

Toronto Community Housing Corporation Impact of COVID-19 on the 2020 Operations

Key Drivers and Financial Impacts

During the year ended December 31, 2020, TCHC incurred following costs attributable to COVID-19 pandemic.

	Amount in '000	
	2020	2019
Pressures:		
Operating expenses (increased cleaning, PPW and Utilities)	24,403	\$ -
Increase in arrears and unpaid fees (economic instability)	5,561	-
Utilities (increased consumption)	3,538	-
Program underspent (summer programs, termites)	(3,150)	-
Total COVID Pressures	\$ 30,352	\$ -
Offsets:		
Higher residential RGI Rent	6,175	\$ -
Delayed hiring and lower G&A spend	10,819	-
Mortgage interest	1,345	-
Total COVID Offsets	\$ 18,339	\$ -
Net COVID Impact	\$ (12,013)	-

- TCHC received \$9.9M in COVID funding from the City of Toronto (CoT) in April 2021. The shortfall of \$2.1M in funding is due to the variance in preliminary estimates that were submitted prior to finalization of year-end numbers. Discussion for an additional submission is currently in progress.

Loan Payments

- TCHC negotiated with IO to defer loan payments between August 2020 to Feb 2021, which resulted in an overall deferral of \$26.3 million in principal and interest payments. The deferred payments were repaid in February 2021. As at December 31, 2020, \$16 million of deferred interest payable was included in accounts payable and accrued liabilities.

Impact on the Capital Budget

- Despite the operational disruptions due to COVID-19, TCHC continued construction of the Tenant Service Hubs as part of the new operational service delivery model and successfully delivered \$350 million capital repair programs.
- COVID impact on the TCHC revitalizations were minimal as construction projects were largely exempt from provincial lockdown measures.

Modifications to Programs & Initiatives

TCHC experienced the following modifications to programs and initiatives as a result of the pandemic:

- Summer youth programs and many other tenant engagement activities were delayed, cancelled, or curtailed in 2020 to meet social distancing requirements. TCHC has sought to move as many tenant interactions online as possible and continue to deliver face-to-face tenant service where necessary and in compliance with physical distancing requirements.
- The timeline for the transfer of scattered property was significantly impacted by COVID-19. TCHC and the City continue their efforts to expedite the transfers and ensure the process moves swiftly. It is expected that a portion of the transfers will be completed in Q4 of 2021 and the remaining will be completed in Q2 of 2022.
- Due to social distancing requirements, progress to implement some components of the Tenant Engagement System were temporarily suspended. In January 2021, as a result of a successful phase 1 tenant elections, activities, resumed to implement the Community Action Plans and the Tenant Action Funds.
- The implementation of Participatory Budgeting (PB) was temporarily suspended. Upon completion of the remaining PB projects from 2019, TCHC will commence planning for PB 2021.
- Eviction Prevention Policy - From March 19, 2020 to July 31, 2020, TCHC suspended all evictions for arrears in accordance with provincial moratorium during COVID-19. Issuing of N4s (notice end tenancy for non-payment of rent) were also suspended, unless it was related an urgent issue such as serious health and safety issues or illegal issues. As a result, the number of repayment agreements arranged in 2020 is significantly lower than in 2019 and 2018.
- In response to the pandemic, TCHC updated policies, training and consultation services to comply with all public health measures and directives for safety of staff and tenants.
- Community Safety Unit increased its response to COVID-19 through specific wellness checks to ensure tenants had the support they needed.

2021 Outlook and Key Assumptions

TCHC is continuing with enhanced cleaning in the buildings according to Public Health guidelines, which includes the establishment of a dedicated COVID-19 cleaning team deployed to selected buildings. As well, TCHC continues to adjust the delivery of services in an evolving COVID environment, which may result in the temporary cancellation or modification in the delivery of some programs. TCHC continues to manage tenant arrears through earlier contact to place them into repayment agreements so that tenancies are maintained.

Like most organizations TCHC's operations, outcomes, and strategic planning have been overshadowed by the ongoing COVID-19 Pandemic.

The Budget reflects that TCHC has continued to provide essential services to tenants throughout the pandemic and that in collaboration with the City of Toronto we have developed a sustainable cost-effective plan to continue that service into the future.

Highlights:

- Mitigated \$24M non-discretionary costs through efficiencies and improvements
- Pre-COVID break-even operating budget with flat funding; COVID pressure \$37.5M
- Seniors ISM Phase two launch
- Fully-funded 10-year Building Repair Capital Plan for the first time in TCHC History
- Continuing FCI improvement in 2021 with a downward trend going forward
- Deliver 309 Rental replacement units with a further 514 units under construction
- \$450M bond debt retirement plan implemented