve accountability between the two adjoining projects. The use of RPDC also separates TCHC from the market component in terms of primary liability. Contracts relating to the market development (such as agreements of purchase and sale with condominium purchasers) would be executed by RPDC, or the nominee, and not directly by TCHC. As a result, the primary liability on contracts rests with RPDC.</p>				

	Regent Park DC	Railway Lands DC	Allenbury Gardens DC	Alexandra Park DC	Leslie Nymark DC
Term of Existence (short-term/ defined, long-term/ ongoing)	Defined To be wound up upon completion of redevelopment of Regent Park (and expiry of warranties associated with DPDC and PGDC)	Defined To be wound up upon completion of redevelopment of Railway Lands (and expiry of warranties associated with LDDC)	Defined To be wound up upon completion of redevelopment of Allenbury Gardens (and expiry of warranties associated with joint venture)	Defined To be wound up upon completion of redevelopment of Alexandra Park (and expiry of warranties associated with joint venture)	Defined To be wound up upon completion of redevelopment of Leslie Nymark (and expiry of warranties associated with joint venture)
Management and Staffing Structure	Officers: Frank Di Giorgio, Chair Greg Spearn, General Manager Rose-Ann Lee, Treasurer Heather Grey-Wolf, Secretary	Officers: Pamela Taylor, Chair Greg Spearn, General Manager Rose-Ann Lee, Treasurer Heather Grey-Wolf, Secretary	Officers: Pamela Taylor, Chair Greg Spearn, President and Chief Development Officer Leslie Gash, Secretary and General Manager Cindy Yung, Treasurer	Officers: Pamela Taylor, Chair Greg Spearn, President and Chief Development Officer Leslie Gash, Secretary Cindy Yung, Treasurer	Officers: Pamela Taylor, Chair Greg Spearn, President and Chief Development Officer Leslie Gash, Secretary Cindy Yung, Treasurer
Governance Structure	Directors: Minimum no. of directors = 2 Rose-Ann Lee Greg Spearn Frank Di Giorgio	Directors: Minimum no. of directors = 2 Rose-Ann Lee Greg Spearn Pamela Taylor	Directors: Minimum no. of directors = 2 Rose-Ann Lee Greg Spearn Pamela Taylor	Directors: Minimum no. of directors = 2 Rose-Ann Lee Greg Spearn Pamela Taylor	Directors: Minimum no. of directors = 2 Rose-Ann Lee Greg Spearn Pamela Taylor

Appendix C: Ten-Year Capital Financing Plan

Revised: Thursday, April 7, 2016

TCH Ten-Year Capital Financing Plan																
Original 10-Year Plan																
	(Actual) 2013	(Actual) 2014	(Actual) 2015	(Forecast) 2016	(Forecast) 2017	(Forecast) 2018	(Forecast) 2019	(Forecast) 2020	(Forecast) 2021	(Forecast) 2022	(Forecast) 2023	(Forecast) 2024	(Forecast) 2025	Original Plan Total	Rolling Plan Total	Grand Total
Capital Needs (\$ millions)																
January 1st backlog of needs	862	914	896	1,022	1,195	1,301	1,278	1,351	1,363	1,276	1,094	1,141	1,221	862	1,022	862
Forecasted growth in capital needs (from following year)	121	200	327	424	401	279	414	341	198	110	133	163	114	2,814	2,577	3,224
Inflation on opening balance	-	-	-	20	24	26	26	27	27	26	22	23	24	176	245	245
Reduction due to sale/revitalization	(8)	(8)	(9)	(22)	(19)	(27)	(17)	(31)	(12)	(18)	(7)	(6)	(3)	(172)	(162)	(187)
Needs adjustment due to changes in engineering estimates		(86)	(33)											(119)	-	(119)
Reduction in future capital growth due to small scale repairs			(71)											(71)	-	(71)
Reduction due to capital spending (** below)	(60)	(123)	(88)	(250)	(300)	(300)	(350)	(325)	(300)	(300)	(100)	(100)	(100)	(2,397)	(2,425)	(2,697)
Adjusted year end capital needs:	914	896	1,022	1,195	1,301	1,278	1,351	1,363	1,276	1,094	1,141	1,221	1,257	1,094	1,257	1,257
Year end Facilities Condition Index (FCI):	0	0	10.8%	12.4%	13.2%	12.8%	13.2%	13.1%	12.0%	10.1%	10.3%	11.0%	10.9%	10.1%	10.9%	10.9%
Capital Funding Sources (\$ millions)																
City/TCH Funding Sources																
Annual Capital Funding (TCH Operating Budget)	50	61	65	54	-	-	-	-	-	-	-	-	-	230	54	230
Property Tax Exemption (Education Portion)	9	9	9	9	9	9	9	9	9	9	9	9	9	91	92	119
Development Charge Reserve Fund Allocation	10	-	-	-	-	-	-	-	-	-	-	-	-	10	-	10
Sale of TCH Single Family Houses Proceeds	12	30	10	12	10	-	-	-	-	-	-	-	-	75	22	75
TCH Mortgage Refinancing (Note 1)	93	31	200	200	-	-	-	-	-	-	-	-	-	524	200	524
Annual IO reserve contributions	-	-	2	2	4	4	4	4	4	4	4	4	4	28	37	39
City Loans Refinancing	-	33	-	-	-	-	-	-	-	-	-	-	-	33	-	33
Total Annual City/TCHC Funding:	174	164	286	278	23	13	13	13	13	13	13	13	13	991	405	1,030
Capital reserve Draws(+)/Contributions(-)	(114)	(38)	(131)	(28)	(57)	47	65	16	(33)	21	87	87	87	(251)	293	10
Sub-total	60	127	156	250	(34)	60	78	29	(20)	34	100	100	100	740	697	1,040
Uncommitted Federal/Provincial Contributions																
Uncommitted Federal 1/3 total nominal funding	-	-	-	-	167	120	136	148	160	133	-	-	-	864	864	864
Uncommitted Provincial 1/3 total nominal funding	-	-	-	-	167	120	136	148	160	133	-	-	-	864	864	864
Total Uncommitted Annual Fed/Prov Funding:	-	-	-	-	334	240	272	296	320	266	-	-	-	1,728	1,728	1,728
**Total Capital Spending:	60.00	126.55	156	250	300	300	350	325	300	300	100	100	100	2,468	2,425	2,768
TCHC Capital Reserve Balance (\$ millions)																
Opening balance	-	114	154	287	319	380	339	279	267	304	288	205	121	-	287	-
Interest	-	2	2	4	5	6	5	4	4	5	4	3	2	37	42	46
Capital reserve contributions(+)/draws(-)	114	38	131	28	57	(47)	(65)	(16)	33	(21)	(87)	(87)	(87)	251	(293)	(10)
Year-End Balance:	114	154	287	319	380	339	279	267	304	288	205	121	36	288	36	36

Note

1. The TCHC mortgage refinancing in 2016 has not yet been approved by City Council.

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



Appendix D: Proposed Approach to Strategic Plan and Business Plan

April 27, 2016

Mr. Peter Wallace, City Manager
11th Floor, East Tower
City Hall
Toronto, ON M5H 2N2

Dear Mr. Wallace,

2015 was the last year of Toronto Community Housing's current Strategic Plan, *Homeward 2016*. At the 2015 Annual General Meeting of the Shareholder on July 7, 2015, City Council approved our proposed approach to develop a set of 2016 Corporate Goals that build on *Homeward 2016* and deliver a full four-year strategic plan for 2017-2020 to the Board and our Shareholder by the end of 2016.

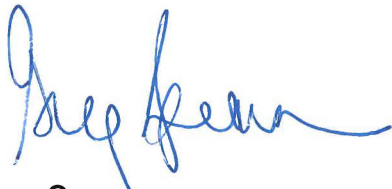
While the Board of Directors has approved our 2016 Corporate Goals and Objectives, which will guide our strategic direction for 2016, we would like to amend our proposed approach to the 2017-2020 strategic plan to ensure alignment with our Shareholder's direction on the future transformation of Toronto Community Housing relative to *Transformative Change for TCHC: A report from the Mayor's Task Force on Toronto Community Housing*.

City staff will report to City Council in the spring of 2016 with a proposed approach and guiding principles for how to move forward with the transformation of Toronto Community Housing, followed by a second report in the fall of 2016 outlining a detailed long-term implementation plan. Since these reports will likely result in changes in the Shareholder Direction that will affect our long-term strategic direction, we would like to adapt the 2017-2020 strategic planning process accordingly.

We propose to develop a 2017 business plan and 2017 budget in Q3 and Q4 2016 that include actions required to implement direction received at the spring and fall Council meetings. We will begin planning for our next strategic plan in Q4 2016 following the fall City Council meeting. The next strategic plan will be delivered to the Board for approval in Q2 2017.

This proposed approach to 2017 strategic and business planning was approved by our Board of Directors on February 22, 2016.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Spearn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Greg Spearn
President and Chief Executive Officer (Interim)

cc: Bud Purves, Chair