



STAFF REPORT ACTION REQUIRED

Report to the City Manager on Toronto Community Housing's State of Good Repair Plan

Date:	February 9, 2012
To:	Executive Committee
From:	City Manager
Wards:	All Wards
Reference Number:	

SUMMARY

At its meeting of January 24, 2012, Executive Committee deferred report EX15.1 from the City Manager and the General Manager, Shelter, Support and Housing Administration entitled *Securing Funding to Repair Toronto Community Housing's Multi-Residential Portfolio: Sale of Toronto Community Housing Stand-Alone Units* to the February 13th meeting. In response to questions raised by Councillors on the proposed sale of its stand-alone properties, the Chief Executive Officer of Toronto Community Housing (TCH) has prepared the attached report.

The report describes the background to TCH's state of good repair funding shortfall, how TCH manages capital repairs and how the proposed sale of stand-alone units would assist TCH. The report further explains how TCH will support affected tenants, maintain the same level of rent geared to income units and how the sale of units will be phased in order to best accommodate tenants.

Capital Repair Deficit \$1.7 billion by 2020

Over the next several years, \$45 million annually has been allocated by TCH for capital repairs. The property tax exemption will save an additional \$9 million per year leaving an unfunded gap of just over \$90 million per year. Without the additional investment the capital deficit of \$751 million in 2012 will grow to approximately \$1.7 billion by 2020 and the average state of repair for these buildings will move to "Poor" in 2015 and "Critical" by 2018.

With the investment of \$222 million over five years from the sale of the stand-alone units, the primary focus would be repairs to the building envelope, the building structure

and the main services in the building such as electrical, mechanical, elevators and life safety systems. Under the plan approximately 86% of TCH's portfolio would have some work done assisting approximately 55,246 or 94% of the households in Toronto Community Housing. The relocation of 2,200 tenants will repair buildings that house over 55,000 tenant households. This key investment of \$222 million will maintain the condition in a "Fair" state of repair to 2015 rather than the projected "Poor" condition.

In order to bring the TCH portfolio to a "Good" state of repair by 2017 and to maintain the "Good" state of repair beyond that, additional annual funding from the federal and provincial governments of \$150 million from 2013 to 2017 and \$90 million a year from 2018 thereafter is required. This, combined with the investment by TCH, will reduce the annual capital deficit to \$362 million by 2017.

I am forwarding the report from the Chief Executive Officer of TCH to the Executive Committee for consideration with the City staff report deferred from January 24, 2012.

RECOMMENDATION

The City Manager recommends that:

1. the report to the City Manager from the Chief Executive Officer of Toronto Community Housing entitled *Report on Toronto Community Housing's State of Good Repair Plan* be considered with Executive Committee's consideration of the City staff report entitled *Securing Funding to Repair Toronto Community Housing's Multi-Residential Portfolio: Sale of Toronto Community Housing Stand-Alone Units*; and
2. Council request the federal and provincial governments to jointly provide annual capital repair funding averaging \$150 million from 2013 to 2017 and \$90 million a year from 2018 thereafter so that the Toronto Community Housing portfolio can achieve and maintain a good state of repair.

SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENT

Report to the City Manager on Toronto Community Housing's State of Good Repair Plan