



## STAFF REPORT ACTION REQUIRED

### Toronto Community Housing Corporation 2010 – 2012 Community Management Plan

<b>Date:</b>	May 27, 2010
<b>To:</b>	Executive Committee
<b>From:</b>	City Manager
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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The City's Shareholder Direction to Toronto Community Housing Corporation (TCHC) requires TCHC to submit an annual Community Management Plan (CMP) to the City for comment. The CMP is a rolling three-year business plan including long-term business strategies but it is not a detailed activity plan.

#### **RECOMMENDATIONS**

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**The City Manager recommends that:**

1. City Council, in its role as Shareholder of the Toronto Community Housing Corporation, receive Toronto Community Housing Corporation's 2010 – 2012 Community Management Plan; and
2. the City Clerk forward a copy of this report and City Council's decision thereon to the Board of Directors of the Toronto Community Housing Corporation as the City's response to the Plan.

#### **FINANCIAL IMPACT**

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The recommendations in this report have no financial impact.

#### **EQUITY IMPACT**

Toronto Community Housing's Community Management Plan addresses challenges it faces and sets out actions that will help it build healthy and safe communities integrated

into the social fabric of the city. In its 2010 – 2012 Plan, Toronto Community Housing plans to work towards consistently delivering good quality social housing and customer service to tenants. TCHC also plans to carry out a social and community mandate to build strong neighbourhoods and sustainable communities by acting as an agent of social change, as a catalyst for new opportunities, a convenor of collective wisdom and a participant working to build a stronger Toronto. Specific activities to achieve these objectives include: improving tenant engagement and participation in governance; increasing the social inclusion of marginalized groups; establishing programs and service approaches dedicated to the needs of youth and seniors; improving community safety, and supporting job creation and improvement of tenant economic conditions.

## **DECISION HISTORY**

City Council approved the Shareholder Direction to Toronto Community Housing on October 2, 3 and 4, 2001. Section 9.1 of the Shareholder Direction requires that TCHC submit its annual Community Management Plan to the City for comment and that the City's comments be taken into consideration in the preparation of detailed action plans to be approved by TCHC's Board of Directors

At its April 30, 2010 meeting, the TCHC Board of Directors approved its 2010 – 2012 Community Management Plan and authorized its submission to the City. Copies of Toronto Community Housing's letter to the City formally submitting the plan and the CMP are included as Attachments 2 and 3.

## **ISSUE BACKGROUND**

Toronto Community Housing Corporation is an arms-length corporation established by the City under the Ontario *Business Corporations Act*. Toronto Community Housing owns and manages approximately 58,500 rental housing units in more than 2,240 high, medium and low-rise apartment buildings and houses in 366 communities across the City. Serving more than 164,000 tenants, TCHC's mandate is to provide quality housing for low and moderate income households. Toronto Community Housing is one of over 230 social housing providers in the City operating under the *Social Housing Reform Act, 2000*. The Shelter, Support and Housing Administration Division acts as the Service Manager under the *SHRA* administering funding on behalf of the City and Province.

The City's shareholder direction to TCHC defines the Community Management Plan as “a rolling three-year business plan including long-term business strategies, key multi-year targets and financial plans, but not including detailed activity plans”. The CMP is intended to guide the development of TCHC divisional plans and individual work and performance plans. The CMP also acts as an accountability tool for the TCHC Board, Executive, and the City as TCHC's sole shareholder. The CMP is reviewed annually through a process that engages tenants, TCHC staff, the TCHC Board, community agencies and other interested stakeholders.

The City's Shareholder Direction to TCHC requires that it submit the plan to the City annually for comment and that it outline for a period of three years the following:

- (a) anticipated results for the year in progress;
- (b) key issues facing TCHC;
- (c) strategies to resolve key issues facing Toronto Community Housing;
- (d) aggregate budget estimates;
- (e) financial targets and performance measures;
- (f) service level targets and changes;
- (g) environmental and energy efficiency targets; and
- (h) major initiatives to be undertaken by Toronto Community Housing in the medium and long term.

## **COMMENTS**

Development of TCHC's 2010 – 2012 Community Management Plan began in the fall of 2009 and has entailed ten staff and tenant consultations involving over 1,000 people. The detailed results of those conversations formed the basis of the strategies outlined in the plan. Further consultations to comment on the draft CMP have been held with tenant representatives, TCHC staff and stakeholders. Those sessions confirmed that the CMP addresses the feedback provided by stakeholders in the fall and confirmed support for its strategic directions.

TCHC's 2010 – 2012 Community Management Plan reflects an operational shift, being a more strategic document and moving away from being a comprehensive operational plan containing detailed targets or performance standards. Detailed work plans, targets and milestones, including a performance scorecard, are being developed to support the plan to ensure that TCHC effectively implements and measures the success of its new strategies.

TCHC's 2010 – 2012 CMP is organized around the three focus areas of strengthening people, strengthening places and strengthening TCHC's foundation, supported by twelve outcomes and twenty-nine supporting strategies, and is summarized in Attachment 1.

Toronto Community Housing's draft CMP was circulated to a number of City divisions, the Affordable Housing Office, the Toronto Police Service, Toronto Public Library and Toronto Public Health. Their comments have been incorporated into Attachment 1.

## **CONTACT**

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## **SIGNATURE**

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Joseph P. Pennachetti, City Manager

## **ATTACHMENTS**

- Attachment 1 – Summary of Toronto Community Housing Corporation's 2010 – 2012  
Community Management Plan
- Attachment 2 – Transmittal Letter from Toronto Community Housing Corporation's Chief  
Executive Officer
- Attachment 3 – 2010 – 2012 Toronto Community Housing Corporation Community  
Management Plan

**Summary of  
Toronto Community Housing Corporation  
2010 – 2012 Community Management Plan**

**Background**

**(1) Financial Plan**

Toronto Community Housing's 2010 operating plan projects total operating expenditures of \$538 million (2009: \$525 million) made up of \$503 million in housing operations costs (2009: \$492 million) and \$35 million to manage Toronto's assisted housing wait list and landlord housing payments (2009: \$34 million). TCHC plans to fund these operating expenditures through housing revenues of \$581 million (2009: \$579 million) and \$35 million in Access Housing Connections subsidies (2009: \$34 million), with total revenues of \$616 million (2009: \$612 million) resulting in a net operating cash flow of \$78 million (2009: \$87 million).

TCHC's 2010 capital plan is to invest a total of \$260 million in capital expenditures (2009: \$213 million) comprised of \$45 million in spending on communities, the organization and reserve contributions (2009: \$42 million) and \$214 million in asset repair and replacement (2009: \$169 million) for a total of \$259 million (2009: 211 million). TCHC plans to fund these expenditures by its net operating cash flow plus \$99 million in Province and City grants and energy program incentives (2009: \$54 million), \$28 million in reserve draws (2009: \$8 million) and \$55 million in third-party financing (2009: \$64 million) resulting in a net 2010 cash flow of \$1 million (2009: \$2 million).

**(2) Public Policy Context**

A number of public policy issues present both opportunities and challenges for Toronto Community Housing. Opportunities for TCHC include its continued participation in the Mayor's Tower Renewal Program, its ongoing revitalization of Regent Park and planning for the revitalization of Lawrence Heights and Alexandra Park.

Challenges facing Toronto Community Housing include: the reduction of TCHC's operating subsidy; the total cost of the City's garbage collection fees and their realignment as a fee-based service rather than a cost eligible for subsidy by being part of the property taxes paid on buildings; the impact of the Harmonized Sales Tax; the lack of ongoing capital funding from other orders of government, and reduced demand for bachelor units.

**2010 – 2012 Community Management Plan Focus Areas**

The Community Management Plan is organized around the three focus areas of strengthening people, strengthening places and strengthening TCHC's organizational foundation.

**(1) Strengthening People**

The CMP notes that many of its tenants face barriers to maintaining their housing and for these tenants, TCHC is often their only source of safe and secure housing. The CMP notes that, of its tenants and households:

- 24% of all tenants are over 59 years of age;
- 28% of households report at least one member with a physical disability;
- 9% of households report at least one member with a mental illness;
- 55% are one-person households;
- 27% of households are single-parent (female-led) families;
- about 20% are households headed by newcomers to Canada.

Toronto Community Housing has identified three outcomes with six supporting strategies to address these challenges:

- **Successful Tenancies**
  - **Mental Health.** TCHC estimates that its population of 164,000 tenants includes some 9,000 people living with serious mental illness or addiction, making it the province's largest provider of housing for people with serious mental illness. With partners and stakeholders, TCHC completed a Mental Health Framework in 2009 setting out a clear role for TCHC rooted in its mandate as a social housing landlord. The framework is a long term strategy identifying ten strategies to help build a culture that supports mental health recovery.
  - **Seniors Strategy.** TCHC operates 66 seniors-designated buildings that are home to more than half its senior 26,000 tenants. About 9,800 of TCHC's tenants are 75 and over. Over the next three years, TCHC will continue to promote aging with dignity by investing its buildings, promoting the physical health and well-being of tenants and promoting community engagement by enabling connections through partnerships with organizations that provide seniors' support services.
  - **Eviction Prevention Strategy.** TCHC's strategy will focus on strengthening its practices and clarifying staff roles and procedures to ensure rent is collected from tenants on time. This will involve cultural changes to ensure staff take extra steps when problems arise, simplifying processes to provide more clarity around staff functions and systems that encourage accountability, and revising its Eviction Prevention Policy to reflect the recommendations of the LeSage Review.
- **Economic Development**
  - **Economic Opportunities Strategy.** The CMP provides that TCHC's role will be as an enabler, facilitator and partner to improve opportunities for the economic development and renewal of communities. In addition to partnerships, TCHC's key mechanism for delivering economic opportunities is using its procurements to develop job and training opportunities, supporting the creation of small businesses, attracting commercial and business opportunities to its communities and using housing and infrastructure investment to create home ownership opportunities for residents.
- **Empowered Tenants**

- Tenant Engagement Strategy. TCHC's efforts to engage tenants in decisions and processes that affect the communities where they live includes support for local participation and decision making through tenant councils, youth councils, its participatory budgeting process and its program of community animators. TCHC plans to continue its support of tenant groups and advocacy campaigns addressing issues such as poverty reduction and food security.
- Tenant Leadership Strategy. The tenant leadership strategy supports training and skills development opportunities for tenants to become more active in their communities and TCHC's governance processes, increase their involvement as a resident of the City and better connect with community and social networks, services and opportunities. Through its Social Investment Fund, TCHC will continue to provide \$1 million in annual funding for community development projects that are selected by and led by tenants.

## **(2) Strengthening Places**

TCHC states that its goal is to achieve and maintain a good state of repair for its housing. Over the past seven years, with the support of capital grants totalling more than \$239 million from all three orders of government, TCHC has invested more than \$630 million in capital improvements. The outcomes of this focus area establish priorities for improving the look, feel and function of its buildings, green spaces and other amenities.

- Well-maintained buildings;
  - Maintenance. TCHC will improve building maintenance by setting out clear roles and responsibilities, monitoring performance more closely and communicating results to tenants and staff more regularly. This will include implementing standard operating procedures, assigning accountability for maintenance to supervisory staff and continuing and expanding its preventative maintenance program.
  - Clean Buildings. TCHC will enhance the frequency of weekend and evening cleaning through a tenant apprenticeship program and ensure contract-managed buildings provide the same level of service as direct-managed buildings.
  - Integrated Pest Management. An additional \$800,000 is to be invested in pest management support in 2010.
- Valuable Community Spaces.
  - Community Gardens. To help support the continued growth of community gardening across the City, TCHC will align its management of community gardens and revitalization efforts with the City's food strategy. TCHC supports about 100 shared common space gardens first launched as part of its 2007 Green Plan. To advance this objective, TCHC has asked FoodShare Toronto, Afri-Can FoodBasket and The Stop Community Food Centre to help develop a comprehensive approach to community gardening in 2010.

- Curb Appeal. To foster community pride, enhance feelings of safety, improve community health and encourage better neighbourhood identity, TCHC provides funding to enhance the aesthetic appeal of up to ten communities annually. These communities and projects are selected through a process that involves tenants.
- Use of Space. TCHC regularly receives requests for the use of space in its buildings. TCHC recognizes that promoting the effective use of space in its buildings can help advance its efforts towards creating healthy communities. TCHC plans to begin a process to identify spaces that could be dedicated for use by community organizations and partner agencies, launch guidelines on developing effective referral and common space agreements, and provide teams with formal agreements and consistent processes to govern relationships with service agencies based on an exchange of value of services for value of spaces.
- Enhanced Community Safety.
  - Community Safety Strategy. TCHC will continue to promote community-based preventative strategies for creating safer neighbourhoods and will launch a renewed and strengthened Community Safety Strategy in the fall of 2010, which will build on a combination of the following approaches:
    - working with tenants and community groups to prevent and resolve anti-social behaviours;
    - engaging tenants and the community through education, youth-oriented programs, community social and economic development, and partnerships;
    - adequately maintaining properties and improving the upkeep, lighting, surveillance and enhancement of buildings and grounds.
- Sound Investments in Real Estate Assets.
  - Capital Repair. This CMP reflects the second to fourth years of TCHC's 10-year, \$1.5 billion, Housing Works strategy. TCHC uses a recognized real estate industry standard, the Facilities Condition Index, to rate the state of repair of its buildings. TCHC has selected a TCI of 10 – 20% as a benchmark. Achieving this level means homes, on average, would be in fair condition, with all major deficiencies addressed. TCHC is close to achieving its target of 12% across its entire portfolio. Maintaining buildings that have already met the target and bringing others up to the target will require an annual investment of \$100 million.
  - Community Revitalization. The revitalization strategy pertains to the ongoing redevelopment of Don Mount Court and Regent Park and planning for the revitalization of Lawrence Heights and Alexandra Park. This strategy includes five components:
    - implementing a financial plan that leverages the value of land and increased density to offset the cost of new construction;
    - engaging the community throughout the revitalization process;
    - creating sustainable communities through high-performance green buildings and innovations to reduce energy and water use;
    - integrating excellence in planning, urban design and architecture;
    - providing economic opportunities for tenants throughout the process.



- Environmental Retrofits. TCHC's environmental Green Plan sets out targets for reducing its ecological footprint and reducing costs by investing in building systems and equipment. TCHC is bringing aging buildings up to a more energy-efficient and sustainable standard, and putting energy-efficient and smart technologies into new buildings, through investments in building automation systems, modern boilers, energy-efficient lighting and improved doors and windows.
- Housing Replacement. The average age of TCHC's buildings, including houses, is 45 years old. A number of these buildings no longer meet the needs of tenants; in some cases, no reasonable level of investment can bring the properties up to standard. TCHC is implementing a strategy for replacing these units through new construction or the acquisition of existing rental buildings to maintain current levels of RGI housing.

### **(3) Strengthening TCHC's Foundation**

TCHC plans to continue its focus on organizational improvement by ensuring there is a strong foundation in place for the execution of solid business practice.

- Improved Customer Service
  - Customer Service Strategy. TCHC has made several changes over the past year to better serve tenants, including shifting more staff to front line positions such as customer service facilitators and superintendents. TCHC's strategy builds on six principles of service excellence: accessible, consistent, timely, respectful, relevant and quality. As part of that strategy, TCHC will work with its two subsidiary companies to improve staff understanding of how to deliver customer-centered service within an integrated service delivery model. TCHC plans to develop a customer service charter that will outline the standard of service expected and avenues of appeal for dissatisfaction with that service. The charter is expected to result in a three-way understanding that outlines the responsibilities of TCHC, its tenants and its partners. It will enhance its original 2007 Accessibility Plan by implementing the customer service standards of the *Accessibility for Ontarians with Disabilities Act*.
  - Customer Supports and Systems. Over the next three years TCHC plans to update and improve the main information technology system it uses to keep tenant information. This process will consolidate tenant information in a single system and support more individualized service.
- Healthy Workplaces
  - Succession Management. A significant number of senior TCHC staff will be eligible to retire over the next ten years. TCHC is continuing a succession planning strategy that targets senior leader replacement and defines new leadership competencies. These competencies will shape performance indicators used to recruit, identify, evaluate and groom high-potential candidates.
  - Diversity and Inclusion. TCHC will continue its commitment to a positive work environment in which all employees have the opportunity to perform to their full potential. TCHC will continue to promote and include diversity and equity in every

- aspect of its business including employee recruitment, development and selection, training, communications, accommodation of faith in the workplace and measurement of the impact of the diversity strategy.
- Health and Wellness. TCHC plans several activities in 2010 to promote health and wellness in its workplaces, including Joint Health and Safety Committees, Healthy Workplace Committees, wellness programs including fitness and nutrition incentives, and staff training in healthy living and disease/pandemic prevention.
- Financial Discipline
    - Long-Term Financial Health. The long-term financial strategy includes increasing revenue from sources other than residential rent, pursuing new commercial asset and income streams through revitalization, enhancing revenues from current business investments, investing in businesses related to housing, maximizing its investment income, instilling financial discipline by identifying the financial risks associated with business opportunities, streamlining processes to mitigate risks, and broadening its borrowing ability.
    - Business Operations. Maintaining and enhancing TCHC's net operating income by increasing revenues and lowering manageable costs is critical to TCHC retaining favourable credit ratings and investments in its assets. TCHC will work towards improving the time required to re-rent a vacated unit, invest in ways to reduce the costs of maintenance, waste management and energy, and implement controls and processes to mitigate risks and safeguard assets.
  - Managed Risk and Effective Governance
    - Enterprise Risk Management. Enterprise risk management is a continuous process applied across the organization to identify events that may impact TCHC and to manage multiple risks to an acceptable risk-tolerance level. Over the course of the CMP, TCHC will train staff on its code of conduct, establish an ethics hotline, and strengthen its internal capacity to promptly review and investigate unethical or improper conduct. This will include an internal audit function to monitor the effectiveness of policies and controls and a program of selected annual audits of programs and policies with the greatest financial risk exposure.
    - Corporate Governance. In 2009, TCHC's Board of Directors began a comprehensive review to lay the foundation of a corporate governance framework to guide implementation of the CMP. In 2010, its efforts will focus on aligning corporate governance with the Plan's strategic priorities including implementing an oversight system to monitor performance and achievements, reorganizing the structures and processes of Board and senior management advisory committees, realigning the corporation's operating, development and revenue generation subsidiaries and incorporating best practices in corporate governance.
  - Better Communications
    - Tenant Communications. During consultations for the CMP in October 2009, both tenants and staff placed a high priority on improving tenant communications, particularly those that address cultural, language and accessibility barriers. This strategy will develop

new communications vehicles to communicate with and engage all tenants in a way that reflects tenant diversity and is welcoming, inclusive and accessible.

- Employee Communications. This strategy will apply both existing and new ways to communicate with and engage employees, including developing a communications training program for managers and launching a new intranet site and promoting dialogue through the new site.
- External Relations. This strategy will guide TCHC's response to the LeSage Review and its commitment to vulnerable tenants. Through this strategy, TCHC will develop and implement new tools and approaches for communicating with tenants, employees and stakeholders, including making greater use of digital communications and social media, using closed circuit TV in buildings and providing regular communications bulletins.