

## Attachment 3: Toronto Community Housing Corporation, 2019-2022 Strategic Plan and 2019 Budget Detailed Summary



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## Message from the Chair and the CEO

Toronto Community Housing's buildings are the homes and communities where 110,000 tenants build their lives. We want these homes to be places where all tenants can thrive and realize their potential.

Working with the City of Toronto, in 2017 we refocused our mandate on the core services we deliver as a social housing provider. We are also working to transform our culture and practices to become more responsive and tenant-focused. We are working to integrate Toronto Community Housing within the network of supports and services that exist in the city to better meet the needs of tenants.

Within the context of refocusing our mandate, we engaged tenants to gain insight into what matters most to them. Our 2019 – 2022 Strategic Plan reflects the priorities we heard from tenants and from our employees. It provides the framework to continue building on our progress. The plan sets ambitious but achievable targets that will drive meaningful change and advance our journey to better service delivery.

The plan sets out three strategic priorities: positive tenant experience, quality homes and vibrant communities. These priorities underscore our continuing focus on delivering clean, well-maintained buildings where tenants have opportunities to engage with their community. We are committed to ensuring that service delivery meets high standards consistently across the organization. Our strategic plan speaks to our role in collaborating with organizations, governments and the private sector to improve tenant access to services and support community building.

We are enthusiastic about our strategic plan and the clear direction it sets for visible, meaningful and positive change for tenants. We want tenants to be proud to call Toronto Community Housing their home, and we want employees to be proud to work here.



## Vision

Quality homes in vibrant communities where people are proud to live and work

## Values

**Respect:** We respect people as individuals and create environments where fairness, trust and equitable treatment are the hallmarks of how we work.

**Accountability:** We are accountable for our actions, accept responsibility for our performance and share the results of our work in an open, honest and transparent manner.

**Community collaboration:** We recognize we can do more together than alone. We seek out partnerships with tenants, the City of Toronto, stakeholders and government to combine efforts and resources in pursuit of common goals.

**Integrity:** We perform our duties with the utmost regard to the high standards expected of a corporation established to deliver social housing.

**Accessibility for persons with disabilities:** We are committed to providing accessible service. This includes meeting our duty to accommodate disabilities under the *Human Rights Code*, and the standards set out in the *Accessibility for Ontarians with Disabilities Act*.



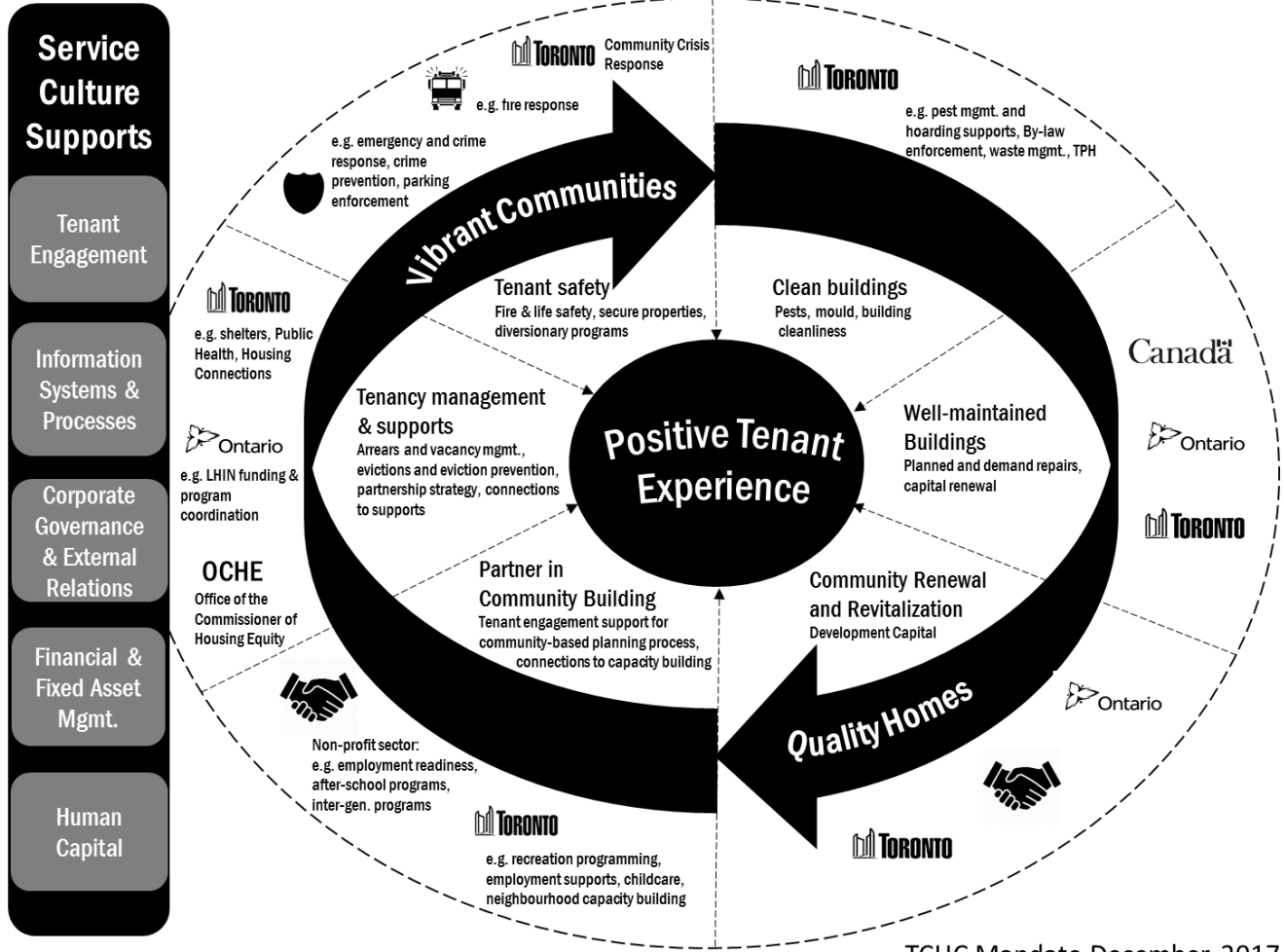
## Mandate

As a social housing provider, we must do more than a typical landlord and are responsible for meeting the requirements set out by the City in our Shareholder Direction. We provide a complex array of services and programs. As a result, our role in the community has not always been clear, leading to expectations which exceed our mandate. In order to use resources effectively and provide quality service to tenants, we need to focus on delivering our core competencies. Recognizing this, we worked with the City of Toronto in 2017 to refocus our mandate.

The mandate diagram on page 7 defines Toronto Community Housing's six core services as a social housing provider.

- **clean buildings** includes unit condition, and pest and mould control;
- **well-maintained buildings** includes regular maintenance and emergency repairs in tenants' units and in buildings;
- **revitalization and renewal** includes communities undergoing comprehensive redevelopment and buildings where large-scale capital renewal projects are being undertaken;
- **community building partner** includes tenant engagement systems and multi-partner work on local community planning;
- **tenancy management and supports** includes assistance for vulnerable tenants to meet the terms of their lease and maintain their tenancy; to better deliver this function while adhering to our mandate, we need to make connections with outside agencies such as Local Health Integration Networks, the Centre for Addiction and Mental Health, and legal clinics; and
- **tenant safety** includes community safety response, building design to deter crime, fire life safety, and youth programs; Toronto Police Service is responsible for delivering the policing services that keep our communities safe; however, through our Community Safety Unit, we do our part working collaboratively with police to ensure that tenants are properly served.

The inner circle of the mandate diagram provides a snapshot of Toronto Community Housing's core services. The outer circle represents some of the many partners and organizations that deliver programs and services that support tenants. These programs and services are complementary to our services but are not part of our core competencies as a social housing provider, nor should they be.





We do not have the funding, employee capacity or expertise to deliver all of the wide variety of programs and services that tenants need to maintain successful tenancies. As a result, we rely on external organizations to provide the services we are not mandated to deliver. Our plan assumes that all three orders of government will provide their fair share of financial and other resources. All three orders have pledged support, but program details have yet to be articulated.

With assistance from the City of Toronto, we must move toward a more strategic approach to partnerships, and do so in a way that enhances the wellbeing of tenants. By leveraging the use of non-residential space in our buildings, we can attract the right community partners to deliver the needed services to tenants within their own communities. This will allow us to focus on delivering programs and services within our mandate.

Building strategic and beneficial partnerships takes time and resources, as well as partners who are committed to working with us to create positive change. Our ongoing collaboration with the City of Toronto to drive transformative change through the Tenants First project will be integral to achieving successful outcomes for tenants.



## Introduction and Context

### About Us

#### Tenants:

- Some 110,000 people (4% of the City of Toronto's population) live in our buildings. They come from many different backgrounds with a diversity in age, education, language, mental and physical ability, religion, ethnicity and race.
- Roughly two out of every five households self-identify as having a member with a disability.
- 89% of tenants pay rent-geared-to-income. The other 11% pay market rent or affordable rent rates.
- The median income of Toronto Community Housing households in 2017 was \$17,677. By comparison, the median income of economic families in Toronto in 2015 (latest data available) was \$82,859.

#### Employees:

- Almost 2,000 people work at Toronto Community Housing.
- 81% of employees work in operational divisions providing frontline service to tenants.
- 15% of our employees are either current or former tenants of social housing.
- 13% of our employees will be eligible to retire in the next five years.

#### Portfolio:

- Toronto Community Housing is the largest social housing provider in Canada.
- Nearly 60,000 low-and moderate-income households call Toronto Community Housing home.
- We own and manage rental units in 2,100 buildings across the city, containing nearly 50 million square feet of residential space, in more than 100 of Toronto's neighbourhoods.
- Our portfolio is a \$10-billion public asset.
- Most of our buildings are more than 50 years old and need large-scale repairs.





## Strategic context

### The Mayor's Task Force and Tenants First

In January 2015, Mayor John Tory appointed an independent Task Force to review the operations of Toronto Community Housing. Following the Task Force's final report in January 2016, the City established the Tenants First team to create a plan for implementing the Task Force recommendations. Tenants First focuses on Toronto Community Housing's role as a social housing provider, from maintaining its buildings in good repair to connecting tenants to appropriate services and engaging in their communities.

As part of Toronto Community Housing's work with the City to implement the Tenants First report, in the fall of 2017 we collaborated on refocusing our mandate. Guided by this refocused mandate, we are now working with the City to establish a sustainable funding model. The new model will align with a revised operating agreement and Shareholder Direction.

Our strategic plan continues to address the Tenants First recommendations, focusing on improved service delivery, better building conditions, increased access to services, and connecting and integrating services to effectively meet the needs of senior tenants and communities. To the last point, we will:

- work with the City of Toronto to create a new integrated service model to promote aging in place, better quality of life and successful tenancies for Toronto Community Housing seniors—those living in seniors buildings and those living in other buildings—as well as all other tenants; and
- evolve the Seniors Housing Unit established within Toronto Community Housing in 2018 to implement the model and manage the seniors portfolio.

As the City's direction on seniors housing evolves, based on their review of City services for seniors and investigation into the creation of a Seniors Housing and Services Entity, we will continue to work with them to implement a system that best meets the needs of seniors. We are committed to developing an infrastructure that will support the needs of all tenants living in Toronto Community Housing.

### Policy, Regulation and Legislation

Several factors impact both the direction of the strategic plan and our day-to-day operations. As a public institution and with the City of Toronto as our sole shareholder, Toronto Community Housing is subject to municipal, provincial and federal legislation and initiatives. The political climate in Ontario began to change in 2018 with the election of a new majority government, and further changes may arise in 2019 following the federal election. New policies, regulations and legislation from other orders of



government could require a change in the direction of our strategic plan and impact how we operate.

Several government initiatives currently underway also have the potential to directly affect Toronto Community Housing. For example, possible funding under the National Housing Strategy, the Government of Ontario's efforts to modernize social housing, the Survivors of Domestic Violence Portable Housing Benefit, the Government of Ontario's Fair Wage Better Jobs initiative, legalization of recreational cannabis, alternative level of care decisions, the push to reduce shelter crowding and the RentSafeTO landlord registry could impact our operations.

### Rental Housing Crisis

Toronto is currently in the midst of a housing affordability crisis, especially for rental units. The vacancy rate for purpose-built rental housing is at its lowest rate (1%) since 2001, while monthly rental rates are at an all-time high. As a result, almost half of renters in Toronto pay more than 30% of their monthly income for housing.

This crisis has further exacerbated demand for subsidized housing. There are more people with active applications on the City's waitlist than there are tenants currently residing within Toronto Community Housing. The active waitlist has increased by 28% over the past five years to more than 180,000 people, while our supply of subsidized housing has declined during that same period due to a lack of funding to maintain and repair units.

As the city's largest social housing provider, our strategic plan addresses the need to repair and revitalize our buildings in order to maintain the limited supply of affordable rental housing in Toronto. Secure funding sources are needed from other orders of government to address all necessary repairs.



## Strengths, weaknesses, opportunities and threats (SWOT) analysis

### Strengths

#### Committed employees

Our team of dedicated employees is one of our greatest strengths to ensure the successful execution of our strategic plan. Although Toronto Community Housing faces many challenges, our employees continue to demonstrate their commitment to serving tenants. We have capitalized on their experience and knowledge to develop an achievable plan that will drive change and improve our service delivery to tenants.

#### Full complement of executive leadership team

Several of Toronto Community Housing's executive leadership positions were filled on an interim basis for varying lengths of time between 2014 and 2017, leading to uncertainty for our front-line staff on the direction we were headed. The majority of officer positions, including President and Chief Executive Officer, have been filled on a permanent basis, providing stability and continuity as we move forward to deliver on our strategic priorities.

#### Revitalization expertise

We are internationally recognized for our community-based approach to revitalization which leverages funding from partners to create replacement rental housing, new community spaces, and employment and training opportunities for tenants while actively engaging them in the transformation of their neighbourhood. We are currently revitalizing eight of our communities across the city, and have several large properties within our portfolio that could accommodate additional housing developments, and hence additional revitalization opportunities. We will leverage our expertise and strong reputation as a developer on additional revitalization projects that we are actively exploring.

#### Operational efficiencies

We are committed to delivering operational efficiencies wherever possible and any funds freed up will be relocated to services with direct tenant benefit.

### Weaknesses

#### Meeting stakeholder expectations

The needs of tenants extend beyond our mandate as a social housing provider. This is especially pronounced regarding tenant vulnerabilities, such as mental health and addiction issues, that create challenges to maintaining successful tenancies. An estimated 23% of tenants live with mental health challenges, and there is currently a shortage of more than 12,000 units in Toronto for individuals living with serious and



persistent mental illnesses who require supportive housing. More than two-thirds of tenants who are seniors live alone, with many struggling to access the community services or supports they need to live independently.

When supports for tenants are not available, we have often sought to provide assistance in ways that go beyond our core competencies. This results in suboptimal services for tenants and diverts our limited resources from our core mandate. Meeting these needs going forward requires greater collaboration with the City of Toronto, Toronto Police Service, Toronto Public Health and other community service partners through a holistic service delivery model.

#### Aging Buildings and Insufficient Funding

The majority of our buildings are more than 50 years old, and only two per cent were built within the past 10 years. We have operated for more than 15 years without a stable, long-term source of funding to pay for capital repairs, which has resulted in a \$2.6-billion repair backlog, deteriorating building conditions and the permanent closure of hundreds of units.

Since launching our 10-year capital repair plan, our annual spending has steadily increased from \$68 million in 2013 to a record \$300 million in 2018. We have used these funds to make significant progress toward addressing our portfolio's repair and renewal needs and are committed to accelerating our progress.

Although the City of Toronto's 10-year capital plan includes \$160 million per year for Toronto Community Housing, which would ensure no further permanent closures of units, funding challenges remain. (Please refer to the threats section on page 12.) Our capital renewal program remains underfunded as our portfolio continues to age.

#### Information technology infrastructure

Our information technology infrastructure consists of more than 180 applications and systems, with many approaching or already at end of life. Many systems are at an increased risk of failure and are no longer supported by the developer. We are currently planning to upgrade the core applications to provide an integrated solution for our operations, and expect to have a new system in place within the next two years. This investment will enable our employees to quickly and easily access the information they need to do their jobs and serve tenants.

#### Service delivery in contract-managed buildings

The 2017 tenant survey found that only 55% of tenants in contract-managed buildings were satisfied with Toronto Community Housing's services compared with 70% of tenants in direct-managed buildings. These results show that tenants in contract-managed buildings do not feel they are receiving the level of service they deserve. Ensuring that tenants receive consistent and high-quality service across the portfolio is a key goal within our strategic plan.



## Opportunities

### National Housing Strategy

The National Housing Co-Investment Fund, announced in April 2018 as part of the Government of Canada's National Housing Strategy, aims to create up to 60,000 new affordable units and repair up to 240,000 affordable and community units across Canada over the next 10 years. Through the fund, the federal government will provide a combination of loans and financial contributions to projects that meet or exceed affordability, accessibility and energy-efficiency criteria and have a form of investment from another order of government. We are determining which of our capital projects could be adjusted to meet the criteria and whether we can access provincial or municipal funding support to be eligible; however, this program will not address our long-term funding needs on a sustainable basis.

### Transit expansion

The federal and provincial governments have committed a combined \$9.6 billion toward five transit projects in Toronto over the next decade, including the Scarborough East LRT and Scarborough subway extension. In addition, the Eglinton Crosstown and the Finch West LRT are projected to open in 2021 and 2022 respectively. Our properties located near these new transit nodes would likely increase in value. This presents opportunities for revitalizing these communities by partnering with the private sector to develop for-sale market condominiums and using proceeds to help fund the replacement of our buildings on the property.

### Tenants First

Our ongoing collaboration with the City of Toronto to implement Tenants First creates opportunities to develop a new service model to better serve tenants. We moved swiftly in 2018 in response to Council's direction to establish a Seniors Housing Unit, and are working with the City to create a new integrated service model for seniors housing. The result will be better coordination of the services provided to seniors by outside organizations and better alignment of programs focused on seniors delivered by the City, the province and the federal government. Tenants who are seniors will be better positioned to age in place and enjoy better quality of life and successful tenancies.



## Threats

### Reduced funding sources

Following a recommendation in the Putting People First: Transforming Toronto Community Housing report, we began the process of refinancing our mortgages in 2013 to take advantage of lower interest rates and to generate funding for our 10-year capital repair plan. Between 2013 and 2017 just under \$750 million was generated through mortgage re-financing; however, this source of funding is not sustainable as the number of mortgages available for refinancing will decline in the coming years.

Between 2018 and 2027, we are forecasting to generate an additional \$196 million from mortgage refinancing. With the \$160 million per year commitment from the City and mortgage financing proceeds, we have been able to secure only one-third of the funding we need to fully implement our 10-year capital renewal plan. We are also aware of funding gaps in the City's 10-year capital plan.

We are working with the City of Toronto to develop a sustainable, permanent funding model. This will not be possible without the provincial and federal governments contributing their share of funding toward the capital repair backlog. To date we have not received any funding commitments to support the delivery of our 10-year capital plan from other orders of government.

With the recent change in provincial government we face additional funding uncertainty. For example, in June 2018, the provincial government announced its decision to cancel the cap-and-trade program, which was a source of funding for our plan. Contracts for existing projects funded by cap-and-trade will be honoured; however, future funding can no longer be expected through this program.

As government funding pressures are expected to increase over time, we also recognize that securing additional revenue and funding sources are needed to ensure financial sustainability.

### Demographic trends and tenant needs

An increasing number of senior tenants who are aging in place face isolation and barriers which impact their ability to manage their lives. Between 2013 and 2017, our population of seniors grew by 25%, and seniors living alone grew by six per cent. This trend will continue, as the number of people in Toronto aged 65 and over is expected to almost double by 2041. This trend will result in increased demand from tenants, including for accessibility modifications to their units to enable them to continue completing daily activities without barriers. We will work with the City of Toronto to create a new integrated service model to promote aging in place, better quality of life and successful tenancies for all seniors living in our buildings.

Many of our most vulnerable tenants, including seniors, do not have access to the proper supports that they need to maintain their tenancies. Increases in shelter usage,



and a lack of long-term care beds and supportive housing, will lead to further instances of vulnerability within the tenant population. This will continue to be a challenge for us. Toronto's waiting list for supportive housing for mental health and addictions increased by 138% between 2013 and 2017, while demand for long-term care services in Ontario continues to grow at an annual rate of 15%. It is essential that we work collaboratively with the full range of community partners and other orders of government to ensure that tenants have access to the supports and alternative housing options that best fit their needs.

#### Rising utility costs

The Ontario government forecasts that the average monthly residential bill for electricity in Ontario is expected to increase by 52% between 2017 and 2035, which will divert our resources away from maintaining our buildings and improving conditions for tenants. We spend upward of 20% of our operating budget on utilities. We have been mitigating exposure to rising energy costs while improving living conditions for tenants through retrofits and upgrades to buildings, such as new energy-efficient heating, improved insulation and window replacements. We will continue to work with the City of Toronto to secure funds available through the Ontario Climate Change Action Plan, as well as continuing to pursue other available sources of funding.



## Enterprise Risk Management

Toronto Community Housing uses an Enterprise Risk Management (ERM) framework to identify, monitor, and evaluate risk exposures. This ensures that we have appropriate risk controls and mitigation plans in place, and that exposures are within the established risk appetite. As well, we use identified priority risk exposures and their associated controls and mitigation plans to inform enterprise-wide planning and decision making. We have integrated this information into the development of the strategic plan and divisional business plans.

To strengthen our ability to manage priority risks, in 2018, we refreshed the original ERM framework first implemented in 2015. The ERM refresh focused on three components: governance, framework, and policies and procedures.

### Governance

We have established an ERM Committee composed of company officers to provide executive oversight on key activities such as enhancing management governance and strengthening accountability and integrated decision-making. The ERM Committee updates the profile of priority risks and emerging risks annually and leverages opportunities to facilitate enterprise-wide planning and decision making.

### Framework

We used an enterprise-wide risk register to track all identified priority risks and emerging risks, as well as corresponding risk controls. We update the risk register quarterly with consideration to risk controls that have been developed and implemented throughout the organization. We have also adopted standardized risk domains to help categorize all identified risk exposures. The risk domains are as follows:

- **Business Risks:** business operations, reputation and public image, and governance
- **Resource Risks:** human resources, financial, information systems, and physical assets
- **Compliance Risks:** environmental, health and safety, legal, regulatory and standards, and policies and procedures.





## How We Consulted with Tenants and Employees

We worked closely with tenants and the City of Toronto to refocus our mandate. Through this process we gathered valuable input from key stakeholders that helped us develop our strategic plan. In addition to our refocused mandate, our SWOT analysis, risk assessment and the results of the 2017 tenant survey provided the foundation for the overall direction of the strategic plan. The survey results showed that tenant satisfaction has improved in many key areas and that our organization is heading in the right direction.

To confirm we were on the right track with our strategic priorities and to gain a deeper understanding of tenants' perceptions, we held six consultation sessions and conducted an online survey through which we engaged over 270 tenants from across the city. We asked tenants what success would look like to them and what outcomes they would like to see at the end of the four-year strategic plan. We also consulted with employees regarding our vision through our employee engagement survey, which was completed by 77% of employees.

What we heard from tenants and employees reinforced our strategic priorities, and helped us to identify goals and objectives for each priority. The following key themes emerged from these consultations:

- improve the conditions of units, buildings and common areas;
- dedicate more resources to community safety;
- create more opportunities to engage tenants and connect them to the broader community; and
- provide more frequent and proactive communications to tenants in a respectful manner.



## The Plan

To achieve our vision, we have identified three strategic priorities:

- Positive Tenant Experience
- Quality Homes
- Vibrant Communities

For each priority, we have identified strategic goals, key actions that will enable us to achieve them, and key performance indicators and targets over the strategic plan period. Of course, the ultimate measure of success will be the positive changes that tenants experience as a result of us effectively executing our strategic plan.

To embed tenant experience in all aspects of our work, we have looked at each of the seven goals through a tenant-experience lens. Each goal includes a section called “What tenants will see” that provides examples of what we will strive for in terms of a positive experience for tenants.



## Positive Tenant Experience

Our refocused mandate identifies positive tenant experience as central to all that we do at Toronto Community Housing. We want tenants to feel they have been treated with respect and received quality service in every interaction with our employees and contractors.

### Goal 1: Tenants receive responsive, consistent and quality service, and proactive communication

Through our annual tenant survey and direct feedback, tenants have told us that we need to provide timelier and more respectful communication to tenants, and restore their confidence in Toronto Community Housing. It has also shown that tenants living in contract-managed buildings are not as satisfied with the service they receive as are tenants living in direct-managed buildings. Tenants are entitled to the same quality of service no matter where they live in our portfolio.

As our seniors population ages, we recognize there is a need to support aging in place to promote better quality of life and successful tenancies for all seniors. To accomplish this, a new integrated service model is needed.

#### What we heard

Tenants told us they want maintenance requests for their units completed in a timely and respectful manner, regardless of whether their building is directly managed by Toronto Community Housing or contract-managed. Tenants also want to receive clear and timely notices and other communication.

#### Actions

- 1.1 Proactively communicate with tenants in all matters that affect them.
- 1.2 Work with contracted property management companies to ensure that service delivery is improved and is consistent across all buildings.
- 1.3 Evolve the Seniors Housing Unit within TCHC and implement the integrated service model to effectively address the needs of seniors across the portfolio.

#### What tenants will see:

- service delivery that better meets the needs of senior tenants;
- more responsive and consistent service delivery;
- respectful treatment when interacting with employees and contractors; and
- clear and proactive communications regarding repairs and service disruptions.



## Goal 2: Employees are engaged, empowered and accountable in a tenant-centric culture

To become more tenant-centric, we will need to transform our culture. Our employees are the drivers of organizational success and tenant satisfaction. We need employees to feel empowered and take ownership of their work. We will provide them with clear expectations, the tools, training and support they need, as well as the authority to make decisions. We will work to create an environment that is conducive to high morale and performance, which will then be reflected in the service provided to tenants.

### What we heard

Tenants want Toronto Community Housing employees to be accountable for the services they provide. Tenants want employees to respond in a timely, respectful and consistent manner. This means providing employees with the skills, tools, support and accountability systems to help them do their work.

### Actions

- 2.1 Foster high levels of employee engagement and a workplace that is conducive to high morale and strong leadership competency, where employees have ownership of and accountability for their work.
- 2.2 Have in place the tools, technology and clear processes to deliver services effectively.

### What tenants will see

improvements in quality, consistency and response time for service requests;

### What employees will see

- all employees have the skills, support and authority they need to perform their work and feel confident in doing so; and
- achievements are recognized and rewarded.



## Quality Homes

Quality homes means buildings are clean and well-maintained to keep them in a state of good repair, and that we are taking advantage of renewal and revitalization opportunities where possible.

### Goal 3: Buildings are clean and well-maintained

All tenants deserve to live in homes that are in good condition and are a place they are proud to call home, raise their families and invite their friends to visit. Through our 2017 tenant survey, tenants told us that providing clean, well-maintained homes is the most significant driver of tenant satisfaction.

Each year, we update our 10-year capital renewal plan to address the capital repair backlog and forecast our continued funding needs. Full funding and implementation of the plan will return our buildings to a state of good repair. Within the 10-year capital renewal plan, we have developed a four-year building repair capital plan that is aligned with our strategic plan period; it is included in Appendix B. We have also developed energy-efficiency and environmental targets, as required by the Shareholder Direction.

#### What we heard

The buildings' common areas need to be clean and accessible, elevators need to be more reliable, and laundry, garbage and recycling areas need to be better managed. Tenants want more frequent pest control treatments and to have all aspects of their units working properly.

#### Actions

- 3.1 Continue implementing the 10-year capital renewal plan.
- 3.2 Deliver consistently clean buildings.
- 3.3 Improve the quality of maintenance and repair work through strengthened vendor performance management
- 3.4 Initiate the revitalization process in additional communities and continue to revitalize 250 Davenport, Alexandra Park, Allenbury Gardens, Don Summerville, Firgrove, Lawrence Heights, Leslie Nymark and Regent Park.

#### What tenants will see

- capital work reflects input from tenants;
- interior and exterior common areas are accessible and refreshed;
- elevators are reliable;
- units are in a state of good repair;
- cleaning standards are communicated to tenants and adhered to;



- waste is managed effectively;
- maintenance requests are completed properly the first time; and
- revitalization communities are actively involved in the renewal process.



## Goal 4: Resources are effectively allocated, while managing risk and providing value for money

We are accountable to tenants for the housing we provide, and to the citizens of Toronto for the funding we receive from the City. Our limited resources mean we must make every effort to ensure we are getting the most out of each dollar. This means making investments based on life-cycle costing and value for money. Our four-year operating budget can be found in Appendix A.

### What we heard

Tenants want staff to have more oversight of the quality of work completed by vendors and property management companies to make sure repairs are completed properly the first time a request is made. Tenants also want our procurement processes to place more emphasis on the quality of services offered by vendors. Tenants recognize that efficient financial management means resources can be stretched further, enabling us to deliver more core services to tenants.

### Action

- 4.1 Enhance the strategic sourcing process to ensure the selection of quality vendors and optimize value for money.
- 4.2 Leverage underutilized assets to generate revenue that will provide direct benefits to tenants and Toronto Community Housing.

### What tenants will see

- repairs are completed properly the first time;
- more repair and maintenance work is carried out; and
- services are delivered to tenants more efficiently.



## Vibrant Communities

Vibrant communities are places that tenants are proud to call home. It is where they feel safe whether they are raising a family or living alone. Our communities need to be places where people can thrive and reach their potential.

### Goal 5: Tenants feel safe in their communities

Safety in our communities is top priority. We have been and are continuing to introduce new strategies and actions to deter crime; however, curtailing such activity is mostly beyond our control as a social housing provider. Yet, when a violent incident happens on one of our properties, its impacts are felt throughout the community by tenants, the broader community and our employees alike.

Many of our communities are in neighbourhoods that have consistently high crime rates. While Toronto Community Housing tenants comprise four per cent of the city's total population, 26% of shootings in the city in 2017 occurred on our properties. Our community safety resources are disproportionate to the volume of tenants that may require safety services. On average there is one special constable on duty for every 5,240 tenants covering an area of 30 square kilometres. We lack access to robust intelligence data that would enable us to better and more proactively respond to requests for service. Despite increasing our complement of special constables from 102 to 114 in 2018, we cannot solve this issue on our own. The Toronto Police Service is responsible for managing crime and enhancing public safety across the entire city, including in Toronto Community Housing communities. Despite our positive and collaborative relationship, we need more support in order to deliver on this goal.

It is our responsibility to ensure that all our buildings meet the *Ontario Fire Code* through regular inspection and maintenance. The vulnerability of many tenants puts them at greater risk during a fire, which increases the complexity of providing a safe environment. Six out of seven causes of fires at our buildings are human behavior-related, such as careless cooking, careless smoking or unattended open flames. We have an important role in educating tenants and employees in partnership with Toronto Fire Services to promote behaviours that create a culture of fire safety for everyone.

#### What we heard

Tenants would like us to respond more quickly when they call us. They also would like to see a more visible presence of Community Safety Unit special constables in their communities to help build relationships so that both employees and the community can collectively address incidents of anti-social behaviour when they occur. In addition, investments in better lighting, signage and security cameras can help tenants feel safer in their communities.





## Actions

5.1 Enhance and upgrade physical infrastructure to increase security and deter criminal behaviour.

5.2 Implement a new safety model to deliver enhanced Community Safety Unit presence in priority communities using the information gathered through the implementation of pilots in the broader Dan Harrison and 145 Strathmore communities<sup>1</sup>.

5.3 Advance the fire safety culture by improving tenants' and employees' awareness and by building partnerships with key stakeholders.

## What tenants will see

- more timely and coordinated responses to emerging community issues;
- early identification of community issues and better problem solving and cooperation;
- community safety unit officers are visible in the community and tenants know how to get in touch with them;
- continued strategic installation of lighting and closed-circuit television cameras; and
- increased communication and awareness regarding fire safety.

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<sup>1</sup> The broader Dan Harrison community has been identified as a priority community for safety concerns. The pilot, which will begin in 2018, will provide enhanced 24/7 presence in this community, conduct regular patrols and respond to security issues at surrounding buildings. This will increase our ability to better address anti-social behaviour and improve documentation to support evictions for cause.



## Goal 6: Tenancies are well managed with a focus on supporting vulnerable tenants to have successful tenancies

We provide homes to many tenants who need additional supports to maintain their tenancies. Providing the appropriate support is in most cases beyond our core competencies. Strengthening our partnerships with government and the non-profit sector is essential to meet tenants' growing needs for support services. Toronto Community Housing's role is to identify tenants who face barriers to maintaining a successful tenancy and connect them to appropriate supports to help them maintain their tenancy.

### What we heard

Tenants want employees to have a good understanding of the unique needs of vulnerable tenants in each community in order to develop strategic partnerships with service agencies that can meet these needs. Tenants also want employees to connect them with the right community partners that can meet their support needs.

### Actions

6.1 Identify vulnerable tenants and connect them to appropriate supports.

6.2 Enhance relationships with existing partners and identify new collaboration opportunities that better address tenants' needs.

### What tenants will see

- tenants receive timely communication on lease violations; and
- connections will be made to the right supports, when needed.



## Goal 7: Tenants are engaged in activities that influence their quality of life

Tenants understand the needs of their communities. Toronto Community Housing is committed to providing an effective tenant engagement system that enables more tenants from all communities to get involved. This includes facilitating tenant participation and the connection to programs and services that enhance their quality of life.

### What we heard

Tenants want more opportunities to provide input and to be involved in matters that affect them. They want more formal opportunities to get involved at the local level. Tenants want us to address barriers to participation by creating more accessible spaces and materials, and ensuring all communities receive notices and other information in a timely manner.

Tenants also want access to more recreational programs that serve the needs of the community.

### Actions

7.1 Implement the refreshed tenant engagement system to remove barriers to tenant participation and empower tenants to be actively involved in local priority setting, action planning and collaboration on matters that affect them.

### What tenants will see

- additional opportunities and structures for tenants to get involved in their community;
- timely notices posted in their communities in English and other commonly spoken languages;
- more information about local community programs and services that address priorities identified by the community;
- more communication about recreational programs delivered by community partners in their area; and
- better connections to partners that can help them get access to job, educational and mentorship opportunities.



## Accountability

To maintain transparency and accountability we have identified key performance indicators (KPIs) and targets for each of our goals. We will use these to track our progress over the four years of the plan. These KPIs are included in the table “Goals, Actions and Key Performance Indicators” on page 41. We will also develop annual business plans to operationalize the strategic plan. We will report regularly to the Board of Directors on the progress against established goals and targets in our business plans.



## Goals, Actions and Key Performance Indicators

Note: Baselines and targets are not available for all key performance indicators (KPIs) as several actions are new initiatives under development in 2018 or 2019. As a result, targets are listed as “to be determined” (TBD) for these actions. They will be set through the annual business plan once the baselines are established.

Strategic Priority	Strategic Goals	SP Actions	SP Key Performance Indicators	Baseline	SP Targets			
					2019	2020	2021	2022
Positive Tenant Experience	1: Tenants receive responsive, consistent, and quality service, and proactive communication	1.1 Proactively communicate with tenants in all matters that affect them	Tenant Experience Survey: Keeping tenants informed of changes that affect them	73% (2017)	75%	77%	79%	81%
		1.2 Work with contracted property management companies to ensure that service delivery is improved and is consistent across all buildings <ul style="list-style-type: none"> <li>Partner with FM to assess preventative maintenance work and standardize capital management practices</li> <li>On-going contract Compliance Management</li> </ul>	% of time that service levels are met.	Baseline to be established in 2018	TBD	TBD	TBD	TBD
		1.3 Evolve the Seniors Housing Unit within TCHC and implement the integrated service model to effectively address the needs of seniors across the portfolio <ul style="list-style-type: none"> <li>Operate Seniors Housing Unit under new structure and funding model to deliver a positive tenant experience</li> </ul>	Tenant Experience Survey: Overall tenant satisfaction in seniors buildings	78% (2017)	79%	81%	83%	85%
		<ul style="list-style-type: none"> <li>Implement integrated service delivery model</li> </ul>	Integrated service delivery model implemented in collaboration with the City of Toronto and service-delivery partners	Work plan to be developed in 2018	Milestones met	Milestones met		



Strategic Priority	Strategic Goals	SP Actions	SP Key Performance Indicators	Baseline	SP Targets			
					2019	2020	2021	2022
	2: Employees are engaged, empowered and accountable in a tenant-centric culture	2.1 Foster high levels of employee engagement and a workplace that is conducive to high morale and strong leadership competency where employees have ownership of and accountability for their work	Employee engagement survey	66%	69%	72%	74%	76%
		2.2 Have in place the tools, technology and clear processes to deliver services effectively	IHMS delivered in accordance with work plan.	IHMS implemented according to budget and timelines	IHMS implemented according to budget and timelines	IHMS implemented according to budget and timelines		
Quality Homes	3: Buildings are clean and well-maintained	3.1 Continue implementing the ten-year capital renewal plan	Facilities Condition Index (%)	16.2%	18.3%	18.5%	17.7%	16.0% <sup>2</sup>
		<ul style="list-style-type: none"> <li>Implement energy management program</li> </ul>	Energy reduction (%)	\$139.7M of utility expenses budgeted in 2018	4.0%	1.5%	2%	1.5%
		3.2 Deliver consistently clean buildings	Level of compliance with building cleaning standards portfolio wide	95%	95%	95%	95%	95%
		3.3 Improve the quality of maintenance and repair work through strengthened vendor performance management	Tenant Experience Survey: Building Conditions	62% (2017)	64%	66%	68%	70%
		3.4 Initiate the revitalization process in additional communities and continue to revitalize 250 Davenport,	Progress against milestones		Development partner selected for	Construction start for Don	Construction start on phase 4	Completion of 120 TCHC

<sup>2</sup> FCI targets will only be achieved if \$300 million in 2019 and \$350 million in subsequent years are allocated for capital renewal.



Strategic Priority	Strategic Goals	SP Actions	SP Key Performance Indicators	Baseline	SP Targets			
					2019	2020	2021	2022
		Alexandra Park, Allenbury Gardens, Don Summerville, Firgrove Lawrence Heights, Leslie Nymark and Regent Park			remaining revitalization phases in Regent Park and Lawrence Heights  Planning approvals obtained for Don Summerville	Summerville site	Regent Park and phase 2 Lawrence Heights	rental units in Don Summerville
		100% of TCHC units committed to in revitalization communities are completed	n/a	451 units	279	233	99	
	4: Resources are effectively allocated, while managing risk and ensuring value for money	4.1 Enhance the strategic sourcing process to ensure the selection of quality vendors and optimize value for money	Quality of vendors: increase in the average vendor evaluation scores  Vendor Performance: % of jobs completed in accordance with service standards	Baseline established in 2018  Baseline established in 2018	TBD  TBD	TBD  TBD	TBD  TBD	TBD  TBD
		4.2 Leverage underutilized assets to generate revenue that will provide direct benefits to tenants and TCHC	Commercial revenue increase (%)	\$16.1 million (2017)	Targets developed	TBD	TBD	TBD
Vibrant communities	5: Tenants feel safe in their communities	5.1 Enhance and upgrade physical infrastructure to increase security and deter criminal behaviour	Number of buildings with upgrades to cameras, lighting and building access systems.		Meet 100% of targets 40 buildings	Meet 100% of targets 30 buildings	Meet 100% of targets 20 buildings	Meet 100% of targets 20 buildings
		5.2 Implement a new safety model to deliver enhanced Community Safety Unit presence in priority communities using the information gathered through the implementation of pilots	Reduction in anti-social behavior in selected communities		Baseline developed	5% decrease in 1st site	5% decrease in 2nd site	5% decrease in 3rd site



Strategic Priority	Strategic Goals	SP Actions	SP Key Performance Indicators	Baseline	SP Targets			
					2019	2020	2021	2022
		in the broader Dan Harrison and 145 Strathmore communities						
		5.3 Advance the fire safety culture by improving tenants' and employees' awareness and by building partnerships with key stakeholders	% of staff trained  # of buildings/sites where training was offered  # of tenants who received training	100%  Baseline established in 2018  Baseline established in 2018	100%  15% inc  15% inc	100%  15% inc  15% inc	100%  15% inc  15% inc	100%  15% inc  15% inc
	6: Tenancies are well managed with a focus on supporting vulnerable tenants to have successful tenancies	6.1 Identify vulnerable tenants and connect them to appropriate supports	Vulnerable tenants requiring support connected to appropriate supports	Baseline to be established in 2018	100%	100%	100%	100%
		6.2 Enhance relationships with existing partners and identify new collaboration opportunities that better address tenants' needs	% of existing partnership agreements redrafted  % of tenants participating in program offered by partner	25% completed (2018) TBD	100% completed TBD	- TBD	- TBD	- TBD





Strategic Priority	Strategic Goals	SP Actions	SP Key Performance Indicators	Baseline	SP Targets			
					2019	2020	2021	2022
	7: Tenants have the opportunity to be engaged in activities that influence their quality of life	7.1 Implement the refreshed tenant engagement system to remove barriers to tenant participation and empower tenants to be actively involved in local priority setting, action planning and collaboration on matters that affect them <ul style="list-style-type: none"> <li>Launch the new system</li> </ul>	Tenant Experience Survey: Opportunities to be involved in decisions  Participants engaged in the system	60% (2017)	64%	68%	72%	74%
					Baseline to be established in 2019 upon implementation of new system	TBD	TBD	TBD



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# **Toronto Community Housing**

## **2019 Budget**

### **Detailed Summary**

**January 2019**



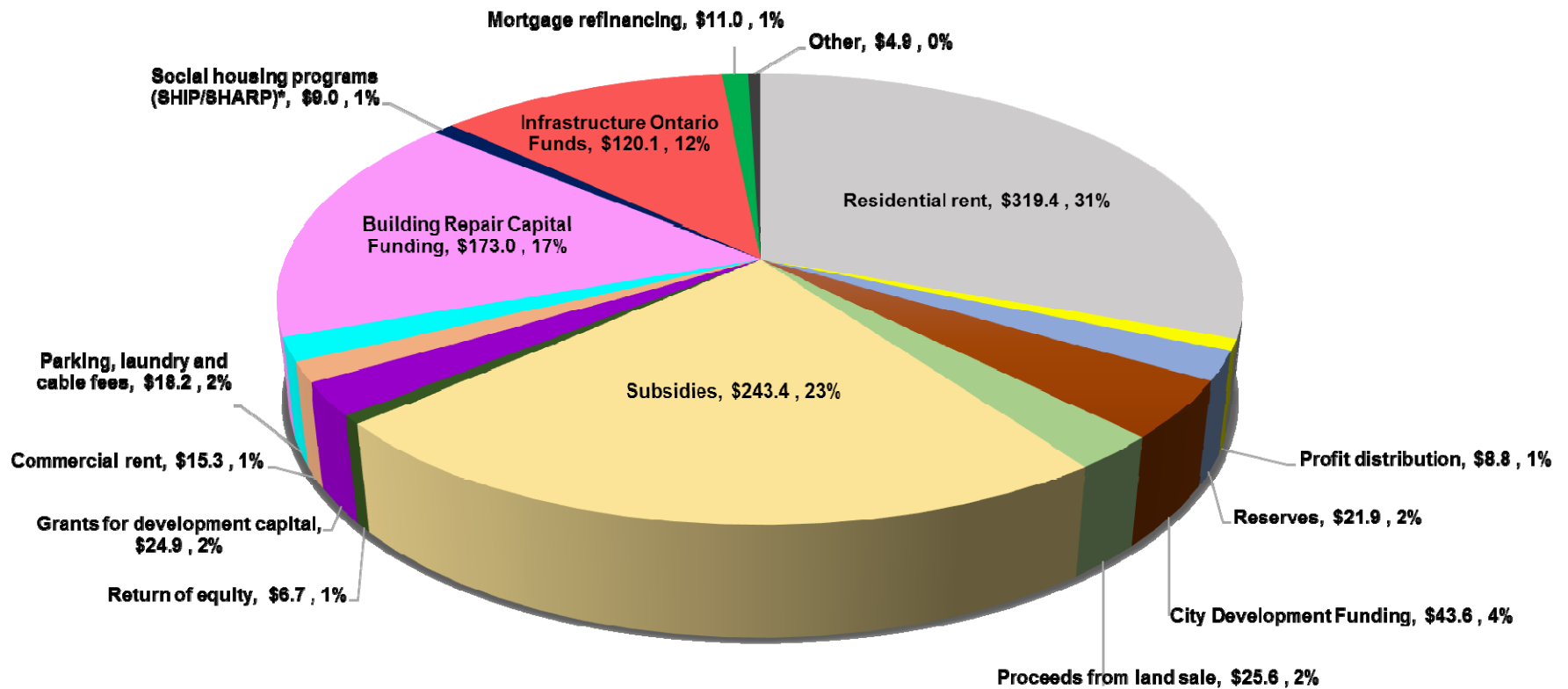
# Key Initiatives

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- The 2019 budget reflects TCHC's strategic plan priorities and builds on our 2018 successes to improve outcomes for tenants and protect Toronto's supply of RGI housing by ensuring no unit closures.
- TCHC will continue to deliver operational efficiencies and reinvest savings of \$7 million into service and safety improvements for tenants.
- We will expand our violence reduction pilot into a full Violence Reduction Program that will deliver enhanced security and community engagement in high-risk communities across the city. We will also expand our fire life safety program to further enhance fire safety outcomes for tenants.
- The Building Capital Renewal Program will deliver repairs and upgrades to the benefit of thousands of households while improving energy efficiencies and furthering our goal of returning the TCHC portfolio to a state of good repair by 2026.
- In 2019 we will begin implementation of the Integrated Housing Management System (IHMS) project, to replace end-of-life information technology infrastructure and support more efficient and reliable service to tenants.

# Sources of Funds

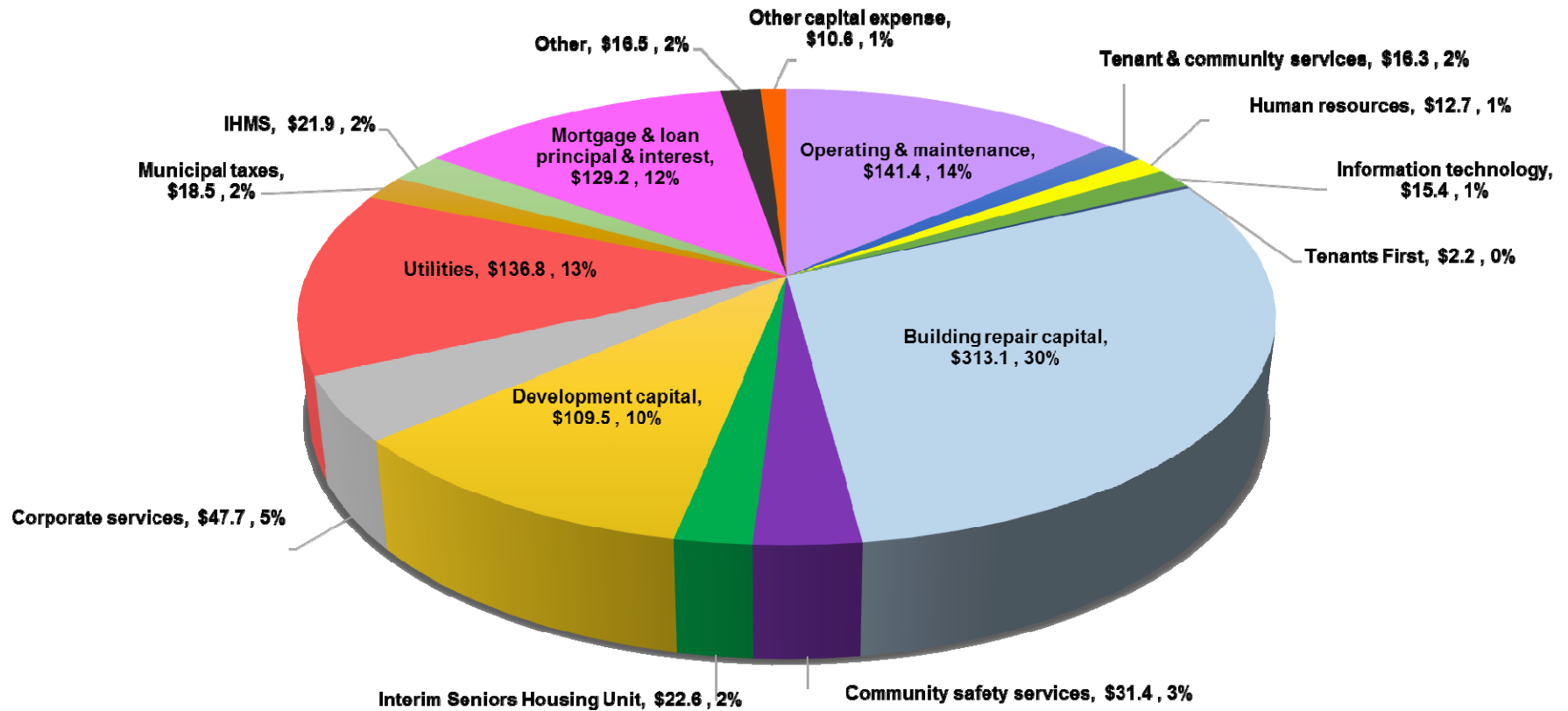
**Budget 2019 Sources of Funds \$1,045.8 million**  
(\$ million)



\*SHIP = Social Housing Improvement Program, SHARP = Social Housing Apartment Retrofit Program

# Uses of Funds

**Budget 2019 Uses of Funds \$1,045.8 million\***  
(\$ million)



\*Amount includes IHMS of \$21.9M



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# 2019 Building Renewal Capital Budget

# Overview

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- \$313.1M spend in 2019; year-end FCI estimated at 18.2%
  - Four-year capital spend commitment being requested from the City to support long-term project planning
  - City has increased funding to \$173M for 2019 with incremental Social Housing Apartment Improvement Program (SHAIP) funding
- Annual capital spend increases to \$350M starting in 2020, but decreases to \$337M in 2026 when year-end FCI is projected to be 10.1%; annual \$160M spend in following years to maintain 10% FCI
- Funding solutions are being pursued to address the \$2.1B unfunded portion of the building renewal capital backlog

# Prioritization

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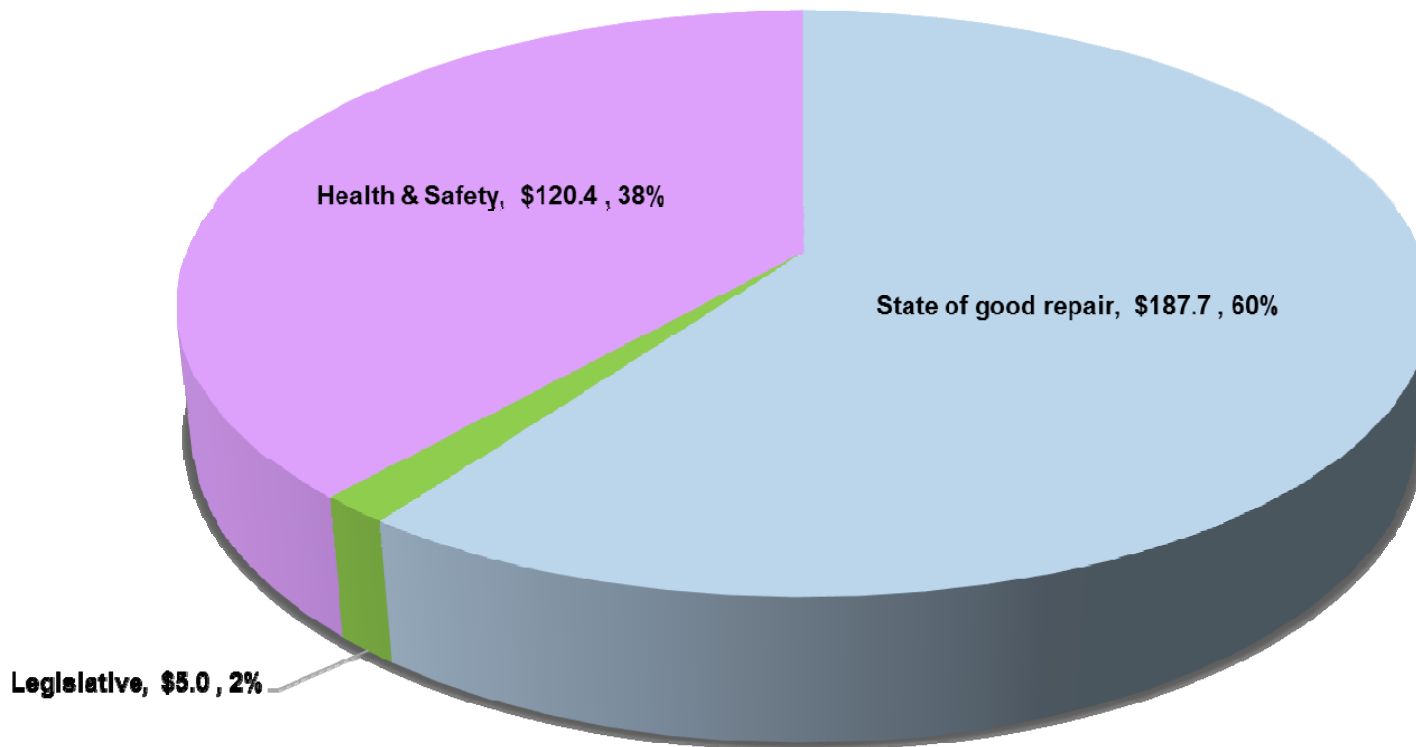
- Quality, well-maintained homes for tenants
- Avoid permanent unit closures
- Implement multi-year Building Renewal Capital Plan to achieve 10% FCI by end of 2026
- Continue energy-efficiency retrofits



# Uses of Funds

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**Building Repair Capital Budget Uses of Funds \$313.1 million**  
(\$ million)



# 10-Year Building Capital Renewal Budget Financing and Forecasted FCI

TCHC - Ten Year Plan 2018 2027																
(in \$ millions)	Actuals					Forecast										2018 - 2027 Total
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Year End Capital Backlog Needs	914	896	1,022	1,343	1,516	1,560	1,763	1,825	1,773	1,638	1,527	1,405	1,242	1,131	1,150	1,150
Year End Facilities Condition Index (FCI):	9.5%	9.5%	11.1%	14.6%	16.2%	16.4%	18.2%	18.4%	17.6%	15.9%	14.5%	13.1%	11.4%	10.1%	10.1%	10.1%
<b>TCHC Capital Cash Balances</b>																
<b>Opening Cash Balance</b>	116	116	154	287	161	267	117	99	(11)	(150)	(294)	(449)	(584)	(741)	(891)	267
In Year Funding	176	165	309	111	356	(10)	-	-	-	-	-	-	-	-	-	(10)
Required funding through Debt	-	-	-	-	-	-	122	80	51	46	35	55	33	27	27	476
City Capital Funding	-	-	-	-	-	160	173	160	160	160	160	160	160	160	160	1,613
<b>Funds Available for Capital</b>	293	282	462	399	517	417	412	339	200	56	(99)	(234)	(391)	(554)	(704)	2,346
Total Capital Spend	(60)	(128)	(175)	(238)	(250)	(300)	(313)	(350)	(350)	(350)	(350)	(350)	(350)	(337)	(160)	(3,210)
<b>Ending Cash on Hand (Shortfall)</b>	233	154	287	161	267	117	99	(11)	(150)	(294)	(449)	(584)	(741)	(891)	(864)	(864)
<b>Funds required</b>							11	139	144	155	135	157	150	(27)		864

- \$160M City Capital Funding for 2020 and beyond requires City Council approval

# 4-Year Rolling Capital Plan Multi-Year Funding Commitment

- Approval of four-year commitment:
  - improves value for money
  - minimizes tenant disruption
  - reduces premium costing for phasing

Strategic 4 Year Capital Rolling Plan										
TCHC - Four Year Plan 2019 – 2022										
(in \$ millions)	Actuals					2018	Forecast			
	2013	2014	2015	2016	2017		2019	2020	2021	2022
Year End Capital Backlog Needs	914	896	1,022	1,343	1,516	1,560	1,763	1,955	2,148	2,294
<b>TCHC Capital Cash Balances</b>										
<b>Opening Cash Balance</b>	-	116	154	287	161	267	117	53	26	138
In Year Funding	176	165	309	111	356	(10)	-	-	-	-
Required funding through Debt	-	-	-	-	-	-	76	-	-	-
City Capital Funding	-	-	-	-	-	160	173	160	160	160
Additional Funding Shortfall	-	-	-	-	-	-	-	-	-	-
<b>Funds Available for Capital</b>	<b>176</b>	<b>282</b>	<b>462</b>	<b>399</b>	<b>517</b>	<b>417</b>	<b>366</b>	<b>213</b>	<b>186</b>	<b>298</b>
Total Capital Spend	(60)	(128)	(175)	(238)	(250)	(300)	(313)	(187)	(49)	(7)
<b>Ending Cash on Hand (Shortfall)</b>	<b>116</b>	<b>154</b>	<b>287</b>	<b>161</b>	<b>267</b>	<b>117</b>	<b>53</b>	<b>26</b>	<b>138</b>	<b>291</b>

Multi-year project spend



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# 2019 Development Capital Budget

# Overview

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- Gross spend of \$109.5M
- Funding sources \$66.0M
  - \$41M: Land, return of capital, profit distribution
  - \$25M: Funding from the City and the provincial government
- 360 rental replacement units to be completed in 2019
- New projects: \$627K
  - New development – due diligence for potential projects: \$500K
  - Regent Park Phase 4 & 5 – planning: \$112K
  - Don Summerville – predevelopment: \$15K

# Breakdown

## Development Capital Breakdown

(Amounts in Millions)

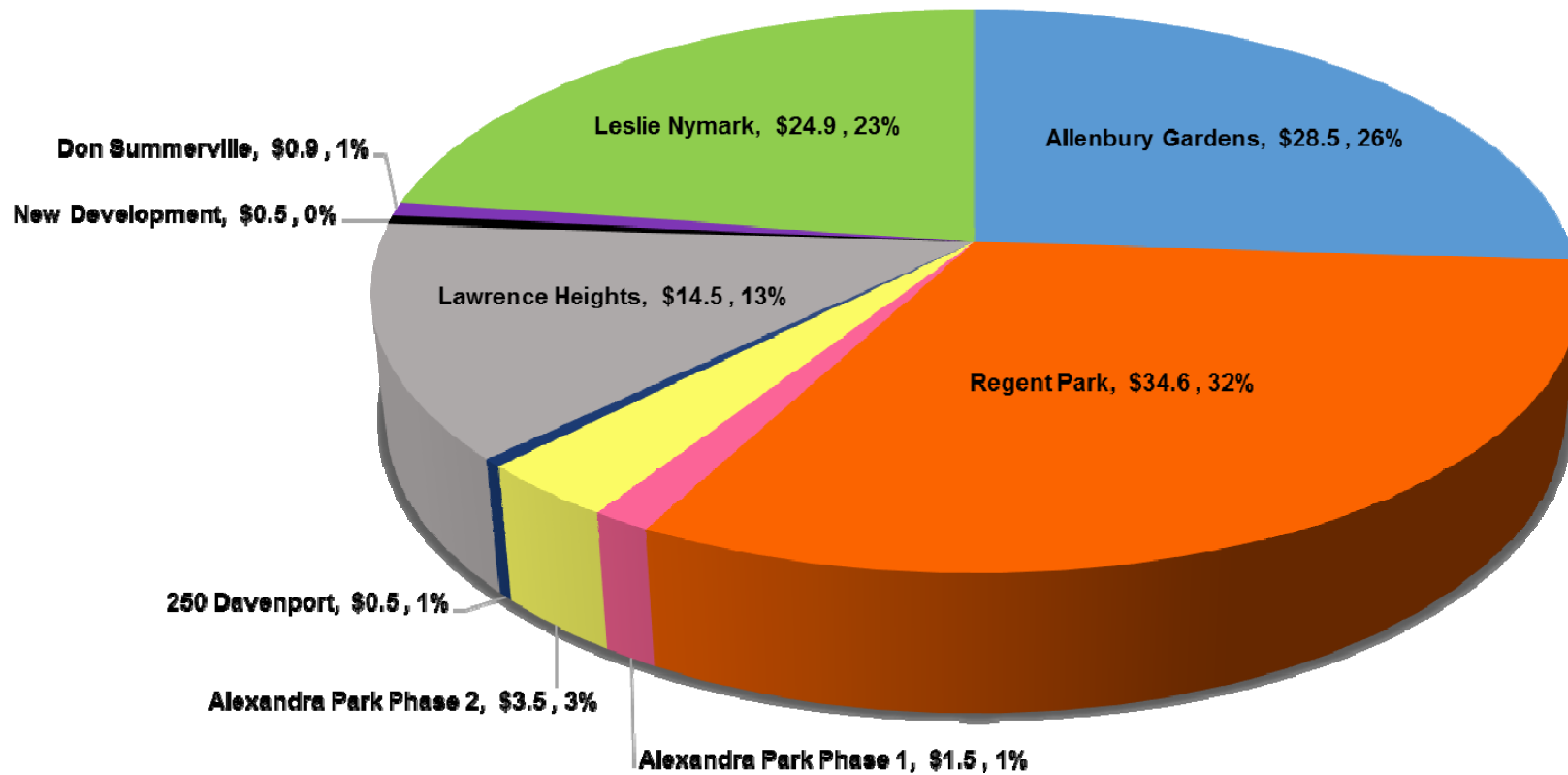
	<u>Equity</u>	<u>Grants</u>	<u>Land Sale</u>	<u>Equity Return</u>	<u>Profits</u>	<u>Net Investment</u>
<b>Rental Buildings</b>	98.0	(24.9)				73.2
<b>Market Buildings</b>	4.9		(25.6)	(6.7)	(8.8)	(36.2)
<b>Development Department Costs</b>						-
Development Division Unit	3.6					3.6
Asset Management Relocation Unit	0.6					0.6
Tenant Community Services Revitalization Unit	2.4					2.4
<b>Total</b>	109.5	(24.9)	(25.6)	(6.7)	(8.8)	43.6

## Summary of Units To Be Completed in 2019

<b>Project</b>	<b>Rental</b>
Alexandra Park	21
Regent Park	339
<b>Total</b>	360

# Uses of Funds

**Development Capital Budget Uses of Funds \$109.5 million**  
(\$ million)





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# 2019 Operating Budget



# 2019 Priorities

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- **Physical safety and security in TCHC communities**
  - Broader Dan Harrison community and Strathmore pilots
  - Violence Reduction Program in partnership with Toronto Police Service
- **Tenant-facing service improvements**
  - Priority Transfer Process in response to Ombudsman recommendations
  - Flood protection preventative maintenance
  - Improved vendor management to deliver better value for money and better service for tenants
  - After-hours service improvements
- **Fire life safety program**
  - Increased fire life safety preventative maintenance
  - Fire life safety program educator to enhance tenant awareness
  - Additional resources for fire alarm monitoring
- **Tenants First business plan**
  - Interim Seniors Housing Unit
  - Tenant Engagement System refresh
- **Business transformation**
  - Integrated Housing Management System
  - End user refresh

# Key Changes

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- **Breakeven budget before IHMS**
  - City subsidy remains constant
  - Increase in residential revenue of \$11.7M
- **Savings in several operating areas**
  - \$9.4M reduction in utilities primarily due to hydro rate decrease (temporary until 2021)
  - \$1.5M in elimination of positions in respective business units
- **Investments in key areas of tenant service**
  - An additional \$13.3M in Community Safety Services, including \$5.0M for the Violence Reduction Program
  - An additional \$6.0M for Operating and Maintenance costs
  - \$5.5M for Council-directed Initiatives, including the Seniors Housing Unit, the Tenants First project and the improved Crisis Priority Transfer system

# Consolidated Operating Cash Flow

(Amounts in \$000s)	Budget 2019*	Reforecast 2018**	Budget 2018	2019B vs 2018B	
				\$	%
<b>Cash Inflows</b>					
Residential rent	319,373	322,953	307,630	11,743	4%
Subsidies	243,438	241,605	243,795	(357)	0%
Parking, laundry and cable fees	18,184	18,301	18,079	105	1%
Commercial rent	15,284	15,172	14,947	337	2%
Other revenue	4,923	3,835	5,361	(438)	-8%
	601,203	601,867	589,812	11,391	2%
<b>Cash Outflows</b>					
Utilities	131,226	122,578	140,594	(9,368)	-7%
Municipal taxes	18,477	18,432	17,628	850	5%
Mortgage Interest & Principle	129,217	124,757	129,700	(483)	0%
Operating and Maintenance	141,448	139,146	135,409	6,038	4%
Tenant and Community Services	16,258	13,097	15,715	543	3%
Community Safety Services	31,363	25,363	18,020	13,343	74%
Human Resources	12,705	10,874	12,355	350	3%
Information Technology	15,359	11,496	12,870	2,489	19%
Corporate Services***	47,691	41,684	44,375	3,316	7%
Interim Seniors Housing Unit	22,643	20,460	20,171	2,472	12%
Tenants First	2,176	1,410	2,968	(792)	-27%
Other	18,892	19,371	18,197	696	4%
RPEI operating expenditure	3,162	2,191	2,767	395	14%
Capital Transfers	10,586	16,940	5,143	5,443	106%
	601,203	567,800	575,911	25,292	4%
<b>Net Operating Cash Surplus before IHMS</b>	<b>(0)</b>	<b>34,067</b>	<b>13,901</b>	<b>(13,901)</b>	<b>-100%</b>

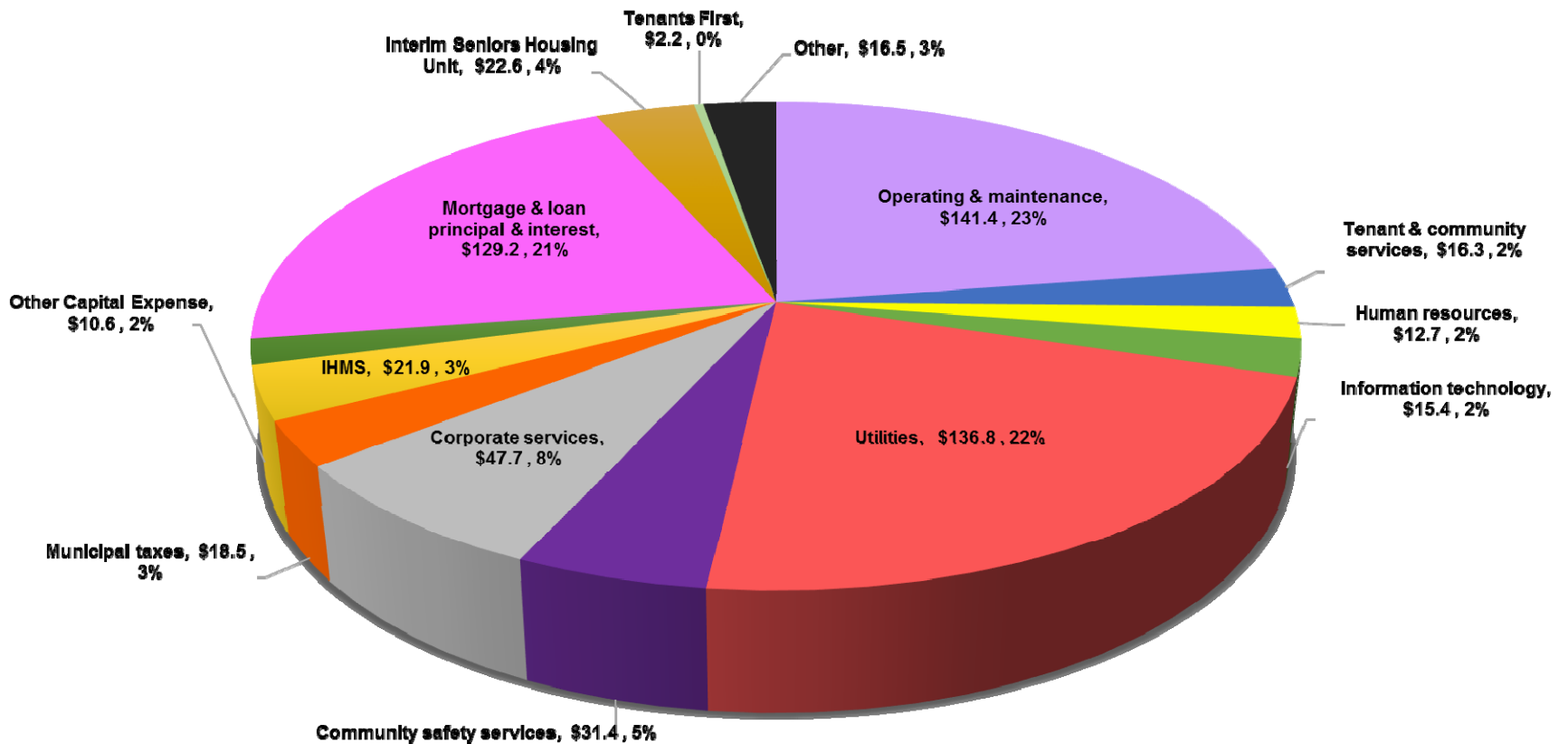
\* Budget includes Council Directives of \$5.5M

\*\* 2018 Surplus will fund 2019's IHMS spend of \$21.9M (surplus includes \$11.7M that was budgeted in 2018 and deferred to 2019)

\*\*\* Includes Chief Executive Office, Commercial, Communications, Development, Finance, Legal, Risk & Fire Safety, Procurement, Service Integration & Delivery, Strategic Planning, and Commissioner of Housing Equity

# Uses of Funds

**Budget 2019 Operating Uses of Funds \$623.1 million\***  
(\$ million)



\*Amount includes IHMS of \$21.9M

# Payroll and Benefits

(Amounts in \$000s)	Budget 2019	Budget 2018	2019B vs 2018B
Asset Management	56,226	55,444	782
Chief Executive Office	511	597	(86)
Commercial	793	998	(205)
Communications	1,541	1,693	(152)
Community Safety Services	22,904	15,308	7,596
Facilities Management	8,255	7,660	595
Finance	7,541	7,664	(123)
Commissioner of Housing Equity	1,195	1,070	125
Human Resources	5,937	5,911	26
Information Technology	9,045	7,531	1,514
Legal, Risk & Fire Safety	6,577	6,190	387
Procurement	3,523	3,413	110
Interim Seniors Housing Unit	15,049	14,071	978
Service Integration & Delivery	7,695	8,043	(348)
Strategic Planning	1,472	1,278	194
Tenant and Community Services	13,396	13,053	343
Tenant First Unit	1,221	1,437	(216)
<b>Total Net Salaries</b>	<b>162,881</b>	<b>151,361</b>	<b>11,520</b>

# Summary

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- Operating efficiencies reallocated to services (e.g., safety and security) that directly benefit tenants
  - Positions eliminated or consolidated (\$1.5M savings)
  - Reduction of swap loan interest rate by 1.69% (approx. \$422K/year)
  - Continuous review of expenses and process improvements (e.g., procurement and vendor management, reduction in number of offsite meetings, renegotiated agreement for employee benefits, energy-saving strategies)
  - Explore revenue opportunities
- Four-year rolling capital plan ensuring better value for money
- 2019 operating breakeven budget (excluding IHMS)
- Capital Budget = \$422.6M
  - Building Renewal: \$313.1M vs \$300M in 2018
  - Development: Gross: \$109.5M vs \$156M in 2018  
Net: \$43M vs \$57M in 2018



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# Appendix

# Additional Information

# IT and Corporate Capital

(Amounts in \$000s)	Budget 2019	Reforecast 2018	Budget 2018
<b>IT CAPITAL</b>			
<b>Business Projects</b>			
Integrated Housing Management System	15,430	345	11,730
Other business projects	5,905	828	1,143
<b>Total IT Capital</b>	<b>21,335</b>	<b>1,173</b>	<b>12,873</b>

## CORPORATE CAPITAL

Non-building capital	981	800	800
Fleet	1,600	1,100	1,100
Capital contingency	700	700	700
Repurchase of guaranteed equity housing project	1,400	1,400	1,400
<b>Total Corporate Capital</b>	<b>4,681</b>	<b>4,000</b>	<b>4,000</b>



# Development Capital

## Year-over-Year Budget Comparison

(Amounts in \$000s)	Budget 2019	Reforecast 2018	Budget 2018	Actual 2017
<b>Projects</b>				
250 Davenport	500	1912	883	4,808
Allenbury Gardens	28,512	7,113	18,714	5,212
Alexandra Park Phase 1	1,488	7,369	5,549	3,120
Alexandra Park Phase 2	3,541	2,266	1,727	51
Don Summerville	907	655	1,733	142
Lawrence Heights	14,505	20,429	25,733	11,618
Leslie Nymark	24,866	8,225	24,274	3,657
Regent Park Phase 2	761	3,283	6,520	22,535
Regent Park Phase 3	33,764	54,588	68,614	51,321
Regent Park Phase 4 & 5	112	-	-	-
New Development	500	1,000	2,233	95
<b>Total Development Capital</b>	<b>109,456</b>	<b>106,840</b>	<b>155,980</b>	<b>102,559</b>

# Consolidated Statement of Operations

(Amounts in \$000s)	Budget 2019	Rereforecast 2018	Budget 2018	Actual 2017
<b>Revenue</b>				
Subsidies	243,438	235,605	243,795	234,540
Rent				
Residential	319,373	322,953	307,630	309,848
Commercial	15,284	15,172	14,947	16,141
Amortization of deferred capital contributions	46,056	44,976	42,036	45,268
Parking, laundry and cable fees	18,185	18,301	18,079	17,781
Investment income	8,195	7,797	6,463	6,472
Joint venture income (loss)	4,929	5,978	11,761	19,222
Gain on sale of housing projects and other capital assets	28,329	48,472	17,162	53,230
Plant revenue	2,657	1,743	3,632	1,459
Other revenue	2,266	2,092	1,729	1,740
<b>Total Revenue</b>	<b>688,711</b>	<b>703,089</b>	<b>667,234</b>	<b>705,701</b>
<b>Expenses</b>				
Utilities	131,226	122,578	140,594	131,314
Municipal taxes	18,477	18,432	17,628	17,247
Depreciation	178,329	172,996	169,341	163,004
Interest	83,479	80,381	81,238	75,769
Operating and Maintenance	141,448	139,146	135,409	131,573
Tenant and Community Services	16,258	13,097	15,715	11,752
Community Safety Services	31,363	25,363	18,020	17,536
Human resources	12,705	10,874	12,356	10,700
Information technology	21,854	11,496	12,870	9,876
Corporate Services	47,691	41,684	44,375	37,577
Interim Seniors Housing Unit	22,643	20,460	20,170	19,190
Tenants First	2,176	1,410	2,968	-
Other	18,892	19,371	18,197	17,644
Plant	3,162	2,191	2,767	2,112
<b>Total Expenses</b>	<b>729,701</b>	<b>679,478</b>	<b>691,648</b>	<b>645,295</b>
<b>Net income/(loss)</b>	<b>(40,990)</b>	<b>23,611</b>	<b>(24,414)</b>	<b>60,406</b>

# Subsidies Revenue

(Amounts in \$000s)	Budget 2019	Budget 2018	Actual 2017
Residual	112,540	115,969	109,182
Mortgage	74,183	75,023	75,587
Property tax	12,884	8,276	8,452
Education property tax	8,683	8,683	8,683
	208,290	207,951	201,903
Rent Supplement	39,710	40,406	37,199
Municipal tax clawback	(4,678)	(4,678)	(4,678)
Other	117	116	117
	35,149	35,844	32,637
<b>Total Subsidies</b>	<b>243,438</b>	<b>243,795</b>	<b>234,540</b>

# Residential Rent

(Amounts in \$000s)	Budget 2019	Budget 2018	Actual 2017
RGI Rent	236,961	227,869	230,754
Market Rent	82,412	79,761	79,094
<b>Residential Rent Revenue</b>	<b>319,373</b>	<b>307,630</b>	<b>309,848</b>

## Average Monthly Rent Per Unit

RGI	\$ 389	\$ 364	\$ 388
Market	\$ 1,133	\$ 1,090	\$ 1,092

# JV Income & Gain on Sale of Housing Projects

(Amounts in \$000s)	Budget 2019	Budget 2018	Actual 2017
Regent Park	-	1,453	12,249
Allenbury Gardens	-	10,308	(205)
Alexandra Park	2,108	-	6,922
Lawrence Heights	2,821	-	-
<b>Total Joint Venture Income (Loss)</b>	<b>4,929</b>	<b>11,761</b>	<b>19,222</b>
Sale of homes	-	-	835
Sale of land	28,329	17,162	52,395
<b>Total Gain on Sale of Housing Projects</b>	<b>28,329</b>	<b>17,162</b>	<b>53,230</b>



# Other Revenue

(Amounts in \$000s)	Budget 2019	Budget 2018	Actual 2017
Plant Revenue	2,657	3,632	1,459
Other	2,266	1,729	1,740
<b>Total Other Revenue</b>	<b>4,923</b>	<b>5,361</b>	<b>3,199</b>

# Expenses by Division

(Amounts in \$000s)	Budget 2019	Budget 2018	Change [Inc/(Dec)]	% Change
Asset Management	112,149	109,260	2,889	3%
Facilities Management	44,829	42,247	2,582	6%
Tenant and Community Services	20,324	19,394	930	5%
Community Safety Services	31,363	18,020	13,343	74%
Human Resources	10,445	10,095	350	3%
Information Technology	16,471	14,339	2,132	15%
Legal	9,047	7,097	1,950	27%
Procurement	3,568	3,546	22	1%
Finance	8,679	8,687	(8)	0%
Commercial	2,442	2,533	(91)	-4%
Chief Executive Office	594	653	(59)	-9%
Development	3,632	3,362	270	8%
Commissioner of Housing Equity	1,295	1,136	159	14%
Service Integration & Delivery	9,171	8,514	657	8%
Strategic Planning	1,930	1,491	439	29%
Communications	2,070	2,033	37	2%
Interim Seniors Housing Unit	22,629	20,171	2,458	12%
Tenants First	2,176	2,968	(792)	-27%
<b>Total Gross Departmental Expenses</b>	<b>302,814</b>	<b>275,545</b>	<b>27,269</b>	<b>10%</b>
Capitalized Operating Expenses				
Asset Management	(612)	(1,092)	481	-44%
Facilities Management	(15,000)	(15,006)	6	0%
Tenant and Community Services	(4,066)	(3,679)	(387)	11%
Information Technology	(912)	(1,269)	356	-28%
Development	(3,632)	(3,362)	(270)	8%
<b>Total Net Departmental Expenses</b>	<b>278,592</b>	<b>251,137</b>	<b>27,455</b>	<b>11%</b>
WSIB	2,358	2,260	98	4%
Legal and Insurance Claims	7,016	6,833	183	3%
Commercial expenses	1,878	1,853	25	1%
IT recoveries	(200)	(200)	-	0%
<b>Total Net Expenses (excludes IHMS)</b>	<b>289,643</b>	<b>261,883</b>	<b>27,760</b>	<b>11%</b>

# Utilities

(Amounts in \$000s)	Budget 2019	Budget 2018	Actual 2017
<u>Hydro</u>			
Electricity consumption (kWh)	401,348,886	398,361,177	375,073,800
Average rate (\$/kWh)	\$ 0.1129	\$ 0.1419	\$ 0.1347
Annual costs	45,329	56,514	50,531
<u>Gas</u>			
Natural gas consumption (m <sup>3</sup> )	97,816,973	97,330,321	93,371,426
Average rate (\$/m <sup>3</sup> )	\$ 0.2880	\$ 0.2959	\$ 0.2780
Annual costs	28,172	28,803	25,959
<u>Water</u>			
Water consumption (m <sup>3</sup> )	12,108,577	12,018,439	12,041,417
Average rate (\$/m <sup>3</sup> )	\$ 3.9392	\$ 3.8025	\$ 3.6232
Annual costs	47,698	45,700	43,628
<u>Waste pick-up</u>			
Waste pick-up gross	18,557	18,046	9,723
Waste pick-up rebate	(10,247)	(10,218)	-
Annual costs	8,310	7,829	9,723
RPEI energy costs	1,006	832	543
Electric heating rebate	711	916	929
<b>Total Utilities</b>	<b>131,226</b>	<b>140,594</b>	<b>131,314</b>



# Other Expense

(Amounts in \$000s)	Budget 2019	Budget 2018	Actual 2017
Tribunal fees	467	467	448
Bad debt expense	4,100	4,240	4,895
Post retirement benefit	4,482	4,592	2,346
Capital reserve contribution	9,000	8,500	9,005
Guaranteed equity housing projects	285	398	421
Impairment loss	-	-	529
<b>Total Other Expense</b>	<b>18,334</b>	<b>18,197</b>	<b>17,644</b>

# Total Mortgage P&I

(Amounts in \$000s)	Budget 2019	Budget 2018	Actual 2017
<b>Principal</b>			
Mortgage payable to City	4,303	2,959	2,874
Mortgage payable to CMHC	8,771	13,220	14,391
Mortgage payable to Others	11,101	10,417	11,086
Mortgage payable to IO	20,178	19,370	13,633
	<u>44,353</u>	<u>45,966</u>	<u>41,984</u>
Loans payable to Others	2,220	2,496	2,496
<b>Subtotal - Principal</b>	<b>46,572</b>	<b>48,462</b>	<b>44,480</b>
<b>Interest</b>			
Mortgage payable to City	2,471	2,542	2,643
Mortgage payable to CMHC	10,473	11,652	14,600
Mortgage payable to Others	7,379	8,063	8,941
Mortgage payable to IO	34,743	33,774	25,047
	<u>55,067</u>	<u>56,031</u>	<u>51,231</u>
Loans payable to Others	4,595	2,225	3,510
Debenture Loans	22,983	22,983	22,983
<b>Subtotal - Interest</b>	<b>82,645</b>	<b>81,238</b>	<b>77,723</b>
<b>Total Principal and Interest</b>	<b>129,217</b>	<b>129,700</b>	<b>122,203</b>
<b>Total Debt (Balance Sheet)</b>	<b>1,750,790</b>	<b>1,795,471</b>	<b>1,682,225</b>

S&P Rating for TCHC	AA-
Bond A and B Rating Requirement	AA-