



City Budget 2012

Shelter, Support and Housing Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for City services.

2012 Operating Budget

2012 OPERATING BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

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PART I: RECOMMENDATIONS

2012 Recommended Operating Budget (In \$000s)

(In \$000s)	2011		2012 Recommended Operating Budget			Change - 2012 Recommended Operating Budget v. 2011 Appvd. Budget		FY Incremental Outlook	
	2011 Appvd. Budget	2011 Projected Actual	2012 Rec. Base	2012 Rec. New/Enhanced	2012 Rec. Budget	2013	2014		
	\$	\$	\$	\$	\$			%	
GROSS EXP.	922,866.5	869,456.8	785,765.0	0.0	785,765.0	(137,101.5)	(14.9)	5,939.5	7,523.9
REVENUE	630,447.2	578,615.4	516,447.9	0.0	516,447.9	(113,999.3)	(18.1)	(19,324.9)	1,600.0
NET EXP.	292,419.3	290,841.4	269,317.1	0.0	269,317.1	(23,102.2)	(7.9)	25,264.4	5,923.9
Approved Positions	763.7	763.7	711.0	0.0	711.0	(52.7)	(6.9)	696.9	696.9

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 10% Reduction v.s. 2012 Rec'd Reduction	Target %
2012 Reductions	(29,194.8)	(13,917.6)	(15,277.2)	4.8%

Recommendations

The City Manager and Chief Financial Officer recommend that:

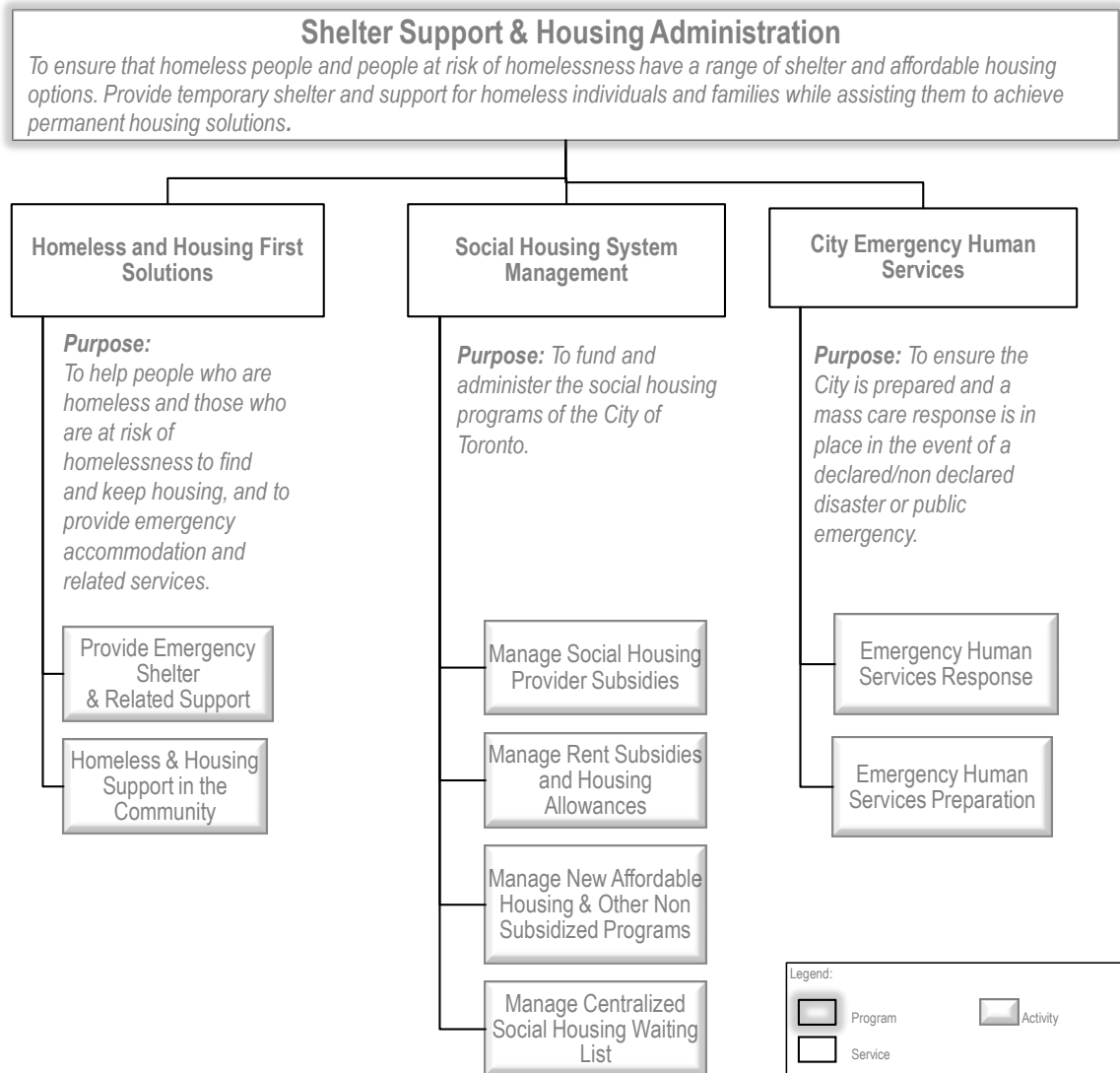
1. City Council approve the 2012 Recommended Operating Budget for Shelter, Support and Housing Administration of \$785.765 million gross and \$269.317 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Program Support	2,606.0	2,386.0
Social Housing	568,485.9	203,520.2
Affordable Housing Programs	48,804.8	0.0
Hostel Services	122,161.4	54,892.6
Housing and Homelessness Supports	42,340.2	7,678.9
Partnership Development & Support	312.1	312.1
Emergency Planning Services	1,054.6	527.3
Total Program Budget	<u>\$785,765.0</u>	<u>\$269,317.1</u>

2. The General Manager, Shelter, Support and Housing Administration reduce the annual subsidy provided to TCHC by the amount of the municipal property tax savings to TCHC and make the necessary adjustments to the 2012 Approved Operating Budget for SSHA and Non-Program Accounts in the First Quarter Operating Budget Variance Report, once the adjustments to the tax levy for TCHC have been finalized, as per Council's direction, to ensure there is no net impact on the City's Operating Budget.
3. The General Manager, Shelter Support and Housing Administration review strategies to mitigate the impact of the projected loss of funding in 2013 due to the depletion of the Social Housing Reserve Funds, and as well, in the course of this review, include any saving that may be identified from the findings of the Core Service Review and Efficiency Study as part of the 2013 Operating Budget process.

PART II: 2012 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



Service Customer

Homeless and Housing First Solutions

- Homeless and at-risk populations
- Residents
- Community Agencies (Tenant Association, Non Profit)
- Provincial and Federal Governments

Social Housing System Management

- Social Housing Tenants / Members
- Social Housing Owners
- Provincial and Federal Government

City Emergency Human Services

- Disaster victims/survivors
- Provincial and Federal Government

2012 Recommended Service Levels

- The 2012 proposed service levels for Shelter, Support and Housing Administration activities are highlighted in the table below:

Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service Levels	
Social Housing System Management	Manage Social Housing Provider Subsidies	Co-op Housing Subsidy		funding for 7,448 units in 68 providers for a total value of \$55.7 M	funding for 7,448 units in 68 providers for a total value of \$56.3 M	
		Non-Profit Housing Subsidy		funding for 19,756 units in 157 providers for a total value of \$111.9 M	funding for 19,756 units in 157 providers for a total value of \$117.8 M	
		Municipal Corporation Housing Subsidy (TCH)		funding for 58,138 units in 1 provider for a total value of \$313.7 M	funding for 58,138 units in 1 provider for a total value of \$311.5 M	
	Manage Centralized Social Waiting List			80,955 people	80,955, people	
	Manage Rent Supplements and Housing Allowances	Rent Supplements	Private Landlords		funding for 2,771 units for a total value of \$24.0 M	funding for 2,771 units for a total value of \$24.0 M
			Non-Profit Housing		funding for 951 units for a total value of \$8.5 M	funding for 951 units for a total value of \$8.7 M
		Housing Allowances	Private Landlords		funding for 1,340 units for a total value of \$5.8 M	funding for 1,087 units for a total value of \$4.3 M
			Non-Profit Housing		funding for 205 units for a total value of \$.619 M * STRSP allowances are provided to market households in units already counted under Non-Profit units of administration.	funding for 146 units for a total value of \$.354 M * STRSP allowances are provided to market households in units already counted under Non-Profit units of administration.
		Manage New Affordable Housing & Other Non Subsidized Programs	Privately Owned		11 Contracts administered totalling 1,080 units	15 Contracts administered totalling 1,910 units
			Non-Profit Owned		44 Contracts administered totalling 2,206 units	45 Contracts administered totalling 2,253 units
	Affordable Home Ownership			5 Contracts administered totalling 572 units	5 Contracts administered totalling 572 units	
	Homeless & Housing First Solutions	Provide Emergency Shelter & Related Support	A directly operated	Shelter Beds	1,713 Shelter Beds available at 10 locations	1,643 Shelter Beds available at 10 locations
				Food Services	871,890 of meals/snacks provided totalling \$6.0 M 128,443 food allowances provided totalling \$.514 M	892,110 of meals/snacks provided totalling \$5.7 M 163,875 food allowances provided totalling \$.656 M
Personal Needs Allowances				171,873 of allowances provided totalling \$.739 M	254,465 of allowances provided totalling \$1.1 M	
Personal Supports (Counselling, Housing Help services, Employment Support, Crisis Support, Daily Living Supports)				6684 clients provided with supports	6,684 clients provided with supports	
Children's Supports				1,496 children supported	1,496 children supported	
Nursing Care				An average of 407 individuals per day supported with on-site nursing/medical care	An average of 407 individuals per day supported with on-site nursing/medical care	

Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service levels
Homeless & Housing First Solutions	Provide Emergency Shelter & Related Support	Community Agencies	Emergency Shelter funding	Funding for 2,572 beds to 47 providers for a total value of \$47.6 M	Funding for 2,572 beds to 47 providers for a total value of \$47.6 M
			Housing Help services inside shelters funding	Funding for 26 agencies provided for a total value of \$4.8 M	Funding for 26 agencies provided for a total value of \$4.8 M
			Rooming/Boarding House funding	Funding for 931 beds for a total value of \$8.8 M	Funding for 931 beds for a total value of \$8.7 M
			Out of the Cold program funding	Funding for an average of 89 spots nightly or 598 unique spots at 16 locations for a total value of \$1.0 M	Funding for an average of 89 spots nightly or 598 unique spots at 16 locations for a total value of \$1.0 M
		Emergency Shelter Service System Management	Contract Administration	31 contracts administered for 2,572 beds at 47 sites	31 contracts administered for 2,572 beds at 47 sites
			Quality Assurance	57 Quality Assurance visits	57 quality assurance visits
			Training	275 Service Providers Quality Training Session provided to 3,890 participants	275 Service Providers Quality Training Session provided to 3,890 participants
			Complaints Management	286 complaints handled	286 complaints handled
			Central Intake	42,703 calls with 8,537 intakes	42,703 calls with 8,537 intakes

Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service Levels
	Homeless & Housing Support in the Community	Directly Operated:	Street Outreach	1250 street outreach clients offered assistance	1250 street outreach clients offered assistance
			Housing Follow-up	200 Housing Follow-up Clients with an average length of support of 18 months	200 Housing Follow-up Clients with an average length of support of 18 months
			Street Respite	Projection: 1460 clients using respite (not unique individuals)	Projection: 1460 clients using respite (not unique individuals)
			Shelter Referrals	Projection: 6000 shelter referrals made from SHARC (not unique individuals)	Projection: 6000 shelter referrals made from SHARC (not unique individuals)
			Transition to Housing Beds	Projection: 200 clients using 40 available Transition to Housing Beds at SHARC (unique individuals)	Projection: 200 clients using 40 available Transition to Housing Beds at SHARC (unique individuals)
			Pre-employment Supports	350 pre-employment clients will be assisted	350 pre-employment clients will be assisted
			Rent Reduction Notices to Tenants and Landlords	177,000 notices projected to be sent	220,000 notices estimated for 2012
		Community Agencies	Street Outreach funding	20 agencies funded with a total value of \$4.2 M	20 agencies funded with a total value of \$4.2 M
			Housing Follow-up funding	13 agencies funded with a total value of \$2.1 M	13 agencies funded with a total value of \$2.1 M
			Housing Help services funding	73 agencies funded with a total value of \$13.2	73 agencies funded with a total value of \$13.3
			Drop-in funding	29 agencies funded with a total value of \$3.3 M	29 agencies funded with a total value of \$3.1 M
			Supports to Daily Living funding	11 agencies funded with a total value of \$3.8 M	11 agencies funded with a total value of \$3.9 M
			Pre-employment Supports funding	14 agencies funded with a total value of \$2.1 M	14 agencies funded with a total value of \$2.2 M
			Capital funding	49 agencies funded with a total value of \$6.2 M	49 agencies funded with a total value of \$6.2 M

2012 Service Deliverables

- The 2012 Recommended Operating Budget for Shelter, Support and Housing Administration of \$785.765 million gross, with 711.0 Approved Positions, supports the provision of a wide range of services, which include:
 - Providing 1.406 million bed nights of emergency shelter (3,844 per night, 366 days a year) to homeless individuals (a decrease of 0.8% compared to 2011), including the provision of meals and supports;
 - Providing 310,250 bed-nights of boarding home service to adults with psychiatric disabilities;
 - Providing funding to more than 240 housing providers, (including the Toronto Community Housing Corporation), with over 94,000 units of social housing;
 - Administering the Homelessness Partnering Strategy and other Federal and Provincial grants to over 120 community agencies;
 - Assisting homeless individuals on the street to move into housing through the Streets to Homes Program, with over 3,300 individuals assisted into permanent housing since 2005, with the vast majority remaining in their new homes; and,
 - Developing and managing the Emergency Human Services response of the City's Emergency Plan.

PART III: Recommended Base Budget

2012 Recommended Base Budget

(In \$000s)

(In \$000s)	2011 Appvd. Budget	2012 Recommended Base	Change 2012 Recommended Base v. 2011 Appvd. Budget		FY Incremental Outlook	
			\$	%	2013	2014
	\$	\$	\$	%	\$	\$
GROSS EXP.	922,866.5	785,765.0	(137,101.5)	(14.9)	5,939.5	7,523.9
REVENUE	630,447.2	516,447.9	(113,999.3)	(18.1)	(19,324.9)	1,600.0
NET EXP.	292,419.3	269,317.1	(23,102.2)	(7.9)	25,264.4	5,923.9
Approved Positions	763.7	711.0	(52.7)	(6.9)	696.9	696.9

TARGET COMPARISON	10% Reduction Target	2012 Rec.'d Reduction	2012 Rec'd Reduction vs. 2012 10% Reduction Target	Target %
2012 Reductions	(29,194.8)	(13,917.6)	(15,277.2)	4.8%

2012 Recommended Base Budget

- On a net basis, the 2012 Recommended Base Budget is \$269.317 million net which is \$23.102 million or 7.9% below from the Program's 2011 Approved Budget of \$292.419 million net.
- The 2012 Recommended Base Budget of \$785.765 million gross includes a \$137.102 million reduction, or 14.9% from the 2011 Approved Budget of \$922.867 million, largely due to the reduction of \$81.4 million in the Social Housing Renovation and Retrofit Program (SHRRP); and a reduction of \$41.6 million in Affordable Housing projects.
- The 2012 Recommended Base Operating Budget includes an increase in revenues of \$14.551 million, with the 2012 reserve draw of \$21.016 million more than offsetting the reversal of the 2011 reserve contribution of \$6.465 million.
- Program reductions of \$13.918 million are recommended for Shelter, Support and Housing Administration's (SSHA), which are \$15.277 million lower than the reduction target of \$29.195 million. The reductions of \$13.918 million have been achieved through a combination of base changes of \$4.631 million; service efficiencies of \$7.314 million; and major service level impacts of \$1.972 million. Since the majority of funding is mandated through social housing legislation, further reductions to achieve target will result in significant service impacts to SSHA that would limit the Program's ability to deliver core service activities.

- Approval of the 2012 Operating Budget reflects a reduction of 52.7 approved positions from the 2011 approved staffing complement as highlighted below:

2012 Recommended Staff Complement – Base Budget Summary

Changes	Staff Complement
2011 Approved Complement	763.7
- 2011 In-year Adjustments	-
2011 Approved Staff Complement	763.7
2012 Recommended Staff Complement	
- 2012 Temporary Complement - Capital Project Delivery	(11.0)
- 2012 Operating impacts of completed Capital projects	
- 2012 Service Change Adjustments	(41.7)
Total Recommended Complement	711.0

- Changes to the 2011 complement of 52.7 positions, will reduce the Program complement to 711.0 from 763.7 positions. These changes are noted below:
 - Reduction of 11 temporary capital positions with the completion of the Social Housing Administration System;
 - Elimination of 13.3 positions through the implementation of recommended Service Efficiencies; and,
 - Elimination of 28.4 positions through the implementation of recommended Major Service Level Changes.

2012 Recommended Service Change Summary
(In \$000s)

Description	2012 Recommended Service Changes				Net Incremental Impact			
	Position Change	Gross Expense	Net Expense	% of 2012 Reduction Target	2013		2014	
	# Pos.	\$	\$	%	\$	# Pos.	\$	# Pos.
Base Budget Changes:								
Base Expenditure Changes								
Reduction to Reflect Actual Experience		(805.5)	(805.5)	(0.3%)				
Reduce Social Housing Garbage Levy		(1,385.8)	(1,385.8)	(0.5%)				
Reduce TCHC Property Taxes		(2,040.1)	(2,040.1)	(0.7%)				
Reduce SOGR funding for Affordable Housing Properties not administered through the Social Housing Reform Act		(400.0)	(400.0)	(0.1%)				
Base Budget Changes	0.0	(4,631.4)	(4,631.4)	(1.6%)	0.0	0.0	0.0	0.0
Base Revenue Changes:								
Base Revenue Changes	0.0	0.0	0.0		0.0	0.0	0.0	0.0
Sub- Total Base Budget Changes	(12.0)	(4,631.4)	(4,631.4)	(1.6%)	0.0	0.0	0.0	0.0
Service Efficiencies:								
Staffing Realignment	(8.3)	(876.7)	(876.7)	(0.3%)				
Workload Realignment:								
Communication Activities	(2.0)	(183.1)	(183.1)	(0.1%)				
Housing & Homelessness Supports	(1.0)	(109.3)	(109.3)	(0.0%)				
Reduction in Family Shelter Staffing	(1.0)	(99.6)	(99.6)	(0.0%)				
Streamlining of Human Resource Support		(45.6)	(45.6)	(0.0%)				
Reduce Residual Funding to TCHC		(6,000.0)	(6,000.0)	(2.1%)				
Sub- Total Service Efficiencies	(12.3)	(7,314.3)	(7,314.3)	(2.5%)	0.0	0.0	0.0	0.0
Revenue Adjustments:								
Sub- Total Revenue Adjustments	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0
Minor Service Impacts:								
Sub-Total Minor Service Impacts	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0
Major Service Impacts:								
Closure of Downsview Dells Shelter	(9.3)	(891.2)	(651.9)	(0.2%)	(341.5)	(4.7)		
Closure of Birchmount Shelter	(15.7)	(1,751.5)	(1,080.4)	(0.4%)	(569.1)	(7.8)		
Closure of Bellwoods Shelter	(3.4)	(324.8)	(239.6)	(0.1%)	(117.3)	(1.6)		
Sub-Total Major Service Impacts	(28.4)	(2,967.5)	(1,971.9)	(0.7%)	(1,027.9)	(14.1)	0.0	0.0
Total Service Changes	(52.7)	(14,913.2)	(13,917.6)	(4.8%)	(1,027.9)	(14.1)	0.0	0.0

2012 Recommended Service Changes

Base Expenditure Changes *(Savings of \$4.631 million gross and net)*

Reduction to reflect actual experience:

- After a detailed review of actual expenditure trends, reductions of \$0.806 million gross and net are recommended, with savings primarily being realized in hostel services, including \$0.341 million in contracted services; \$0.395 million in supplies; and \$0.070 million in equipment.

Reduction in Garbage Levy to reflect actual experience:

- A reduction of \$1.386 million in the Social Housing garbage levy funding is recommended for housing providers, with a \$1.185 million reduction for non-TCHC providers, and a \$0.200 million reduction for TCHC, based on historical spending. These reductions reduce the non-TCHC solid waste budget to \$1.134 million from \$2.320 million and reduce the TCHC budget to \$5.480 million from \$5.680 million.

Reduction in TCHC Property Taxes:

- A reduction of \$2.040 million in property taxes for TCHC properties is recommended, based on historical spending as determined by Current Value Assessment.

Reduction to SOGR Maintenance for Affordable Housing Projects:

- Based on a review of historical spending, a reduction of \$0.400 million in the SOGR funding for projects developed under the Affordable Housing Program (these projects are not regulated by the Social Housing Reform Act) is recommended, reducing the budget to \$0.700 million from \$1.100 million. (Please see discussion in the Issue Section, pg 21).

Service Efficiencies *(Saving of \$7.314 million gross and net)*

Staffing Realignment:

- Savings of \$0.877 million are recommended through a realignment of staff duties across the Program area. This realignment will result in the elimination of 8.3 positions, effective January 1, 2012, with 4.0 permanent, 4.3 temporary, of which 4.3 are vacant, 4.0 positions are filled. Please see detail in Confidential Attachment 1.

Workload Realignment of Communication Activities:

- Two communication representative positions, 1 in Social Housing, and 1 in Partnership Development are being eliminated effective January 1, 2012, with savings of \$0.183 million. Both are permanent positions, and both are vacant. These positions are responsible for co-coordinating the communication of strategies and policies that

support housing providers and the division. The responsibilities will be absorbed by remaining program staff.

Workload Realignment in Housing & Homelessness Supports:

- The Housing and Homeless Supports Unit reviews grant applications for over 120 community agencies, and administers \$31.4 million in third-party grants that support the homeless and those at risk. This Unit is supported by 7 Agency Review Officers. One vacant, permanent Agency Review Officer position will be eliminated, resulting in savings of \$0.109 million. The workload will be managed with existing staff.

Reduction in Family Shelter Staffing:

- Savings of \$0.100 million are included through the elimination of 1 filled position in the family shelter system. The workload will be managed with existing staff.

Streamlining Human Resource Support:

- SSHA funds 2 Human Resource positions that provide assistance with managing the Program's work force. These positions are part of the staffing complement of the Human Resources Division and are charged directly to SSHA.

SSHA has reviewed its support requirements and determined that the support of 1 HR consultant will suffice, and the budget can be reduced by \$0.046 million. The Unit will continue to fund 1 HR consultant.

Reduce Residual Subsidy Paid to TCHC:

- As is consistent with all City Programs and Agencies, TCHC has been requested to find efficiencies/savings. The equivalent of a 10% cut to residual funding for TCHC is approximately \$7.500 million. In discussions with TCHC, it was determined that a target of \$6.0 million would not result in significant service level reductions. As a result, the residual funding to TCHC will drop to \$75.927 million in 2012 from \$81.927 million. (Please see discussion in Issue Section on pg 22).

Major Service Impacts (*Savings of \$2.968 million gross and \$1.972 million net*)

The 3 following City-operated shelters are recommended for closure:

Downsview Dells:

- Downsview Dells is a satellite program of Seaton House that provides supportive, transitional shelter to men who are attending addiction treatment programming off-site at the local hospital. The programming assists clients dealing with their addiction to alcohol, drugs and/or gambling. This hostel provides accommodation for a maximum of 27 residents, with clients primarily referred from Seaton House.

Closure of this shelter would result in a net savings of \$0.652 million in 2012, with a net savings of \$0.342 million in 2013. The closure would result in the reduction of 9.3 positions in 2012 including: 7.3 permanent positions and 2 temporary positions; 2013 includes reductions of 4.7 positions: 3.7 permanent positions and 1 temporary position. All positions are filled.

The closure would result in the reduction of 27 beds or 1.7% of men's beds in the system, reducing capacity from 1,614 to 1,587 beds. The closure of this shelter will be phased in during the first half of 2012, when no new clients would be accepted into the shelter, once existing clients leave the program.

Closure of Birchmount Shelter:

- The Birchmount Shelter, a satellite program of Seaton House, is a 60 bed shelter for older men. The site was opened 11 years ago provide supports to older longer-term residents who, with minimum support, can live outside the Seaton House facility.
- Closure of this shelter would result in a net savings of \$1.080 million in 2012; with a net savings of \$0.569 million in 2013. The closure would result in the reduction of 15.7 positions in 2012 including: 13.4 permanent and 2.3 temporary positions; 2013 includes reductions of 7.8 positions: 6.6 permanent and 1.2 temporary positions. All positions are filled.

The closure results in the reduction of 60 beds or 3.7% of male beds in the system, reducing capacity from 1,614 to 1,554 beds. Bed closures will be phased in gradually, as client-placement plans are developed, with service anticipated to be discontinued in 12 to 18 months.

Closure of Bellwoods Shelter:

- Bellwoods is a small, transitional 10 bed shelter for elderly women who are 50 years or older. Bellwoods clients are long-term shelter users, who have a history of mental illness and have been homeless for a long time.

Closure of this shelter would result in a net savings of \$0.240 million in 2012, with a net savings of \$0.117 million in 2013. Reduction of 3.4 positions in 2012 include: 2.7 permanent positions, and 0.7 temporary positions; 2013 reductions include 1.6 positions: 1.3 permanent positions; and 0.3 temporary positions. All positions are filled.

The closure results in the reduction of 10 beds or 1.9% of female beds in the system, reducing capacity from 532 to 522 beds. Bed closures will be phased in gradually, as client-placement plans are developed, with service anticipated to be discontinued in 6 to 12 months.

2013 and 2014 Outlook

- Approval of the 2012 Recommended Base Budget for Shelter, Support and Housing Administration will result in 2013 and 2014 incremental increases of \$25.264 million and \$5.924 million respectively to maintain the 2012 level of service. Future year costs are primarily attributed to the following:
 - In 2013, the projected increase of \$25.264 million is comprised of the following pressures:
 - Reversal of the one-time contribution from the Social Housing Federal Reserve Fund of \$12.940 million and \$8.202 million from the Social Housing Stabilization Reserve Fund used in 2012 to offset base pressures;
 - An increase of \$7.579 million to reflect an increase in Social Housing pressures arising mainly for increased RGI subsidies, Provincially determined cost factor increases, mortgage renewals and the loss of Federal subsidy;
 - An increase in salaries and benefits resulting from progression pay, step increases, and a 0.9% OMERS rate increase totaling \$0.613 million;
 - Offsetting these pressures is an additional revenue increase of \$1.691 million for Ontario Works Upload for shelter bed nights, the phase-in of the increase in Provincial cost sharing;
 - Savings of \$1.350 million from the first year of a 2 year implementation of TCHC's garbage efficiency strategy; and,
 - Incremental savings of \$1.028 million from the recommended closure of 3 City shelters in 2012.

- The 2014 Outlook includes incremental increases of \$5.924 million, comprised of the following pressures:
 - \$8.667 million for cost increases for Social Housing (mainly for increased RGI subsidy, Provincially determined cost factor increases, mortgage renewals and the loss of Federal subsidy);
 - An increase in salaries and benefits resulting from progression pay, step increases, and fringe benefits of \$0.207 million;
 - Offsetting these pressures is an additional revenue increase of \$1.600 million for Ontario Works Upload for shelter bed nights, the phase-in of the increase in Provincial cost sharing; and,
 - Additional savings of \$1.350 million from the implementation of the second year of the TCHC garbage efficiency strategy.

Part V: ISSUES FOR DISCUSSION

2012 Issues

2012 Social Housing Pressures:

As noted in the following table, the 2012 Recommended Operating Budget for Shelter, Support and Housing Administration reflects a decrease in pressures of \$26.060 million net for Social Housing (from \$225.188 million net in 2011 \$199.128 million). The following table summarizes the 2012 cost drivers:

	2012 Social Housing Cost Drivers (\$,000s)		
	Gross	Revenue	Net
2011 Approved Budget *	531,653.1	312,889.6	218,763.5
2012 Federal/ Provincial Program Funding Adjustments	(2,634.7)	(2,594.2)	(40.5)
Reversal of 2011 Reserve One-Time Funding	(962.8)	(7,427.3)	6,464.5
2011 Adjusted Budget	528,055.6	302,868.1	225,187.5
Mortgage Renewals	(741.5)		(741.5)
RGI Subsidy Increases	7,523.8	(122.6)	7,646.4
Cost Factor Increases	1,944.1		1,944.1
Property Tax Increases	(6,107.3)		(6,107.3)
Garbage Levy	(1,385.8)		(1,385.8)
Residual Funding	(6,000.0)		(6,000.0)
SOGR 2001 AHP Providers	(400.0)		(400.0)
Base Pressures	(5,166.7)	(122.6)	(5,044.1)
2012 Reserve Contribution **		21,015.9	(21,015.9)
Recommended Budget *	522,888.9	323,761.4	199,127.5
TCHC	339,798.30	223,796.60	116,001.7
Non-TCHC	183,090.60	99,964.80	83,125.8
Total Recommended	522,888.90	323,761.40	199,127.5

* Program cost only, excluding Social Housing Renovation and Retrofit Program, admin and capital Program costs

** Reserve contribution requirement for Social Housing is \$21.016 million, with the the full 2012 reserve draw requirement of \$21.142 million.

Overall Social Housing cost drivers have decreased by \$5.044 million net between 2011 and 2012 and are comprised of the following off-setting pressures:

- Savings of \$0.742 million for mortgage renewal reductions are based on principal renewals of \$293.0 million at a blended rate of 3.6%.

- The Rent-Geared-to-Income (RGI) subsidy has increased by \$7.646 million net. This subsidy pays social housing providers and commercial landlords the difference between market rent and a prescribed percentage of tenants' gross income. As tenant gross income has declined, the RGI subsidy has been increased as an offset. This increase is mandated through the Social Housing Reform Act, and is beyond the City's control.
- The Cost Factor Index increases of \$1.944 million are the result of a combination of index increases associated with market-rent adjustments and changes to CPI. The Province determines cost factor increases, which are beyond the City's control.
- Property taxes have decreased by \$6.107 million, with reduction of \$5.148 million for TCHC and \$0.959 million for non-TCHC properties, based on the latest property tax Current Market Value reassessments.
- The Garbage Levy (the provision to fund solid waste disposal fees) has decreased by \$1.386 million to \$6.614 million from \$8.000 million based on the historical spending. Reductions of \$1.186 million are for non-TCHC providers, with a reduction of \$0.200 million for TCHC.
- A recommended reduction in the residual subsidy of \$6.000 million to TCHC to meet budget reduction targets reduces the residual subsidy paid to TCHC to \$75.927 million for 2012.
- SOGR maintenance for the projects funded by the Federal / Provincial Affordable Housing Program and City resources (67 projects completed since 2001) has been reduced to \$0.700 million from \$1.100 million, a reduction \$0.400 million, based on historical spending.
- The 2012 Recommended Operating Base Budget includes a withdrawal from the Social Housing Reserve Funds of \$21.016 million that offsets the reversal of the 2011 reserve contribution of \$6.454 million, which reduces the Social; Housing net budget by \$14.551 million.

Depletion of Social Housing Reserve Funds:

- Two reserve funds are dedicated to fund Social Housing: the Social Housing Stabilization Reserve (year-end balance of \$8.202 million), which was established in 2001 and the Social Housing Federal Reserve Fund (2011 year-end balance of \$23.245 million), which was established in 2002. These reserve funds were established for the following reasons:
 - To mitigate the financial exposure associated with social housing devolution, including stabilization of in-year variances as well as unanticipated year-to-year expenditure fluctuations;
 - Help minimize or phase in their impacts on the property tax rate;

- Supplement funds for capital repairs; and,
 - Fund other potential liabilities as they arise.
- These reserve funds have been used to offset ongoing budgetary pressures within the Social Housing Program to protect current service levels, as well as to provide housing providers funding for state of good repair (SOGR) maintenance of the social housing stock.
 - The Program uses reserve funding to offset its annual salary and benefit increases, and other inflationary pressures, including annual increases in subsidy payments to social housing providers, mandated through the Social Housing Reform Act, 2000. These increases are linked to cost drivers that are outside the Program's control, including, market-rent rate and CPI increases, property tax increases, and reductions in Federal and Provincial subsidy transfers.
 - The following table summarizes activity of the social housing reserve funds since their inception.

SOCIAL HOUSING RESERVE FUNDS ACTIVITY SINCE INCEPTION									
(000's)	2001- 2007	2008	2009	2010	2011	2012	Social Housing Stabilization Reserve Fund	Social Housing Federal Reserve Fund	Total Reserves
							XQ1106	XR2105	
Beginning Balance	0.0	48,870.9	38,578.7	29,878.1	30,572.2	31,446.5	0.0	0.0	38,578.7
Add:									
Provincial Downloading Transfer	12,379.6						12,379.6		12,379.6
Divisional Net Surplus	24,069.0						24,069.0		24,069.0
Federal Transfer	30,890.0						4,809.8	26,080.2	30,890.0
GTA Pooling Adjustment	13,157.5						13,157.5		13,157.5
Provincial Transfer	1,339.7						1,339.7		1,339.7
Loan Repayment	0.0	115.0	59.9	615.2	887.3	0.0	539.2	1,138.2	1,677.4
Investment Income	20,622.1	834.7	112.1	153.8	32.4	0.0	12,177.2	9,577.9	21,755.1
Total additions	102,457.9	949.7	172.0	769.0	919.7	0.0	68,472.0	36,796.3	105,268.3
Less:									
Draw to fund Social Housing	(24,257.3)	(9,584.9)	(8,872.6)	(74.9)	(45.4)	(21,141.7)	(50,568.4)	(13,408.4)	(63,976.7)
Loan/Grant to Housing Providers for SOGR	(24,329.7)	(1,657.0)					(12,903.6)	(13,083.1)	(25,986.7)
Loan/Grant to TCHC for SOGR	(5,000.0)						(5,000.0)		(5,000.0)
Total withdrawals	(53,587.0)	(11,241.9)	(8,872.6)	(74.9)	(45.4)	(21,141.7)	(68,472.0)	(26,491.5)	(94,963.4)
Ending Balance	48,870.9	38,578.7	29,878.1	30,572.2	31,446.5	10,304.9	0.0	10,304.8	10,304.9

- Although the 2010 budgeted reserve contribution was \$27.054 million, due to Program under spending of \$10.860 million realized during 2010 (primarily in Social Housing), the Program only required a contribution of \$16.194 million. However, the longevity of the reserve was extended with the decision to offset the reduced contribution of \$16.194 million (\$27.054 million – \$10.860 million) by off-setting year-end expenses with year-end surplus funds.
- In 2011, the budgeted withdrawal of \$6.465 million was available to reduce 2011 pressures. Spending projections based on the third quarter operating budget variance indicate that the contribution will not be required, primarily due to continued under spending in Social Housing (ongoing savings in property taxes, RGI subsidy and CPI index factors).
- As noted in the table above, the 2012 recommended contribution from the reserve funds of \$21.142 million is budgeted to fund 2012 operating pressures. SSHA has relied on the reserve to fund Program costs since 2001, with \$10.305 million available after 2012 (assuming the reserve contribution is used). The reserve is nearing depletion in 2012. The Service Level reductions recommended in 2012 will assist in mitigating the loss of the reserve funds.
- As the 2013 Outlook includes a pressure of \$21.142 million to fund the reversal of the 2012 reserve draw, this reversal will only be partially funded, as the ending reserve balance in 2012 is projected to be \$10.305 million, resulting in a shortfall of \$10.838 million in 2013. The Program will be challenged throughout 2012 to find additional efficiencies and to review service levels, as reserves will be depleted in 2013, and will no longer be available as a funding source for its operating budget. Opportunities to mitigate the 2013 pressures will be reviewed during 2012 that include findings from the Efficiency Study and recommendations from the Cores Service Review.

Reduction in Garbage Levy for Social Housing Providers:

- In 2009, funding for a garbage levy of \$6.250 was added to SSHA's operating budget when Solid Waste Management Services began charging for pick-up services. In 2011, the budget was increased by an additional \$1.750 million, based on revised estimates from Solid Waste Management Services. Of this amount \$5.680 million was provided for TCHC and \$2.320 million for non-TCHC providers.
- The 2012 Recommended Operating Budget includes a base reduction of \$1.185 million for non-TCHC housing providers based on actual spending experience. The recommended reduction of \$1.185 million will leave \$1.135 million in the non-TCHC budget to fund solid waste pick-up charges.
- The 2012 Recommended Operating Budget also includes a reduction of \$0.200 million for the TCHC garbage levy, reducing the provision from \$5.680 million in 2011 to

\$5.480 million. This reduction is based on a review of actual spending, as noted: 2008: \$4.800 million; 2009: \$7.300 million; and, 2010 \$5.500 million.

- In 2011, TCHC introduced a \$2.500 million plan to reduce solid waste volumes by 33%, and improve recycling diversion rates. The plan includes an investment in IT systems that will improve bin management, enhance the utilization of compactors to reduce solid waste volumes, and invest in staff training to introduce waste-diversion best practices. TCHC is projecting this plan will reduce the cost of solid waste disposal by \$2.700 million annually through reduced garbage volumes. These savings are reflected in the 2013 and 2014 Outlooks with \$1.350 million in incremental savings to be realized over the 2 year period.

Reduction to SOGR Maintenance for Affordable Housing Projects:

- Since 2001, 67 projects with 4,992 units of affordable housing units have been developed with combined funding from the Federal / Provincial Affordable Housing Program and City resources. These projects are administered by the City in accordance with the project's Contribution Agreement and are outside the regulations of the Social Housing Reform Act. Although these projects receive no operating subsidy from the City, once completed some of the units have rent supplement agreements.
- SSHA's 2011 Approved Operating Budget includes \$1.100 million to fund a variety of operational issues these projects may encounter, such as debt burden associated with construction deficiencies and the inability to fund SOGR maintenance. Based on an analysis of historical spending and future-year SOGR projections, a reduction of \$0.400 million is recommended, which will reduce the \$1.100 million budget to \$0.700 million.

Reduce Residual Funding to the Toronto Community Housing Corporation (TCHC):

- The 2012 Recommended Operating Budget for TCHC provides funding of \$339.798 million gross and \$116.002 million net. The Social Housing Reform Act requires the City to provide TCHC with "sufficient" funding to meet its mortgage costs and operate the social housing under its administration. Under an Operating Agreement between the City and TCHC, the City's funding to TCHC is comprised of \$263.871 million for the actual cost of property taxes, mortgage payments and rent supplements, and a Residual Operating Subsidy of \$75.927 million to fund a portion of all remaining operating costs. Under the Operating Agreement, the Residual Operating Subsidy is increased annually by the increase in the CPI.
- As with other City Programs and Agencies, TCHC was requested to find operational efficiencies savings in order to meet the City's 10% budget reduction target. TCHC has been advised that the residual funding will be reduced by \$6.000 million to assist SSHA in meeting its 10% target.

- Concurrently, with the adoption of EX11.6 by Council on October 24 and 25, 2011, report titled "Toronto Community Housing Corporation – Declaration as Municipal Housing Capital Facilities and Exemption from Municipal and School Property Taxes", the educational portion of the TCHC property taxes (the equivalent of \$10.200 million), will be reinvested in SOGR within TCHC.
- With the adoption of EX11.6 Council directed the General Manager of SSHA to reduce the annual subsidy provided to TCHC by the amount of the municipal property tax savings to TCHC and make the necessary adjustments to the 2012 Approved Operating Budget for SSHA and Non-Program Accounts in the First Quarter Operating Budget Variance Report to ensure no net impact to the City's Operating budget.

Hostel Services Volumes and Costs:

- The 2012 Recommended Operating Budget reflects a decrease of 11,929 budgeted bed nights to match the 2011 projections. The impact of these adjustments results in a net decrease of \$0.202 million.

Hostel Description	Bednight Volume Change				Volume Percentage Change
	2011 Budget	2011 Projected Actuals	2012 Recommended	Volume Variance Inc/ (Dec)	
City Operated Shelters					
Seaton House	232,505	224,919	228,200	(4,305)	-1.9%
Women's Residence	37,040	37,197	37,170	130	0.4%
Robertson House	30,400	28,514	32,000	1,600	5.3%
Family Residence	100,375	77,279	91,250	(9,125)	-9.1%
Birkdale Residence	73,869	64,940	73,640	(229)	-0.3%
ARC/ 129 Peter Street	14,235	10,919	14,235	-	0.0%
Purchased Hostels	930,427	911,508	930,427	-	0.0%
Total	1,418,851	1,355,276	1,406,922	(11,929)	-0.8%

- In the event that occupancy levels change and result in a pressure and requirement for additional funds, the Program will report to Budget Committee through the Community Development and Recreation Committee on how the pressure will be mitigated within the overall Program budget.

Affordable Housing Grants:

- The 2012 Recommended Operating Budget includes funding for the Affordable Housing development loans / grants, which are summarized in the following table:

Project Name	2012 CRRF*	2012 DCRF**	2012 Provincial Funds	2012 Total	Number of Units
TCHC - Railway Lands Block 32	4,076.7	341.3		4,418.0	247
TCHC - McCord Phase 1	8,003.1	967.0	837.9	9,808.0	115
Affordable Housing Projects	12,079.8	1,308.3	837.9	14,226.0	362
Habitat For Humanity			1,050.0	1,050.0	21
AHP Home Ownership Wave 2 Year 1	0.0	0.0	1,050.0	1,050.0	21
Home Ownership Alternative - Donlands			818.8	818.8	33
AHP Home Ownership Wave 2 Year 2	0.0	0.0	818.8	818.8	33
McCord Phase 2 - King St & St. Lawrence St			16,510.0	16,510.0	127
8 Chichester Place			12,600.0	12,600.0	210
Railway Lands Phase 2 - Front St & Bathurst St			3,600.0	3,600.0	180
AHP Extension 2009	0.0	0.0	32,710.0	32,710.0	517
Total	12,079.8	1,308.3	35,416.7	48,804.8	933

* CRRF - Capital Revolving Reserve Fund

** DCRF - Development Charges Reserve Fund

Hostel Provincial Funding Shortfall:

- While the provision of emergency shelter services remains subject to the 80/20 Provincial / Municipal cost sharing agreement, 2012 is the third year of the new cost-sharing agreement with the Province. The Province has begun to phase-in an upload of the municipal contribution over a 9 year period, with the municipal cost scheduled to be fully uploaded by 2018.
- Combined increases in subsidy of \$0.741 million were received / budgeted in 2010 and 2011, and an additional increase of \$0.968 million included in 2012 Recommended Operating Budget, representing a total of \$1.709 million, or 14 % of the 20% municipal cost being covered by increased Provincial funding. As noted in the table below, the upload continues through 2018, when an additional \$11.8 million in subsidy will be added to the Program's Operating Budget over the 9 year period.

OW Upload of Municipal Cost of Emergency Shelter Services									
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Incremental Increase	378	363	968	1,691	1,600	1,700	1,700	1,700	1,700
Total Revenue	378	741	1,709	3,400	5,000	6,700	8,400	10,100	11,800

- However, it should be noted that notwithstanding the cost upload, the Province will continue to fund the cost of shelter provision services using per-diem rates without recognizing the full cost of providing shelter services in Toronto.
- For 2012, the 2012 Provincial funding shortfall for emergency shelter services is expected to reach \$32.7 million, an increase of \$0.6 million or 1.9% from the 2011 shortfall of \$32.1 million. For 2012, the Province will fund 55.1% of emergency shelter services and the remaining 44.9% will be tax base funded.

Issues Referred to the 2012 Operating Budget Process

Core Service Review:

On September 26 and 27, 2011, City Council adopted the City Manager's report with recommendations that addressed the results of the KPMG Core Service Review as set out in Appendix E, as well as any service efficiency opportunities, which will be presented to the City Manager in December, 2012. Recommendations from the Core Service Review include the following:

- *Consider the development of a strategy to maximize benefit from projects where mortgages and subsidy agreements are expiring.*
- *Give homeless people higher priority in accessing social housing.*
- *Develop a wider range of supportive housing options.*
- *Expand support for the Street to Homes initiative to reduce the need for shelters.*

While there are no changes in the 2012 Recommended Operating Budget that address these recommendations, the General of Manager, Shelter, Support and Housing Administration will review these recommendations as part of the 2013 Operating Budget process.

Appendix 1

2011 Performance

2011 Key Accomplishments:

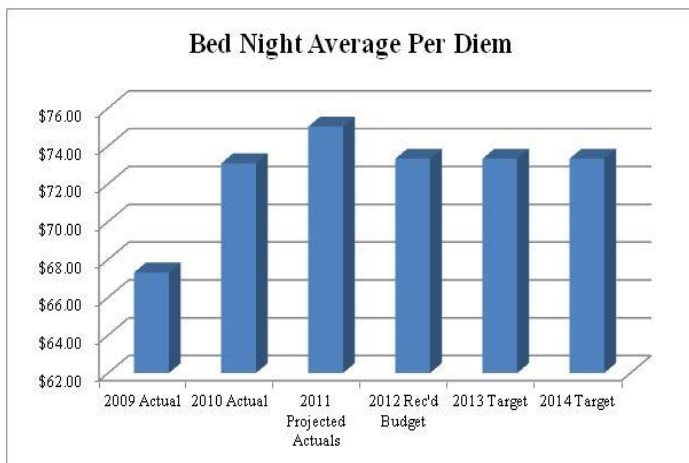
In 2011, Shelter, Support and Housing Administration achieved the following:

- ✓ Provided expanded evening hours of service for the Multi-Disciplinary Outreach Team (MDoT), which provides mental health services and support as part of street outreach services that assist street homeless connect to required services to stabilize and find appropriate housing;
- ✓ As at the third quarter, assisted 317 (projected year end 425) homeless people to find permanent housing directly from the streets through the Streets to Homes program, and provided them with the support they need to remain in their new homes;
- ✓ Provided street respite to hundreds of people, while admitting 118 clients to transitional shelter through operations at the Streets to Homes Assessment and Referral Centre (129 Peter Street);
- ✓ Provided emergency accommodation to an average of 3,700 men, women, children and youth 365 nights of the year, including providing a safe place to sleep, food, and counseling, housing support and referrals, as required;
- ✓ Continued to deliver the Social Housing Renovation and Retrofit Program funded by the Federal and Provincial governments, more than 2,000 projects started, funding \$158.0 million to social housing providers to repair and renovate social housing infrastructure since the program commenced in 2009;
- ✓ Responded to 42 requests for Emergency Human Services assistance for displaced City residents for events that required evacuations due to fire, gas leak, oil leak, unsafe building and power outages;
- ✓ Provided cooling centre services to almost 3,000 Torontonians during the 5 days of Extreme Heat Alerts in summer 2011; and,
- ✓ Printed and distributed 32,000 copies of the 2 service directories for use by tenants, front-line staff and support services during 2011, with online viewings that exceeded 225,000. With funding through the Federal Homelessness Partnering Strategy program, these directories assist residents locate the community services that help them remain in their homes.

2011 Performance

Efficiency:

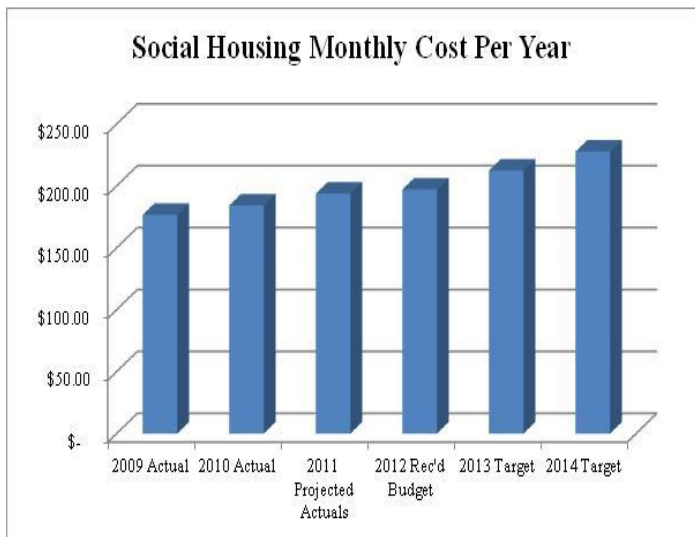
Bed Night Average Per Diem



- Hostel Services projects a reduction in average cost per bed night from \$75.03 in 2011 to \$73.33 in 2012, for a drop of \$1.70 or 2.3% with the cost of service flat lined for 2013-14.
- This cost reduction reflects the decrease in the use of City operated shelters of 11,929 from 488,424 bed nights in 2011 to 476,495 bed nights 2012, with purchased service providers supplying the remaining 930,427 bed nights in 2013.

Effectiveness:

Social Housing Month Cost Per Year



- Social Housing is projecting an increase in the monthly cost of providing a unit of social housing from \$193.74 in 2011 to \$197.12 per month in 2012, an increase of \$3.38, or 1.7% (excludes impact of Social Housing Reserves). The 2013-2014 targets are based on forecasted increases in CPI factors, RGI subsidy, and further loss of the Federal subsidy.

2011 Budget Variance Analysis

2011 Budget Variance Review (In \$000s)

(In \$000s)	2009 Actuals	2010 Actuals	2011 Approved Budget	2011 Projected Actuals*	2011 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
GROSS EXP.	797,234.7	834,109.5	922,866.5	869,456.8	(53,409.7)	(5.8)
REVENUES	534,189.8	559,735.5	630,447.2	578,615.4	(51,831.8)	(8.2)
NET EXP.	263,044.9	274,374.0	292,419.3	290,841.4	(1,577.9)	(0.5)
Approved Positions	758.8	763.7	763.7	763.7	-	-

* Based on the Third Quarter Operating Budget Variance Report.

2011 Experience

- As of September 30th, 2011, Shelter, Support and Housing Administration is projecting a favourable year-end \$1.578 million net.
- Gross expenditures and revenues are under budget by \$53.410 million and \$51.832 million respectively, primarily due to delays in delivering the Affordable Housing Program and the Social Housing Renovation and Retrofit Program, (the Federal stimulus program), and the savings in Social Housing of \$10.752 million, which eliminates the need to draw revenue from the Program Reserve Funds.
- The favourable net variance of \$1.578 million is primarily the result of the following activities:
 - An unfavorable net variance of \$3.566 million in shelters is due to lower than budgeted bed night volumes; as well, salaries and benefits are higher than budgeted, as an increase in part time hours has been required to manage infectious disease outbreaks and prevention in the shelters.
 - Shelter volumes in 2011 are projected to be 1,355,276 or 63,575 lower than budgeted 2011 volumes of 1,418,851. The lower volume directly reduces Provincial revenue, while gross expenditures are mainly fixed, resulting in an increase in the net
 - Savings of \$10.767 million are projected by year-end from Social Housing under spending in property taxes, garbage levy, and rent geared to income subsidies.

Impact of 2011 Operating Variance on the 2012 Recommended Budget

- Decreased shelter volumes from 2011 are projected to continue into 2012, as bed night volumes in 2012 are projected to decrease by 11,929 to 1,406,922, or 0.8% from the 2011 budgeted volumes of 1,418,851.
 - The volume decrease is in the directly operated shelters, with the reduction primarily in the family sector, with no change in budgeted bed nights for purchased service hostels. These volume changes result in a net decrease of \$0.202 million in 2012, which has been recommended in 2012 to reflect the 2011 actual experience.
 - Lower cost for Social Housing is projected to continue into 2012, with savings of \$5.044 million recommended in 2012. As well, because a contribution of \$6.465 from the Social Housing reserve funds in 2011 will not be required, this funding will be available to be budgeted in 2012 to fund Social Housing costs.

Appendix 2

2012 Recommended Operating Budget by Expenditure Category and Key Cost Drivers

Program Summary by Expenditure Category (In \$000s)

	2009	2010	2011	2011	2012	Change from		2013	2014
	Actuals	Actuals	Approved Budget	Projected Actuals	Recommended Base	2011 Approved Budget	%	Outlook	Outlook
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	55,722.1	62,897.5	64,721.2	66,400.4	61,406.7	(3,314.4)	(5.1%)	60,991.8	61,198.6
Materials and Supplies	4,073.0	3,789.4	4,975.8	4,414.1	4,672.6	(303.2)	(6.1%)	4,672.6	4,672.6
Equipment	330.8	315.8	385.0	202.5	307.7	(77.2)	(20.1%)	307.8	307.8
Services & Rents	65,042.7	63,001.1	65,224.4	63,160.4	64,804.4	(420.0)	(0.6%)	64,804.4	64,804.4
Contributions to Capital	278.8	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	1,104.4	1,123.7	1,156.1	1,934.8	1,156.1	0.0	0.0%	1,156.2	1,156.2
Other Expenditures	666,438.9	702,119.9	785,177.0	732,145.2	652,374.1	(132,802.8)	(16.9%)	658,728.5	666,045.7
Interdivisional Charges	4,244.0	862.2	1,227.1	1,199.3	1,043.3	(183.8)	(15.0%)	1,043.2	1,043.2
TOTAL GROSS EXPENDITURES	797,234.7	834,109.5	922,866.5	869,456.8	785,765.0	(137,101.5)	(14.9%)	791,704.5	799,228.4
Interdivisional Recoveries	27.3	32.5	6.3	39.3	25.9	19.6	312.4%	26.0	26.0
Provincial Subsidies	177,263.5	317,421.7	374,770.9	341,270.6	285,538.8	(89,232.1)	(23.8%)	287,229.7	288,829.7
Federal Subsidies	192,018.3	187,105.5	180,334.8	180,715.8	179,232.4	(1,102.4)	(0.6%)	179,232.4	179,232.4
Other Subsidies	53,002.0	39,751.0	26,501.0	26,501.0	13,249.0	(13,252.0)	(50.0%)	13,249.0	13,249.0
User Fees & Donations	925.4	936.7	922.4	1,005.4	922.4	0.0	0.0%	922.4	922.4
Transfers from Capital Fund	758.1	1,124.8	1,204.3	790.1	288.4	(915.9)	(76.0%)	288.4	288.4
Contribution from Reserve/Res Funds	109,684.6	10,570.4	43,909.5	25,319.9	34,529.8	(9,379.7)	(21.4%)	13,513.9	13,513.9
Other Revenues	510.6	2,793.0	2,798.0	2,973.3	2,661.2	(136.8)	(4.9%)	2,661.2	2,661.2
TOTAL REVENUE	534,189.8	559,735.5	630,447.1	578,615.4	516,447.9	(113,999.2)	(18.1%)	497,123.0	498,723.0
TOTAL NET EXPENDITURES	263,044.9	274,374.0	292,419.3	290,841.4	269,317.1	(23,102.2)	(7.9%)	294,581.5	300,505.4
APPROVED POSITIONS	758.8	763.7	763.7	763.7	711.0	(52.7)	(6.9%)	696.9	696.9

2012 Key Cost Drivers

- Salaries and Benefits have decreased by \$3.314 million, reflecting a reduction of 11 capital position and 1 operating position for savings of \$1.033 million with the completion of the Social Housing Administration System and other in-year changes; savings of \$1.314 million from the elimination of 12.3 positions arising from the implementation of the recommended service efficiencies; and savings of \$2.323 million with the elimination of

28.4 positions from the implementation of the recommended service level changes. These savings are offset by an increased cost of \$1.356 million for the increase in progression pay, and fringe benefits.

- Materials, Equipment, Service and Rents have decreased by \$0.800 million due to reductions that reflect actual experience.
- Other expenditures have decreased by \$132.802 million gross, reflecting adjustments in the grants that fund housing projects approved through the Affordable Housing Committee of \$41.618 million; the winding down of the Social Housing Renovation and Retrofit Program of \$81.434 million; and reductions of \$8.761 million in Social Housing subsidies and \$0.989 million in Housing and Homelessness grants realignment
- Total Revenues have decreased by \$114.0 million, reflecting a number of offsetting changes in funding, including the decrease in Affordable Housing grants of \$41.618 million; the decrease in Federal Stimulus Funding of \$81.434 million; the net increase of \$14.551 million in funding for Social Housing from reserves.

Appendix 3

Summary of 2012 Recommended Service Changes

Appendix 4

Summary of 2012 Recommended New/Enhanced Service Priority Actions

Appendix 5

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve/Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2012*	2013	2014
			\$	\$	\$
Social Housing Stabilization Reserve	XQ1106	Projected Beginning Balance	8,201.9	0.0	0.0
		Proposed Withdrawals (-) / Contributions (+) **	(8,201.9)		
		Total Proposed Contributions (Withdrawals)	(8,201.9)	0.0	0.0
SOCIAL HOUSING STABILIZATION RESERVE XQ1106 BALANCE AT YEAR END			0.0	0.0	0.0

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2012*	2013	2014
			\$	\$	\$
Social Housing Federal Reserve Fund	XR2105	Projected Beginning Balance	23,244.6	10,304.8	10,304.8
		Proposed Withdrawals (-) / Contributions (+)	(12,939.8)		
		Total Proposed Contributions (Withdrawals)	(12,939.8)	0.0	0.0
SOCIAL HOUSING FEDERAL RESERVE FUND XR2105 BALANCE AT YEAR END			10,304.8	10,304.8	10,304.8

* Projected Balance as of December 2011

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 2011	Proposed Withdrawals (-) /		
			2012	2013	2014
			\$	\$	\$
Vehicle Equipment Reserve	XQ1700	121.3	16.2	16.2	16.2
Insurance Reserve Fund	XR1010	72,122.0	1,084.4	1,084.4	1,084.4
Total Reserve / Reserve Fund Draws / Contributions			1,100.6	1,100.6	1,100.6