

Toronto 2017 BUDGET



OPERATING BUDGET NOTES



Affordable Housing Office

2017 OPERATING BUDGET OVERVIEW

The Affordable Housing Office (AHO) is responsible for the stewardship of federal, provincial and City investments and incentives to create and maintain safe, affordable housing for lower-income residents, and to develop innovative housing solutions through policy and partnerships, supporting *Housing Opportunities Toronto, An Affordable Housing Action Plan 2010-2020*.

2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is \$2.974 million gross and \$1.170 million net as shown below:

(in \$000's)	2016 Budget	2017 Preliminary Budget	Change	
			\$	%
Gross Expenditures	2,977.8	2,973.8	(4.0)	(0.1%)
Revenues	1,777.0	1,804.2	27.2	1.5%
Net Expenditures	1,200.8	1,169.6	(31.2)	(2.6%)

Through base budget reductions and revenue adjustments, the AHO was able to offset base budget pressures and achieve the -2.6% reduction target within its approved service levels.

CONTENTS

Overview

- 1: 2017 – 2018 Service Overview and Plan [5](#)
- 2: 2017 Preliminary Operating Budget by Service [7](#)
- 3: Issues for Discussion [21](#)

Appendices:

- 1. 2016 Performance [28](#)
- 2. 2017 Preliminary Operating Budget by Expenditure Category [29](#)
- 3. 2017 Organization Chart [30](#)
- 4. Summary of 2017 Preliminary Service Changes [N/A](#)
- 5. Summary of 2017 Preliminary New & Enhanced Service Priorities [N/A](#)
- 6. Inflows/Outflows to / from Reserves & Reserve Funds [31](#)
- 7. 2017 User Fee Rate Changes [N/A](#)

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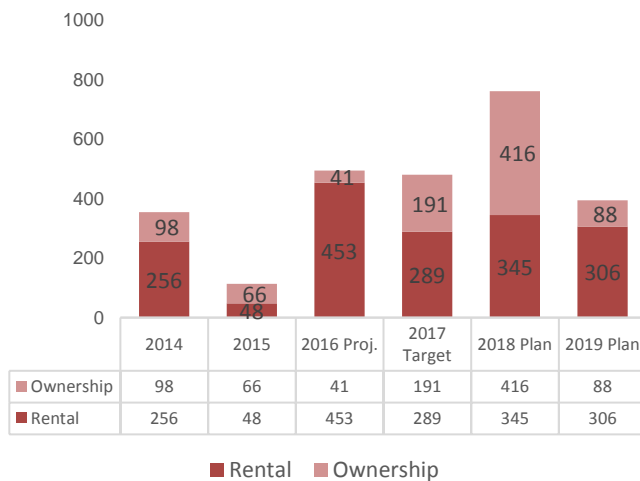
Fast Facts

- City Council adopted *Housing Opportunities Toronto: An Affordable Housing action Plan 2010-2020* in 2009.
- Since 2010, some 4,163 new affordable rental and ownership homes have been completed, 494 of those in 2016.
- Council adopted the Open Door program in 2015/2016 to accelerate affordable housing creation.
- In 2016, AHO had oversight for \$663.6 million in affordable housing investments: \$217.5 in government investments leveraging some \$446.1 million from public, private, non-profit partnerships and creating some 5,733 jobs.

Trends

- AHO has financial stewardship for affordable housing projects throughout the 3-5 year lifecycle of their development process. The following chart shows annual completions.
- In 2017, 191 affordable ownership and 289 affordable rental homes are expected to be completed in partnership with non-profit and private housing developers.
- The number of new homes is expected to increase in future years due to new initiatives such as the City's Open Door Program and the new federal-provincial Social Infrastructure Fund.

New Affordable Rental & Ownership Homes Completed (Government Investments Administered by AHO)



Key Service Deliverables for 2017

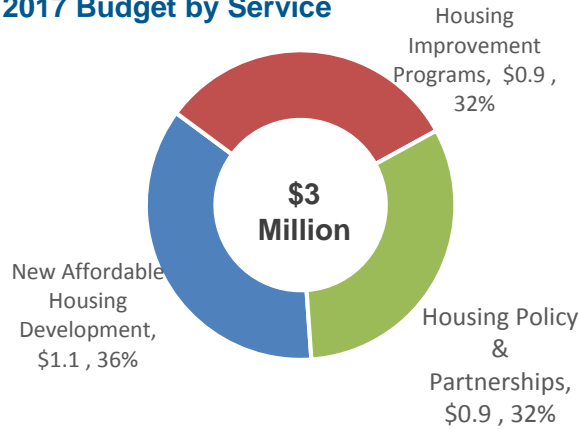
The 2017 service deliverables for the AHO support the goals of *Housing Opportunities Toronto: An Affordable Housing Action Plan (HOT)* and will enhance the health of Toronto's people, neighbourhoods, economy and environment by delivering government investments and developing innovative housing solutions.

The 2017 Operating Budget will enable the Affordable Housing Office to:

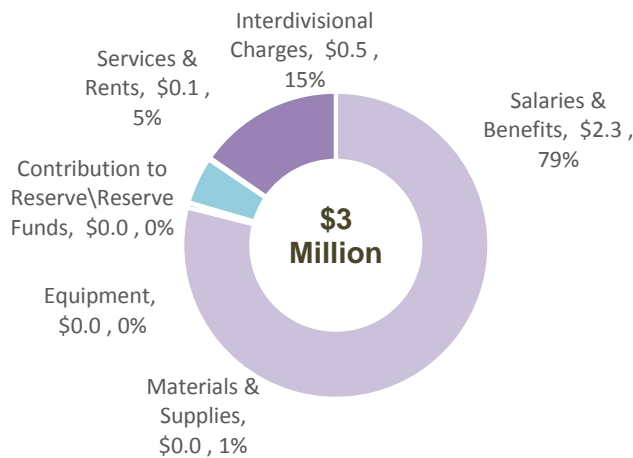
- Develop, promote, lead and leverage innovative affordable housing solutions through policies, programs and partnerships with the private and community sectors, focusing on the implementation of the Open Door Program's streamlined access to City lands and financial incentives, as well as pilot developments.
- Provide financial stewardship of \$206.9 million in federal, provincial and city investments while leveraging \$381.2 million from the private and non-profit sectors, to support 1,786 new affordable rental and ownership homes under development in 2017, creating some 4,466 jobs through the development lifecycle.
- Implement *Toronto Renovates* by providing financial stewardship of \$13.8 million from the federal/provincial Investment in Affordable Housing (IAH) program, Social Infrastructure Fund and Homelessness Partnering Strategy (HPS) for essential health, safety, accessibility and energy efficiency repairs and modifications underway in 2017.
- ✓ This is projected to assist 946 lower-income homeowner and tenant households (including seniors, persons with disabilities and transitional and supportive housing residents) and creating some 284 jobs during the project lifecycles.

Where the money goes:

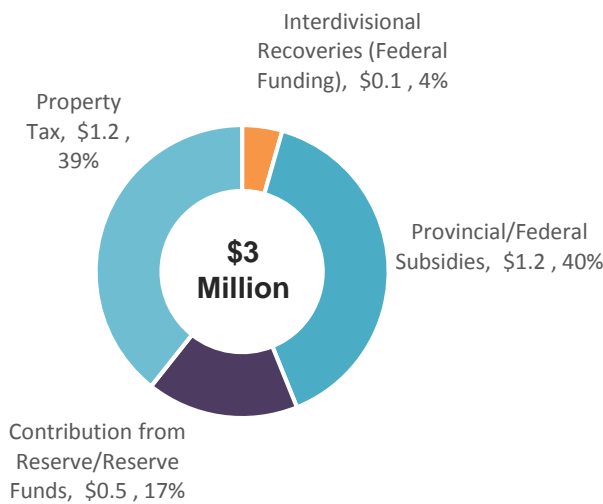
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- Meeting Housing Opportunities Toronto (HOT) targets of 10,000 affordable rental and 2,800 ownership homes by 2020.
- The following new opportunities and initiatives will allow the City to scale up creation of new affordable housing to help meet these targets over the remaining years of HOT:
 - ✓ New federal-provincial Social Infrastructure Fund;
 - ✓ City's Open Door Affordable Housing Program; and
 - ✓ Canada's first National Housing Strategy.
 - ✓ AHO will finalize and launch the Open Door Guidelines and application package to streamline access to the City's affordable housing incentives.
 - ✓ AHO will continue to work with Build Toronto to deliver new affordable housing in mixed-income communities.

2017 Operating Budget Highlights

- The 2017 Preliminary Operating Budget for the Affordable Housing Office of \$2.974 million in gross expenditures provides funding for three services; New Affordable Housing Development, Housing Improvement Programs and Housing Policy and Partnerships.
- This represents a decrease of 2.6% to the 2016 Approved Net Budget through measures taken based on the following:
 - Base expenditure reductions (\$0.011 million)
 - Revenue changes (\$0.024 million).

Actions for Consideration

Approval of the 2017 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2017 Preliminary Operating Budget for the Affordable Housing Office of \$2.974 million gross, \$1.170 million net for the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
New Affordable Housing Development	1,078.1	389.2
Housing Improvement Programs	948.0	390.8
Housing Policy and Partnerships	947.7	389.6
Total Program Budget	<u>2,973.8</u>	<u>1,169.6</u>

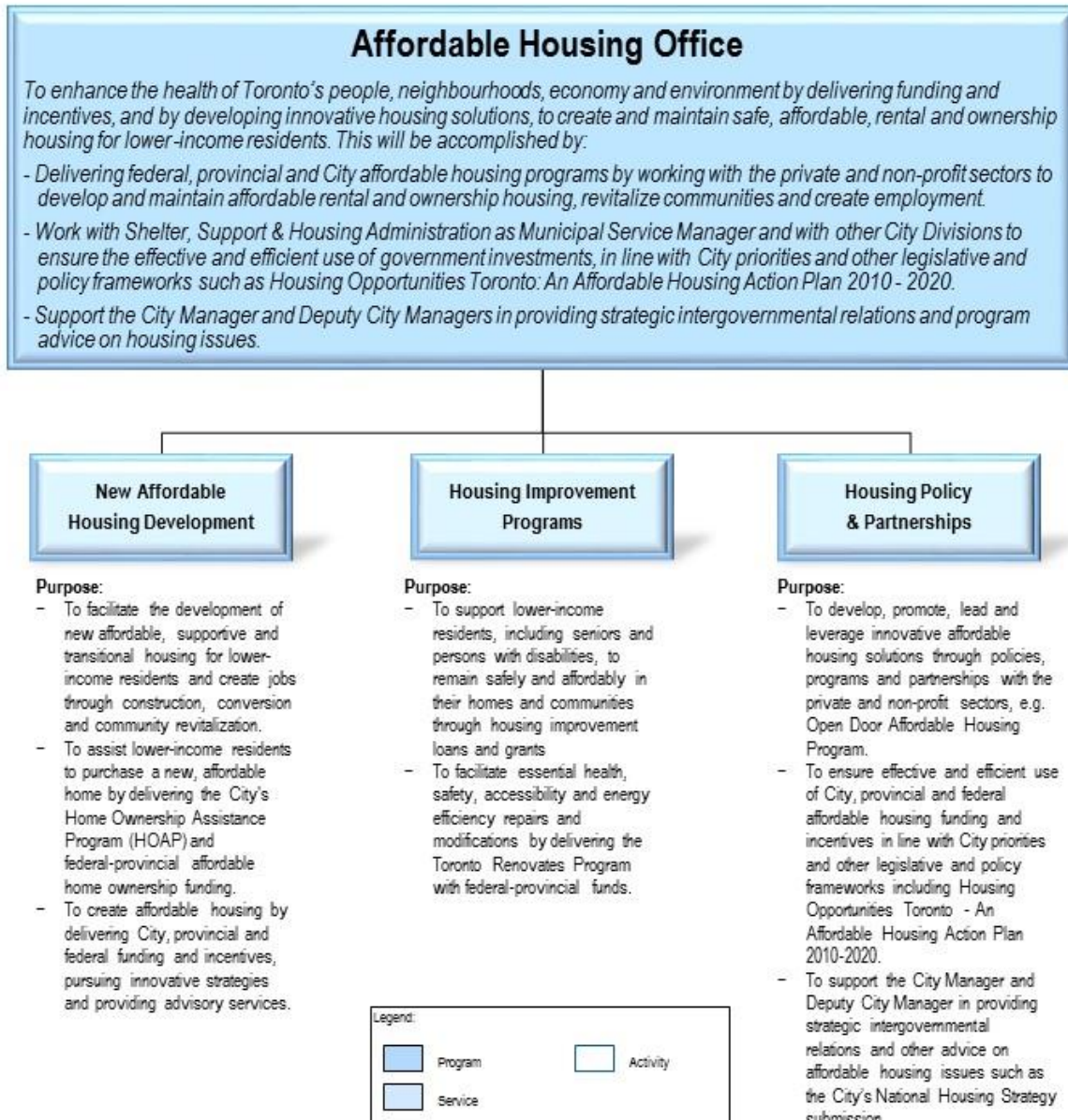
2. City Council approve the 2017 service levels for the Affordable Housing office as outlined on pages 13, 16 and 19 of this report, and associated staff complement of 19.0 positions.



Part 1:

2017-2019 Service Overview and Plan

Program Map



Service Customer

- New Affordable Housing Development**
- Lower-income residents
 - Private and non-profit housing developers
 - Private sector and non-profit organizations
 - City Agencies, Boards & Divisions
 - Federal and Provincial governments
- Indirect (Beneficial)
- Residents

- Housing Improvement Programs**
- Lower-income homeowners and renters
 - Seniors and persons with disabilities
 - Private apartment & rooming house landlords
 - City Agencies, Boards & Divisions
 - Federal and Provincial governments
- Indirect (Beneficial)
- Residents

- Housing Policy & Partnerships**
- Lower-income residents
 - Private sector and non-profit organizations
 - City Agencies, Boards & Divisions
 - Federal and Provincial governments
- Indirect (Beneficial)
- Residents

Table 1
2017 Preliminary Operating Budget and Plan by Service

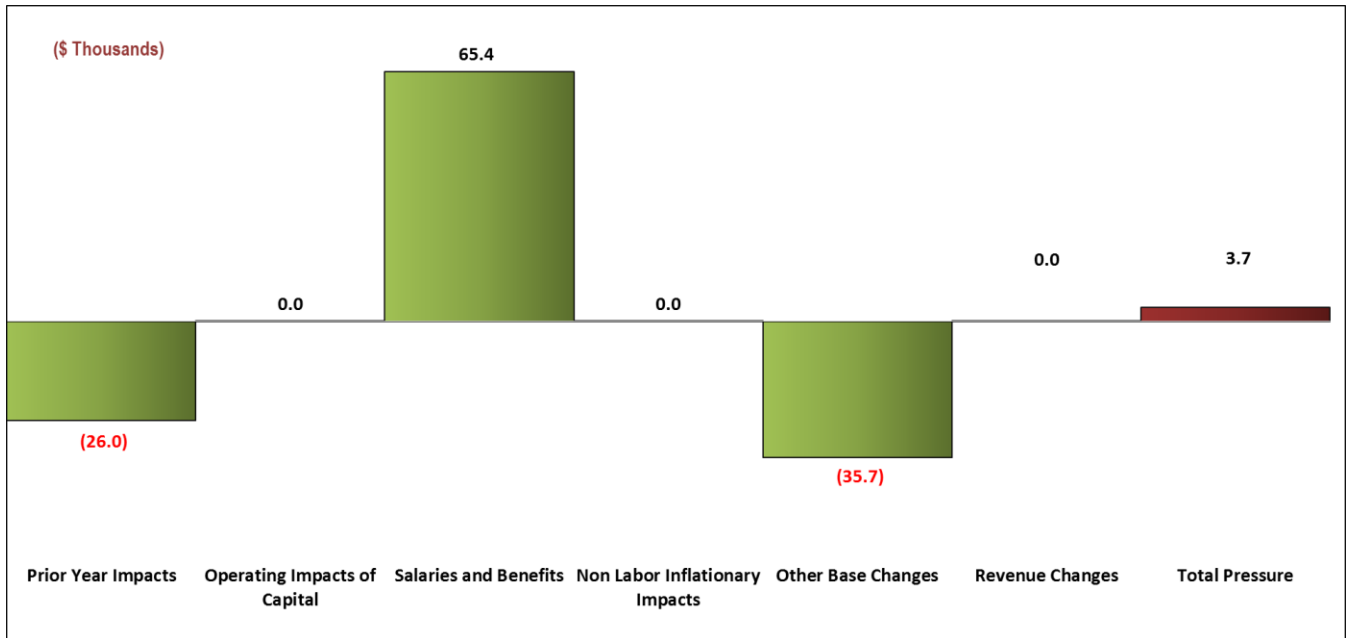
(In \$000s)	2016		2017 Preliminary Operating Budget			2017 Preliminary vs. 2016 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget	\$	%	2018 Plan	%	2019 Plan	%
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
New Affordable Housing Development											
Gross Expenditures	1,076.4	1,048.9	1,078.1		1,078.1	1.6	0.2%	30.9	2.9%	26.2	2.4%
Revenue	677.7	650.9	688.9		688.9	11.2	1.7%	2.5	0.4%	2.4	0.3%
Net Expenditures	398.8	398.0	389.2		389.2	(9.6)	(2.4%)	28.5	7.3%	23.8	5.7%
Housing Improvement Programs											
Gross Expenditures	950.8	932.4	948.0		948.0	(2.8)	(0.3%)	28.5	3.0%	23.8	2.4%
Revenue	549.1	531.0	557.1		557.1	8.0	1.5%				
Net Expenditures	401.6	401.4	390.8		390.8	(10.8)	(2.7%)	28.5	7.3%	23.8	5.7%
Housing Policy and Partnerships											
Gross Expenditures	950.6	932.4	947.7		947.7	(2.8)	(0.3%)	28.5	3.0%	23.8	2.4%
Revenue	550.2	531.0	558.1		558.1	8.0	1.5%				
Net Expenditures	400.4	401.4	389.6		389.6	(10.8)	(2.7%)	28.5	7.3%	23.8	5.7%
Total											
Gross Expenditures	2,977.8	2,913.6	2,973.8		2,973.8	(4.0)	(0.1%)	87.8	3.0%	73.9	2.4%
Revenue	1,777.0	1,712.9	1,804.2		1,804.2	27.2	1.5%	2.5	0.1%	2.4	0.1%
Total Net Expenditures	1,200.8	1,200.7	1,169.6		1,169.6	(31.2)	(2.6%)	85.4	7.3%	71.5	5.7%
Approved Positions											

The Affordable Housing Office's 2017 Preliminary Operating Budget is \$2.974 million gross and \$1.170 million net, representing a 2.6% decrease from the 2016 Approved Net Operating Budget and meets the budget reduction target as set out in the 2017 Operating Budget Directions approved by Council.

- Base pressures are mainly attributable to known salary and benefit adjustments, cost of living adjustments (COLA) and progression pay.
- To help mitigate the above pressures, the Program was able to achieve base budget savings through a line-by-line review as well as a discretionary revenue increase to administration fees provided through the federal/provincial IAH Program Extension 2015-2020.
- The 2018 and 2019 Plan increases are attributable to cost pressures for COLA, progression pay, step and fringe benefits.

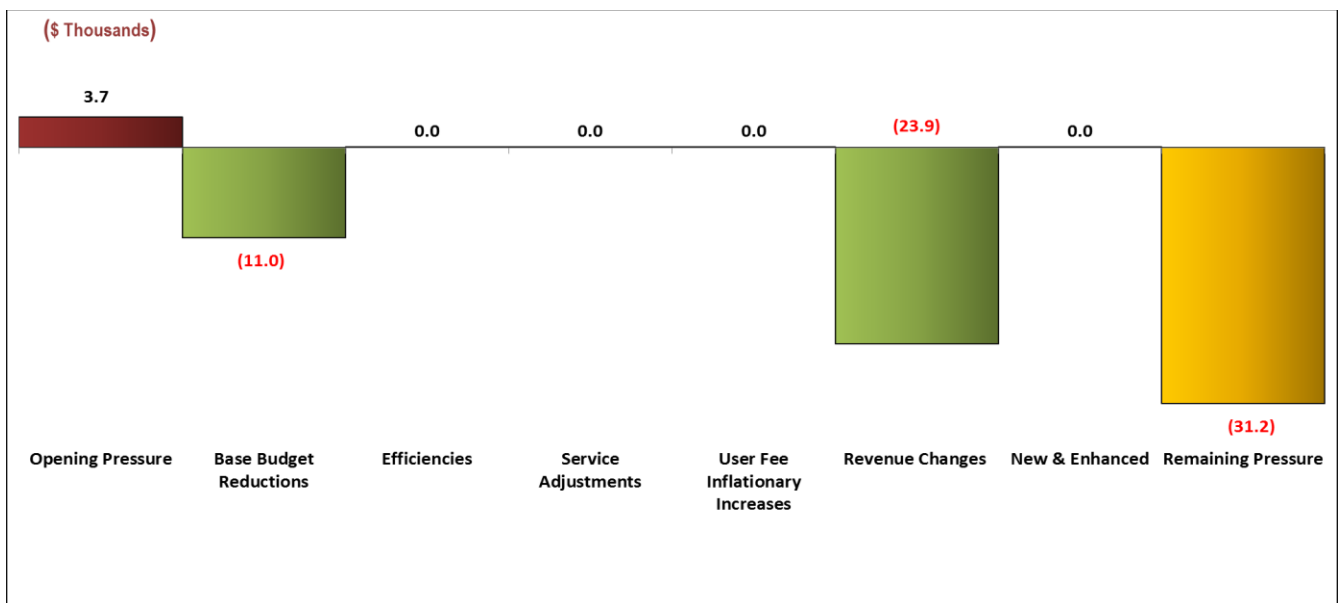
The following graphs summarize the operating budget pressures for the Affordable Housing Office as well as the actions taken to partially offset these pressures and met the budget reduction target as directed by Council.

Key Cost Drivers



Actions to Achieve Budget Reduction Target

To help mitigate the above pressures, the Program was able to achieve base budget savings through a line-by-line expenditure review as well as through discretionary increase to the Federal/Provincial IAH Program Extension 2015 – 2020 administration fees.



**Table 2
Key Cost Drivers**

(In \$000s)	2017 Base Operating Budget						Total	
	New Affordable Housing Development		Housing Improvement Programs		Housing Policy and Partnerships			
	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes								
Prior Year Impacts								
Allocation of 2016 COLA for L79 & Non-Union	(9.3)		(8.1)		(8.1)		(25.5)	
Zero Based Furniure & Equipment	(0.2)		(0.2)		(0.2)		(0.6)	
Salaries and Benefits								
COLA / Progression Pay / Step Increases and Fringe Benefit Adjustments	25.7		19.9		19.8		65.5	
Other Base Changes								
(IDCs) / IDR (s)	(14.1)		(10.8)		(10.8)		(35.7)	
Total Gross Expenditure Changes	2.1		0.8		0.7		3.6	
Net Expenditure Changes	2.1		0.8		0.7		3.6	

Key cost drivers for the Affordable Housing Office are discussed below:

- Salaries and Benefits
 - Contractually obligated cost of living allowance, resulted in pay and associated fringe benefit adjustment pressures common amongst all services creating a pressure of \$0.066 million.
- Other Base Changes:
 - Net reduction in interdivisional charges, primarily from legal services, will reduce net expenditures by \$0.036 million in 2017.

In order to achieve the budget reduction target, the 2017 service changes for Affordable Housing Office consists of base expenditure savings of \$0.011 million net and a discretionary federal/provincial administration fee increase of \$0.024 million net as detailed in the table on the following page.

**Table 3
Actions to Achieve Budget Reduction Target
2017 Preliminary Service Change Summary**

Description (\$000s)	Service Changes						Total Service Changes			Incremental Change			
	New Affordable Housing Development		Housing Improvement Programs		Housing Policy and Partnerships		\$	\$	#	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:													
Base Expenditure Changes													
Line-by-Line Expenditure reductions	(3.7)	(3.7)	(3.7)	(3.7)	(3.6)	(3.6)	(11.0)	(11.0)					
Base Expenditure Change	(3.7)	(3.7)	(3.7)	(3.7)	(3.6)	(3.6)	(11.0)	(11.0)					
Base Revenue Changes													
Discretionary increase of Federal / Provincial Investment in Affordable Housing Social Infrastructure Fund (IAH - SIF) Admin Fee Revenue	(8.0)	(8.0)	(8.0)	(8.0)	(7.9)	(7.9)	(23.9)	(23.9)					
Base Revenue Change	(8.0)	(8.0)	(8.0)	(8.0)	(7.9)	(7.9)	(23.9)	(23.9)					
Total Changes	(11.7)	(11.7)	(11.7)	(11.7)	(11.5)	(11.5)	(34.9)	(34.9)					

Base Expenditure Changes (Savings of \$0.011 million gross & net)

Line-by Line Expenditure Review

- Savings of \$0.011 million net will be realized through a line-by-line review of all expenditure accounts, across all services, to reflect actual experience and service delivery needs.

Base Revenue Changes (Savings of \$0.024 million gross & net)

Revenue Increase

- Revenue changes of \$0.024 million across all services will be realized through a discretionary adjustment to administration fees provided through the federal/provincial IAH Program Extension 2015-2020. Approval of the 2017 Preliminary Budget for Affordable Housing Office will result in a 2018 incremental net cost of \$0.085 million and a 2019 incremental net cost of \$0.072 million to maintain the 2016 service levels, as discussed in Table 5.

**Table 5
2018 and 2019 Plan by Program**

Description (\$000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Known Impacts:										
Salaries and Benefits										
Salaries and Benefits	27.5		27.5			18.0		18.0		
Progression Pay and COLA	46.7		46.7			50.4		50.4		
Other Base Changes (specify)										
Interdivisional Charges/Revenue Changes	13.7	2.5	11.2			5.5	2.4	3.1		
Sub-Total	87.9	2.5	85.4			73.9	2.4	71.5		
Anticipated Impacts:										
Sub-Total										
Total Incremental Impact	87.9	2.5	85.4			73.9	2.4	71.5		

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- COLA, step and progression pay increases, along with associated fringe benefits require an additional \$0.088 million in 2018 and \$0.074 million in 2019.



Part 2:

2017 Preliminary Operating Budget by Service

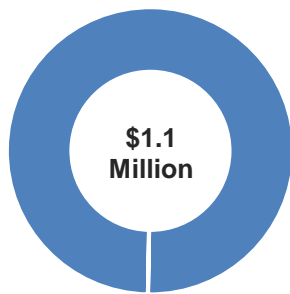
New Affordable Housing Development



What We Do

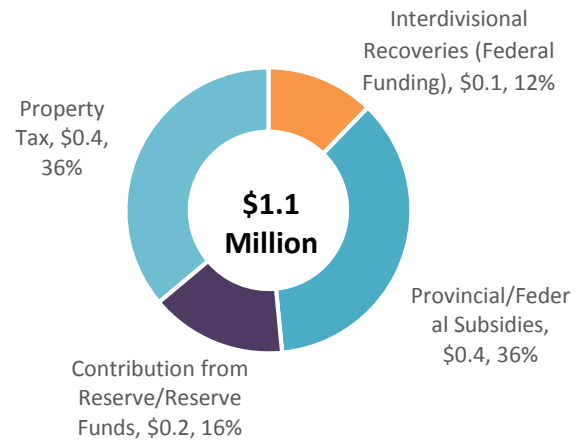
- Facilitate the development of new affordable, supportive and transitional rental housing for lower-income residents and create jobs through construction, conversion and community revitalization.
- Assist lower-income residents to purchase new, affordable homes by delivering the City's Home Ownership Assistance Program (HOAP) and federal/provincial affordable home ownership funding.
- Create affordable housing by delivering city, provincial and federal funding and incentives, pursuing innovative strategies and providing advisory services.

2017 Service Budget by Activity (\$Ms)

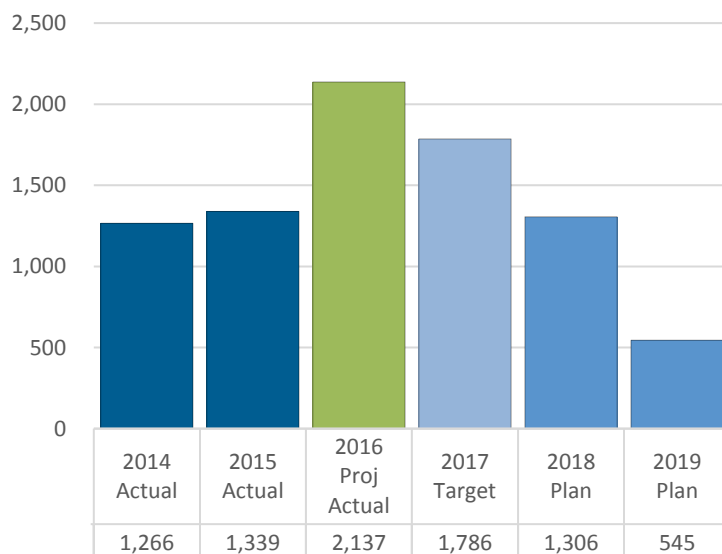


New Affordable Housing Development, \$1.1, 100%

Service by Funding Source (\$Ms)



Number of New Affordable Rental & Ownership Homes under Development



- The AHO has financial stewardship for affordable housing projects during their 3-5 year development lifecycle. The numbers do not represent annual completions which are shown in the chart on Page 2.
- With many completions expected by the end of 2016, future year projections are lower reflecting current funding levels. Actual completion will likely increase based on expected new federal/provincial social infrastructure funding and implementation of the Open Door Program.

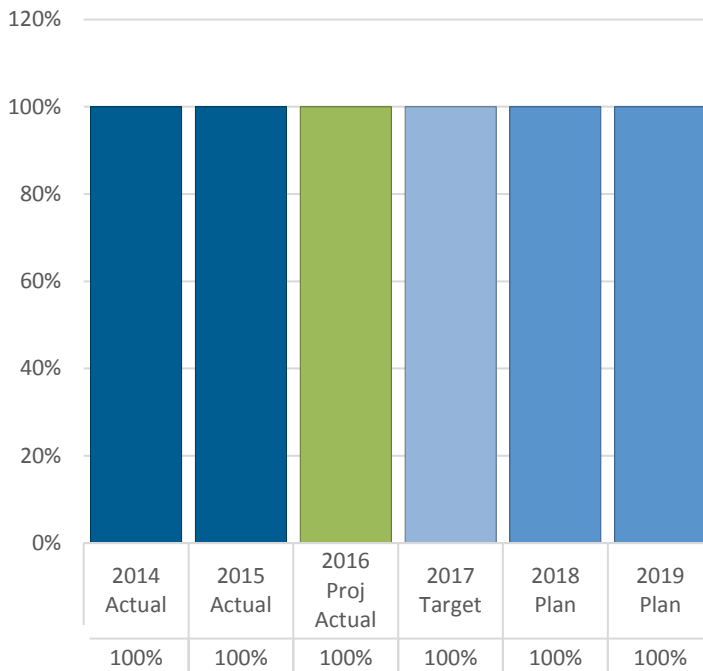
2017 Service Levels New Affordable Housing

Activity Type	Status	Approved			
		2014	2015	2016	2017 Proposed
Development of New Affordable Housing through Construction, Conversion and Intensification	Approved	100% of Federal, Provincial & City funding for new affordable rental and ownership homes under development disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	100% of Federal, Provincial & City funding for new affordable rental and ownership homes under development disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	100% of Federal, Provincial & City funding for new affordable rental and ownership homes under development disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	100% of Federal, Provincial & City funding for new affordable rental and ownership homes under development disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.
Housing Advisory & Consultation Services, Sometimes Fee-based, to Other Orders of Government and Other Partners	Approved	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program which has been renewed 2014-2020.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program.
Implementation of Special Council & Committee Directives					Additional federal/provincial funding is provided through the Social Infrastructure Fund/IAH 2016-2018.

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels.

Service Performance Measures

Percentage of Funding Delivered and Administered to Prescribed Requirements



- The AHO ensures that 100% of available, approved federal, provincial and City funding is delivered to prescribed requirements.
- For 2017 and future years, it is expected to remain consistent at 100%.

Table 6
2017 Preliminary Service Budget by Activity

(\$000s)	2016	2017 Preliminary Operating Budget							Incremental Change						
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
New Affordable Housing Development	1,076.4	1,078.1		1,078.1	1.6	0.2%		1,078.1	1.6	0.2%	30.9	2.9%	26.2	2.4%	
Total Gross Exp.	1,076.4	1,078.1		1,078.1	1.6	0.2%		1,078.1	1.6	0.2%	30.9	2.9%	26.2	2.3%	
REVENUE															
New Affordable Housing Development	677.7	688.9		688.9	11.2	1.7%		688.9	11.2	1.7%	2.5	0.4%	2.4	0.3%	
Total Revenues	677.7	688.9		688.9	11.2	1.7%		688.9	11.2	1.7%	2.5	0.4%	2.4	0.3%	
NET EXP.															
New Affordable Housing Development	398.8	389.2		389.2	(9.6)	(2.4%)		389.2	(9.6)	(2.4%)	28.5	7.3%	23.8	5.7%	
Total Net Exp.	398.8	389.2		389.2	(9.6)	(2.4%)		389.2	(9.6)	(2.4%)	28.5	7.3%	23.8	5.4%	
Approved Positions															

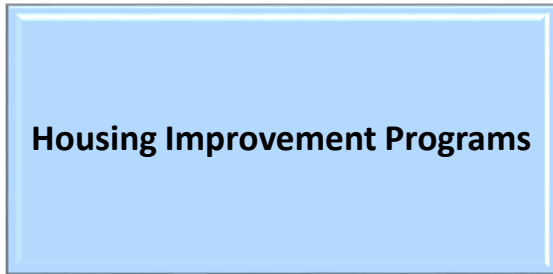
The **New Affordable Housing Development Service** facilitates the development of new affordable, supportive and transitional rental housing, as well as provides homeownership financial assistance, for lower-income residents. Further, the service helps to create jobs through construction, conversion and community revitalization. This service primarily:

- Delivers Federal, Provincial and City funding and incentives to create affordable rental housing as well as pursuing innovative strategies and providing advisory services; and
- Delivers the City's Home Ownership Assistance Program (HOAP), the City's Open Door Affordable Housing Program and the federal/provincial home ownership component.

The New Affordable Housing Development service's 2017 Operating Budget of \$1.078 million gross and \$0.389 million net is \$0.010 million or 2.4% under the 2016 Approved Net Budget.

- Base budget pressures arising from negotiated cost of living adjustments and progression pay are common across all three services.
- These base pressures have been mitigated by the lower inter-divisional charges, a discretionary increase in IAH funding as well as line-by-line review savings which are to be realized across all of the program's 3 services.

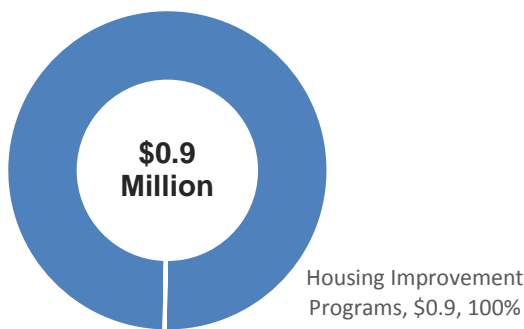
Housing Improvement Programs



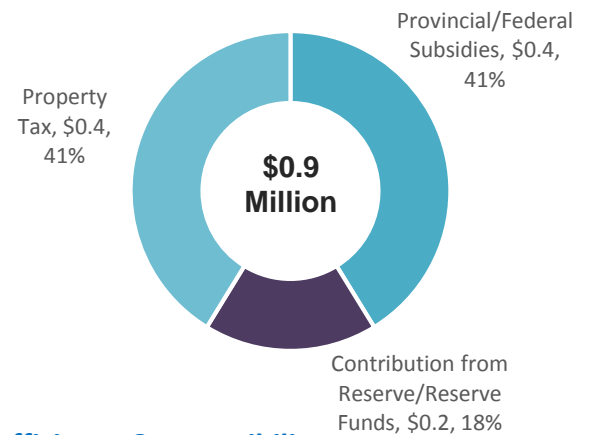
What We Do

- Assist lower-income residents, including seniors and persons with disabilities, to remain safely and affordably in their homes and communities through housing improvement loans and grants.
- Facilitate essential health, safety, accessibility and energy efficiency repairs and modifications by delivering the Toronto Renovates program with federal/provincial funds and the federal Homelessness Partnering Strategy.

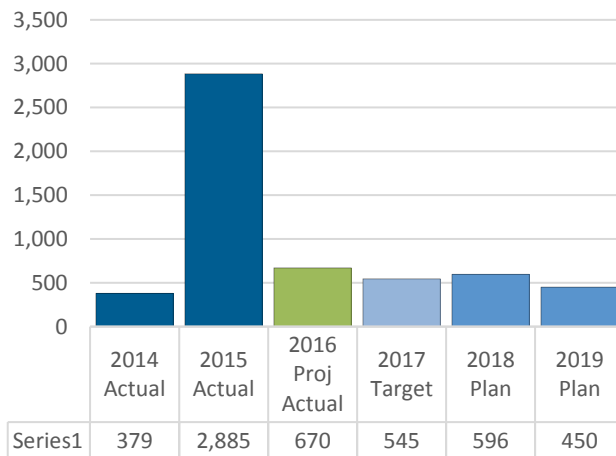
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Number of Essential Health, Safety, Energy Efficiency & Accessibility Repairs/Modifications Completed



- The AHO provides administrative oversight for essential health, safety, accessibility and energy efficiency repairs and modifications for lower income households.
- The high volume in 2015 of 2,885 repairs and modifications completed was due to one-time funding approved in 2013 for affordable multi-unit apartment buildings.
- Beginning in 2016, projected completions will decrease reflecting the City's shift in priorities to improve rooming house conditions for low-income residents, along with continued support for lower-income homeowners and capital repairs to transitional and supportive housing.
- While the volume of repairs/ modifications completed has decreased, the complexity of administration has increased.

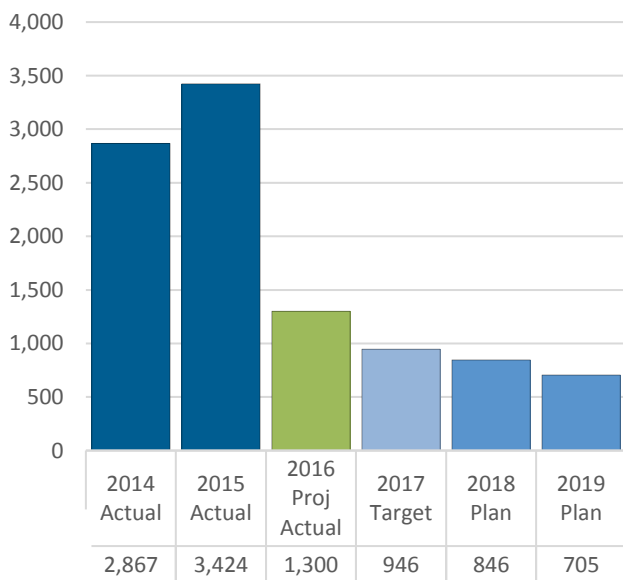
2017 Service Levels

Activity Type	Status	Approved Service Levels			
		2014	2015	2016	2017 Proposed
Loans and grants to private landlords and home owners who are lower income seniors & persons with disabilities	Approved	100% of Federal, Provincial & City funding for housing improvement loans & grants to lower-income private homeowners and tenants, especially seniors & persons with disabilities, disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	100% of Federal/Provincial funding for housing improvement loans & grants to lower-income private homeowners and tenants, especially seniors & persons with disabilities, disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	100% of Federal/Provincial funding for housing improvement loans & grants to lower-income private homeowners and tenants, especially seniors & persons with disabilities, disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	100% of Federal/Provincial funding for essential health, safety and accessibility repairs and modifications to assist lower-income private homeowners and tenants, especially seniors & persons with disabilities, disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.
Loans for Private Apartments and Rooming Houses Rented at or Below 100% AMR	Approved	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program which has been renewed 2014-2020.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program and the federal Homelessness Partnership Strategy (HPS).	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program and the federal Homelessness Partnership Strategy (HPS).
Accessibility Grants for Low-Income Seniors & Persons with Disabilities					Additional federal/provincial funding is provided through the Social Infrastructure Fund/IAH 2016-2018.

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels

Service Performance Measures

Number of Essential Health, Safety, Accessibility & Energy Efficiency Repairs/Modifications Being Administered Year-Over-Year



- The AHO has financial stewardship for federal/provincial housing improvement funding during the 1-2 year lifecycle of the repair/modification process, and 10-15 years for loans until the loan maturity date is reached.
- The number of repairs/modifications included in this chart are not cumulative.
- The high volume in 2014/2015 was due to one-time funding for affordable multi-unit apartment buildings.
- With the huge demand for well-maintained single-room accommodation for students, seniors, new immigrants and low/moderate income individuals, City priorities in 2016 shifted to rooming houses, as well as continued support for low-income homeowners and transitional/supportive housing residents.
- While the volume of repairs/modifications being administered has decreased, the complexity of administration has increased.

Table 6
2017 Preliminary Service budget by Activity

(\$000s)	2016	2017 Preliminary Operating Budget							Incremental Change						
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
Housing Improvement Programs	950.8	948.0		948.0	(2.8)	(0.3%)		948.0	(2.8)	(0.3%)	28.5	3.0%	23.8	2.4%	
Total Gross Exp.	950.8	948.0		948.0	(2.8)	(0.3%)		948.0	(2.8)	(0.3%)	28.5	3.0%	23.8	2.4%	
REVENUE															
Housing Improvement Programs	549.1	557.1		557.1	8.0	1.5%		557.1	8.0	1.5%					
Total Revenues	549.1	557.1		557.1	8.0	1.5%		557.1	8.0	1.5%					
NET EXP.															
Housing Improvement Programs	401.6	390.8		390.8	(10.8)	(2.7%)		390.8	(10.8)	(2.7%)	28.5	7.3%	23.8	5.7%	
Total Net Exp.	401.6	390.8		390.8	(10.8)	(2.7%)		390.8	(10.8)	(2.7%)	28.5	7.3%	23.8	5.4%	
Approved Positions															

The **Housing Improvement Programs Service** supports lower income residents, including seniors and persons with disabilities, to remain safely and affordably in their homes and communities by:

- Providing housing improvement loans and grants; and
- Facilitating essential health, safety, accessibility and energy efficiency repairs and modifications through the Toronto Renovates program with federal/provincial funds and the federal Homelessness Partnering Strategy.

The Housing Improvement Programs Service's 2017 Operating Budget of \$0.948 million gross and \$0.391 million net is \$0.011 million or 2.7% under the 2016 Approved Net Budget.

- Similar to the other two services, the base budget pressures due to salary and benefit adjustments have been more than offset by base budget savings and revenue adjustments.

Housing Policy and Partnerships

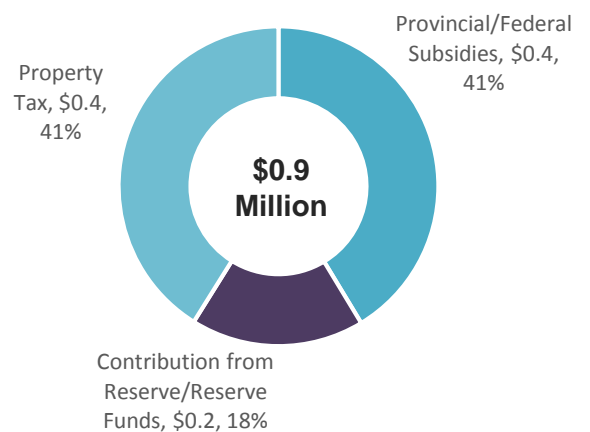
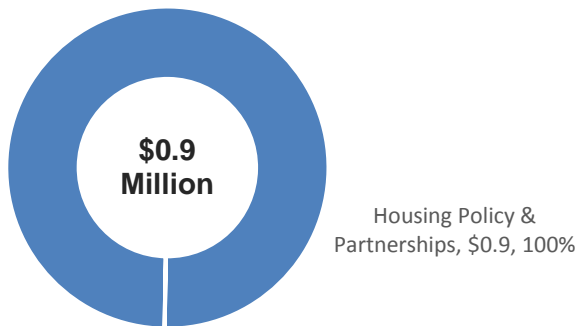
What We Do



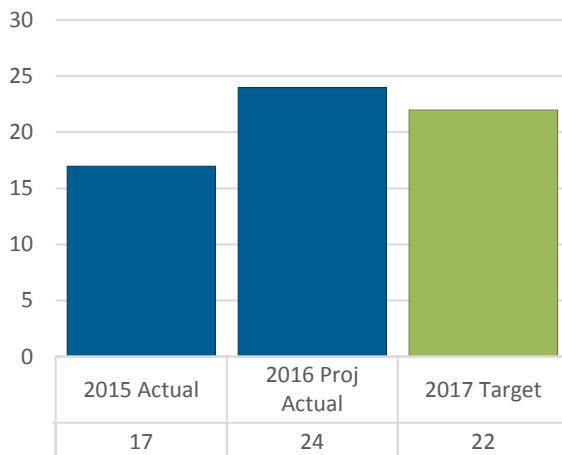
- Develop, promote, lead and leverage innovative affordable housing solutions through policies, programs and partnerships with the private and non-profit sectors, e.g., Mayor’s Open Door Affordable Housing Program.
- Ensure effective and efficient use of City, provincial and federal affordable housing funding and incentives in line with City priorities and other legislative and policy frameworks including *Housing Opportunities Toronto - An Affordable Housing Action Plan 2010-2020*.
- Support the City Manager and Deputy City Managers in providing strategic intergovernmental relations and program advice on affordable housing issues.
- Work with the AHO’s Affordable Housing Development and Housing Improvement Programs services to deliver programs.

2017 Service Budget by Activity (\$Ms)

Service by Funding Source (\$Ms)



Number of Major Policy & Partnership Initiatives



- The AHO has increased the number of major policy and partnership initiatives being developed and implemented since 2014.
- Initiatives in 2016 include: development of the Open Door Affordable Housing Program Guidelines and application package, City’s submission to the Province’s Inclusionary Zoning Consultation Guide, preparation of City’s submission to the Federal government’s National Housing Strategy, organization and hosting of the Toronto Housing Summit.
- In 2017, there are two fewer key policy, program & partnership initiatives projected overall, with some coming to an end, some ongoing and new initiatives started.

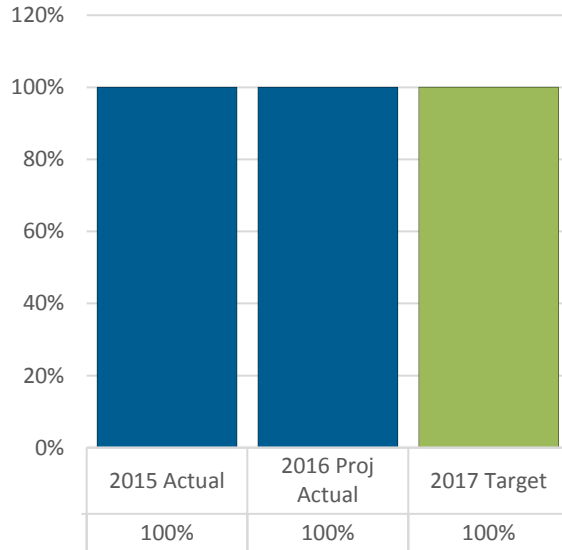
2017 Service Levels

Activity Type	Status	Approved Service Levels			
		2014	2015	2016	2017 Proposed
Policies, Plans, Programs, Agreements, Partnerships, Funding & Special Council & Committee Directives	Approved	Financial stewardship: 100% of federal, provincial & city funding for new affordable homes and repairs to assist lower-income residents disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	Financial stewardship: 100% of federal, provincial & city funding for new affordable homes and repairs to assist lower-income residents disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	Financial stewardship: 100% of federal, provincial & city funding for new affordable homes and repairs to assist lower-income residents disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	Financial stewardship: 100% of federal, provincial & city funding for new affordable homes and essential health, safety & accessibility repairs and modifications to assist lower-income residents disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.
Partnerships/Relationships Developed/Maintained	Approved	Major Strategic Policy: 100% of innovative affordable housing strategies and solutions developed & implemented according to prescribed requirements, City Council approvals and service excellence, supporting the implementation of Housing Opportunities Toronto (HOT).	Major Strategic Policy: 100% of innovative affordable housing strategies and solutions developed & implemented according to prescribed requirements, City Council approvals and service excellence, supporting the implementation of Housing Opportunities Toronto (HOT).	Major Strategic Policy: 100% of innovative affordable housing strategies and solutions developed & implemented according to prescribed requirements, City Council approvals and service excellence, supporting the implementation of Housing Opportunities Toronto (HOT).	Major Strategic Policy: 100% of innovative affordable housing strategies and solutions developed & implemented according to prescribed requirements, City Council approvals and service excellence, supporting the implementation of Housing Opportunities Toronto (HOT).
Financial Stewardship of Program Funding	Approved	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program which has been renewed 2014-2020.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program and the federal Homelessness Partnership Strategy (HPS).	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program and the federal Homelessness Partnership Strategy (HPS). Additional federal/provincial funding is provided through the Social Infrastructure Fund/IAH 2016-2018.

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels.

Service Performance Measures

Percentage of Major Policy & Partnership Initiatives Administered to Prescribed Requirements



- The AHO has met the requirements every year for the policy and partnership initiatives administered and expects to continue so in the future.
- Open Door will contribute to the City's 10-year HOT targets. This is important given the level of Toronto's core housing need and available federal-provincial funding.

Table 6
2017 Preliminary Service Budget by Activity

(\$000s)	2016	2017 Preliminary Operating Budget							Incremental Change						
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
Housing Policy and Partnerships	950.6	947.7		947.7	(2.8)	(0.3%)		947.7	(2.8)	(0.3%)	28.5	3.0%	23.8	2.4%	
Total Gross Exp.	950.6	947.7		947.7	(2.8)	(0.3%)		947.7	(2.8)	(0.3%)	28.5	3.0%	23.8	2.4%	
REVENUE															
Housing Policy and Partnerships	550.2	558.1		558.1	8.0	1.5%		558.1	8.0	1.5%					
Total Revenues	550.2	558.1		558.1	8.0	1.5%		558.1	8.0	1.5%					
NET EXP.															
Housing Policy and Partnerships	400.4	389.6		389.6	(10.8)	(2.7%)		389.6	(10.8)	(2.7%)	28.5	7.3%	23.8	5.7%	
Total Net Exp.	400.4	389.6		389.6	(10.8)	(2.7%)		389.6	(10.8)	(2.7%)	28.5	7.3%	23.8	5.4%	
Approved Positions															

The **Housing Policy and Partnerships Service** develops, promotes, leads and leverages innovative affordable housing solutions through policies, programs and partnerships with the private and community sectors while ensuring effective and efficient use of federal, provincial and City affordable housing funding and incentives. The service also supports the City Manager and Deputy City Manager with intergovernmental relations and advice on housing and homelessness issues and supports the AHO's other services.

The Housing Policy and Partnerships Service's 2017 Operating Budget of \$0.948 million gross and \$0.390 million net is \$0.011 million or 2.7% under the 2016 Approved Net Budget.

- Base budget pressures arising from salary and benefit increases were more than offset by base budget reductions and revenue adjustments.



Part 3:

Issues for Discussion

Issues Impacting the 2017 Budget

Budget Reduction Target

- At its meeting on July 12, 2016, the "*2017 Budget Process: Budget Directions and Schedule*", staff report (EX16.37) was submitted for consideration and adopted by City Council regarding the establishment of the 2017 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2017 Operating Budget and 2017-2026 Capital Budget and Plan for the City of Toronto. (<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94519.pdf>)
- City Council adopted an across the board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs and Agencies utilizing strategies including but not limited to controlling expenditures through cost saving measures, and exploring all services for efficiency savings including opportunities from business process reengineering, streamlining, transformation and innovation to service delivery.
- In compliance with Council direction, the Affordable Housing Office was able to achieve savings of \$0.035 million gross and net through the following strategies:
 - Line-by-line Expenditure Review resulting in savings of \$0.011 million; and
 - Revenue increase of \$0.024 million through a discretionary adjustment to Administration fees provided under the Federal/Provincial IAH Program Extension 2015-2020.
- The 2017 Preliminary Operating Budget for the Affordable Housing Office is \$2.974 million gross and \$1.170 million net, representing a 2.6% decrease from the 2016 Approved Net Operating Budget.

Program's Funding Sources

The 2017 Operating Budget for the Affordable Housing Office (AHO) is funded by a combination of federal and provincial funding of \$1.282 million, funding from the Capital Revolving Reserve Fund (CRRF) for Subsidized Housing of \$0.499 million and property tax revenues.

AFFORDABLE HOUSING OFFICE OPERATING REVENUE ANALYSIS 2015-19

	2015 Actuals	2016 Budget	2017 Preliminary	2018 Plan	2019 Plan
	in \$000s	in \$000s	in \$000s	in \$000s	in \$000s
INVESTMENT IN AFFORDABLE HOUSING (IAH) PROGRAM (FEDERAL/PROVINCIAL)					
Investment in Affordable Housing for Ontario (IAHO) Program Administration Fees 2011 - 2015	973	383	Completed		
Investment in Affordable Housing for Ontario (IAHO) Program Administration Fees 2015 - 2020	766	766	570	570	569
SOCIAL INFRASTRUCTURE FUND (SIF) 2016-2017 (FEDERAL/PROVINCIAL)					
Canada-Ontario Social Infrastructure Fund Program Administration Fees 2016-2018	580	580	580	579	580
FEDERAL HOMELESSNESS PARTNERING STRATEGY (HPS)					
Homelessness Partnering Strategy (HPS) (cost recovery to AHO through an IDC-IDR with SSHA)	123.37	129	132	134	137
CRF FOR AFFORDABLE HOUSING					
Capital Revolving Reserve Fund for Affordable Housing (XR1058)	399	499	499	499	499
TOTAL	1,495	1,777	1,780	1,783	1,785
Year-over Year Increase	17	282	3	2	2

The revenue sources and the funding allocations for 2017 are described in detail below:

Federal/Provincial Investment in Affordable Housing (IAH)-Extension Program:

- Established in 2011, the Investment in Affordable Housing (IAH) program is a joint initiative between the province and the federal government aimed at improving access to affordable housing that is safe, sound, suitable and sustainable for households in Ontario. This provides opportunities for households to prosper and investments which stimulate and support local economic growth. The program supports housing allowance programs, home repair funding, and construction of new affordable rental housing and affordable home ownership.
- As part of this initiative, the City's allocation of IAH funds in the four-year period from 2011-2015 was \$108 million.
- The federal and provincial governments extended the IAH program in 2014 with the City's allocation increased to \$197 million. In line with Council's direction and the need to align with each division's program components, IAH funding is divided in a ratio of 52% for Shelter, Support and Housing Administration and 48% for the Affordable Housing Office.
- As permitted under the program, 5% of the City's allocation is available to cover administration expenses which is apportioned in the same ratio between SSHA and AHO (i.e. 52% for SSHA and 48% for AHO). Based on the

City's allocation, total administration fee revenue available to the AHO will be \$4.730 million of which \$0.570 million is budgeted for 2017.

Federal/Provincial Social Infrastructure Fund (SIF):

- In its 2016 budget, the federal government introduced the SIF program as part of its plan to invest in infrastructure, including affordable and social housing. Following the signing of the federal/provincial agreement on June 21, 2016, the City's allocation was set at \$154.3 million for the period 2016-18, including matched funding by the province on certain program components. More housing and homelessness funding is expected through the SIF in the 2017 federal budget for the period 2018 to 2028.
- Consistent with its prior year practice, the program allows up to 5% of funding to cover administration costs, equivalent to \$7.7 million for Toronto resulting in an additional \$3.696 million in administration fee revenue for the AHO. The 2017 revenues reflect additional administration fee revenue of \$0.580 million.

Homelessness Partnering Strategy (HPS):

- The Homelessness Partnering Strategy (HPS) is a community-based program aimed at preventing and reducing homelessness by providing direct support and funding to designated communities and to organizations that address Aboriginal homelessness across Canada.
- In 2014, the federal government reviewed the HPS which has existed since December 2006 and extended it for another five years (2014-2019).
- SSHA on behalf of the City of Toronto is the service system manager responsible for allocating the federal HPS program. The City has delivered a wide range of community-based service programs and capital projects with HPS funding.
- For several years, the AHO has administered a component of the HPS for SSHA, i.e., capital repairs to upgrade and extend the lifespan of existing transitional and supportive housing provide housing and support services to the community.
- The AHO's 2017 Operating Budget includes administrative funding from the HPS of \$0.132 million.

Capital Revolving Reserve Fund for Subsidized Housing (CRRF)

- The uncommitted CRRF balance as of September 30, 2016 is \$10.401 million. The purpose of this reserve fund is to provide funding to non-profit and private sector organizations, including Toronto Community Housing (TCHC), toward the capital costs of affordable housing.
- This may include the cost of developing proposals for affordable housing projects, project development assistance, forgivable and repayable loans, project financing and other activities related to improving the quality and supply of affordable housing in the City.
- The 2017 contribution of \$0.499 million from the CRRF for the AHO is the same as 2016 and consistent with its historical use for this purpose, which is supporting "activities related to improving the quality/quantity of affordable housing in the City."

Affordable Housing Targets and the Open Door Program

- The City's *Housing Opportunities Toronto – Affordable Housing Action Plan 2010-2020* (HOT) established targets of 1,000 new affordable rental and 200 new affordable ownership homes completed annually or 10,000 affordable rental and 2,000 ownership homes over the Plan's 10 years.
- In the six years between HOT's beginning in 2010 and the end of 2015, the City contributed incentives and funding for the completion of 2,872 affordable rental and 797 affordable ownership homes. Using the HOT

targets during that period of 1,000 new affordable rental and 200 new affordable ownership homes annually, the cumulative shortfall for 2010-2015 was estimated to be 3,128 affordable rental and 403 affordable ownership homes.

- To improve the City's ability to work with the non-profit and private housing sectors and other governments to achieve its housing targets, City Council on December 9 and 10, 2015, adopted EX10.18 *Affordable Housing Open Door Program* and also increased the affordable ownership target to 400 homes annually. The report can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.18>
- Under the Open Door Program, the City expanded its menu of funding and other incentives to private sector developers of affordable rental and ownership housing. It affirmed affordable housing as a priority community benefit for any development application where contributions are proposed pursuant to Section 37 of the Planning Act; and adopted the "Open Door Planning Service" process for planning applications which included pre-application meetings to review City requirements for approvals.
- As noted in the report entitled, *"Implementing the Open Door Affordable Housing Program"* approved by Council on July 12, 2016, it is estimated that the City would need to invest approximately \$45 million annually or \$223 million over the next five years from all sources including federal/provincial programs to meet the Affordable Rental Housing targets of 1,000 units annually or 5,000 units from 2015 to 2020.
- Additionally, contributions of approximately \$10 million annually or \$50 million over the next five years would be required to meet the affordable ownership target of 400 units annually or 2,000 units during the next five years. Council's decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.26>
 - Incentives include one-time fee exemptions from development charges, planning application fees, building permit fees, and parkland dedication fees, and multi-year relief in the form of property tax exemptions (25 years).
 - The City also makes direct capital contributions primarily from the *Development Charges Reserve Fund for Subsidized Housing* (XR2116) and the *Capital Revolving Reserve Fund for Affordable Housing* (XR1058).
 - City contributions may also include land, Section 37 contributions, and Build Toronto funding from land sales.

Affordable Housing Grants

- The Affordable Housing Office (AHO) transfers funding from the provincial and federal governments, the City's Development Charge Reserve Fund for Subsidized Housing and the Capital Revolving Reserve Fund for Affordable Housing to provide financial support to non-profit and private sector developers, homeowners and landlords to increase the supply, quality and stability of affordable housing for low-income residents in Toronto.
- The transfer of program funding managed by the AHO flows through the Shelter, Support and Housing Administration (SSHA) Operating Budget.
- The 2017 Preliminary Operating Budget for Shelter, Support and Housing Administration includes affordable housing funding of \$56,801 million provided through the Development Charges Reserve Fund for Subsidized Housing (DCRF), Capital Revolving Reserve Fund for Affordable Housing (CRRF) and federal/provincial programs for affordable housing projects, as summarized in the table below. This \$56.801 million supports TO Prosperity, the City's poverty reduction strategy.

2017 Grants for Affordable Housing

2017 Affordable Housing Grants						
Project Name	No. Units	Capital Revolving Reserve Fund	Mayor's Homeless Initiative Reserve Fund	Dev. Charges Reserve Fund	Provincial Funds	Total
Shiplake Properties (Build Toronto) - 30 Tippet Rd	50			1,250,000		1,250,000
Malibu Investments - 4-6 Tippet Rd	25			625,000		625,000
Malibu Investments - 9 Tippet Rd	25			625,000		625,000
Toronto Community Housing - Alexandra Park, 80 Vanauley St	5			225,000		225,000
Artscape (Build Toronto) - 505 Richmond St W	15			375,000		375,000
Trillium (Build Toronto) - 2 Bicknell Ave						0,000
Daniels (Build Toronto) - 5131 Sheppard Ave E	102			2,550,000		2,550,000
City of Toronto - 150 Harrison Ave	13			375,000		375,000
Habitat for Humanity - Pinery Tr	15			375,000		375,000
City Home Ownership Assistance Program (DCRF)	250	0.000	0.000	6,400,000	0.000	6,400,000
Revolving Fund Allocation	TBD				1,052,550	1,052,550
Fed/Prov Affordable Ownership Revolving Fund	0	0.000	0.000	0.000	1,052,550	1,052,550
TCHC - Block 24 S 50 Regent Park Blvd	47				2,820,000	2,820,000
IAH New Affordable Rental Housing 1 (2011-2014)	47	0.000	0.000	0.000	2,820,000	2,820,000
Applicants Approved - Various Addresses	7				58,000	58,000
IAH Toronto Renovates 1 (2011-2014)	7	0.000	0.000	0.000	58,000	58,000
Medallion - 3415 Weston Rd Ltd (PH 4)	176				9,275,128	9,275,128
Toronto Artscape - 33 King St (Weston)	26				1,560,000	1,560,000
City of Toronto - Block 36 North Railway Lands	80				3,500,000	3,500,000
55-57 Humewood Dr	8				600,000	600,000
IAH New Affordable Rental Housing (2014-2020)	290	0.000	0.000	0.000	14,935,128	14,935,128
Applicants Approved - Various Addresses	561				3,650,000	3,650,000
IAH Toronto Renovates (2014-2020)	561	0.000	0.000	0.000	3,650,000	3,650,000
Habitat for Humanity - 357 Birchmount Ave	4				200,000	200,000
IAH Homeownership (2014-2020)	4	0.000	0.000	0.000	200,000	200,000
City of Toronto - 30 Merchants' Wharf (Bayside/TO Artscape)	80			6,575,417	4,800,000	11,375,417
Bayside Pilot Project	80	0.000	0.000	6,575,417	4,800,000	11,375,417
Madison View Homes - 200 Madison Ave	82	250,000		500,000	5,945,000	6,695,000
200 Madison Affordable Rental Project	82	250,000	0.000	500,000	5,945,000	6,695,000
63-65 Homewood Ave	16	1,090,000				1,090,000
55-57 Humewood Dr						0,000
Capital Revolving Fund (CRF)	16	1,090,000	0.000	0.000	0.000	1,090,000
Shiplake Properties/Build Toronto - 36 Tippet Rd	50			1,000,000		1,000,000
City of Toronto - Block 36 North Railway Lands	80			3,025,000		3,025,000
Development Charge Reserve Fund (DCRF) Rental Housing	130	0.000	0.000	4,025,000	0.000	4,025,000
Block 27 Regent Park	83				4,500,000	4,500,000
Social Infrastructure Fund/IAH Affordable Rental	83	0.000	0.000	0.000	4,500,000	4,500,000
TOTAL	1,550	1,340,000	0.000	17,500,417	37,960,678	56,801,095

Note: To avoid double counting, where developments are listed more than once for different cost centres, the total number of units is listed in the first instance.

CRRF - Capital Revolving Reserve Fund for Affordable Housing
 MHIRF - Mayor's Homeless Initiative Reserve Fund
 DCRF - Development Charges Reserve Fund for Subsidized Housing
 AHP - Canada - Ontario Affordable Housing Program

HOAP - Home Ownership Assistance Program (City)
 IAH - Canada-Ontario Investment in Affordable Housing for Ontario Program
 SIF/IAH - Social Infrastructure Fund/Investment in Affordable Housing for Ontario Program

Open Door Annual Reports

- City Council approved the report "Implementing the *Open Door Affordable Housing Program*" on July 12, 2016 and requested the Director, Affordable Housing Office to provide an annual update on the prior year results including funding allocations, estimated incentives to be provided and other contributions from all sources on a go-forward basis.
- In the same report, Council requested that the annual report include forecasted and actual financial commitments and contributions, achievements toward the HOT affordable housing targets, a catalogue of known developments, current and future, supported by Open Door and updates to the investment plan, tracking actual results against City targets.
- In keeping with Council direction, the first annual Open Door Report addressing the above requirements will be submitted for Council's consideration in Q2 2017.

Adjustment to the 2017 Preliminary Budget

- At its meeting of November 18, 2016, the Budget Committee adopted BU26.8 "*Budget Adjustments – Social Infrastructure Fund*" to add capacity within Shelter, Support and Housing Administration (SSHA) and the Affordable Housing Office (AHO) to fully deliver the additional federal-provincial SIF funding allocated to the City by adding 13 full-time temporary staff (four for AHO and nine for SSHA) for two years to the end of 2018. The SIF administrative allocation will fully fund these positions.
(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.8>)
- Specifically, the report contained recommendations to amend the AHO's 2016 Operating Budget by \$0.420 million gross, \$0 net which will result in a base budget change to the 2017 Preliminary Operating Budget of \$0.500 million gross, \$0 net and 4 temporary full time positions, with funding provided from the federal-provincial Social Infrastructure Fund administrative funding.
- Council will consider this report at its meeting December 13, 2016. Approval of these budget adjustments would normally be routed through the annual budget process; however, approval via a staff report was required given the urgent need for additional staff to complete the upfront work required to commit, spend and report on funds received from the federal and provincial governments within specified deadlines. Any staffing commitments beyond 2018 will be subject to future year budget processes.
- Due to the timing of this report, these adjustments are not included in the 2017 Preliminary Operating Budget for the Affordable Housing Office but will be added assuming Council approval in December 2016.



Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, the Affordable Housing Office achieved the following results:

- *Financial Stewardship for New Affordable Housing and Essential Health, Safety, Accessibility and Energy Efficiency Repairs and Modifications*
 - ✓ Provided financial stewardship for \$663.6 million in affordable housing investments for the development, repair and modification of 3,437 affordable rental and ownership homes for lower-income residents from the City's priority groups, supporting *TO Prosperity*, the City's poverty reduction strategy.
 - ✓ This consisted of \$217.5 million in federal, provincial and City investments which leveraged some \$446.1 million from the private and non-profit sectors, creating some 5,733 jobs during the project lifecycle.
- *Create New Affordable Rental and Ownership Homes*
 - ✓ Delivered \$201.6 million in federal/provincial/City funds to create 2,137 new affordable rental and affordable ownership homes under development in 2016. Some 494 new affordable homes projected to be completed in 2016.
 - ✓ Implementing the Open Door program and other innovative partnership models.
- *Support Housing improvements for Lower-Income Residents*
 - ✓ Administered \$15.9 million in federal-provincial funding to assist 1,300 lower-income households with essential repairs and modifications underway in 2016.
 - ✓ Some 670 essential repairs and modifications projected to be completed in 2016.
- *Actions on Affordable Housing Policy and Partnerships*
 - ✓ Council approval of the Open Door implementation plan to scale up affordable housing construction through land, financial and planning tools.
 - ✓ Prepared Open Door Program Guidelines/application package (scheduled for release in 2017) for streamlined access to affordable housing incentives.
 - ✓ Brought federal, provincial and municipal officials and stakeholders together at the Toronto Housing Summit to 'Take Action on Housing' by exploring innovative housing solutions.
 - ✓ Led preparation of the City's submission to the federal government on the National Housing Strategy.
 - ✓ Prepared City's submission to the province's Inclusionary Zoning consultation, working with Toronto's Housing Advocate and other City stakeholders.
 - ✓ Prepared City's delivery plan for \$154.3 million from the 2016/17 Social Infrastructure Fund (SIF).

Appendix 2

2017 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2014	2015	2016	2016	2017	2017 Change		Plan	
	Actual	Actual	Budget	Projected Actual *	Preliminary Budget	from 2016 Budget	%	2018	2019
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	2,270.9	2,279.2	2,308.5	2,250.8	2,348.5	40.0	1.7%	2,422.6	2,491.0
Materials and Supplies	(11.9)	9.2	10.2	10.2	14.2	4.0	38.7%	14.2	14.2
Equipment	2.3	1.8	2.5	2.5	2.0	(0.5)	(20.1%)	2.0	2.0
Services & Rents	114.5	55.5	162.3	155.9	147.3	(15.0)	(9.2%)	147.3	147.3
Contributions to Capital	4.7	19.9							
Contributions to Reserve/Res Funds		5.6	5.6	5.6	5.6			5.6	5.6
Interdivisional Charges	312.7	317.7	488.7	488.7	456.2	(32.5)	(6.7%)	469.9	475.3
Total Gross Expenditures	2,693.2	2,688.9	2,977.8	2,913.7	2,973.7	(4.1)	(0.1%)	3,061.5	3,135.4
Interdivisional Recoveries	140.2	123.4	128.5	128.5	131.8	3.3	2.6%	134.3	136.6
Provincial Subsidies	959.0	972.7	1,149.4	1,085.3	1,173.4	24.0	2.1%	1,173.4	1,173.4
Contribution from Reserve/Reserve Funds	399.0	399.0	499.0	499.0	499.0			499.0	499.0
Total Revenues	1,498.3	1,495.1	1,776.9	1,712.8	1,804.2	27.3	1.5%	1,806.6	1,809.0
Total Net Expenditures	1,194.9	1,193.8	1,200.9	1,200.9	1,169.5	(31.4)	(2.6%)	1,254.9	1,326.4
Approved Positions	19.0	19.0	19.0	19.0	19.0			19.0	19.0

* Based on the 2016 9-month Operating Variance Report

Impact of 2016 Operating Variance on the 2017 Preliminary Operating Budget

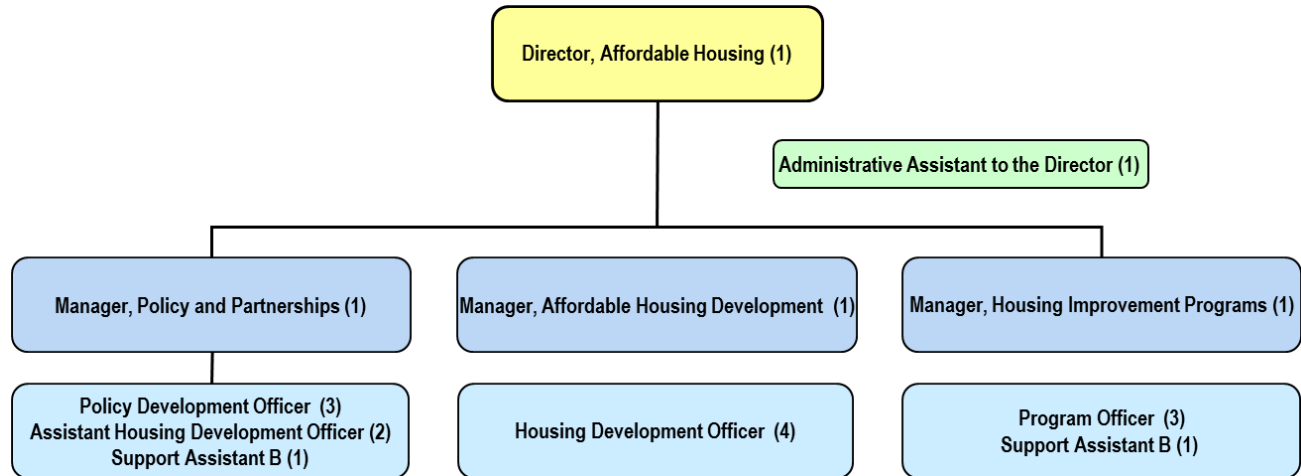
- Based on 2016 Q3 results, Affordable Housing Office projected year-end under-spending in salary and several non-salary accounts which was fully offset by a lower draw from the federal/provincial administration fee revenue for a net zero variance at year-end. The 2017 Preliminary Budget includes line-by-line review savings of \$0.011 million in non-salary accounts based on projected spending in 2016.

For additional information regarding the 2016 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2016" considered by City Council at its meeting on December 13, 2016.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.4>

Appendix 3

2017 Organization Chart



2017 Total Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	3.0	3.0	11.0	18.0
Temporary				1.0	1.0
Total	1.0	3.0	3.0	12.0	19.0

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance			13,652.4	13,709.6	13,106.8
Capital Revolving Fund - Affordable Housing	XR1058	10,400.5			
<i>Proposed Withdrawals (-)</i>		(977.0)	(1,443.8)	(7,103.8)	(103.8)
<i>Projected Contributions (+)</i>		4,727.9	2,000.0	7,000.0	
Total Reserve / Reserve Fund Draws / Contributions		14,151.4	14,208.6	13,605.8	13,003.0
Other Program / Agency Net Withdrawals & Contributions		(499.0)	(499.0)	(499.0)	(499.0)
Balance at Year-End		13,652.4	13,709.6	13,106.8	12,504.0

* Based on 9-month 2016 Reserve Fund Variance Report

Note: Not all future revenue, including loan repayments, interest and Section 37 contributions, are included in the table above.

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance			19,637.8	19,643.4	19,649.1
Insurance Reserve Fund	XR1010	19,645.5			
<i>Proposed Withdrawals (-)</i>		(13.3)			
<i>Projected Contributions (+)</i>		5.6	5.6	5.6	5.6
Total Reserve / Reserve Fund Draws / Contributions		19,637.8	19,643.4	19,649.1	19,654.7
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		19,637.8	19,643.4	19,649.1	19,654.7

* Based on 9-month 2016 Reserve Fund Variance Report