

# Toronto 2017 BUDGET



## OPERATING BUDGET NOTES



## Shelter, Support and Housing Administration

### 2017 OPERATING BUDGET OVERVIEW

Shelter, Support and Housing Administration provides temporary shelter and support services for homeless individuals and families, creates permanent affordable housing solutions, and funds and administers social housing in Toronto. These services help contribute to the creation of strong and healthy communities by ensuring that residents of Toronto have a range of accessible shelter and affordable housing options.

#### 2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is \$756.060 million gross and \$400.266 million net as shown below:

| (in \$000's)            | 2016 Budget      | 2017 Preliminary Budget | Change          |              |
|-------------------------|------------------|-------------------------|-----------------|--------------|
|                         |                  |                         | \$              | %            |
| Gross Expenditures      | 687,287.5        | 756,060.4               | 68,772.9        | 10.0%        |
| Revenues                | 338,873.0        | 355,794.1               | 16,921.1        | 5.0%         |
| <b>Net Expenditures</b> | <b>348,414.5</b> | <b>400,266.3</b>        | <b>51,851.8</b> | <b>14.9%</b> |

The City continues to face significant operating pressures in Social Housing exacerbated by the loss in federal funding, operating pressures in TCHC and legislated cost increases for social housing providers. Through base budget reductions and operational efficiencies with net savings of \$2.253 million, the Program was able to partially offset these pressures while maintaining the same service levels for 2017.

[toronto.ca/budget2017](http://toronto.ca/budget2017)

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**Fast Facts**

- Shelter, Support and Housing Administration provides over 4,000 permanent emergency and transitional shelter beds in 62 locations across the City, 10 of which are city-operated facilities.
- With a social housing stock of approximately 58,500 units and a network of 240 not-for-profit social housing providers managing an additional 35,500 housing units, the City of Toronto is the largest social housing provider in the Province of Ontario.
- City share of funding for Social Housing is anticipated to increase from 39.7% in 2014 to over 65% by 2019.

**Trends**

- The loss of federal funding is expected to continue until 2031. Federal/Provincial funding to the City of Toronto for Social Housing is expected to decline from \$376 million in 2014 to \$261 million by 2019.
- The aging of the social housing stock, mounting backlog for building repair and revitalizations of neighbourhoods also poses significant challenges for the City.

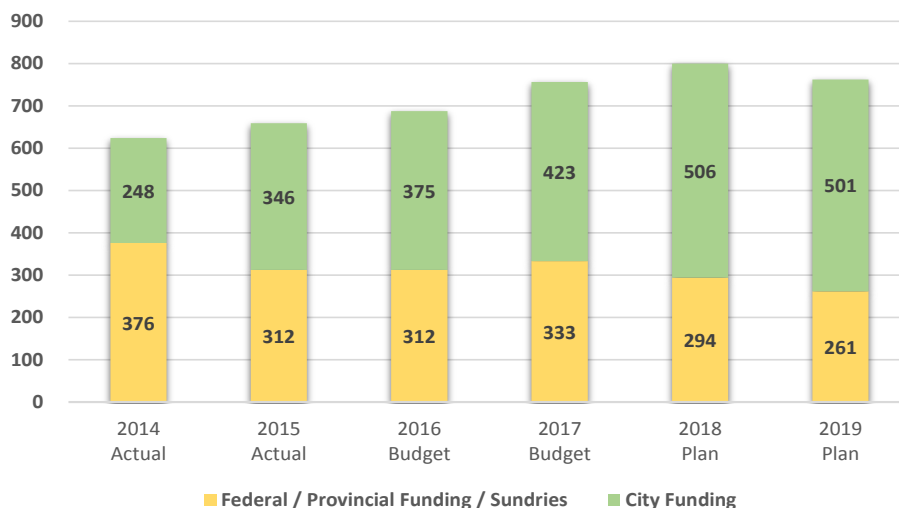
**Key Service Deliverables for 2017**

Shelter, Support and Housing Administration offers temporary shelter, support and administers social housing for the City of Toronto as the designated service manager. The program also serves a range of equity seeking groups, the working poor, youths, seniors, Aboriginal people and other vulnerable groups.

The 2017 Operating Budget will enable the Program to:

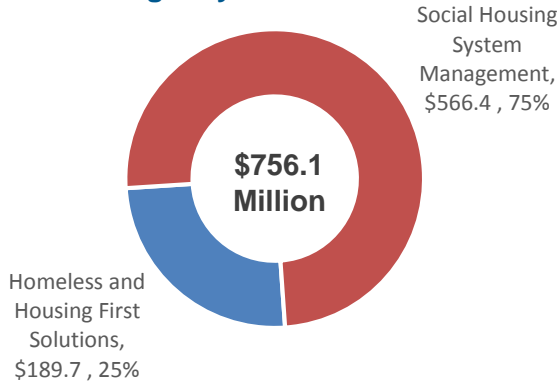
- Provide 24-hour emergency shelter services, street outreach and housing services to the citizens of Toronto;
- Provide 1.516 million bed nights (4,154 per night, 365 days a year) to people experiencing homelessness;
- Assist people experiencing homeless or facing the risk of homelessness through the provision of supports needed to regain and secure permanent housing;
- Administer Federal and Provincial funding under various support programs through its network of over 115 community based partners;
- Provide housing allowances to over 5,000 households to help offset rent as well as administer the Centralized Social Housing wait list.

**Federal / Provincial and City Funding for Social Housing (2014 to 2019)**  
(In Millions)

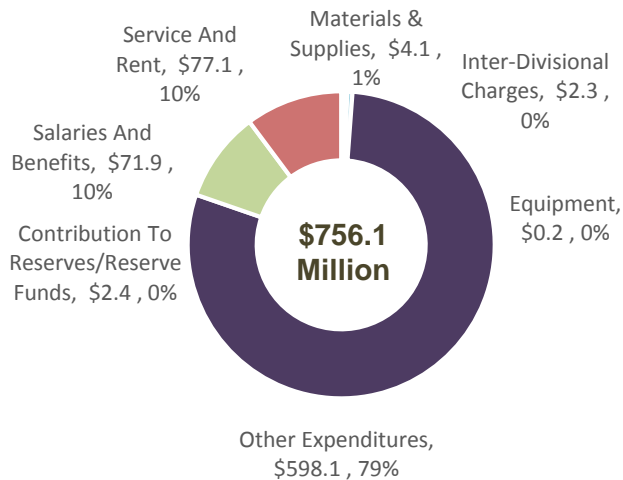


Where the money goes:

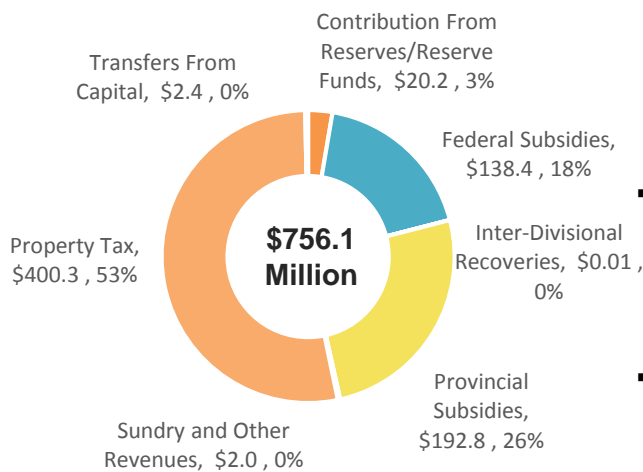
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Need to Increase the Range of Affordable Housing Options** in order to relieve pressures faced by service users trying to find permanent housing.
  - ✓ Implement a coordinated housing process to move people out of shelters quicker.
  - ✓ Implement a new system of social housing standards developed through the “Raising the Bar” initiative, provide input and support the implementation of the “Transformative Change for TCHC”.
  - ✓ Administer Federal/Provincial funding through SIF and SHARP to address much needed capital repairs as well as the administration of housing allowances.
  - ✓ Develop new partnerships with housing providers where operating agreements are expiring while ensuring that the adequacy of the housing stock is maintained and improved.
  - ✓ Continue to engage all orders of government to share responsibility for the funding of Social Housing in Ontario.
  - ✓ Continue development and implementation of the City’s Human Service Integration (HSI)

2017 Operating Budget Highlights

- The 2017 Preliminary Operating Budget for Shelter, Support and Housing Administration of \$756.060 million in gross expenditures and \$400.266 million net provides funding for two services: Homeless and Housing First Solutions and Social Housing System Management.
- The 2017 Operating Budget reflects an increase of 14.9% compared to the 2016 Approved Net Budget due primarily to declining revenues and increasing operating costs in the Social Housing system including TCHC.
- Notwithstanding the year-over-year increase, the following measures were taken to reduce these pressures:
  - Base Expenditure Reductions (\$0.221 million)
  - Efficiency Savings (\$0.189 million)
  - Service Adjustments (\$1.843 million)
- Staff Complement will decrease from 759.4 to 758.1 positions.

## Actions for Consideration

Approval of the 2017 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2017 Preliminary Operating Budget for Shelter, Support and Housing Administration of \$756.060 million gross, \$400.266 million net for the following services:

| <u>Service:</u>                       | <u>Gross</u><br><u>(\$000s)</u> | <u>Net</u><br><u>(\$000s)</u> |
|---------------------------------------|---------------------------------|-------------------------------|
| Homeless and Housing First Solutions: | 189,655.4                       | 68,702.8                      |
| Social Housing System Management:     | <u>566,405.0</u>                | <u>331,563.5</u>              |
| Total Program Budget                  | <u>756,060.4</u>                | <u>400,266.3</u>              |

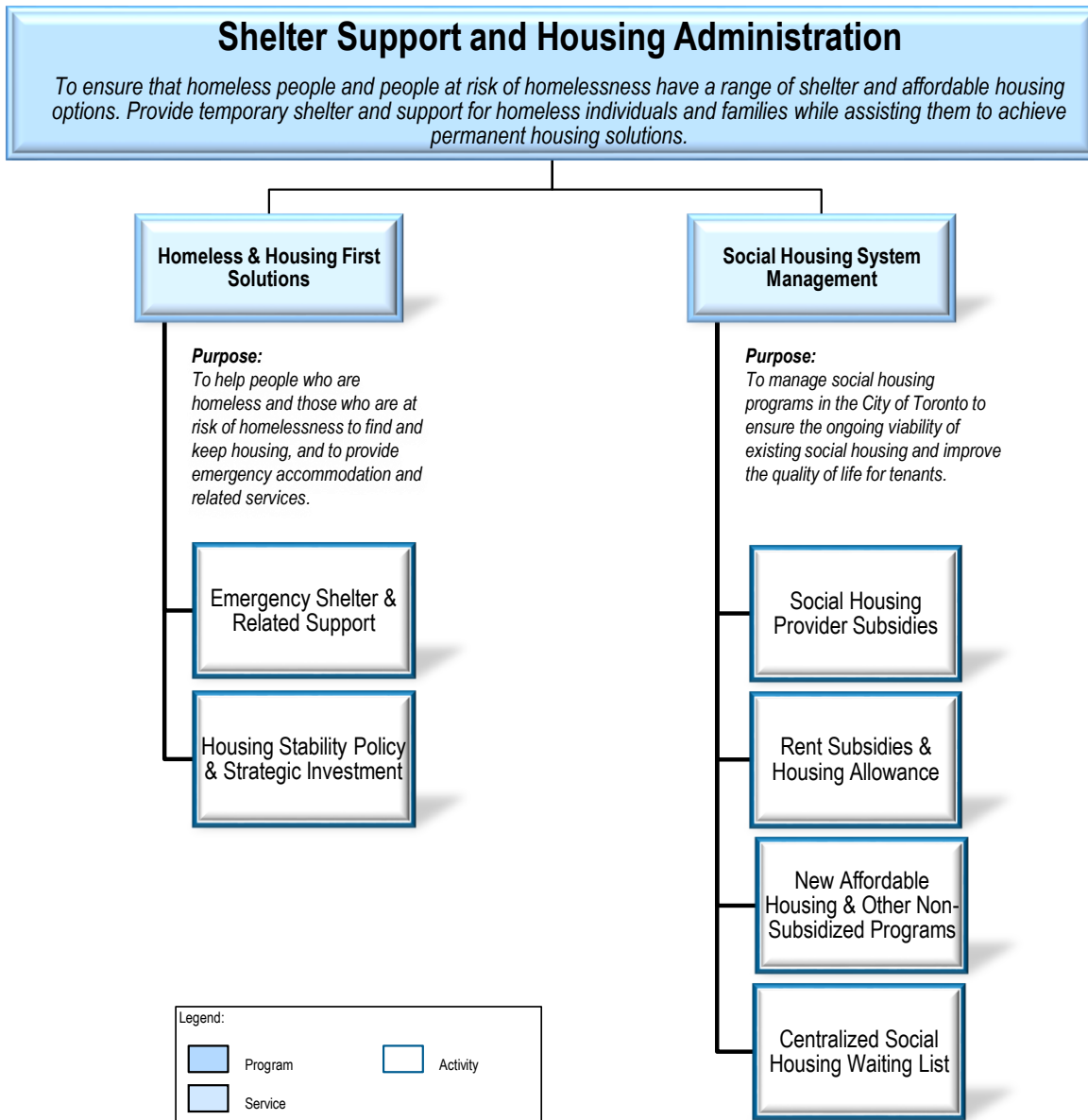
2. City Council approve the 2017 service levels for Shelter, Support and Housing Administration as outlined on pages 18, 19, and 22 of this report, and associated staff complement of 758.10 positions.
3. City Council direct the information contained in Confidential Attachment 1, remain confidential until the outcome of City Council's decision has been communicated to Unions and affected staff.
4. City Council reaffirm its request to 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 1:

## 2017-2019 Service Overview and Plan

# Program Map



## Service Customer

**Homeless & Home First Solutions**

- Homeless persons
  - At-risk persons
- Indirect (Beneficial)
- Residents
  - Community Agencies (Tenant Associations, Not for Profit Groups)
  - Provincial & Federal Governments

**Social Housing System Management**

- Social Housing Tenants / Members
- Indirect (Beneficial)
- Residents
  - Social Housing Owners
  - Provincial & Federal Governments

**Table 1**  
**2017 Preliminary Operating Budget and Plan by Service**

| (In \$000s)                                 | 2016             |                  | 2017 Preliminary Operating Budget |               |                  |                                         | Incremental Change |                   |                |                   |                |
|---------------------------------------------|------------------|------------------|-----------------------------------|---------------|------------------|-----------------------------------------|--------------------|-------------------|----------------|-------------------|----------------|
|                                             | Budget           | Projected Actual | Base                              | New/ Enhanced | Total Budget     | 2017 Preliminary vs. 2016 Budget Change |                    | 2018 Plan         | 2019 Plan      |                   |                |
| By Service                                  | \$               | \$               | \$                                | \$            | \$               | \$                                      | %                  | \$                | %              | \$                | %              |
| <b>Homeless and Housing First Solutions</b> |                  |                  |                                   |               |                  |                                         |                    |                   |                |                   |                |
| Gross Expenditures                          | 187,763.5        | 188,778.6        | 189,588.7                         | 66.8          | 189,655.4        | 1,891.9                                 | 1.0%               | 4,990.5           | 2.6%           | (2,176.3)         | (1.1%)         |
| Revenue                                     | 115,631.8        | 115,468.4        | 120,885.9                         | 66.8          | 120,952.7        | 5,320.9                                 | 4.6%               | (1,082.3)         | (0.9%)         | (3,092.3)         | (2.6%)         |
| <b>Net Expenditures</b>                     | <b>72,131.7</b>  | <b>73,310.2</b>  | <b>68,702.8</b>                   |               | <b>68,702.8</b>  | <b>(3,429.0)</b>                        | <b>(4.8%)</b>      | <b>6,072.8</b>    | <b>8.8%</b>    | <b>916.1</b>      | <b>1.2%</b>    |
| <b>Social Housing System Management</b>     |                  |                  |                                   |               |                  |                                         |                    |                   |                |                   |                |
| Gross Expenditures                          | 499,524.0        | 495,666.6        | 566,372.1                         | 32.9          | 566,405.0        | 66,881.0                                | 13.4%              | 38,771.9          | 6.8%           | (35,236.6)        | (5.8%)         |
| Revenue                                     | 223,241.2        | 220,562.3        | 234,808.5                         | 32.9          | 234,841.4        | 11,600.2                                | 5.2%               | (44,565.2)        | (19.0%)        | (45,121.6)        | (23.7%)        |
| <b>Net Expenditures</b>                     | <b>276,282.8</b> | <b>275,104.3</b> | <b>331,563.5</b>                  |               | <b>331,563.5</b> | <b>55,280.8</b>                         | <b>20.0%</b>       | <b>83,337.1</b>   | <b>25.1%</b>   | <b>9,885.1</b>    | <b>2.4%</b>    |
| <b>Total</b>                                |                  |                  |                                   |               |                  |                                         |                    |                   |                |                   |                |
| <b>Gross Expenditures</b>                   | <b>687,287.5</b> | <b>684,445.2</b> | <b>755,960.7</b>                  | <b>99.7</b>   | <b>756,060.4</b> | <b>68,772.9</b>                         | <b>10.0%</b>       | <b>43,762.4</b>   | <b>5.8%</b>    | <b>(37,412.9)</b> | <b>(4.7%)</b>  |
| <b>Revenue</b>                              | <b>338,873.0</b> | <b>336,030.7</b> | <b>355,694.4</b>                  | <b>99.7</b>   | <b>355,794.1</b> | <b>16,921.1</b>                         | <b>5.0%</b>        | <b>(45,647.5)</b> | <b>(12.8%)</b> | <b>(48,214.0)</b> | <b>(15.5%)</b> |
| <b>Total Net Expenditures</b>               | <b>348,414.5</b> | <b>348,414.5</b> | <b>400,266.3</b>                  |               | <b>400,266.3</b> | <b>51,851.8</b>                         | <b>14.9%</b>       | <b>89,409.9</b>   | <b>22.3%</b>   | <b>10,801.1</b>   | <b>2.2%</b>    |
| <b>Approved Positions</b>                   | <b>759.4</b>     | <b>737.4</b>     | <b>758.1</b>                      |               | <b>758.1</b>     | <b>(1.3)</b>                            | <b>(0.2%)</b>      | <b>36.3</b>       | <b>4.8%</b>    | <b>(18.0)</b>     | <b>(2.3%)</b>  |

Shelter, Support and Housing Administration's 2017 Preliminary Operating Budget is \$756.060 million gross and \$400.266 million net, representing a 14.9% increase over the 2016 Approved Net Operating Budget and is 17.5% or \$60.911 million away from the reduction target as set out in the 2017 Operating Budget Directions approved by Council.

- The Social Housing System Management service is experiencing significant budget pressures due to the loss in Federal funding of \$8.880 million and mounting operating costs at the Toronto Community and Housing Corporation (TCHC), which cannot be managed with constrained revenue growth.
- As noted in the table below, without the additional base pressure of \$31.200 million from TCHC, SSHA's 2017 Preliminary Budget would be \$724.860 million gross and \$369.066 million net, representing a 5.9% increase over the 2016 Approved Net Operating Budget:

| (in \$000's)            | 2016 Budget      | 2017 Budget      | Change          |             |
|-------------------------|------------------|------------------|-----------------|-------------|
|                         |                  |                  | \$              | %           |
| Gross Expenditures      | 687,287.5        | 724,860.4        | 37,572.9        | 5.5%        |
| Revenue                 | 338,873.0        | 355,794.1        | 16,921.1        | 5.0%        |
| <b>Net Expenditures</b> | <b>348,414.5</b> | <b>369,066.3</b> | <b>20,651.8</b> | <b>5.9%</b> |

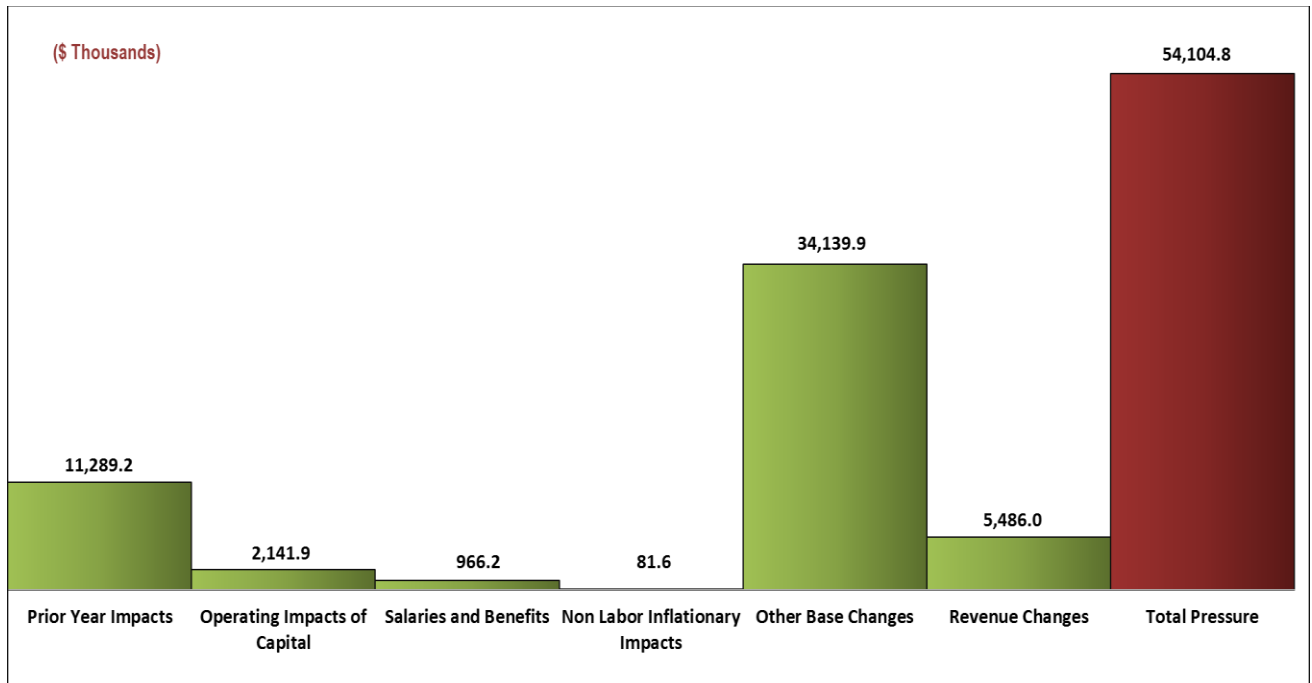
- In addition to the above base budget pressures, legislated cost increases for Social Housing providers continue to pose significant operating challenges for this service. In 2017, Rent-Geared-to-Income (RGI) and property tax increases together account for an additional \$2.008 million in base operating pressures.
- To help mitigate the above pressures, the Program was able to achieve savings through service efficiencies and adjustments. Base expenditure pressures have been further mitigated by line-by-line expenditure savings, absorption of corporate inflationary factors as well as a realignment of program resource requirements.
  - Any further service adjustments would severely impact Shelter, Support and Housing Administration's service levels.

- A new request for the creation of a Senior Financial Planning Analyst position fully funded from the City's Provincial CHPI allocation is included in the 2017 Preliminary Operating Budget to support TCHC as it transitions to closer integration with the City's financial planning and management processes.
- Approval of the 2017 Preliminary Operating Budget will result in Shelter, Support and Housing Administration decreasing its total staff complement by 1.3 positions from 759.4 to 758.1.
- The 2018 and 2019 Plan increases of \$89.409 million and \$10.801 million respectively are attributable to anticipated incremental funding of \$72 million to TCHC that will be necessary in 2018 as a contribution of \$54 million towards TCHC's capital repair backlog and the sinking fund contribution of \$18 million required to meet its loan covenants. Further losses in federal subsidies and Indexed Cost Factor increases in the Social Housing system are also anticipated in 2018 and 2019.

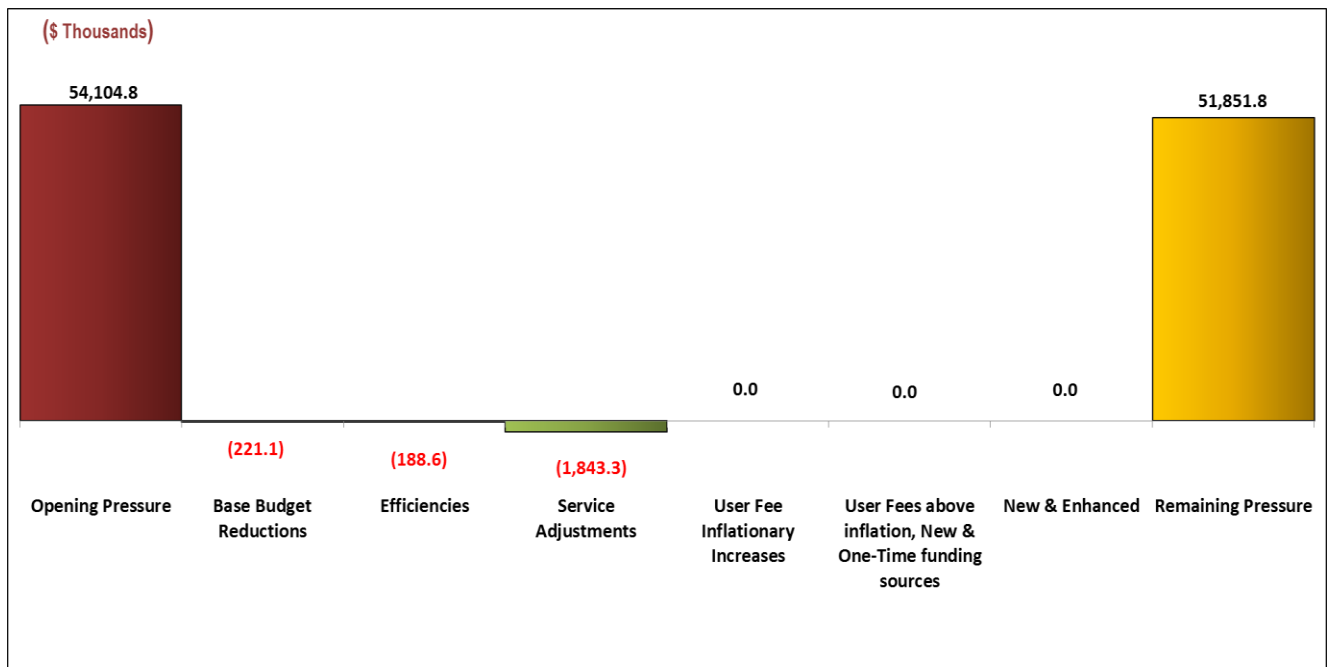


The following graphs summarize the operating budget pressures for Shelter, Support and Housing Administration as well as the actions taken to partially offset these pressures.

**Key Cost Drivers**



**Action to Achieve Budget Reduction Target**



**Table 2  
Key Cost Drivers**

| (In \$000s)                                                                                                                                                                          | 2017 Base Operating Budget           |            |                                  |            | Total            |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------|----------------------------------|------------|------------------|------------|
|                                                                                                                                                                                      | Homeless and Housing First Solutions |            | Social Housing System Management |            |                  |            |
|                                                                                                                                                                                      | \$                                   | Position   | \$                               | Position   | \$               | Position   |
| <b>Gross Expenditure Changes</b>                                                                                                                                                     |                                      |            |                                  |            |                  |            |
| <b>Prior Year Impacts</b>                                                                                                                                                            |                                      |            |                                  |            |                  |            |
| Reversal of one-time 2016 Reserve Draw to fund Task Force Initiatives                                                                                                                |                                      |            | 12,500.0                         |            | 12,500.0         |            |
| 2016 COLA Adjustment                                                                                                                                                                 | (662.7)                              |            | (107.8)                          |            | (770.5)          |            |
| Funding for Project Management Office to manage TCHC Implementation plan                                                                                                             |                                      |            | (440.3)                          |            | (440.3)          |            |
| <b>Operating Impacts of Capital</b>                                                                                                                                                  |                                      |            |                                  |            |                  |            |
| *Operating Costs of Transition Shelters                                                                                                                                              | 2,009.1                              |            |                                  |            | 2,009.1          |            |
| **Program Supervisor for GSR Project                                                                                                                                                 | 132.8                                | 0.7        |                                  | 0.3        | 132.8            | 1.0        |
| <b>Salaries and Benefits</b>                                                                                                                                                         |                                      |            |                                  |            |                  |            |
| Progression Pay, Step Increases and Fringe Benefits Adjustments                                                                                                                      | 1,253.4                              |            | (122.1)                          |            | 1,131.3          |            |
| PEP Salary and Benefit Savings.                                                                                                                                                      | (235.6)                              |            | 70.5                             |            | (165.1)          |            |
| <b>Economic Factors</b>                                                                                                                                                              |                                      |            |                                  |            |                  |            |
| Economic Factor Changes - Utilities                                                                                                                                                  | 81.1                                 |            | 0.5                              |            | 81.6             |            |
| <b>Other Base Changes</b>                                                                                                                                                            |                                      |            |                                  |            |                  |            |
| Base Expenditure changes - TCHC                                                                                                                                                      |                                      |            | 93.8                             |            | 93.8             |            |
| Base Expenditure changes - Non TCHC                                                                                                                                                  |                                      |            | 1,913.9                          |            | 1,913.9          |            |
| Additional Operating Subsidy for TCHC                                                                                                                                                |                                      |            | 31,200.0                         |            | 31,200.0         |            |
| IDC Changes for HSI Transformation, TCHC Implementation Plan, Runnymede Shelter                                                                                                      | 332.9                                |            | 496.6                            |            | 829.5            |            |
| Facilities lease renewals (Street to Homes & Social Housing)                                                                                                                         | 23.6                                 |            | 79.1                             |            | 102.7            |            |
| <b>Total Gross Expenditure Changes</b>                                                                                                                                               | <b>2,934.6</b>                       | <b>0.7</b> | <b>45,684.2</b>                  | <b>0.3</b> | <b>48,618.8</b>  | <b>1.0</b> |
| <b>Revenue Changes</b>                                                                                                                                                               |                                      |            |                                  |            |                  |            |
| Loss in Federal Funding - TCHC                                                                                                                                                       |                                      |            | (5,239.0)                        |            | (5,239.0)        |            |
| Loss in Federal Funding - Non-TCHC                                                                                                                                                   |                                      |            | (3,640.6)                        |            | (3,640.6)        |            |
| Additional CHPI Funding                                                                                                                                                              | 1,900.0                              |            |                                  |            | 1,900.0          |            |
| Revenue matching Adjustments for IAH-SIF Funding                                                                                                                                     |                                      |            | (1,046.2)                        |            | (1,046.2)        |            |
| Increase in projected admin fee revenue for Strong Communities grant                                                                                                                 |                                      |            | 100.0                            |            | 100.0            |            |
| Transfer from Capital Fund for Street to Homes Program and revenue and cashflow changes related to miscellaneous Federal grants - HPS, Employment Supports and Community Engagement. | 238.4                                |            | 48.4                             |            | 286.8            |            |
| IDR Changes related to HPS Admin fee revenue                                                                                                                                         | 11.1                                 |            |                                  |            | 11.1             |            |
| *Operating Costs of Transition Shelters funded from Capital                                                                                                                          | 2,009.1                              |            |                                  |            | 2,009.1          |            |
| **Program Supervisor for GSR Project funded from Capital                                                                                                                             | 132.8                                |            |                                  |            | 132.8            |            |
| <b>Total Revenue Changes</b>                                                                                                                                                         | <b>4,291.4</b>                       |            | <b>(9,777.4)</b>                 |            | <b>(5,486.0)</b> |            |
| <b>Net Expenditure Changes</b>                                                                                                                                                       | <b>(1,356.8)</b>                     | <b>0.7</b> | <b>55,461.6</b>                  | <b>0.3</b> | <b>54,104.8</b>  | <b>1.0</b> |

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

- **Prior Year Impacts:**
  - The reversal of the 2016 one-time funding contribution from the Social Housing Reserve to fund the Mayor's Task Force recommendations for TCHC and Poverty Reduction initiatives across several City divisions added a pressure of \$12.500 million.
- **Operating Impacts of Capital:**
  - Salary and benefits costs for a Program Supervisor position to coordinate activities for Phase II of the George Street Revitalization project as well as additional programming and support staff required for the Seaton House Transition plan.
    - The George Street Revitalization project will require transitioning the existing 600 men currently residing at Seaton House to 2 new temporary and 2 permanent facilities prior to the demolition of the current facility.

- Funding required to operate the 2 new permanent shelters when they come on board in 2018/2019 will be provided from the operating budget and the resulting pressure is included in the 2018 and 2019 Plans.
  - Funding for operating 2 temporary transitional shelters (731 Runnymede road effective January 1, and the other expected to be operational by July 1, 2017) will be provided from the project's capital budget. Please refer to the 2017 - 2026 Capital Budget and Plan for Shelter, Support and Housing Administration for more details on this project.
  - The Transition Plan requires 19 new positions to be added to SSHA's 2017 approved complement to operate these shelters.
- Salaries and Benefits
    - Known Salaries and benefit adjustments of \$1.131 million are partially offset by savings of \$0.165 million resulting from revisions to original assumptions for vacant positions and benefit payments to union employees.
  - Other Base Changes:
    - Base pressures totaling \$2.008 million in 2017 are due to anticipated increases in RGI subsidies, legislated Indexed Cost Factors for social housing providers and property payments related to existing mortgages.
    - Additional operating subsidy to TCHC will create a pressure of \$31.200 million.
    - Higher inter-divisional charges of \$0.830 million are required to fund several corporate multi-year transformational projects. These include the Human Services Integration (HSI), TCHC implementation plan and community engagement activities consequent to the opening of the new men's shelter at 731 Runnymede Road.
  - Revenue Changes:
    - The loss in Federal funding due to the expiry of federal operating agreements creates a pressure of \$8.880 million in the *Social Housing System Management* service.
    - Base pressures in *Homeless and Housing First Solutions* service are partially offset by additional CHPI funding and cash flow changes in Federal grants.
    - Revenue timing adjustments relating to the Investment in Affordable Housing program will result in a revenue decline of \$1.046 million.

The 2017 service changes for Shelter, Support and Housing Administration consists of base expenditure savings of \$0.221 million net, service efficiency savings of \$0.189 million net and service adjustments within the Program's current service levels of \$1.843 million net, for a total of \$2.253 million net as detailed in the next page.

**Table 3**  
**Actions to Achieve Budget Reduction Target**  
**2017 Preliminary Service Change Summary**

| Description (\$000s)                                                | Service Changes                      |           |                                  |         | Total Service Changes |           |        | Incremental Change |       |           |       |
|---------------------------------------------------------------------|--------------------------------------|-----------|----------------------------------|---------|-----------------------|-----------|--------|--------------------|-------|-----------|-------|
|                                                                     | Homeless and Housing First Solutions |           | Social Housing System Management |         | \$                    | \$        | #      | 2018 Plan          |       | 2019 Plan |       |
|                                                                     | Gross                                | Net       | Gross                            | Net     | Gross                 | Net       | Pos.   | Net                | Pos.  | Net       | Pos.  |
| <b>Base Changes:</b>                                                |                                      |           |                                  |         |                       |           |        |                    |       |           |       |
| <b>Base Expenditure Changes</b>                                     |                                      |           |                                  |         |                       |           |        |                    |       |           |       |
| Line by line review savings                                         | (39.3)                               | (39.3)    | (100.2)                          | (100.2) | (139.5)               | (139.5)   |        |                    |       |           |       |
| Absorption of Inflationary increase for utilities                   | (81.1)                               | (81.1)    | (0.5)                            | (0.5)   | (81.6)                | (81.6)    |        |                    |       |           |       |
| <b>Base Expenditure Change</b>                                      | (120.4)                              | (120.4)   | (100.7)                          | (100.7) | (221.1)               | (221.1)   |        |                    |       |           |       |
| <b>Service Efficiencies</b>                                         |                                      |           |                                  |         |                       |           |        |                    |       |           |       |
| Reduction in complement through attrition                           | (153.5)                              | (153.5)   | (34.1)                           | (34.1)  | (187.6)               | (187.6)   | (2.0)  | (6.2)              | (2.0) | (6.0)     | (2.0) |
| Reduction of fuel costs for vehicle fleet                           | (0.1)                                | (0.1)     |                                  |         | (0.1)                 | (0.1)     |        | 0.1                |       |           |       |
| Reduction in facilities management costs                            | (0.6)                                | (0.6)     | (0.3)                            | (0.3)   | (0.9)                 | (0.9)     |        |                    |       |           |       |
| <b>Sub-Total</b>                                                    | (154.2)                              | (154.2)   | (34.4)                           | (34.4)  | (188.6)               | (188.6)   | (2.0)  | (6.1)              | (2.0) | (6.0)     | (2.0) |
| <b>Service Adjustments</b>                                          |                                      |           |                                  |         |                       |           |        |                    |       |           |       |
| Further complement reductions                                       | (894.9)                              | (894.9)   | (152.9)                          | (152.9) | (1,047.8)             | (1,047.8) | (10.3) | (27.8)             |       | (28.9)    |       |
| Program delivery model change at Adelaide Resource Centre for Women | (795.5)                              | (795.5)   |                                  |         | (795.5)               | (795.5)   | (8.0)  | (29.6)             |       | (13.6)    |       |
| <b>Sub-Total</b>                                                    | (1,690.4)                            | (1,690.4) | (152.9)                          | (152.9) | (1,843.3)             | (1,843.3) | (18.3) | (57.4)             |       | (42.5)    |       |
| <b>Total Changes</b>                                                | (1,964.9)                            | (1,964.9) | (288.0)                          | (288.0) | (2,253.0)             | (2,253.0) | (20.3) | (63.5)             | (2.0) | (48.5)    | (2.0) |

### Base Expenditure Changes (Savings of \$0.221 million gross & net)

#### Line-by-line review expenditure savings

- Savings of \$0.140 million will be realized through line-by-line review of expenditures to align the budget with actual experience and projected 2017 requirements, resulting in reduced costs for stationary and office supplies, uniforms, linen and wireless telecommunication services.

#### Absorption of Corporate Economic Factor increases

- Savings of \$0.082 million will be realized from the absorption of inflationary cost increases for utilities.

### Service Efficiencies (Savings of \$0.189 million gross & net)

#### Reduction in Complement through Attrition and Lower Fuel and Facilities Management Costs

- In addition to slightly lower fuel and facilities costs, savings of \$0.188 million gross and net will be realized from staff realignments. Please refer to Confidential Attachment 1 under separate cover.

### Service Adjustments (Savings of \$1.843 million gross & net)

#### Further Complement Reductions

- Savings of \$1.048 million gross and net will be realized through a realignment of the Program's resource requirements. Please refer to Confidential Attachment 1 under separate cover.

#### Service Delivery Model Change at Adelaide Resource Centre for Women

- Savings of \$0.796 million will be realized from the adjustment of programming support and maintenance of facilities at the Adelaide Resource Center for Women.

- Currently the City, in partnership with community-based organizations, offers a safe welcoming place to homeless women through the Centre. A new delivery model will adjust some operational functioning offered at the Centre to community partners.
- The 2016 Approved Budget of \$0.796 million covers the cost of maintaining the physical infrastructure, providing funding to the community agencies for a portion of their service costs such as telephone, programming supplies as well as the City's own staffing and programming costs. Changing City programming at the Centre will result in savings to the City, while continuing support the vulnerable women at the Centre.

**Table 4  
2017 Preliminary New & Enhanced Service Priorities**

| Description (\$000s)                               | New/Enhanced                         |     |                                  |     | Total |     |          | Incremental Change |      |           |      |
|----------------------------------------------------|--------------------------------------|-----|----------------------------------|-----|-------|-----|----------|--------------------|------|-----------|------|
|                                                    | Homeless and Housing First Solutions |     | Social Housing System Management |     | \$    | \$  | Position | 2018 Plan          |      | 2019 Plan |      |
|                                                    | Gross                                | Net | Gross                            | Net | Gross | Net | #        | Net                | Pos. | Net       | Pos. |
| <b>New Service Priorities</b>                      |                                      |     |                                  |     |       |     |          |                    |      |           |      |
| Senior Financial Planning Analyst funded from CHPI | 66.8                                 |     | 32.9                             |     | 99.7  |     | 1.0      | 46.4               |      | 6.0       |      |
| <b>Sub-Total</b>                                   | 66.8                                 |     | 32.9                             |     | 99.7  |     | 1.0      | 46.4               |      | 6.0       |      |
| <b>Total</b>                                       | 66.8                                 |     | 32.9                             |     | 99.7  |     | 1.0      | 46.4               |      | 6.0       |      |

**New Service Priorities (\$0.099 million gross & \$0 net)**

*Senior Financial Planning Analyst Position*

- The 2017 Preliminary Operating Budget includes funding for one position fully funded from the City's Provincial CHPI allocation to support increased oversight of the City's portfolio of housing programs, especially TCHC as it transitions to closer integration with the City's financial planning processes and policies.
- Significant focus on improving access to housing, reducing homelessness, and enhanced Federal-Provincial funding under the extended IAH program have resulted in increased activity in the housing sector. Additionally, cost pressures in TCHC, declining funding levels from higher orders of government and cost pressures in SSHA occasioned by legislated service standards, calls for increased oversight and careful management of resources.

Approval of the 2017 Preliminary Operating Budget for Shelter, Support and Housing Administration will result in a 2018 incremental net cost of \$89.410 million and a 2019 incremental net cost of \$10.801 million to maintain the 2017 service levels, as discussed in the following section.

**Table 5**  
**2018 and 2019 Plan by Program**

| Description (\$000s)                                                                   | 2018 - Incremental Increase |                  |                 |          |             | 2019 - Incremental Increase |                  |                 |          |          |
|----------------------------------------------------------------------------------------|-----------------------------|------------------|-----------------|----------|-------------|-----------------------------|------------------|-----------------|----------|----------|
|                                                                                        | Gross Expense               | Revenue          | Net Expense     | % Change | Position    | Gross Expense               | Revenue          | Net Expense     | % Change | Position |
| <b>Known Impacts:</b>                                                                  |                             |                  |                 |          |             |                             |                  |                 |          |          |
| <b>Operating Impact of Capital</b>                                                     |                             |                  |                 |          |             |                             |                  |                 |          |          |
| George Street Revitalization Project - Capital Delivery Position - Supervisor, Program | 5.4                         |                  | 5.4             | 0.0%     |             | 5.6                         |                  | 5.6             | 0.0%     |          |
| Operating Impact from George Street Revitalization                                     | 5,923.5                     |                  | 5,923.5         | 1.3%     | 18.0        | 411.5                       |                  | 411.5           | 0.1%     |          |
|                                                                                        |                             |                  |                 |          |             |                             |                  |                 |          |          |
| <b>Salaries and Benefits</b>                                                           |                             |                  |                 |          |             |                             |                  |                 |          |          |
| Salaries and Benefits Adjustments                                                      | 2,105.2                     |                  | 2,105.2         | 0.5%     |             | 1,988.6                     |                  | 1,988.6         | 0.4%     |          |
|                                                                                        |                             |                  |                 |          |             |                             |                  |                 |          |          |
| <b>Other Base Changes</b>                                                              |                             |                  |                 |          |             |                             |                  |                 |          |          |
| Additional funding to TCHC for Capital Repair backlog and Sinking Fund Contribution    | 72,000.0                    |                  | 72,000.0        |          |             |                             |                  |                 |          |          |
| Social Housing Cost Increases - TCHC and Non-TCHC                                      | 721.0                       |                  | 721.0           | 2.3%     |             | 383.2                       |                  | 383.2           | 1.9%     |          |
| Housing Stability Allowance and Homeless Partnering Strategy Grant cash flow changes   | (18.7)                      | (533.7)          | 515.0           | 0.1%     |             | 496.1                       |                  | 496.1           | 0.1%     |          |
| Community engagement costs for new shelter opening at 731 Runnymede Road               | 123.5                       |                  | 123.5           |          |             |                             |                  |                 |          |          |
| Lease renewal for Social Housing Unit offices at 365 Bloor Street                      | 7.5                         |                  | 7.5             |          |             |                             |                  |                 |          |          |
| Project Management Office Costs for TCHC Implementation Plan                           | (9.5)                       |                  | (9.5)           |          |             |                             |                  |                 |          |          |
| Human Services Integration (HSI) Project                                               | (116.7)                     |                  | (116.7)         |          |             |                             |                  |                 |          |          |
| Increase/(decrease) in IDC's                                                           | (108.6)                     |                  | (108.6)         | (0.0%)   |             | 4.1                         |                  | 4.1             | 0.0%     |          |
|                                                                                        |                             |                  |                 |          |             |                             |                  |                 |          |          |
| <b>Revenue Changes</b>                                                                 |                             |                  |                 |          |             |                             |                  |                 |          |          |
| Loss in Federal/Provincial Revenue - TCHC and Non-TCHC                                 |                             | (9,736.9)        | 9,736.9         | 2.3%     |             |                             | (8,642.8)        | 8,642.8         | 1.9%     |          |
| Change in Provincial Community Homelessness Prevention Initiative (CHPI) Funding       |                             | 1,493.3          | (1,493.3)       | (0.3%)   |             |                             | 1,130.7          | (1,130.7)       | (0.2%)   |          |
| <b>Total Incremental Impact</b>                                                        | <b>80,632.6</b>             | <b>(8,777.3)</b> | <b>89,409.9</b> |          | <b>18.0</b> | <b>3,289.0</b>              | <b>(7,512.0)</b> | <b>10,801.1</b> |          |          |

Future year incremental costs are primarily attributable to the following:

**Known Impacts:**

Operating Impacts of Capital

- The implementation of the Seaton House Transition Plan under the George Street Revitalization project will require additional funding of \$5.923 million and \$0.411 million added to accommodate 200 existing shelter clients in 2018 and 2019 respectively as the two permanent shelters come online.

Salaries and Benefits:

- Progression pay, step and fringe benefit increases will result in additional pressures of \$2.105 million net in 2018 and \$1.989 million in 2019.

Other Base Changes:

- The 2017 Preliminary Budget provides funding of \$31.2 million for TCHC to continue its operations. With \$103.2 million shortfall previously identified by TCHC, the remaining \$72 million, comprised of \$54 million for its capital repair backlog and \$18 million for sinking fund contributions is included in the 2018 Plan.
- Legislated cost increase for Social Housing providers will add pressures of \$0.721 million in 2018 and \$0.383 million in 2019.

- Cash flow changes related to Housing Stability Allowances and Federal Homeless Partnering Strategy (HPS) grants will also add a pressure of \$0.515 million in 2018 and \$0.496 million in 2019.
- Anticipated future costs resulting from the opening of the new emergency shelter at 731 Runnymede Road will add a pressure of \$0.124 million in 2018.

Revenue Changes:

- The loss of federal funding for Social Housing continues with funding reductions resulting in revenue decline of \$9.737 million in 2018 and \$8.643 million in 2019.
- Additional funding from the Provincial CHPI allocation of \$1.493 million in 2018 and \$1.130 million in 2019 will help mitigate the aforementioned base pressures.

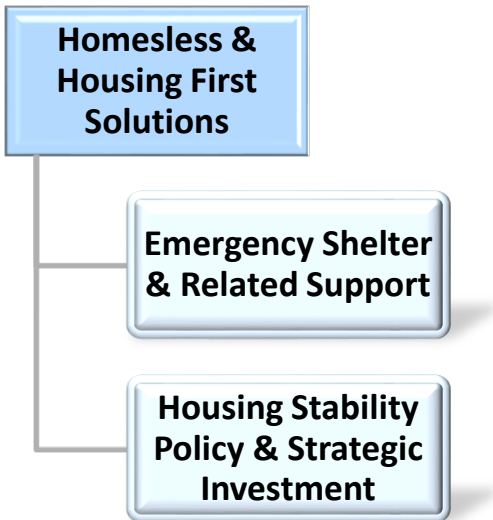


# Part 2:

## 2017 Preliminary Operating Budget by Service



# Homeless & Housing First Solutions

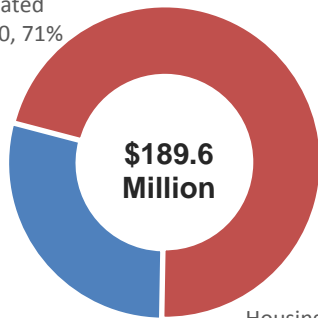


## What We Do

- Provide street outreach services that assist street-involved people find and keep permanent housing.
- Manage over 4,000 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.

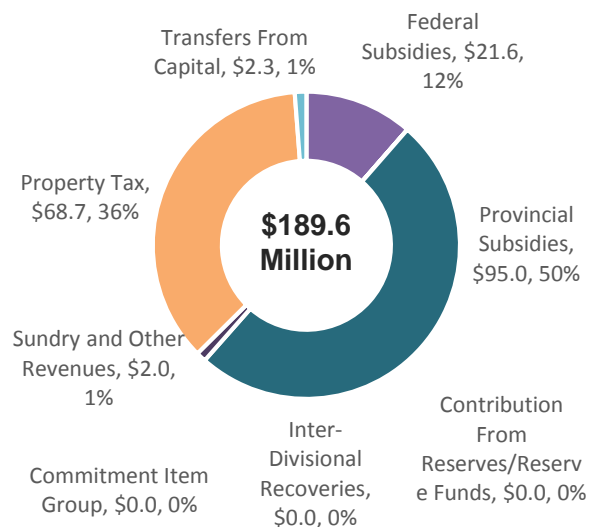
## 2017 Service Budget by Activity (\$Ms)

Provide Emergency Shelter & Related Support, \$135.0, 71%

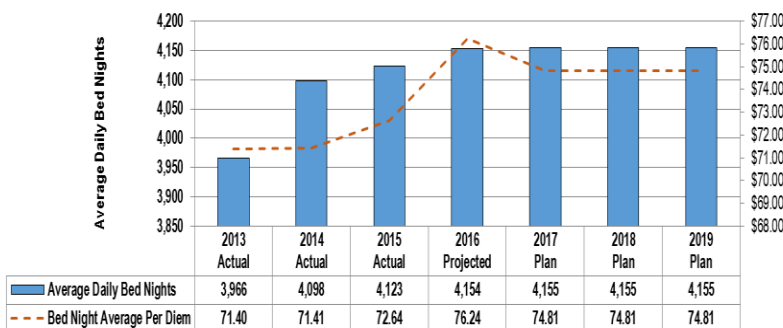


Housing Stability Policy & Strategic Investments, \$54.6, 29%

## Service by Funding Source (\$Ms)



## Average Daily Bed Nights



- As capacity in the shelter system has increased over the past several years, shelter use has continued to increase.
- The average daily bed nights have been steadily increasing reflecting strong demand across all sectors.
- Current occupancy pressures are due to more people using the shelter system on a nightly basis.

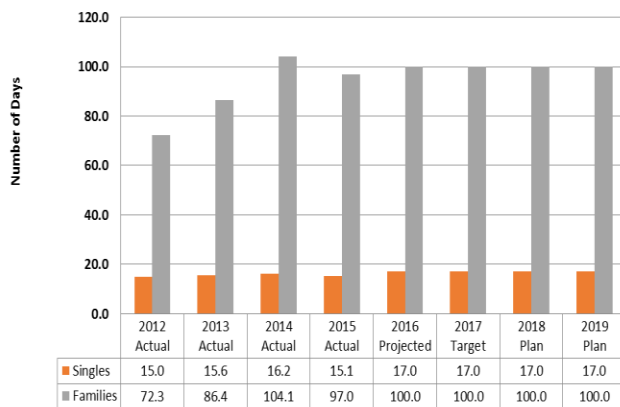
### 2017 Service Levels Homeless and Housing First Solutions

| Activity                            | Type                                          | Sub-Type                                                                                                          | Status                                                        | 2013                                                                                                        | 2014                                                                                                        | 2015                                                                                                        | 2016                                                                                                        | 2017                                                                                                        |
|-------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Provide Emergency Shelter & Related | 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                                                                | 1,715 Shelter Beds available at 10 locations                                                                |
|                                     |                                               | Food Services                                                                                                     | Approved                                                      | 862,401 of meals/snacks provided totalling \$5.5 M<br>153,375 food allowances provided                      | 913,020 of meals/snacks provided totalling \$5.7 M<br>42,872 food allowances provided totalling \$0.322 M   | 942,051 of meals/snacks provided totalling \$5.7 M<br>42,872 food allowances provided totalling \$0.322 M   | 1,060,914 of meals/snacks provided totalling \$6.3 M<br>34,868 food allowances provided totalling \$0.266 M | 1,060,914 of meals/snacks provided totalling \$6.3 M<br>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.                                                                                | PNA taken out of the budget.                                                                                | PNA taken out of the budget.                                                                                | 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                                                                        | 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                                                                                    | 1,536 children supported                                                                                    |
|                                     |                                               | Nursing Care                                                                                                      | Approved                                                      | An average of 410 individuals per day supported with on-site nursing/medical care                           | An average of 410 individuals per day supported with on-site nursing/medical care                           | An average of 410 individuals per day supported with on-site nursing/medical care                           | An average of 410 individuals per day supported with on-site nursing/medical care                           | An average of 370 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                                        | Funding for 2,950 beds to 52 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                                              | Funding for 34 agencies provided for a total value of \$7.07M                                               |                                                                                                             |
|                                     | 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                                                          | Funding for 931 beds for a total value of \$10.1 M                                                          | Funding for 931 beds for a total value of \$10.1 M                                                          | Funding for 1081 beds for a total value of \$11.7 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 \$9.9 M | Funding for an average of 92 spots nightly or 627 unique spots at 17 locations for a total value of \$9.9 M | Funding for an average of 95 spots nightly or 667 unique spots at 16 locations for a total value of \$9.9 M | Funding for an average of 95 spots nightly or 667 unique spots at 16 locations for a total value of \$9.9 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                                                         | 31 contracts administered for 2950 beds at 52 sites                                                         |                                                                                                             |
|                                     | Quality Assurance                             | Approved                                                                                                          | 57 quality assurance visits                                   | 57 quality assurance visits                                                                                 | 57 quality assurance visits                                                                                 | 59 quality assurance visits                                                                                 | 61 quality assurance visits                                                                                 |                                                                                                             |
| Complaints Management               | Approved                                      | 250 complaints handled                                                                                            | 260 complaints handled                                        | 260 complaints handled                                                                                      | 222 complaints handled                                                                                      | 244 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                                                                            | 58,000 calls with 11,000 intakes                                                                            |                                                                                                             |                                                                                                             |

| Activity                                            | Type               | Sub-Type                                        | Status   | 2013                                                                                    | 2014                                                                                        | 2015                                                                                        | 2016                                                                                        | 2017                                                                                        |
|-----------------------------------------------------|--------------------|-------------------------------------------------|----------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 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                                             | 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                                             | 8 agencies funded with a total value of \$2.7M                                              |
|                                                     |                    | 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                                             | 61 agencies funded with a total value of \$11.88M                                           |
|                                                     |                    | 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                                             | 32 agencies funded with a total value of \$7.54M                                            |
|                                                     |                    | 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                                             | 14 agencies funded with a total value of \$4.93M                                            |
|                                                     |                    | 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                                             | 16 agencies funded with a total value of \$2.3M                                             |
|                                                     |                    | 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                                              | 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                                            | 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                | 170 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)                                        | 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)                | 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)     | 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                                                 | 400 pre-employment clients will be assisted                                                 |
|                                                     |                    | Rent Reduction Notices to Tenants and Landlords | Approved | 220,000 notices estimated for 2013                                                      | N/A<br>Revenue Services are responsible for this. The budget is transferred to them in 2013 | N/A<br>Revenue Services are responsible for this. The budget is transferred to them in 2013 | N/A<br>Revenue Services are responsible for this. The budget is transferred to them in 2013 | N/A<br>Revenue Services are responsible for this. The budget is transferred to them in 2013 |

Except for annual volume and budget adjustments, the 2017 Service Levels are consistent with the approved 2016 Service Levels.

### Average Length of Stay by Permission Type



- The average length of stay in the singles sector remains steady reflecting the dearth of affordable housing options.

**Table 6**  
**2017 Preliminary Service Budget by Activity**

| (\$000s)                             | 2016             |                  | 2017 Preliminary Operating Budget |                  |                                     |               |              |                  |                                     | Incremental Change |                  |              |                  |               |
|--------------------------------------|------------------|------------------|-----------------------------------|------------------|-------------------------------------|---------------|--------------|------------------|-------------------------------------|--------------------|------------------|--------------|------------------|---------------|
|                                      | Budget           | Base Budget      | Service Changes                   | Preliminary Base | Prelim. Base Budget vs. 2016 Budget |               | New/Enhanced | Prelim. Budget   | 2017 Prelim. Budget vs. 2016 Budget |                    | 2018 Plan        |              | 2019 Plan        |               |
|                                      |                  |                  |                                   |                  | \$                                  | %             |              |                  | \$                                  | %                  | \$               | %            | \$               | %             |
| <b>GROSS EXP.</b>                    |                  |                  |                                   |                  |                                     |               |              |                  |                                     |                    |                  |              |                  |               |
| Housing Stability Policy & Strategic | 53,303.8         | 53,204.1         | 1,328.3                           | 54,532.4         | 1,228.6                             | 2.3%          | 99.7         | 54,632.1         | 1,328.3                             | 2.5%               | (2,913.9)        | (5.3%)       | (734.8)          | (1.4%)        |
| Provide Emergency Shelter & Related  | 134,459.8        | 134,459.8        | 563.6                             | 135,023.3        | 563.6                               | 0.4%          |              | 135,023.3        | 563.6                               | 0.4%               | 7,904.4          | 5.9%         | (1,441.5)        | (1.0%)        |
| <b>Total Gross Exp.</b>              | <b>187,763.5</b> | <b>187,663.8</b> | <b>1,891.9</b>                    | <b>189,555.7</b> | <b>1,792.2</b>                      | <b>1.0%</b>   | <b>99.7</b>  | <b>189,655.4</b> | <b>1,891.9</b>                      | <b>1.0%</b>        | <b>4,990.5</b>   | <b>2.6%</b>  | <b>(2,176.3)</b> | <b>(1.1%)</b> |
| <b>REVENUE</b>                       |                  |                  |                                   |                  |                                     |               |              |                  |                                     |                    |                  |              |                  |               |
| Housing Stability Policy & Strategic | 41,111.8         | 41,111.8         | 1,422.2                           | 42,534.0         | 1,422.2                             | 3.5%          |              | 42,534.0         | 1,422.2                             | 3.5%               | (3,248.3)        | (7.6%)       | (1,079.0)        | (2.7%)        |
| Provide Emergency Shelter & Related  | 74,520.0         | 74,520.0         | 3,898.7                           | 78,418.7         | 3,898.7                             | 5.2%          |              | 78,418.7         | 3,898.7                             | 5.2%               | 2,166.0          | 2.8%         | (2,013.3)        | (2.5%)        |
| <b>Total Revenues</b>                | <b>115,631.8</b> | <b>115,631.8</b> | <b>5,320.9</b>                    | <b>120,952.7</b> | <b>5,320.9</b>                      | <b>4.6%</b>   |              | <b>120,952.7</b> | <b>5,320.9</b>                      | <b>4.6%</b>        | <b>(1,082.3)</b> | <b>-0.9%</b> | <b>(3,092.3)</b> | <b>(2.6%)</b> |
| <b>NET EXP.</b>                      |                  |                  |                                   |                  |                                     |               |              |                  |                                     |                    |                  |              |                  |               |
| Housing Stability Policy & Strategic | 12,192.0         | 12,092.3         | (93.8)                            | 11,998.4         | (193.5)                             | (1.6%)        | 99.7         | 12,098.1         | (93.8)                              | (0.8%)             | 334.3            | 2.8%         | 344.2            | 2.8%          |
| Provide Emergency Shelter & Related  | 59,939.8         | 59,939.8         | (3,335.1)                         | 56,604.6         | (3,335.1)                           | (5.6%)        |              | 56,604.6         | (3,335.1)                           | (5.6%)             | 5,738.5          | 10.1%        | 571.9            | 0.9%          |
| <b>Total Net Exp.</b>                | <b>72,131.7</b>  | <b>72,032.0</b>  | <b>(3,429.0)</b>                  | <b>68,603.1</b>  | <b>(3,528.7)</b>                    | <b>(4.9%)</b> | <b>99.7</b>  | <b>68,702.8</b>  | <b>(3,429.0)</b>                    | <b>(4.8%)</b>      | <b>6,072.8</b>   | <b>8.8%</b>  | <b>916.1</b>     | <b>1.2%</b>   |
| <b>Approved Positions</b>            | <b>662.5</b>     | <b>663.6</b>     |                                   | <b>663.6</b>     | <b>1.1</b>                          | <b>0.2%</b>   |              | <b>663.6</b>     | <b>1.1</b>                          | <b>0.2%</b>        | <b>16.0</b>      | <b>2.4%</b>  | <b>(18.0)</b>    | <b>(2.6%)</b> |

The **Homeless and Housing First Solutions** helps people who are homeless or facing the risk of homelessness find and keep housing. The service also provides emergency accommodation and related support services to vulnerable people and equity seeking groups in various communities across the City.

The Homeless and Housing First Solution's 2017 Preliminary Operating Budget of \$189.655 million gross and \$68.703 million net is \$3.429 million or 4.8% under the 2016 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing significant demand for shelter services across all sectors of the system. This has been made more difficult by the challenge of maintaining or increasing capacity in an increasingly competitive real estate market.
- Additional base pressures arise from the new Human Services Integration (HSI) initiative that will develop a client centered approach to service delivery jointly delivered with Employment and Social Services Division, as well as costs for the community engagement efforts required for the successful opening of a new men's emergency shelter at 731 Runnymede Road.
- Offsetting these pressures is additional funding of \$1.900 million from City's Provincial CHPI allocation and Federal Homelessness Partnering Strategy (HPS) and miscellaneous federal grants for employment supports and community engagement.
- In order to meet the Council approved reduction target of -2.6%, additional savings were achieved from a line-by-line review, absorption of corporate inflationary increases for utilities as well as complement reductions that achieve operating efficiencies.
- The 2017 Preliminary Operating Budget includes funding of \$0.099 million gross, and \$0 net for a new Senior Financial Planning Analyst position to support with TCHC's transition to closer integration with the City.

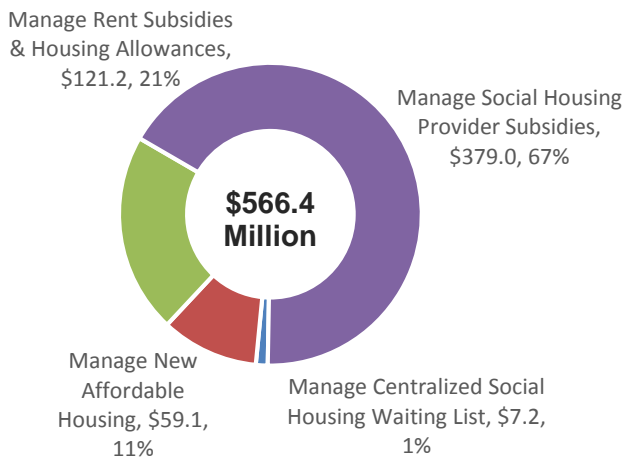
# Social Housing System Management



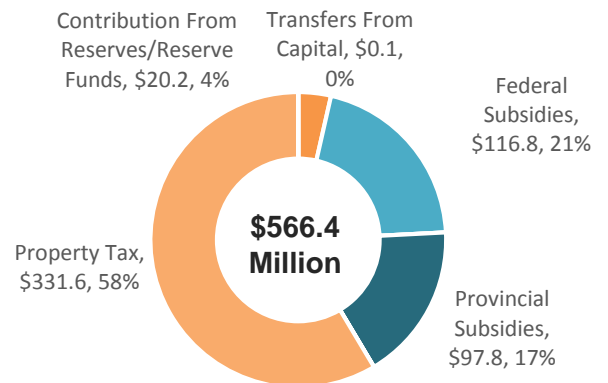
## What We

- Administer contracts of the 240 community housing providers, including City-owned Toronto Community Housing (TCHC).
- 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 funding for new affordable housing construction on behalf of the Affordable Housing Office (AHO).

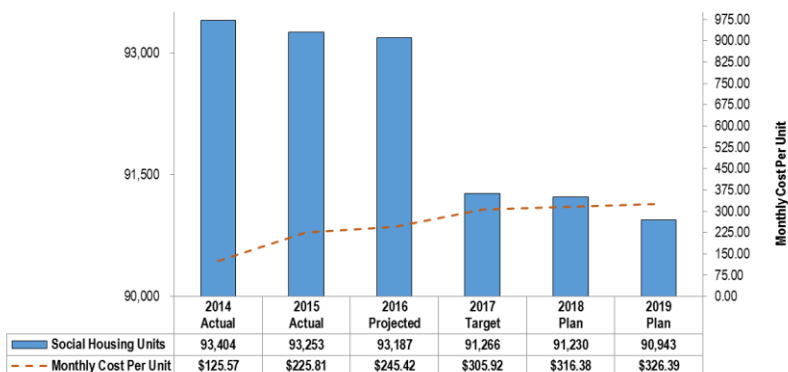
## 2017 Service Budget by Activity (\$Ms)



## Service by Funding Source (\$Ms)



## Social Housing Units Managed and Monthly Cost/Unit



- Average monthly cost per unit has increased across the system reflecting cost factor increases and aging of the social housing stock
- The number of affordable housing units have also declined by approximately 2,000 units reflecting tightness in the rental market for affordable housing units.

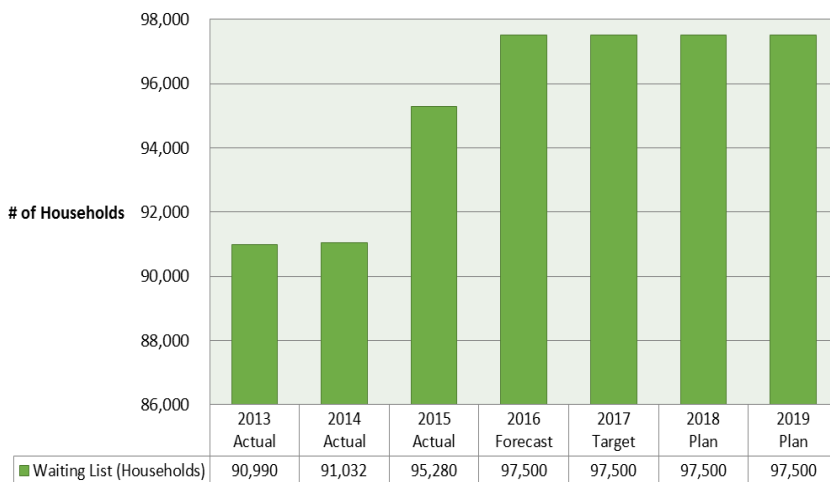
### 2017 Service Levels Social Housing System Management

| Activity                                                      | Type                                        | Sub-Type           | Status   | 2013                                                                                                                                  | 2014                                                                     | 2015                                                                     | 2016                                                                     | 2017                                                                                     |
|---------------------------------------------------------------|---------------------------------------------|--------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| 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    | funding for <b>7,296</b> units in <b>67</b> providers for a total value of <b>\$56 M</b> |
|                                                               | 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 | funding for <b>18,001</b> units in 148 providers for a total value of <b>\$110 M</b>     |
|                                                               | 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    | funding for <b>58,701</b> units in 1 provider for a total value of <b>\$228.1 M</b>      |
| Manage Centralized Social Housing Waiting List                |                                             |                    | Approved | 83,681 Households                                                                                                                     | 88,891 Households                                                        | 95,732 Households                                                        | 95,732 Households                                                        | 97,532 Households                                                                        |
| Manage Rent Subsidies and Housing                             | 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                    | funding for <b>2,621</b> units for a total value of <b>\$25.7 M</b> .                    |
|                                                               |                                             | 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                       | funding for 979 units for a total value of <b>\$9.4 M</b>                                |
|                                                               | Housing Allowances                          | Private Landlords  | Approved | funding for 868 units for a total value of \$.72 M                                                                                    | Program ended in 2013                                                    | Program ended in 2013                                                    | Program ended in 2013                                                    | Program ended in 2013                                                                    |
|                                                               |                                             | Non-Profit Housing | Approved | funding for 141 units for a total value of \$0.07 M.<br>* STRSP allowances are provided to market households in units already counted | Program ended in 2013                                                    | Program ended in 2013                                                    | Program ended in 2013                                                    | 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                          | <b>16</b> 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                          | <b>56</b> Contracts administered totalling <b>1,306</b> 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                            | <b>21</b> Contracts administered totalling <b>703</b> units                              |

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels.

## Service Performance Measures

### Number of Households on Social Housing Waitlist



- The number of households on the Social Housing Wait list has continued to grow. Several initiatives are on the way to reverse this trend. These include:
  - ✓ The implementation of a Choice Based system for the allocation of housing and housing benefits administered by the City;
  - ✓ The expansion of the Housing Allowance program to applicants on the wait list, which will help improve the affordability of housing for applicants who have been longest on the waitlist.

**Table 6**  
**2017 Preliminary Service Budget by Activity**

| (\$000s)                          | 2016             | 2017 Preliminary Operating Budget |                 |                  |                                     |              |              |                  | Incremental Change                  |              |                   |                |                   |                |  |
|-----------------------------------|------------------|-----------------------------------|-----------------|------------------|-------------------------------------|--------------|--------------|------------------|-------------------------------------|--------------|-------------------|----------------|-------------------|----------------|--|
|                                   | Budget           | Base Budget                       | Service Changes | Preliminary Base | Prelim. Base Budget vs. 2016 Budget | % Change     | New/Enhanced | Prelim. Budget   | 2017 Prelim. Budget vs. 2016 Budget |              | 2018 Plan         |                | 2019 Plan         |                |  |
|                                   | \$               | \$                                | \$              | \$               | \$                                  | %            | \$           | \$               | \$                                  | %            | \$                | %              | \$                | %              |  |
| <b>GROSS EXP.</b>                 |                  |                                   |                 |                  |                                     |              |              |                  |                                     |              |                   |                |                   |                |  |
| Manage Centralized Social Housing | 7,159.1          | 7,159.1                           | 1.1             | 7,160.2          | 1.1                                 | 0.0%         |              | 7,160.2          | 1.1                                 | 0.0%         | 73.4              | 1.0%           | (31.7)            | (0.4%)         |  |
| Manage New Affordable Housing/Ot  | 50,959.2         | 50,959.2                          | 8,091.4         | 59,050.5         | 8,091.4                             | 15.9%        |              | 59,050.5         | 8,091.4                             | 15.9%        | (8,784.5)         | (14.9%)        | (27,658.5)        | (55.0%)        |  |
| Manage Rent Subsidies & Housing A | 114,089.6        | 114,089.6                         | 7,137.7         | 121,227.3        | 7,137.7                             | 6.3%         |              | 121,227.3        | 7,137.7                             | 6.3%         | 18,064.2          | 14.9%          | 195.4             | 0.1%           |  |
| Manage Social Housing Provider Su | 327,316.1        | 322,516.1                         | 56,450.8        | 378,966.9        | 51,650.8                            | 15.8%        |              | 378,966.9        | 51,650.8                            | 15.8%        | 29,418.8          | 7.8%           | (7,741.7)         | (1.9%)         |  |
| <b>Total Gross Exp.</b>           | <b>499,524.0</b> | <b>494,724.0</b>                  | <b>71,681.0</b> | <b>566,405.0</b> | <b>66,881.0</b>                     | <b>13.4%</b> |              | <b>566,405.0</b> | <b>66,881.0</b>                     | <b>13.4%</b> | <b>38,771.9</b>   | <b>6.8%</b>    | <b>(35,236.6)</b> | <b>(6.2%)</b>  |  |
| <b>REVENUE</b>                    |                  |                                   |                 |                  |                                     |              |              |                  |                                     |              |                   |                |                   |                |  |
| Manage Centralized Social Housing | 100.4            | 100.4                             | 163.6           | 264.0            | 163.6                               | 162.9%       |              | 264.0            | 163.6                               | 162.9%       | (83.4)            | (31.6%)        | (180.6)           | (100.0%)       |  |
| Manage New Affordable Housing/Ot  | 49,117.8         | 49,117.8                          | 8,099.5         | 57,217.3         | 8,099.5                             | 16.5%        |              | 57,217.3         | 8,099.5                             | 16.5%        | (8,833.2)         | (15.4%)        | (27,714.8)        | (57.3%)        |  |
| Manage Rent Subsidies & Housing A | 53,931.5         | 53,931.5                          | (5,819.4)       | 48,112.1         | (5,819.4)                           | (10.8%)      |              | 48,112.1         | (5,819.4)                           | (10.8%)      | (2,410.3)         | (5.0%)         | (1,964.1)         | (4.3%)         |  |
| Manage Social Housing Provider Su | 120,091.5        | 120,091.5                         | 9,156.5         | 129,248.0        | 9,156.5                             | 7.6%         |              | 129,248.0        | 9,156.5                             | 7.6%         | (33,238.2)        | (25.7%)        | (15,262.1)        | (15.9%)        |  |
| <b>Total Revenues</b>             | <b>223,241.2</b> | <b>223,241.2</b>                  | <b>11,600.2</b> | <b>234,841.4</b> | <b>11,600.2</b>                     | <b>5.2%</b>  |              | <b>234,841.4</b> | <b>11,600.2</b>                     | <b>5.2%</b>  | <b>(44,565.2)</b> | <b>(19.0%)</b> | <b>(45,121.6)</b> | <b>(31.1%)</b> |  |
| <b>NET EXP.</b>                   |                  |                                   |                 |                  |                                     |              |              |                  |                                     |              |                   |                |                   |                |  |
| Manage Centralized Social Housing | 7,058.7          | 7,058.7                           | (162.5)         | 6,896.2          | (162.5)                             | (2.3%)       |              | 6,896.2          | (162.5)                             | (2.3%)       | 156.8             | 2.3%           | 148.9             | 2.1%           |  |
| Manage New Affordable Housing/Ot  | 1,841.3          | 1,841.3                           | (8.1)           | 1,833.2          | (8.1)                               | (0.4%)       |              | 1,833.2          | (8.1)                               | (0.4%)       | 48.7              | 2.7%           | 56.3              | 3.0%           |  |
| Manage Rent Subsidies & Housing A | 60,158.1         | 60,158.1                          | 12,957.1        | 73,115.2         | 12,957.1                            | 21.5%        |              | 73,115.2         | 12,957.1                            | 21.5%        | 20,474.5          | 28.0%          | 2,159.5           | 2.3%           |  |
| Manage Social Housing Provider Su | 207,224.6        | 202,424.6                         | 47,294.3        | 249,718.9        | 42,494.3                            | 20.5%        |              | 249,718.9        | 42,494.3                            | 20.5%        | 62,657.0          | 25.1%          | 7,520.4           | 2.4%           |  |
| <b>Total Net Exp.</b>             | <b>276,282.8</b> | <b>271,482.8</b>                  | <b>60,080.8</b> | <b>331,563.5</b> | <b>55,280.8</b>                     | <b>20.0%</b> |              | <b>331,563.5</b> | <b>55,280.8</b>                     | <b>20.0%</b> | <b>83,337.1</b>   | <b>25.1%</b>   | <b>9,885.0</b>    | <b>2.3%</b>    |  |
| Approved Positions                | 96.9             | 94.5                              |                 | 94.5             | (2.3)                               | (2.4%)       |              | 94.5             | (2.3)                               | (2.4%)       |                   | 0.0%           |                   |                |  |

The **Social Housing System Management** manages the City's social housing programs and ensures the ongoing viability of existing social housing units to improve the quality of life of tenants, build strong neighbourhoods and sustain healthy communities.

The Social Housing System Management's 2017 Preliminary Operating Budget of \$566.405 million gross and \$331.564 million net is \$55.281 million or 20.0% over the 2016 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing significant pressures from the loss of federal funding of \$8.880 million as well as operating shortfall at TCHC resulting from escalating cost pressures, which can no longer be supported by the Corporation's operating revenues.
- Legislated indexed cost increases for private social housing providers also contributes to the division's base pressures.
- Finally, the reversal of a \$12.500 million reserve draw in 2016 used to fund poverty reduction initiatives across several City divisions adds a pressure of \$12.500 million in 2017.
- In order to mitigate these pressures, line-by-line review of expenditures was undertaken and resulted in base expenditure savings of \$0.101 million. A realignment of workload will also result in efficiencies and savings totaling \$0.187 million.
- The 2017 Preliminary Budget includes additional funding of \$31.2 million to TCHC as well as \$4.443 million to cover annual indexing of rent subsidies, cost factor increases and property taxes to social housing providers to ensure compliance with the *Housing Services Act of 2011*.



# Part 3:

## Issues for Discussion



## Issues Impacting the 2017 Budget

### Budget Reduction Target

- At its meeting on July 12, 2016, the "2017 Budget Process: Budget Directions and Schedule", staff report (EX16.37) was submitted for consideration and adopted by City Council regarding the establishment of the 2017 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2017 Operating Budget and 2017-2026 Capital Budget and Plan for the City of Toronto. (<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94519.pdf>)
- City Council adopted an across the board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs and Agencies utilizing strategies including but not limited to controlling expenditures through cost saving measures, and exploring all services for efficiency savings including opportunities from business process reengineering, streamlining, transformation and innovation to service delivery.
- In efforts to comply with Council direction, Shelter, Support and Housing Administration was able to achieve savings of \$2.253 million gross and net through the following strategies:
  - Line-by-line review and absorption of corporate inflationary increases resulting in savings of \$0.221 million;
  - Service efficiencies of \$0.186 million through complement reductions and corporate wide savings in fuel and facilities costs transferred from the Fleet and Facilities Management divisions; and
  - Savings from service adjustments totaling \$1.843 million.
- Shelter Support and Housing Administration's 2017 Preliminary Operating Budget is \$756.060 million gross and \$400.266 million net, representing a 14.9% increase from the 2016 Approved Net Operating Budget. This reduction is 17.5% and \$60.911 million away from the reduction target as set out in the 2017 Operating Budget Directions approved by Council for all City Programs, Agencies and Accountability Offices.
- In order to meet City Council's budget reduction target of -2.6%, the Program submitted further service adjustments, as noted in the table below, which will result in savings of \$27.743 million gross and \$26.313 million net and would bring the 2017 Operating Budget to \$728.318 million gross, \$373.954 million net or - 2.4% below the 2016 Approved Net Operating Budget.
- Considering the anticipated adverse impacts on Council approved service levels for the division, these service adjustments are not included in the 2017 Preliminary Budget for Shelter Support and Housing Administration. However, they are included for Council's consideration as part of the list of Service Adjustments to be distributed for Budget Committee's consideration during the 2017 Budget process.

| Service Adjustment Description (\$000s)                | 2017 Impact       |                  |                   |               | Net Incremental Impact |           |           |           |
|--------------------------------------------------------|-------------------|------------------|-------------------|---------------|------------------------|-----------|-----------|-----------|
|                                                        | Gross             | Revenue          | Net               | Positions     | 2018 Plan              |           | 2019 Plan |           |
|                                                        |                   |                  |                   |               | Net                    | Positions | Net       | Positions |
| <b>Not Included</b>                                    |                   |                  |                   |               |                        |           |           |           |
| Elimination of services that prevent homelessness      | (18,517.9)        | (1,430.2)        | (17,087.6)        | (8.3)         |                        |           |           |           |
| Reversal of Mayor's Task Force Recommendations on TCHC | (4,175.0)         |                  | (4,175.0)         |               |                        |           |           |           |
| Reduce TCHC's Net Base Subsidy by 2.6%                 | (4,000.0)         |                  | (4,000.0)         |               |                        |           |           |           |
| Closure of Downsview Dells Men's Hostel                | (698.3)           |                  | (698.3)           | (5.4)         |                        |           |           |           |
| Staff Realignments                                     | (351.6)           |                  | (351.6)           | (3.0)         |                        |           |           |           |
| <b>Total Service Adjustments (Not Included)</b>        | <b>(27,742.8)</b> | <b>(1,430.2)</b> | <b>(26,312.5)</b> | <b>(16.7)</b> |                        |           |           |           |

### Elimination of Services That Prevent Homelessness

- This service change proposes to eliminate the Community Homelessness Prevention Initiative (CHPI) funding for supports provided through a network of community based partners.

- CHPI funding supports 76 community agencies in the provision of housing and homeless services through a variety of projects. These services include, 24-hour drop-ins located across the City, supports to people experiencing homelessness, interest free loans for low income tenants facing eviction, housing stabilization and follow up supports to recently housed tenants as well as a variety of other homeless prevention supports.
- CHPI funded services impacts approximately 24,000 clients each year, withdrawal of these services may result in additional homelessness. In addition, many Drop-in services which are heavily used by vulnerable people would likely close or have to fund raise to remain operational resulting in loss of jobs and adverse impacts to the City's social safety net.

#### ***Reversal of Mayor's Task Force Recommendations on TCHC***

- City Council at its meeting of February 17, 2016 adopted the *2016 Operating and Capital Budgets* and in so doing, authorized funding of \$5.475 million (\$1.270 million one-time and \$4.205 million ongoing) to TCHC to implement some of the recommendations of the task force, fully funded by one-time draw from the Social Housing Stabilization Reserve Fund. (<http://www.toronto.ca/legdocs/mmis/2016/bu/bqrd/backgroundfile-88228.pdf>)
- The ongoing funding of \$4.205 million provides funding for specialized cleaning staff for clutter and pest management, evening and weekend cleaning services, cost relief program for RGI providers as well as the implementation of various other social programs. While these services provide much needed support in improving building conditions and fostering healthy communities, they cannot be sustained on an ongoing basis by reserve funding.

#### ***Reduce TCHC's Net Base Subsidy by 2.6%***

- This service change will implement Council's direction to reduce the City's net operating budget by 2.6% to TCHC. In 2016, the City's portion of TCHC's net operating subsidy was \$153.703 million. A 2.6% reduction would equate to savings to the City of \$4.0 million.
- However, as noted previously, TCHC is challenged by mounting operating pressures from increasing expenditures which can no longer be supported by constrained revenue growth. Reducing funding to TCHC would only exacerbate its challenges.

#### ***Closure of Downsview Dells Men's Hostel***

- Downsview Dells hostel is a satellite program of Seaton House located at 1655 Sheppard Avenue West. The facility provides supportive and transitional housing to men attending addiction treatment programming off-site at the nearby Humber River Regional Hospital and has a maximum capacity of 27 residents for up to six months.
- While this operation is outside the core mandate of SSHA, the hostel's location is ideal for supporting clients in maintaining abstinence from substance abuse. Closure will contribute to the existing gap of 'safe-clean' temporary housing options available to individuals returning from detox treatment and may lengthen the wait times and operating pressures of other programs run by the City and its community based partners.
- In order to minimize the impact of the loss of this service, clients would be referred to similar programs offered by community-based organizations, such as Salvation Army Harbour Light, and Renaissance House.

**Staff Realignments**

- This service change proposes to further reduce SSHA's staffing complement through the deletion of certain positions as detailed in the Confidential Attachment 1 under separate cover. Anticipated savings to the City from this change is \$0.352 million.

**Pressures in Social Housing System Management**

*Declining Federal and Provincial Funding Levels*

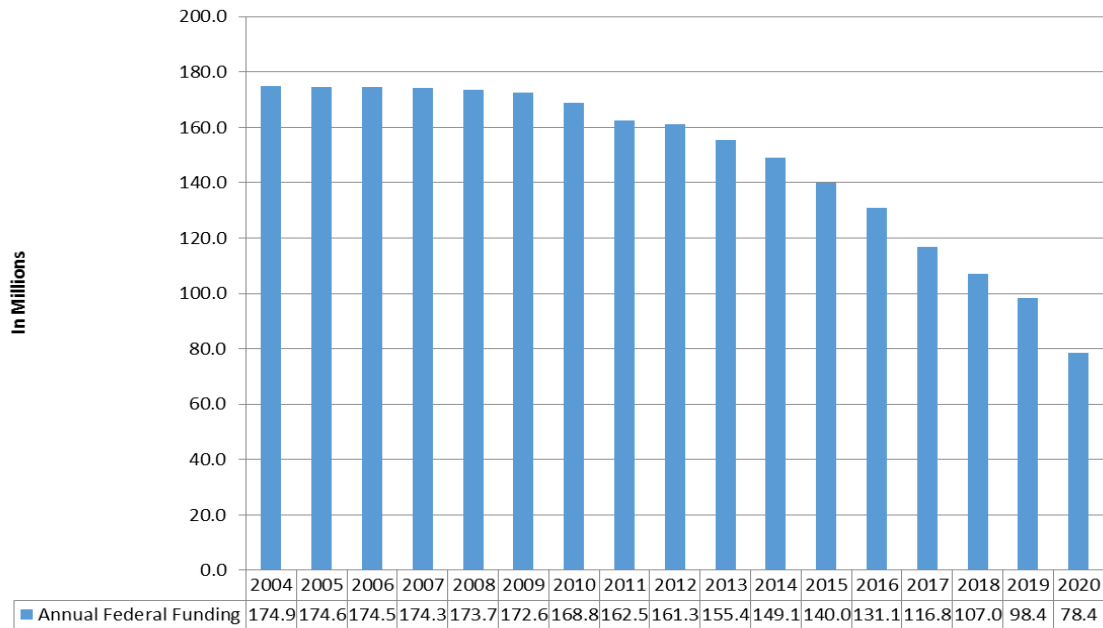
- The City faces significant pressures in Social Housing primarily from the loss of federal funding and the cost of maintaining legislated and annually indexed subsidy levels. Since the transfer of Social Housing to municipalities, the program has faced an annual operating shortfall. As noted in the table below and chart on the next page, the City's share of funding for social housing is projected to grow from 39.7% in 2014 to over 65% in 2019. These funding losses will have to be funded from the tax base.

**Municipal, Provincial and Federal Funding 2014 -2019**

|                                                | Actuals        |                | Budget / Plan  |                |                |                | Change from 2014 - 2019 |            |
|------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------------|------------|
|                                                | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | \$                      | %          |
| <b>Total Gross Expenditures</b>                | <b>623,574</b> | <b>658,683</b> | <b>687,288</b> | <b>756,060</b> | <b>799,823</b> | <b>762,410</b> | <b>138,836</b>          | <b>22%</b> |
| Provincial Subsidies                           | 206,393        | 156,486        | 157,826        | 192,761        | 166,317        | 143,695        | -62,698                 | -30%       |
| Federal Subsidies                              | 168,821        | 155,639        | 151,618        | 138,406        | 125,426        | 115,702        | -53,119                 | -31%       |
| Sundry Revenue                                 | 789            | 119            | 2,735          | 1,976          | 1,956          | 1,956          | 1,167                   | 148%       |
| <b>Sub Total Other Funding</b>                 | <b>376,003</b> | <b>312,244</b> | <b>312,179</b> | <b>333,143</b> | <b>293,698</b> | <b>261,353</b> | <b>-114,650</b>         | <b>86%</b> |
| Total City Funding                             | 247,571        | 346,440        | 375,108        | 422,917        | 506,125        | 501,057        | 253,486                 | 202%       |
| <b>City Funding as % of Gross Expenditures</b> | <b>39.7%</b>   | <b>52.6%</b>   | <b>54.6%</b>   | <b>55.9%</b>   | <b>63.3%</b>   | <b>65.7%</b>   |                         |            |

- As noted earlier, the 2017 Preliminary Operating Budget for SSHA includes additional funding of \$31.2 million for TCHC, the City's social housing provider to continue its operations in 2017. An additional \$72.0 million is also included in the 2018 Plan for Shelter, Support and Housing Administration to provide funding for TCHC's capital repair backlog and sinking fund obligations which will be subject to the 2018 Budget Process.
- *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 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.
  - 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 2004 through to 2020, the City will have lost \$93.5 million in Federal support required to fund subsidies to Social Housing providers.

Loss in Federal Funding 2004 - 2020



- It is recommended, that City Council reaffirm its request to 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.

Other Social Housing Pressures

- As prescribed by 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 2017, 2018 and 2019 as well as the loss of Provincial and Federal Funding:

| 2017 Social Housing Operating Budget with 2018 and 2019 Outlooks |                |                 |                |                |                 |                |                |                |                |
|------------------------------------------------------------------|----------------|-----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|
| (In '000s)                                                       | 2017 Changes   |                 |                | 2018 Outlook   |                 |                | 2019 Outlook   |                |                |
|                                                                  | Gross          | Revenue         | Net            | Gross          | Revenue         | Net            | Gross          | Revenue        | Net            |
| 2016 Approved Budget                                             | 435,926        | 157,072         | 278,854        | 564,538        | 162,471         | 402,067        | 564,607        | 152,082        | 412,525        |
| Social Housing Apartment Retrofit Program (SHARP) Funding        | 1,238          | 1,238           |                |                |                 |                |                |                |                |
| <b>2016 Adjusted Budget</b>                                      | <b>437,164</b> | <b>158,310</b>  | <b>278,854</b> | <b>564,538</b> | <b>162,471</b>  | <b>402,067</b> | <b>564,607</b> | <b>152,082</b> | <b>412,525</b> |
| Mortgage Renewals                                                | (2,426)        |                 | (2,426)        | (2,413)        |                 | (2,413)        | (4,860)        |                | (4,860)        |
| RGI Subsidy increase                                             | 2,929          |                 | 2,929          | 3,128          |                 | 3,128          | 3,192          |                | 3,192          |
| Cost Factor increas                                              | 807            |                 | 807            | 1,412          |                 | 1,412          | 1,185          |                | 1,185          |
| Property Tax                                                     | 698            |                 | 698            | 577            |                 | 577            | 2,148          |                | 2,148          |
| Federal Subsidy                                                  |                | (8,880)         | 8,880          |                | (7,755)         | 7,755          |                | (7,361)        | 7,361          |
| Debentures (Federal Subsidy)                                     | (5,414)        | (5,414)         |                | (1,982)        | (1,982)         |                | (1,282)        | (1,282)        |                |
| Strong Communities Grant (Provincial Net Zero)                   | (182)          | (182)           |                | (118)          | (118)           |                |                | 107            | (107)          |
| Affordability payments - (Provincial Net Zero)                   | 133            | 133             |                |                |                 |                |                |                |                |
| Housing Stability Allowance (IAH Extension & Sec. 37)            | (509)          | (509)           |                | (534)          | (534)           |                |                |                |                |
| Pan AM Games Allowance                                           | 132            | 132             |                |                |                 |                |                |                |                |
| Syran Refugees Rent Subsidy                                      | (750)          | (750)           |                |                |                 |                |                |                |                |
| <b>Annual Changes</b>                                            | <b>(4,582)</b> | <b>(15,470)</b> | <b>10,888</b>  | <b>70</b>      | <b>(10,389)</b> | <b>10,459</b>  | <b>383</b>     | <b>(8,536)</b> | <b>8,919</b>   |

- The cost drivers that comprise the \$10.888 million net pressure between 2016 to 2017, are noted below:

- The loss of Federal funding of \$8.880 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 \$2.929 million, Cost Factor increases of \$0.807 million and property tax increases of \$0.698 million.
- These pressures are offset by savings totaling \$2.426 million for mortgage renewals at lower interest rates.
- Similar cost drivers are anticipated in 2018 and 2019.

#### *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 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.
- Previously, the Social Housing Reserve has been used to offset annual operating pressures. During the 2016 Budget process, City Council authorized a reserve withdrawal of \$12.500 million to fund poverty reduction initiatives across several City divisions as well as the Mayor's Task force Recommendations for TCHC of \$5.475 million.
- During 2016, Council approved the following additional transfers from the reserves to bring the projected balance at the end of 2016 to \$28.200 million:
  - \$2.500 million to fund the acquisition of 55 Humewood Avenue pending completion of a settlement agreement with Christie Gardens, and
  - \$0.217 million to fund the Project Management Office implementing the TCHC transformation plan.
- The 2017 - 2026 Preliminary Capital Budget and Plan for SSHA includes a contribution of \$12.700 from the Social Housing Stabilization Reserve which is consistent with the purpose of the reserve, to provide funding for the implementation of the George Street Revitalization-Seaton House Transition capital project.

| SOCIAL HOUSING RESERVE FUNDS (XR2105 and XQ1106)  |               |              |              |               |               |               |                                       |
|---------------------------------------------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------------------------------|
| (Millions)                                        | Actual        |              |              |               | Projected     | Budgeted      | Total<br>Reserves<br>XR2105<br>XQ1106 |
|                                                   | 2001- 2012    | 2013         | 2014         | 2015          | 2016          | 2017          |                                       |
| <b>Beginning Balance</b>                          |               | <b>32.5</b>  | <b>61.0</b>  | <b>57.8</b>   | <b>43.4</b>   | <b>28.2</b>   |                                       |
| <b>Add:</b>                                       |               |              |              |               |               |               |                                       |
| 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                                  |
| <b>Total additions</b>                            | <b>112.4</b>  | <b>34.3</b>  | <b>0.2</b>   | <b>2.6</b>    | <b>0.0</b>    | <b>0.0</b>    | <b>149.5</b>                          |
| <b>Less:</b>                                      |               |              |              |               |               |               |                                       |
| Draw to fund Social Housing                       | (48.9)        | (5.8)        | (2.9)        | (17.0)        | (12.5)        |               | (87.0)                                |
| TCHC Implementation-PMO Office                    |               |              |              |               | (0.2)         | (0.7)         | (0.9)                                 |
| Draw to fund AHO                                  |               |              | (0.6)        |               |               |               | (0.6)                                 |
| Acquisition of 55 Humewood Avenue                 |               |              |              |               | (2.5)         | 2.5           | 0.0                                   |
| One-time draw for Seaton House Transition plan    | (31.0)        |              |              |               |               | (12.7)        | (43.7)                                |
| <b>Total withdrawals</b>                          | <b>(79.9)</b> | <b>(5.8)</b> | <b>(3.5)</b> | <b>(17.0)</b> | <b>(15.2)</b> | <b>(10.9)</b> | <b>(132.2)</b>                        |
| <b>Ending Balance</b>                             | <b>32.5</b>   | <b>61.0</b>  | <b>57.8</b>  | <b>43.4</b>   | <b>28.2</b>   | <b>17.3</b>   | <b>17.3</b>                           |

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

- Toronto Community Housing (TCHC) was established in 2000 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 represents 61% of the City's social housing stock and had an annual net operating budget of \$613.9 million with the City's share at \$204.7 million (gross) in 2016.
- 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 orders of government to fund the subsidy provided to TCHC with the City's share in 2016 being \$153.7 million net.

### *Toronto Community Housing Corporation (TCHC) Board of Directors Review of the 2017 Operating Budget*

- During the early stages of the 2017 Budget process, TCHC identified pressures of \$103.2 million comprised of 3 components:
  - \$31.2 million for ongoing operations;
  - \$18 million contribution to the sinking fund to meet its loan covenants; and ,
  - \$54 million towards capital repair backlog
- At its meeting of November 25, 2016, TCHC's Building Investment, Finance and Audit Committee considered the 2017 Operating Budget and made several recommendations that included a \$31.2 million request for additional Operating Subsidy from the City and deferral of \$54 million and \$18 million to 2018.

- The above recommendations from the BIFAC will be considered by the TCHC Board of Directors on December 8, 2016.
- The 2017 Preliminary Operating Budget for Shelter, Support and Housing Administration is consistent with the BIFAC recommendations and includes additional subsidy of \$31.2 million for TCHC bringing the total TCHC's 2017 subsidy to \$235.7 million, or 15.3% above the 2016 subsidy level of \$204.5 million. Additional funding of \$72 million for TCHC is included in the 2018 Plan, which will be subject to the 2018 Budget Process.

#### *Mayor's Task Force*

- In 2015, the Mayor appointed a six-person Task Force to review the Toronto Community Housing Corporation with a particular focus on how to improve conditions for tenants and how to create a sustainable business model.
- The Task Force, under the leadership of Senator Art Eggleton tabled its Final Report to Executive Committee on January 26, 2016 which included findings that TCHC is an organization that, because of its history and structure, is unsustainable financially, socially and from an operational and governance perspective.
- During the 2016 Budget process, 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. Of this, \$5.475 million (\$1.3 million one-time and \$4.175 million on-going) was approved by Council as part of the 2016 Budget approval process to implement some of the recommendations of the task force.
- The TCHC's 2017 Subsidy of \$235.7 million maintains funding of \$4.175 million to continue the ongoing activities planned in 2016.

#### *TCHC SOGR Backlog*

- The City indirectly funds TCHC's 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.
- The pressures on TCHC's capital budget have been the subject of numerous reports to Council, including the most recent report on the City's long term financial direction. TCHC has an aging housing stock that requires increased capital investment.
- Over the next 10 years, TCHC requires a capital investment of \$2.6 billion gross (\$1.9 billion after taking into consideration funding from other sources), identified in the 10-Year Capital Plan 2013-2022 which was built on the principle of a Federal, Provincial and City partnership where each was to contribute one-third or \$864 million each over 10 years to address capital repairs to maintain the portfolio in a "fair" (Facility Condition Index of 6-10%) state of repair. In addition, there is a \$292.9 million net, projected shortfall for developmental/revitalization capital projects over the 10-year horizon.
- The City's 1/3rd contribution of \$864 million was intended to be fulfilled through a variety of funding strategies including property tax exemptions, DC allocations, mortgage refinancing and the sale of single family homes with the last piece being a shareholder direction to TCHC to allocate a portion of its operating surplus to the capital program (approximately \$54 million for 2017, \$50 million starting in 2013 adjusted annually by CPI).
- Previously, TCHC has had sufficient revenues and subsidies to manage its expenses while investing modestly in capital repairs. Since 2015, with static revenues and rapidly increasing operating costs, the operating surplus and the resulting allocation to the capital program has continually declined.

- Given the magnitude of the accumulated backlog and insufficient funding forthcoming, it is important to note that "right fix" can only happen over time and there remain various structural and systemic barriers that will continue to pose challenges as the City moves forward into 2018.
- The capital funding requirements for TCHC, which are largely supported by borrowing, cannot be accommodated within the City's debt targets given the City's own limitations on debt servicing costs.
- With Council's approval of EX16.11, "Tenants First: A Way Forward for Toronto Community Housing and Social Housing in Toronto" on July 12, 2016, staff were directed to develop, for Council consideration, an implementation plan aimed at enhancing TCHC's capacity to provide clean, safe, well-maintained, affordable homes for residents as well as to identify new service models that will help improve the financial sustainability of TCHC.
  - The work on this implementation plan is underway and staff will report back in Q2-2017 on a longer-term solution for TCHC's fiscal sustainability with recommendations for Council's consideration including financial and budget implications.
- The TCHC's 2017 Capital Budget requires funding of \$273.0 million for Building Capital (SOG) and \$195.6 million for Development (Revitalization) and other capital projects for a total of \$468.6 million, which represents an increase of \$36.3 million from the 2016 Capital Budget of \$432.3 million.
- Recognizing the need to fund the immediate capital repair and development needs for 2017 in anticipation of a long-term solution, the TCHC's Building Investment, Finance and Audit Committee (BIFAC) adopted the following strategies at its meeting of November 25, 2016 and forwarded the recommendations to TCHC's Board of Directors for approval at its next meeting of December 8, 2016.
  - Mortgage re-financing with Infrastructure Ontario and Federal, Provincial funding available under the Social Infrastructure Fund (SIF) program and Social Housing Apartment Retrofit (SHARP) program will provide sufficient funding for the Building Capital Program in 2017.
  - A mid-year review will be conducted to reassess TCHC's capital repair plan which is scalable while taking into consideration the operating environment and the transformation initiatives that are underway.
- The Executive Committee at its meeting of December 01, 2016 considered a report "*The City of Toronto's Immediate and Longer-Term Revenue Strategy Direction*" from the City Manager and Deputy City Manager & CFO, that includes several revenue options and tools for Council's consideration, which if adopted, could provide sustainable funding to make progress on addressing the extensive capital repair program for TCHC.

#### *Affordable Housing Grants*

- The 2017 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 table on the next page:



| 2017 Affordable Housing Grants                               |              |                                |                                          |                           |                   |                   |
|--------------------------------------------------------------|--------------|--------------------------------|------------------------------------------|---------------------------|-------------------|-------------------|
| Project Name                                                 | No. Units    | Capital Revolving Reserve Fund | Mayor's Homeless Initiative Reserve Fund | Dev. Charges Reserve Fund | Provincial Funds  | Total             |
| Shiplake Properties (Build Toronto) - 30 Tippet Rd           | 50           |                                |                                          | 1,250,000                 |                   | 1,250,000         |
| Malibu Investments - 4-6 Tippet Rd                           | 25           |                                |                                          | 625,000                   |                   | 625,000           |
| Malibu Investments - 9 Tippet Rd                             | 25           |                                |                                          | 625,000                   |                   | 625,000           |
| Toronto Community Housing - Alexandra Park, 80 Vanauley St   | 5            |                                |                                          | 225,000                   |                   | 225,000           |
| Artscape (Build Toronto) - 505 Richmond St W                 | 15           |                                |                                          | 375,000                   |                   | 375,000           |
| Trillium (Build Toronto) - 2 Bicknell Ave                    |              |                                |                                          |                           |                   | 0.000             |
| Daniels (Build Toronto) - 5131 Sheppard Ave E                | 102          |                                |                                          | 2,550,000                 |                   | 2,550,000         |
| City of Toronto - 150 Harrison Ave                           | 13           |                                |                                          | 375,000                   |                   | 375,000           |
| Habitat for Humanity - Pinery Tr                             | 15           |                                |                                          | 375,000                   |                   | 375,000           |
| <b>City Home Ownership Assistance Program (DCRF)</b>         | <b>250</b>   | <b>0.000</b>                   | <b>0.000</b>                             | <b>6,400,000</b>          | <b>0.000</b>      | <b>6,400,000</b>  |
| Revolving Fund Allocation                                    | TBD          |                                |                                          |                           | 1,052,550         | 1,052,550         |
| <b>Fed/Prov Affordable Ownership Revolving Fund</b>          | <b>0</b>     | <b>0.000</b>                   | <b>0.000</b>                             | <b>0.000</b>              | <b>1,052,550</b>  | <b>1,052,550</b>  |
| TCHC - Block 24 S 50 Regent Park Blvd                        | 47           |                                |                                          |                           | 2,820,000         | 2,820,000         |
| <b>IAH New Affordable Rental Housing 1 (2011-2014)</b>       | <b>47</b>    | <b>0.000</b>                   | <b>0.000</b>                             | <b>0.000</b>              | <b>2,820,000</b>  | <b>2,820,000</b>  |
| Applicants Approved - Various Addresses                      | 7            |                                |                                          |                           | 58,000            | 58,000            |
| <b>IAH Toronto Renovates 1 (2011-2014)</b>                   | <b>7</b>     | <b>0.000</b>                   | <b>0.000</b>                             | <b>0.000</b>              | <b>58,000</b>     | <b>58,000</b>     |
| Medallion - 3415 Weston Rd Ltd (PH 4)                        | 176          |                                |                                          |                           | 9,275,128         | 9,275,128         |
| Toronto Artscape - 33 King St (Weston)                       | 26           |                                |                                          |                           | 1,560,000         | 1,560,000         |
| City of Toronto - Block 36 North Railway Lands               | 80           |                                |                                          |                           | 3,500,000         | 3,500,000         |
| 55-57 Humewood Dr                                            | 8            |                                |                                          |                           | 600,000           | 600,000           |
| <b>IAH New Affordable Rental Housing (2014-2020)</b>         | <b>290</b>   | <b>0.000</b>                   | <b>0.000</b>                             | <b>0.000</b>              | <b>14,935,128</b> | <b>14,935,128</b> |
| Applicants Approved - Various Addresses                      | 561          |                                |                                          |                           | 3,650,000         | 3,650,000         |
| <b>IAH Toronto Renovates (2014-2020)</b>                     | <b>561</b>   | <b>0.000</b>                   | <b>0.000</b>                             | <b>0.000</b>              | <b>3,650,000</b>  | <b>3,650,000</b>  |
| Habitat for Humanity - 357 Birchmount Ave                    | 4            |                                |                                          |                           | 200,000           | 200,000           |
| <b>IAH Homeownership (2014-2020)</b>                         | <b>4</b>     | <b>0.000</b>                   | <b>0.000</b>                             | <b>0.000</b>              | <b>200,000</b>    | <b>200,000</b>    |
| City of Toronto - 30 Merchants' Wharf (Bayside/TO Artscape)  | 80           |                                |                                          | 6,575,417                 | 4,800,000         | 11,375,417        |
| <b>Bayside Pilot Project</b>                                 | <b>80</b>    | <b>0.000</b>                   | <b>0.000</b>                             | <b>6,575,417</b>          | <b>4,800,000</b>  | <b>11,375,417</b> |
| Madison View Homes - 200 Madison Ave                         | 82           | 250,000                        |                                          | 500,000                   | 5,945,000         | 6,695,000         |
| <b>200 Madison Affordable Rental Project</b>                 | <b>82</b>    | <b>250,000</b>                 | <b>0.000</b>                             | <b>500,000</b>            | <b>5,945,000</b>  | <b>6,695,000</b>  |
| 63-65 Homewood Ave                                           | 16           | 1,090,000                      |                                          |                           |                   | 1,090,000         |
| 55-57 Humewood Dr                                            |              |                                |                                          |                           |                   | 0.000             |
| <b>Capital Revolving Fund (CRF)</b>                          | <b>16</b>    | <b>1,090,000</b>               | <b>0.000</b>                             | <b>0.000</b>              | <b>0.000</b>      | <b>1,090,000</b>  |
| Shiplake Properties/Build Toronto - 36 Tippet Rd             | 50           |                                |                                          | 1,000,000                 |                   | 1,000,000         |
| City of Toronto - Block 36 North Railway Lands               | 80           |                                |                                          | 3,025,000                 |                   | 3,025,000         |
| <b>Development Charge Reserve Fund (DCRF) Rental Housing</b> | <b>130</b>   | <b>0.000</b>                   | <b>0.000</b>                             | <b>4,025,000</b>          | <b>0.000</b>      | <b>4,025,000</b>  |
| Block 27 Regent Park                                         | 83           |                                |                                          |                           | 4,500,000         | 4,500,000         |
| <b>Social Infrastructure Fund/IAH Affordable Rental</b>      | <b>83</b>    | <b>0.000</b>                   | <b>0.000</b>                             | <b>0.000</b>              | <b>4,500,000</b>  | <b>4,500,000</b>  |
| <b>TOTAL</b>                                                 | <b>1,550</b> | <b>1,340,000</b>               | <b>0.000</b>                             | <b>17,500,417</b>         | <b>37,960,678</b> | <b>56,801,095</b> |

Note: To avoid double counting, where developments are listed more than once for different cost centres, the total number of units is listed in the first instance.

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

HOAP - Home Ownership Assistance Program (City)  
 IAH - Canada-Ontario Investment in Affordable Housing for Ontario Program  
 SIF/IAH - Social Infrastructure Fund/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.

*Adjustment to the 2017 Preliminary Budget*

- At its meeting of November 18, 2016, the Budget Committee considered the recommendations contained in BU26.8 "Budget Adjustments – Social Infrastructure Fund" to add capacity within Shelter, Support and Housing Administration (SSHA) and the Affordable Housing Office (AHO) to fully deliver the additional federal-provincial SIF funding allocated to the City by adding 13 full-time temporary staff (nine for SSHA and four for AHO) for two years to the end of 2018. The SIF administrative allocation will fully fund these positions. (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.8>)
- Specifically, the report contained recommendations to amend the Shelter, Support and Housing Administration's 2016 Operating Budget by \$7.332 million gross, \$0 net and result in a base budget change to the 2017 Preliminary Operating Budget of \$66.177 million gross, \$0 net and 9 temporary full time positions fully funded from the Federal Social Infrastructure Fund (SIF) administrative funding.
- Council will consider this report at its meeting of December 13, 2016. Approval of these budget adjustments would normally be routed through the annual budget process; however, approval via a staff report was required given the urgent need for additional staff to complete the upfront work required to commit, spend and report on funds received from the federal and provincial governments within specified deadlines. Any staffing commitments beyond 2018 will be subject to future year budget processes.
- Due to the timing of this report, these adjustments are not included in the 2017 Preliminary Operating Budget for Shelter, Support and Housing Administration but will be added once Council approval in December 2016 is obtained.

**Pressures in Homeless and Housing First Solutions**

*Hostel Services Volume and Capacity*

- The 2017 Operating Budget includes funding for 1,516,522 bed-nights, representing a slight increase of 1,441 or 0.1% from the projected bed nights of 1,515,081 in 2016 to maintain an occupancy rate of 90% or lower in the shelter system as endorsed by Council on December 16, 17 and 18, 2013 by adopting CD25.10 "2014 – 2019 Housing Stability Service Planning Framework". (<http://www.toronto.ca/legdocs/mmis/2013/cd/bgrd/backgroundfile-64006.pdf>)

| Hostel Description           | 2014             | 2015             | 2016               |                         |                  |                       | 2017               |                  |                      |
|------------------------------|------------------|------------------|--------------------|-------------------------|------------------|-----------------------|--------------------|------------------|----------------------|
|                              | Actuals          | Actuals          | Budgeted Bednights | Projected Bednights (1) | Capacity (2)     | Projected Occupancy % | Budgeted Bednights | Capacity         | Budgeted Occupancy % |
|                              | a                | a                | b                  | c                       | d                | e=c/d                 | f                  | g                | h=f/d                |
| Coed Shelters                | 123,282          | 126,273          | 145,739            | 128,889                 | 154,760          | 83.3%                 | 124,546            | 147,825          | 84%                  |
| Family Shelters              | 371,957          | 368,715          | 380,527            | 358,780                 | 395,660          | 90.7%                 | 365,219            | 429,970          | 85%                  |
| Men Shelters                 | 568,338          | 572,941          | 589,164            | 566,013                 | 575,605          | 98.3%                 | 594,122            | 643,495          | 92%                  |
| Seasonal Shelters            | 55,979           | 55,200           | 55,740             | 59,169                  | 71,570           | 82.7%                 | 21,785             | 25,490           | 85%                  |
| Women Shelters               | 205,415          | 207,906          | 219,950            | 224,840                 | 224,840          | 100.0%                | 232,615            | 236,155          | 99%                  |
| Youth Shelters               | 170,931          | 173,784          | 195,207            | 177,390                 | 177,390          | 100.0%                | 178,235            | 210,970          | 84%                  |
| <b>TOTAL (DOS &amp; POS)</b> | <b>1,495,902</b> | <b>1,504,819</b> | <b>1,586,327</b>   | <b>1,515,081</b>        | <b>1,599,825</b> | <b>94.7%</b>          | <b>1,516,522</b>   | <b>1,693,905</b> | <b>90%</b>           |

(1) Projected 2016 year-end actual bednights as of September 30, 2016

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

- As noted in the table above, the occupancy rate is above the 90% threshold in all sectors except for the Seasonal and Co-ed sectors. However, some shelters that are temporarily off-line are expected to return in 2017/2018. These shelters will assist in managing the occupancy pressures in these sectors.

- In response to high shelter occupancy rates experienced in prior years and anticipated future occupancy pressures, City Council in its approval of SSHA's 2015 Operating Budget added new funding for 181 new beds to increase capacity in the shelter system as detailed below:
  - Funding of \$0.600 million in 2015, \$0.600 million annualized for 2016 for a total of \$1.2 million 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 \$0.750 million annualized for 2016 for a total of \$3 million 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 are fully functional.
  - 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". Of these, 30 permanent beds are pending the securing of a location.
- At its meeting on November 8, 2016, City Council through its adoption of CD15.7, "2016-17 Winter Readiness and Update on Shelter Occupancy" adopted the following recommendations to ensure the shelter system's readiness for the upcoming winter season: (<http://www.toronto.ca/legdocs/mmis/2016/cd/bgrd/backgroundfile-97132.pdf>)
  - Addition of up to \$2.0 million to SSHA's 2016 Operating Budget from the Social Housing Reserve Fund as one-time funding for additional winter services, if required, during the 2016-2017 winter season.
  - Authorized the City to enter into an agreement for up to \$0.500 million with Homes First Society to provide additional shelter beds on a temporary basis at 702 Kennedy Road until a permanent operator is secured to provide services for single women.
- Some of these initiatives have already been implemented, the rest are in various stages of implementation. They will further help in alleviating the occupancy pressures in the shelter system.
- Other strategies being deployed to keep shelter occupancy rates at acceptable levels are noted below:
  - Investing approved unspent funding to maintain, and increase capacity in the system.
  - Reopening previously offline beds in temporarily closed shelters (i.e. Second Base Youth Shelter and the Salvation Army's Hope Shelter).
  - Securing land for future shelter facilities to stabilize system capacity in an increasingly competitive real estate market.
  - Implementation of the Hostels to Homes Program (H2HP), which focuses on providing housing access and follow up supports to clients who have been in shelter for long periods, with the objective of freeing up beds in emergency shelters for use by people in crisis.
  - Activation of additional winter weather services and contingency planning, such as 24-hour Cold Weather Drops, Out of the Cold program as well as services triggered by Extreme Cold Weather Alerts. For more details on these programs and services, please refer to CD15.7 as earlier mentioned in this section of the report.

## Issues Impacting Future Years

### **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*". 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. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD5.7>
- 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 currently developing a Capital Repair Strategy based on the above methodology and will submit a report to Council for consideration in Q1-2017.



# Appendices

# Appendix 1

## 2016 Service Performance

### Key Service Accomplishments

In 2016, Shelter, Support and Housing Administration accomplished the following through its service areas:

#### Homeless and Housing First Solutions:

- ✓ Commenced the implementation of the Hostels to Homes Housing First pilot for long term shelter users and enrolled over 75 clients in the development of housing case plans and developed an Eviction Prevention Framework as well as a new service model for seniors shelter program
- ✓ In collaboration with the City's Planning division, developed and award winning approach to rooming house closures and successfully relocated tenants at the Jarvis street rooming house.
- ✓ Designed and implemented two cold weather drop-in services that provided overnight services to 6,700 (i.e. a nightly average of 107 people) vulnerable people over the cold weather season. The division also Completed an extensive evaluation of the division's two 24-hour women's drop-ins confirming demand for the service and consistently positive outcomes for women using the service.
- ✓ Completed the purchase of 3306 Kingston Road, which will provide a new home for Birchmount Residence; an emergency shelter service for seniors experiencing homelessness. The shelter will open at it new location (i.e. 3306 Kingston Road) in 2017.
- ✓ Council also approved the opening of the following new facilities:
  - A new emergency shelter for single men at 29 Leslie street to be operated by the Salvation Army to open in the summer of 2017 following the completion of renovations;
  - A new emergency shelter for single men at 850-54 Bloor Street West to be operated by Christie Ossington Neighbourhood Center;
  - The creation of a new shelter at 731 Runnymede Road to be operated by the City of Toronto as part of the plan for the redevelopment of Seaton House and revitalization of George Street.

#### Social Housing System Management:

- ✓ Provided 500 housing allowances to large families who have been on the social housing wait list for longer than 10 years in addition to 50 housing allowances to applicants needing wheel chair accessible units and have been on the waiting list for subsidized housing.
- ✓ Will administer over \$3.4 million under the Provincial launch of the Survivors of Domestic Violence – Portable Housing Benefit pilot program. This program will help survivors of domestic violence find safe and affordable housing.
- ✓ Will administer \$42 million under the Provincial Social Housing Apartment Retrofit Program (SHARP). This program will improve energy efficient systems and reduce the carbon footprint of the City's social housing stock.
- ✓ Will administer \$76 million in capital repair funding to social housing projects under the Social Housing Improvement Program (SHIP) and over \$36 million in additional housing allowances under the investment in Affordable Housing Program (IAH).

## Appendix 2

### 2017 Preliminary Operating Budget by Expenditure Category Program Summary by Expenditure Category

| Category of Expense<br>(\$000's)        | 2014               | 2015             | 2016             | 2016             | 2017             | 2017 Change     |               | Plan             |                  |
|-----------------------------------------|--------------------|------------------|------------------|------------------|------------------|-----------------|---------------|------------------|------------------|
|                                         | Actual             | Actual           | Budget           | Projected        | Preliminary      | from 2016       |               | 2018             | 2019             |
|                                         | \$                 | \$               | \$               | \$               | \$               | \$              | %             | \$               | \$               |
| Salaries and Benefits                   | 64,745.7           | 67,005.1         | 71,706.3         | 71,361.5         | 71,865.5         | 159.2           | 0.2%          | 74,749.1         | 75,357.7         |
| Materials and Supplies                  | 3,900.7            | 3,980.0          | 4,113.51         | 4,139.1          | 4,075.6          | (37.9)          | (0.9%)        | 4,158.8          | 4,096.4          |
| Equipment                               | 156.6              | 113.6            | 213.3            | 228.4            | 171.9            | (41.4)          | (19.4%)       | 185.9            | 175.4            |
| Services & Rents                        | 67,605.2           | 69,260.0         | 75,362.8         | 75,639.3         | 77,098.1         | 1,735.3         | 2.3%          | 80,582.2         | 78,843.4         |
| Contributions and Transfers             | 484,841.0          |                  |                  |                  |                  |                 |               |                  |                  |
| Contributions to Capital                | 1,162.7            |                  |                  |                  |                  |                 | -             |                  |                  |
| Contributions to Reserve/Res Funds      | 1,162.7            | 4,841.9          | 2,367.9          | 2,367.9          | 2,367.9          |                 |               | 2,367.9          | 2,367.9          |
| Other Expenditures                      | 484,842.6          | 512,290.3        | 532,115.6        | 528,238.7        | 598,145.1        | 66,029.5        | 12.4%         | 568,421.3        | 532,868.6        |
| Interdivisional Charges                 | 1,160.4            | 1,192.6          | 1,408.2          | 1,870.4          | 2,336.3          | 928.1           | 65.9%         | 2,157.5          | 1,500.5          |
| <b>Total Gross Expenditures</b>         | <b>1,109,577.7</b> | <b>658,683.5</b> | <b>687,287.5</b> | <b>683,845.2</b> | <b>756,060.4</b> | <b>68,772.9</b> | <b>10.0%</b>  | <b>732,622.8</b> | <b>695,209.9</b> |
| Interdivisional Recoveries              | 37,989.8           | 11.3             | 11.3             | 11.3             | 11.3             |                 |               | 11.3             | 11.3             |
| Provincial Subsidies                    | 130,098.0          | 156,485.9        | 157,826.0        | 157,672.3        | 192,760.9        | 34,934.9        | 22.1%         | 166,316.7        | 143,665.2        |
| Federal Subsidies                       | 168,820.7          | 155,639.2        | 151,618.5        | 151,618.5        | 138,405.8        | (13,212.7)      | (8.7%)        | 125,425.9        | 115,702.0        |
| Other Subsidies                         | 76,295.4           | 169.4            |                  |                  |                  |                 | -             |                  |                  |
| User Fees & Donations                   | 768.3              | 300.4            |                  |                  |                  |                 | -             |                  |                  |
| Transfers from Capital Fund             | 179.6              | 152.4            | 128.5            | 152.9            | 2,403.9          | 2,275.4         | 1771.0%       | 3,540.9          | 394.8            |
| Contribution from Reserve/Reserve Funds | 11,907.3           | 24,307.5         | 26,553.9         | 23,275.0         | 20,235.9         | (6,318.1)       | (23.8%)       | 12,896.2         | 203.6            |
| Sundry Revenues                         | (1.0)              | 118.7            | 2,734.9          | 2,700.8          | 1,976.4          | (758.5)         | (27.7%)       | 1,955.6          | 1,955.6          |
| <b>Total Revenues</b>                   | <b>426,058.1</b>   | <b>337,184.7</b> | <b>338,873.0</b> | <b>335,430.7</b> | <b>355,794.1</b> | <b>16,921.1</b> | <b>5.0%</b>   | <b>310,146.6</b> | <b>261,932.6</b> |
| <b>Total Net Expenditures</b>           | <b>683,519.6</b>   | <b>321,498.7</b> | <b>348,414.5</b> | <b>348,414.5</b> | <b>400,266.3</b> | <b>51,851.8</b> | <b>14.9%</b>  | <b>422,476.2</b> | <b>433,277.3</b> |
| <b>Approved Positions</b>               | <b>718.6</b>       | <b>575.3</b>     | <b>759.4</b>     | <b>737.4</b>     | <b>758.1</b>     | <b>(1.25)</b>   | <b>(0.2%)</b> |                  |                  |

#### Impact of 2016 Operating Variance on the 2017 Preliminary Operating Budget

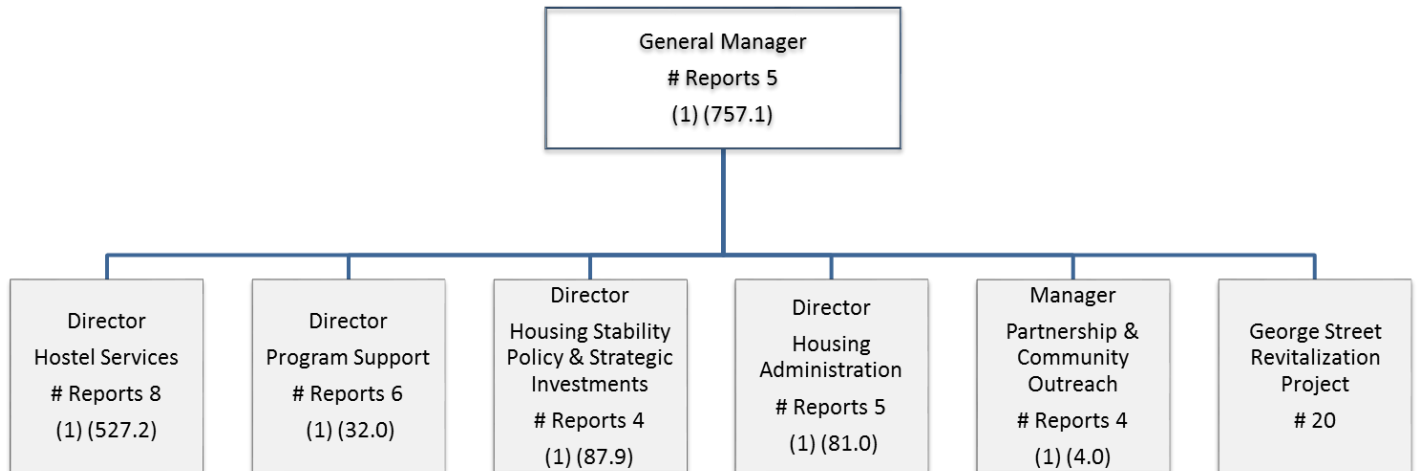
- Based on the 2016 Q3 results, Shelter, Support and Housing Administration projected under-spending primarily due to savings in Social Housing expenditures will help mitigate the budgeted reserve withdrawal with \$0 net variance at year-end. As these savings are one time, there will be no incremental impact on the 2017 Preliminary Budget

For additional information regarding the 2016 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, 2016" to be considered by City Council at its meeting on December 13, 2016. .

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.4>

## Appendix 3

### 2017 Organization Chart



### 2017 Complement

| Category     | Senior Management | Management   | Exempt Professional & Clerical | Union        | Total        |
|--------------|-------------------|--------------|--------------------------------|--------------|--------------|
| Permanent    | 1.0               | 182.5        |                                | 412.1        | 595.6        |
| Temporary    |                   | 19.9         |                                | 142.6        | 162.5        |
| <b>Total</b> | <b>1.0</b>        | <b>202.4</b> |                                | <b>554.7</b> | <b>758.1</b> |



## Appendix 4

### Summary of 2017 Service Changes

## 2017 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

| Form ID                                                     |          | Citizen Focused Services A<br><br>Program - Shelter, Support & Housing Administration | Adjustments       |           |           |                    | 2018 Plan<br>Net Change | 2019 Plan<br>Net Change |
|-------------------------------------------------------------|----------|---------------------------------------------------------------------------------------|-------------------|-----------|-----------|--------------------|-------------------------|-------------------------|
| Category                                                    | Priority |                                                                                       | Gross Expenditure | Revenue   | Net       | Approved Positions |                         |                         |
| <b>2017 Preliminary Base Budget Before Service Changes:</b> |          |                                                                                       | 757,992.6         | 355,694.4 | 402,298.2 | 778.35             | 89,473.4                | 10,849.6                |

|                                                                                                                                                                     |                                           |                             |                |            |                |               |              |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------|----------------|------------|----------------|---------------|--------------|--------------|
| 11190                                                                                                                                                               | Reduction of Complement Through Attrition |                             |                |            |                |               |              |              |
| 51                                                                                                                                                                  | 0                                         | <b>Description:</b>         |                |            |                |               |              |              |
| Savings of \$0.188 million gross and net will be realized from staff realignments. Please refer to Confidential Attachment 1 under separate cover for more details. |                                           |                             |                |            |                |               |              |              |
| <b>Service Level Impact:</b>                                                                                                                                        |                                           |                             |                |            |                |               |              |              |
| Reduction of complement will result in workload realignments.                                                                                                       |                                           |                             |                |            |                |               |              |              |
| <b>Service:</b> HS-Homeless and Housing First Solutions                                                                                                             |                                           |                             |                |            |                |               |              |              |
|                                                                                                                                                                     |                                           | Preliminary Service Changes | (153.5)        | 0.0        | (153.5)        | (1.67)        | (4.7)        | (4.5)        |
| <b>Service:</b> HS-Social Housing System Management                                                                                                                 |                                           |                             |                |            |                |               |              |              |
|                                                                                                                                                                     |                                           | Preliminary Service Changes | (34.1)         | 0.0        | (34.1)         | (0.33)        | (1.5)        | (1.4)        |
| <b>Total Preliminary Service Changes:</b>                                                                                                                           |                                           |                             | <b>(187.6)</b> | <b>0.0</b> | <b>(187.6)</b> | <b>(2.00)</b> | <b>(6.2)</b> | <b>(5.9)</b> |

|                                                                                  |                      |                     |              |            |              |             |            |            |
|----------------------------------------------------------------------------------|----------------------|---------------------|--------------|------------|--------------|-------------|------------|------------|
| 11236                                                                            | FLEET Fuel Reduction |                     |              |            |              |             |            |            |
| 51                                                                               | 0                    | <b>Description:</b> |              |            |              |             |            |            |
| Corporate wide savings in fuel costs transfered to SSHA from the Fleet Services. |                      |                     |              |            |              |             |            |            |
| <b>Service Level Impact:</b>                                                     |                      |                     |              |            |              |             |            |            |
| There will be no impact on Service Levels                                        |                      |                     |              |            |              |             |            |            |
| <b>Total Preliminary Service Changes:</b>                                        |                      |                     | <b>(0.1)</b> | <b>0.0</b> | <b>(0.1)</b> | <b>0.00</b> | <b>0.1</b> | <b>0.0</b> |

|                                                                                         |                                                          |                     |  |  |  |  |  |  |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------|--|--|--|--|--|--|
| 11237                                                                                   | Reduction in cost of facilities mgmt. delivered by FREEE |                     |  |  |  |  |  |  |
| 51                                                                                      | 0                                                        | <b>Description:</b> |  |  |  |  |  |  |
| Corporate wide savings in facilities costs transfered to SSHA by Facilities Management. |                                                          |                     |  |  |  |  |  |  |

## 2017 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

| Form ID  |          | Citizen Focused Services A<br><br>Program - Shelter, Support & Housing Administration | Adjustments       |            |              |                    | 2018 Plan<br>Net Change | 2019 Plan<br>Net Change |
|----------|----------|---------------------------------------------------------------------------------------|-------------------|------------|--------------|--------------------|-------------------------|-------------------------|
| Category | Priority |                                                                                       | Gross Expenditure | Revenue    | Net          | Approved Positions |                         |                         |
|          |          | <b>Service Level Impact:</b>                                                          |                   |            |              |                    |                         |                         |
|          |          | There will be no impact on Service Levels.                                            |                   |            |              |                    |                         |                         |
|          |          | <b>Service:</b> HS-Homeless and Housing First Solutions                               |                   |            |              |                    |                         |                         |
|          |          | Preliminary Service Changes                                                           | (0.6)             | 0.0        | (0.6)        | 0.00               | 0.0                     | 0.0                     |
|          |          | <b>Service:</b> HS-Social Housing System Management                                   |                   |            |              |                    |                         |                         |
|          |          | Preliminary Service Changes                                                           | (0.3)             | 0.0        | (0.3)        | 0.00               | 0.0                     | 0.0                     |
|          |          | <b>Total Preliminary Service Changes:</b>                                             | <b>(0.9)</b>      | <b>0.0</b> | <b>(0.9)</b> | <b>0.00</b>        | <b>0.0</b>              | <b>0.0</b>              |

|                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           |                                                                                                                                                                                                                                                                                                                                                                                                |                |            |                |               |               |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------|----------------|---------------|---------------|---------------|
| 11202                                                                                                                                                                                                                                                                                                                                                                                                                 | Program Delivery Model Change at Adelaide Resource Centre |                                                                                                                                                                                                                                                                                                                                                                                                |                |            |                |               |               |               |
| 59                                                                                                                                                                                                                                                                                                                                                                                                                    | 0                                                         | <b>Description:</b>                                                                                                                                                                                                                                                                                                                                                                            |                |            |                |               |               |               |
| Savings of \$0.796 million will be realized from the adjustment of programming support and maintenance of facilities at the Adelaide Resource Center for Women. Currently, the City in partnership with community-based organizations, offers a safe welcoming place to homeless women through the Center. A new delivery model will adjust some operational functioning offered at the Center to community partners. |                                                           |                                                                                                                                                                                                                                                                                                                                                                                                |                |            |                |               |               |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           | <b>Service Level Impact:</b>                                                                                                                                                                                                                                                                                                                                                                   |                |            |                |               |               |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           | The 2016 budget covers the cost of maintaining the physical infrastructure, providing funding to the community agencies for part of their service costs such as telephone, programming supplies as well as the City's own staffing and programming costs. Changing City programming at the Center will result in savings to the City, and continued support to vulnerable women at the center. |                |            |                |               |               |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           | <b>Service:</b> HS-Homeless and Housing First Solutions                                                                                                                                                                                                                                                                                                                                        |                |            |                |               |               |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           | Preliminary Service Changes                                                                                                                                                                                                                                                                                                                                                                    | (795.5)        | 0.0        | (795.5)        | (8.00)        | (29.6)        | (13.6)        |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           | <b>Total Preliminary Service Changes:</b>                                                                                                                                                                                                                                                                                                                                                      | <b>(795.5)</b> | <b>0.0</b> | <b>(795.5)</b> | <b>(8.00)</b> | <b>(29.6)</b> | <b>(13.6)</b> |

|                                                                                                                                                                                             |                                           |                     |  |  |  |  |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------|--|--|--|--|--|
| 11815                                                                                                                                                                                       | Reduction of Complement through Attrition |                     |  |  |  |  |  |
| 59                                                                                                                                                                                          | 0                                         | <b>Description:</b> |  |  |  |  |  |
| Savings of \$1.048 million gross and net will be realized through a realignment of the Program's resource requirements. Please refer to the Confidential Attachment 1 under separate cover. |                                           |                     |  |  |  |  |  |

**2017 Operating Budget - Preliminary Service Changes  
Summary by Service (\$000's)**

| Form ID  |          | Citizen Focused Services A<br><br>Program - Shelter, Support & Housing Administration | Adjustments                                                   |                  |                  |                    | 2018 Plan Net Change | 2019 Plan Net Change |
|----------|----------|---------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------|------------------|--------------------|----------------------|----------------------|
| Category | Priority |                                                                                       | Gross Expenditure                                             | Revenue          | Net              | Approved Positions |                      |                      |
|          |          | <b>Service Level Impact:</b>                                                          | Reduction in complement will result in workload realignments. |                  |                  |                    |                      |                      |
|          |          | <b>Service:</b> HS-Homeless and Housing First Solutions                               |                                                               |                  |                  |                    |                      |                      |
|          |          | Preliminary Service Changes                                                           | (894.9)                                                       | 0.0              | (894.9)          | (9.25)             | (21.1)               | (22.5)               |
|          |          | <b>Service:</b> HS-Social Housing System Management                                   |                                                               |                  |                  |                    |                      |                      |
|          |          | Preliminary Service Changes                                                           | (152.9)                                                       | 0.0              | (152.9)          | (1.00)             | (6.7)                | (6.4)                |
|          |          | <b>Total Preliminary Service Changes:</b>                                             | <b>(1,047.8)</b>                                              | <b>0.0</b>       | <b>(1,047.8)</b> | <b>(10.25)</b>     | <b>(27.8)</b>        | <b>(28.9)</b>        |
|          |          | <b>Summary:</b>                                                                       |                                                               |                  |                  |                    |                      |                      |
|          |          | <b>Total Preliminary Service Changes</b>                                              | <b>(2,031.9)</b>                                              | <b>0.0</b>       | <b>(2,031.9)</b> | <b>(20.25)</b>     | <b>(63.5)</b>        | <b>(48.5)</b>        |
|          |          | <b>Total Preliminary Base Budget:</b>                                                 | <b>755,960.7</b>                                              | <b>355,694.4</b> | <b>400,266.3</b> | <b>758.10</b>      | <b>89,409.9</b>      | <b>10,801.1</b>      |

## Appendix 5

### Summary of 2017 New / Enhanced Service Priorities

## 2017 Operating Budget - Preliminary New and Enhanced Services Summary by Service (\$000's)

| Form ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             | Citizen Focused Services A<br><br>Program - Shelter, Support & Housing Administration | Adjustments          |             |             |                       | 2018 Plan<br>Net Change | 2019 Plan<br>Net Change              |      |      |     |      |     |     |                                      |      |      |     |      |     |     |                                                   |             |             |            |             |            |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------|----------------------|-------------|-------------|-----------------------|-------------------------|--------------------------------------|------|------|-----|------|-----|-----|--------------------------------------|------|------|-----|------|-----|-----|---------------------------------------------------|-------------|-------------|------------|-------------|------------|------------|
| Category                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Priority    |                                                                                       | Gross<br>Expenditure | Revenue     | Net         | Approved<br>Positions |                         |                                      |      |      |     |      |     |     |                                      |      |      |     |      |     |     |                                                   |             |             |            |             |            |            |
| 11737                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |             | Snr. Financial Analyst Position for TCHC Funded by SSHA                               |                      |             |             |                       |                         |                                      |      |      |     |      |     |     |                                      |      |      |     |      |     |     |                                                   |             |             |            |             |            |            |
| 74                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0           | <b>Description:</b>                                                                   |                      |             |             |                       |                         |                                      |      |      |     |      |     |     |                                      |      |      |     |      |     |     |                                                   |             |             |            |             |            |            |
| <p>New Senior Financial Analyst position, fully funded by the City's Provincial CHPI allocation, to support increased financial planning, management and control services required for the housing portfolio arising from the implementation of the Open Door Program and the Implementation Plan for TCHC.</p> <p><b>Service Level Impact:</b></p> <p>Significant focus on improving access to housing and reducing homelessness, combined with enhanced Federal Provincial Funding under the extended IAH program has resulted in increased activity in the housing sector. A new analyst will alleviate current and anticipated future staffing pressures arising from increased oversight and support required for the City's complex and growing housing portfolio.</p> <p><b>Service:</b> HS-Homeless and Housing First Solutions</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Preliminary New / Enhanced Services:</td> <td style="text-align: right;">66.8</td> <td style="text-align: right;">66.8</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">0.0</td> </tr> </table> <p><b>Service:</b> HS-Social Housing System Management</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Preliminary New / Enhanced Services:</td> <td style="text-align: right;">32.9</td> <td style="text-align: right;">32.9</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">0.0</td> </tr> </table> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 60%;"><b>Total Preliminary New / Enhanced Services:</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>99.7</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>99.7</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>0.0</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>0.00</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>0.0</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>0.0</b></td> </tr> </table> |             |                                                                                       |                      |             |             |                       |                         | Preliminary New / Enhanced Services: | 66.8 | 66.8 | 0.0 | 0.00 | 0.0 | 0.0 | Preliminary New / Enhanced Services: | 32.9 | 32.9 | 0.0 | 0.00 | 0.0 | 0.0 | <b>Total Preliminary New / Enhanced Services:</b> | <b>99.7</b> | <b>99.7</b> | <b>0.0</b> | <b>0.00</b> | <b>0.0</b> | <b>0.0</b> |
| Preliminary New / Enhanced Services:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 66.8        | 66.8                                                                                  | 0.0                  | 0.00        | 0.0         | 0.0                   |                         |                                      |      |      |     |      |     |     |                                      |      |      |     |      |     |     |                                                   |             |             |            |             |            |            |
| Preliminary New / Enhanced Services:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 32.9        | 32.9                                                                                  | 0.0                  | 0.00        | 0.0         | 0.0                   |                         |                                      |      |      |     |      |     |     |                                      |      |      |     |      |     |     |                                                   |             |             |            |             |            |            |
| <b>Total Preliminary New / Enhanced Services:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>99.7</b> | <b>99.7</b>                                                                           | <b>0.0</b>           | <b>0.00</b> | <b>0.0</b>  | <b>0.0</b>            |                         |                                      |      |      |     |      |     |     |                                      |      |      |     |      |     |     |                                                   |             |             |            |             |            |            |
| <b>Summary:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                       |                      |             |             |                       |                         |                                      |      |      |     |      |     |     |                                      |      |      |     |      |     |     |                                                   |             |             |            |             |            |            |
| <b>Total Preliminary New / Enhanced Services</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             | <b>99.7</b>                                                                           | <b>99.7</b>          | <b>0.0</b>  | <b>0.00</b> | <b>0.0</b>            | <b>0.0</b>              |                                      |      |      |     |      |     |     |                                      |      |      |     |      |     |     |                                                   |             |             |            |             |            |            |

**Category:**

71 - Operating Impact of New Capital Projects  
72 - Enhanced Services-Service Expansion

74 - New Services  
75 - New Revenues

## 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 Dec. 31, 2016*<br>\$ | Withdrawals (-) / Contributions (+) |                 |                 |
|-------------------------------------------------------------------|-------------------------------|----------------------------------------------|-------------------------------------|-----------------|-----------------|
|                                                                   |                               |                                              | 2017<br>\$                          | 2018<br>\$      | 2019<br>\$      |
| <b>Projected Beginning Balance</b>                                |                               |                                              | <b>34,720.5</b>                     | <b>17,220.1</b> | <b>12,195.1</b> |
| Dev Charges (2009) - Subsidized Housing                           | XR2116                        | <b>37,103.1</b>                              |                                     |                 |                 |
| <i>Proposed Withdrawals (-)</i>                                   |                               | (8,125.0)                                    | (17,500.4)                          | (5,025.0)       |                 |
| <i>Projected Contributions (+)</i>                                |                               | 5,742.4                                      |                                     |                 |                 |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | <b>34,720.5</b>                              | <b>17,220.1</b>                     | <b>12,195.1</b> | <b>12,195.1</b> |
| <b>Other Program / Agency Net Withdrawals &amp; Contributions</b> |                               |                                              |                                     |                 |                 |
| <b>Balance at Year-End</b>                                        |                               | <b>34,720.5</b>                              | <b>17,220.1</b>                     | <b>12,195.1</b> | <b>12,195.1</b> |

\* Based on 9-month 2016 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s)                           | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2016*<br>\$ | Withdrawals (-) / Contributions (+) |                 |                 |
|-------------------------------------------------------------------|-------------------------------|----------------------------------------------|-------------------------------------|-----------------|-----------------|
|                                                                   |                               |                                              | 2017<br>\$                          | 2018<br>\$      | 2019<br>\$      |
| <b>Projected Beginning Balance</b>                                |                               |                                              | <b>13,652.4</b>                     | <b>13,709.6</b> | <b>13,106.8</b> |
| Capital Revolving Fund - Affordable Housing                       | XR1058                        | <b>10,400.5</b>                              |                                     |                 |                 |
| <i>Proposed Withdrawals (-)</i>                                   |                               | (977.0)                                      | (1,443.8)                           | (7,103.8)       | (103.8)         |
| <i>Projected Contributions (+)</i>                                |                               | 4,727.9                                      | 2,000.0                             | 7,000.0         |                 |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | <b>14,151.4</b>                              | <b>14,208.6</b>                     | <b>13,605.8</b> | <b>13,003.0</b> |
| <b>Other Program / Agency Net Withdrawals &amp; Contributions</b> |                               | <b>(499.0)</b>                               | <b>(499.0)</b>                      | <b>(499.0)</b>  | <b>(499.0)</b>  |
| <b>Balance at Year-End</b>                                        |                               | <b>13,652.4</b>                              | <b>13,709.6</b>                     | <b>13,106.8</b> | <b>12,504.0</b> |

\* Based on 9-month 2016 Reserve Fund Variance Report

Not all future revenue, including loan repayments, interest and Section 37 contributions, are included in the table above

| Reserve / Reserve Fund Name (In \$000s)                           | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2016*<br>\$ | Withdrawals (-) / Contributions (+) |                |                |
|-------------------------------------------------------------------|-------------------------------|----------------------------------------------|-------------------------------------|----------------|----------------|
|                                                                   |                               |                                              | 2017<br>\$                          | 2018<br>\$     | 2019<br>\$     |
| <b>Projected Beginning Balance</b>                                |                               |                                              | <b>2,702.5</b>                      | <b>4,240.8</b> | <b>5,312.8</b> |
| Housing Allowance                                                 | XQ1112                        | <b>2,732.7</b>                               |                                     |                |                |
| <i>Proposed Withdrawals (-)</i>                                   |                               | (1,102.2)                                    | (533.7)                             | -              | -              |
| <i>Projected Contributions (+)</i>                                |                               | 1,072.0                                      | 2,072.0                             | 1,072.0        | 1,072.0        |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | <b>2,702.5</b>                               | <b>4,240.8</b>                      | <b>5,312.8</b> | <b>6,384.8</b> |
| <b>Other Program / Agency Net Withdrawals &amp; Contributions</b> |                               |                                              |                                     |                |                |
| <b>Balance at Year-End</b>                                        |                               | <b>2,702.5</b>                               | <b>4,240.8</b>                      | <b>5,312.8</b> | <b>6,384.8</b> |

\* Based on 9-month 2016 Reserve Fund Variance Report

Includes \$1.0m one time contribution in 2017

| Reserve / Reserve Fund Name (In \$000s)                           | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2016 *<br>\$ | Withdrawals (-) / Contributions (+) |              |              |
|-------------------------------------------------------------------|-------------------------------|-----------------------------------------------|-------------------------------------|--------------|--------------|
|                                                                   |                               |                                               | 2017<br>\$                          | 2018<br>\$   | 2019<br>\$   |
| <b>Projected Beginning Balance</b>                                |                               |                                               | <b>179.2</b>                        | <b>188.3</b> | <b>197.4</b> |
| Vehicle Reserve- SSHA                                             | XQ1100                        | 169.9                                         |                                     |              |              |
| <i>Proposed Withdrawals (-)</i>                                   |                               |                                               |                                     |              |              |
| <i>Projected Contributions (+)</i>                                |                               | 9.4                                           | 9.1                                 | 9.1          | 9.1          |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | <b>179.2</b>                                  | <b>188.3</b>                        | <b>197.4</b> | <b>206.5</b> |
| <b>Other Program / Agency Net Withdrawals &amp; Contributions</b> |                               |                                               |                                     |              |              |
| <b>Balance at Year-End</b>                                        |                               | <b>179.2</b>                                  | <b>188.3</b>                        | <b>197.4</b> | <b>206.5</b> |

\* Based on 9-month 2016 Reserve Fund Variance Report



Corporate Reserve / Reserve Funds

| Reserve / Reserve Fund Name (In \$000s)                           | Reserve / Reserve Fund Number | Projected Balance as of \$ | Withdrawals (-) / Contributions (+) |                  |                  |
|-------------------------------------------------------------------|-------------------------------|----------------------------|-------------------------------------|------------------|------------------|
|                                                                   |                               |                            | 2017 \$                             | 2018 \$          | 2019 \$          |
| <b>Projected Beginning Balance</b>                                |                               |                            | <b>161,886.4</b>                    | <b>161,790.4</b> | <b>161,694.4</b> |
| Section 37                                                        | XR3026                        | 182,211.5                  |                                     |                  |                  |
| <i>Proposed Withdrawals (-)</i>                                   |                               | (20,325.1)                 | (96.0)                              | (96.0)           | (96.0)           |
| <i>Projected Contributions (+)</i>                                |                               |                            |                                     |                  |                  |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | <b>161,886.4</b>           | <b>161,790.4</b>                    | <b>161,694.4</b> | <b>161,598.4</b> |
| <b>Other Program / Agency Net Withdrawals &amp; Contributions</b> |                               |                            |                                     |                  |                  |
| <b>Balance at Year-End</b>                                        |                               | <b>161,886.4</b>           | <b>161,790.4</b>                    | <b>161,694.4</b> | <b>161,598.4</b> |

\* Based on 9-month 2016 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s)                           | Reserve / Reserve Fund Number | Projected Balance as of \$ | Withdrawals (-) / Contributions (+) |                 |                 |
|-------------------------------------------------------------------|-------------------------------|----------------------------|-------------------------------------|-----------------|-----------------|
|                                                                   |                               |                            | 2017 \$                             | 2018 \$         | 2019 \$         |
| <b>Projected Beginning Balance</b>                                |                               |                            | <b>15,503.0</b>                     | <b>16,734.3</b> | <b>17,965.6</b> |
| Insurance Reserve                                                 | XR1010                        | 19,645.5                   |                                     |                 |                 |
| <i>Proposed Withdrawals (-)</i>                                   |                               | (4,142.5)                  |                                     |                 |                 |
| <i>Projected Contributions (+)</i>                                |                               |                            | 1,231.3                             | 1,231.3         | 1,231.3         |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | <b>15,503.0</b>            | <b>16,734.3</b>                     | <b>17,965.6</b> | <b>19,196.9</b> |
| <b>Other Program / Agency Net Withdrawals &amp; Contributions</b> |                               |                            |                                     |                 |                 |
| <b>Balance at Year-End</b>                                        |                               | <b>15,503.0</b>            | <b>16,734.3</b>                     | <b>17,965.6</b> | <b>19,196.9</b> |

\* Based on 9-month 2016 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s)                           | Reserve / Reserve Fund Number | Projected Balance as of \$ | Withdrawals (-) / Contributions (+) |                 |                 |
|-------------------------------------------------------------------|-------------------------------|----------------------------|-------------------------------------|-----------------|-----------------|
|                                                                   |                               |                            | 2017 \$                             | 2018 \$         | 2019 \$         |
| <b>Projected Beginning Balance</b>                                |                               |                            | <b>34,371.3</b>                     | <b>34,426.8</b> | <b>34,482.3</b> |
| Sick Leave                                                        | XR1007                        | 36,287.6                   |                                     |                 |                 |
| <i>Proposed Withdrawals (-)</i>                                   |                               | (1,916.3)                  |                                     |                 |                 |
| <i>Projected Contributions (+)</i>                                |                               |                            | 55.5                                | 55.5            | 55.5            |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | <b>34,371.3</b>            | <b>34,426.8</b>                     | <b>34,482.3</b> | <b>34,537.8</b> |
| <b>Other Program / Agency Net Withdrawals &amp; Contributions</b> |                               |                            |                                     |                 |                 |
| <b>Balance at Year-End</b>                                        |                               | <b>34,371.3</b>            | <b>34,426.8</b>                     | <b>34,482.3</b> | <b>34,537.8</b> |

\* Based on 9-month 2016 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s)                           | Reserve / Reserve Fund Number | Projected Balance as of \$ | Withdrawals (-) / Contributions (+) |              |              |
|-------------------------------------------------------------------|-------------------------------|----------------------------|-------------------------------------|--------------|--------------|
|                                                                   |                               |                            | 2017 \$                             | 2018 \$      | 2019 \$      |
| <b>Projected Beginning Balance</b>                                |                               |                            | <b>920.7</b>                        | <b>920.7</b> | <b>920.7</b> |
| Mayor's Homeless Initiative Reserve                               | XR1104                        | 920.7                      |                                     |              |              |
| <i>Proposed Withdrawals (-)</i>                                   |                               |                            |                                     |              |              |
| <i>Projected Contributions (+)</i>                                |                               |                            |                                     |              |              |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | <b>920.7</b>               | <b>920.7</b>                        | <b>920.7</b> | <b>920.7</b> |
| <b>Other Program / Agency Net Withdrawals &amp; Contributions</b> |                               |                            |                                     |              |              |
| <b>Balance at Year-End</b>                                        |                               | <b>920.7</b>               | <b>920.7</b>                        | <b>920.7</b> | <b>920.7</b> |

\* Based on 9-month 2016 Reserve Fund Variance Report