



Shelter, Support Housing & Administration

2018 OPERATING BUDGET OVERVIEW

Shelter, Support & Housing Administration (SSHA) delivers the City's emergency shelter program through a network of city operated and leased facilities in collaboration with community based partners. SSHA supports the City's Social Housing system and collaborates with the Affordable Housing Office (AHO) in the administration of funding from higher orders of government and city contributions for the creation of affordable rental and home ownership to ensure that Toronto residents have a range of accessible shelter and affordable housing options.

2018 Budget Summary

The total cost to deliver these services to Toronto residents is \$825.097 million gross and \$437.813 million net as shown below:

(in \$000's)	2017 Budget	2018 Preliminary Budget	Change	
			\$	%
Gross Expenditures	843,745.1	825,096.5	(18,648.6)	(2.2%)
Revenues	436,607.7	387,283.7	(49,324.0)	(11.3%)
Net Expenditures	407,137.4	437,812.7	30,675.4	7.5%

The City faces significant occupancy pressures in the emergency shelter system as well as funding pressures to support social housing in Toronto. Through base reductions, together with a revenue recovery of \$3.0 million as a bridging strategy, SSHA was able to partially offset these pressures to maintain the 2017 service levels for 2018.

CONTENTS

Overview

1. 2018-2020 Service Overview and Plan [5](#)
2. 2018 Preliminary Operating Budget by Service [14](#)
3. Issues for Discussion [22](#)

Appendices

1. 2017 Service Performance [32](#)
2. 2018 Preliminary Operating Budget by Expenditure Category [33](#)
3. 2018 Organization Chart [34](#)
4. Summary of 2018 Service Changes [N/A](#)
5. Summary of 2018 New / Enhanced Service Priorities [N/A](#)
6. Inflows/Outflows to/from Reserves & Reserve Funds [35](#)
7. 2018 User Fee Rate Changes [N/A](#)

CONTACTS

Program: Shelter, Support and Housing Administration

Paul Raftis
General Manager
Tel: (416) 392-7885
Email: Paul.Raftis@toronto.ca

Corporate:

Ritu, Sadana
Manager, Financial Planning
Tel: (416) 395-6449
E-Mail: Ritu.Sadana@toronto.ca

FAST FACTS

- SSHA provides over 5,000 permanent emergency and transitional shelter beds in 62 locations, plus motels across the City. 10 of these facilities are City operated.
- With a social housing stock of 94,000 units and network of approximately 200 not-for profit housing providers, the City of Toronto through Toronto Community Housing Corporation and a network of not-for-profit housing providers is the largest social housing provider in the Province of Ontario.

TRENDS

- Demand for emergency shelter services continues to grow with system occupancy rates substantially above the Council directed level of 90% in all sectors.
- Demand for shelter beds have been exacerbated by the spike in new arrivals to the City including refugee claimants as shown in the chart below:

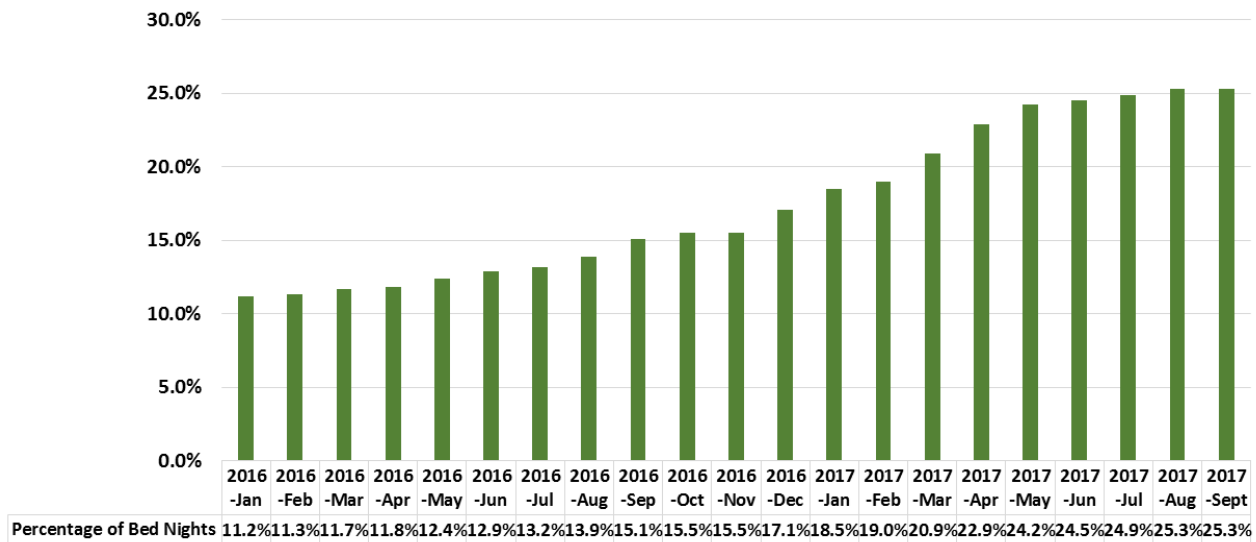
KEY SERVICE DELIVERABLES FOR 2018

Shelter, Support and Housing Administration provides temporary shelter and housing help services for the homeless and those at risk of homelessness. The Program also administers social housing for the City as designated service manager and serves a range of equity seeking groups and vulnerable people in Toronto.

The 2018 Preliminary Operating Budget will enable Shelter, Support and Housing Administration to continue to:

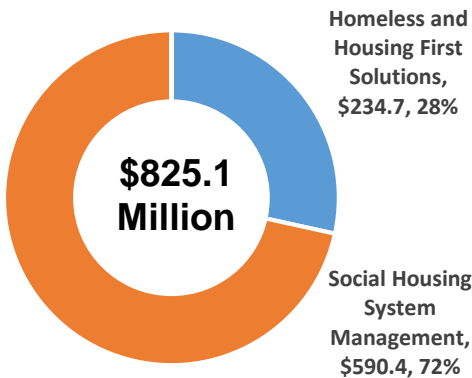
- Provide 24-hour emergency shelter services, street outreach and housing services to the citizens of Toronto;
- Provide over 5,000 shelter beds to people experiencing homelessness;
- Assist people experiencing homelessness or facing the risk of homelessness through the provision of supports needed to regain and secure permanent housing;
- Administer Federal and Provincial funding under various support programs through its network of 115 community based partners;
- Provide housing allowances to over 5,000 households to help offset the high cost of rent.

Percentage of Bed Nights Occupied by New Arrivals to Toronto

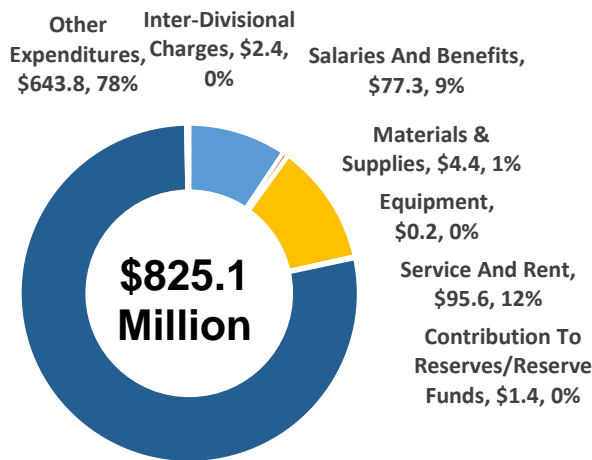


Where the money goes:

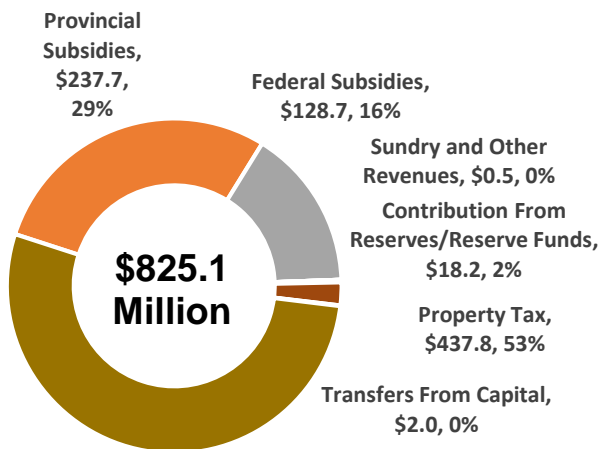
2018 Budget by Service



2018 Budget by Expenditure Category



Where the money comes from:
2018 Budget by Funding Source



OUR KEY ISSUES & PRIORITY ACTIONS

- **Stabilize and expand the capacity of the emergency shelter system** to alleviate capacity pressures resulting from growing demand; and increase the range of available affordable housing options.
 - ✓ The 2018 Preliminary Operating Budget includes new ongoing funding of \$18 million to sustain surge capacity in the emergency shelter system to allow the Program to address higher than normal demand for beds from new arrivals to the City.
 - ✓ Stabilize and enhance system capacity with the opening of 291 shelter beds in 2018.
 - ✓ Securing sites to complete the George Street Revitalization-Phase 2- Seaton House Transition Plan.
 - ✓ Expansion of the City's annual Winter Readiness Program.
 - ✓ Finding landlords willing to partner with the City to house clients transitioning to independent living from the shelter system.

2018 OPERATING BUDGET HIGHLIGHTS

- The 2018 Preliminary Operating Budget for Shelter, Support and Housing Administration is \$825.097 million gross and \$437.813 million net representing an increase of 7.5% to the 2017 Approved Operating Budget.
- The Program could not meet the budget target due to escalating costs of sustained occupancy pressures in the emergency shelter system as well as inflationary increases for Purchase of Service Shelter Operators. Further service changes to meet the target will result in adverse impacts to service levels and are therefore not included in the 2018 Budget.
- Staff complement will increase by 17 from 2017 to 2018.
- The 2018 Preliminary Operating Budget provides funding for:
 - ✓ Homeless and Housing First Solutions through the provision of over 5,000 emergency shelter beds per night.
 - ✓ Management of the Social Housing system through the administration of funding from all levels of government.

Actions for Consideration

Approval of the 2018 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2018 Preliminary Operating Budget for Shelter, Support and Housing Administration of \$825.096 million gross, \$437.813 million net for the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Homeless & Housing First Solutions:	234,680.9	89,669.5
Social Housing System Management:	<u>590,415.6</u>	<u>348,143.2</u>
Total Program Budget	<u><u>825,096.5</u></u>	<u><u>437,812.7</u></u>

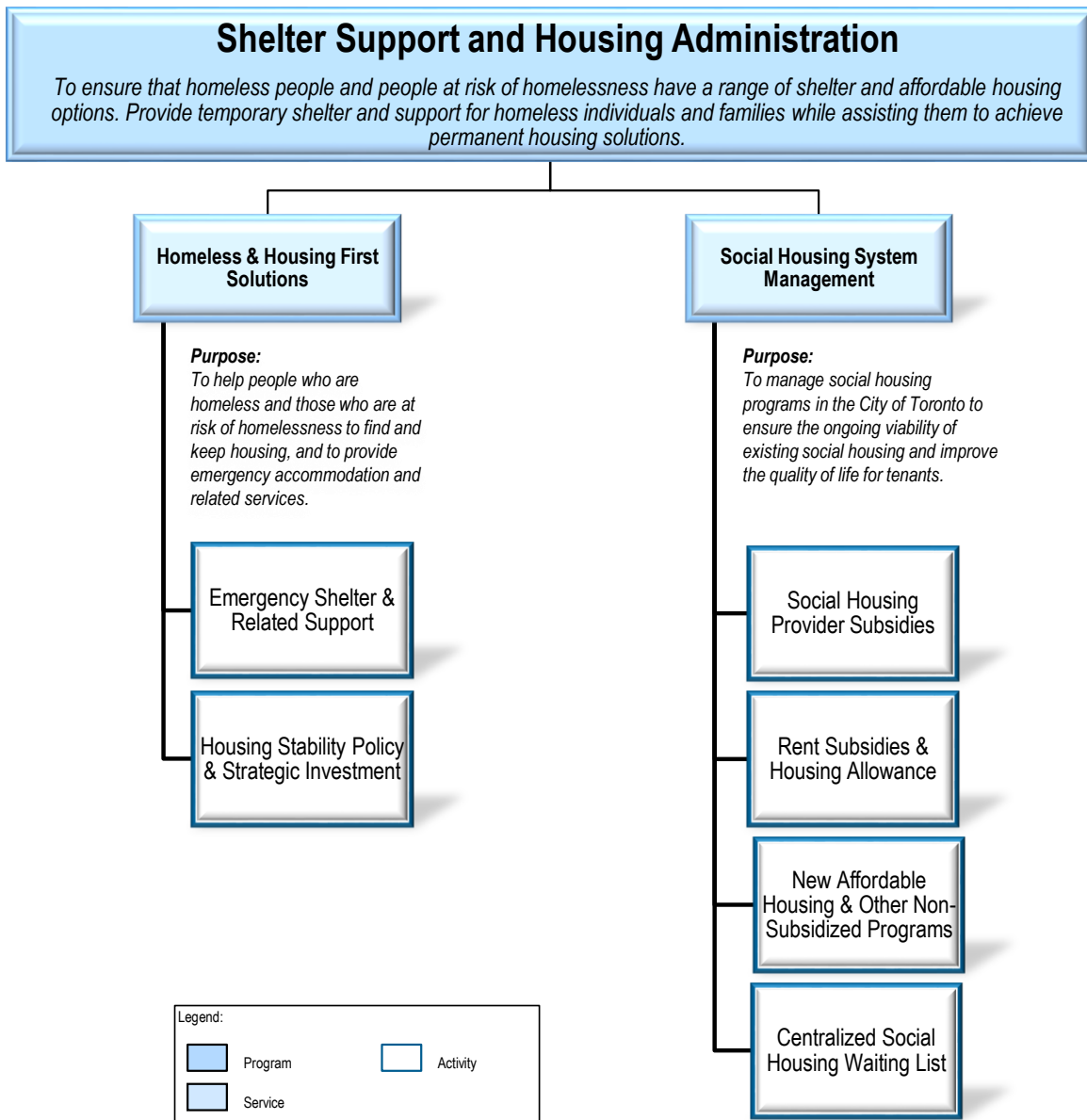
2. City Council approve the 2018 service levels for Shelter, Support and Housing Administration as outlined on pages 16, and 20 of this report, and associated staff complement of 826.35 positions, comprising 786.35 operating service delivery positions and 40 capital project delivery positions.



Part 1

2018-2020 Service Overview and Plan

Program Map



Service Customer

Homeless & Home First Solutions

- Homeless persons
- At-risk persons

- Indirect (Beneficial)
- Residents
- Community Agencies (Tenant Associations, Not for Profit Groups)
- Provincial & Federal Governments

Social Housing System Management

- Social Housing Tenants / Members

- Indirect (Beneficial)
- Residents
- Social Housing Owners
- Provincial & Federal Governments

Table 1
2018 Preliminary Operating Budget and Plan by Service

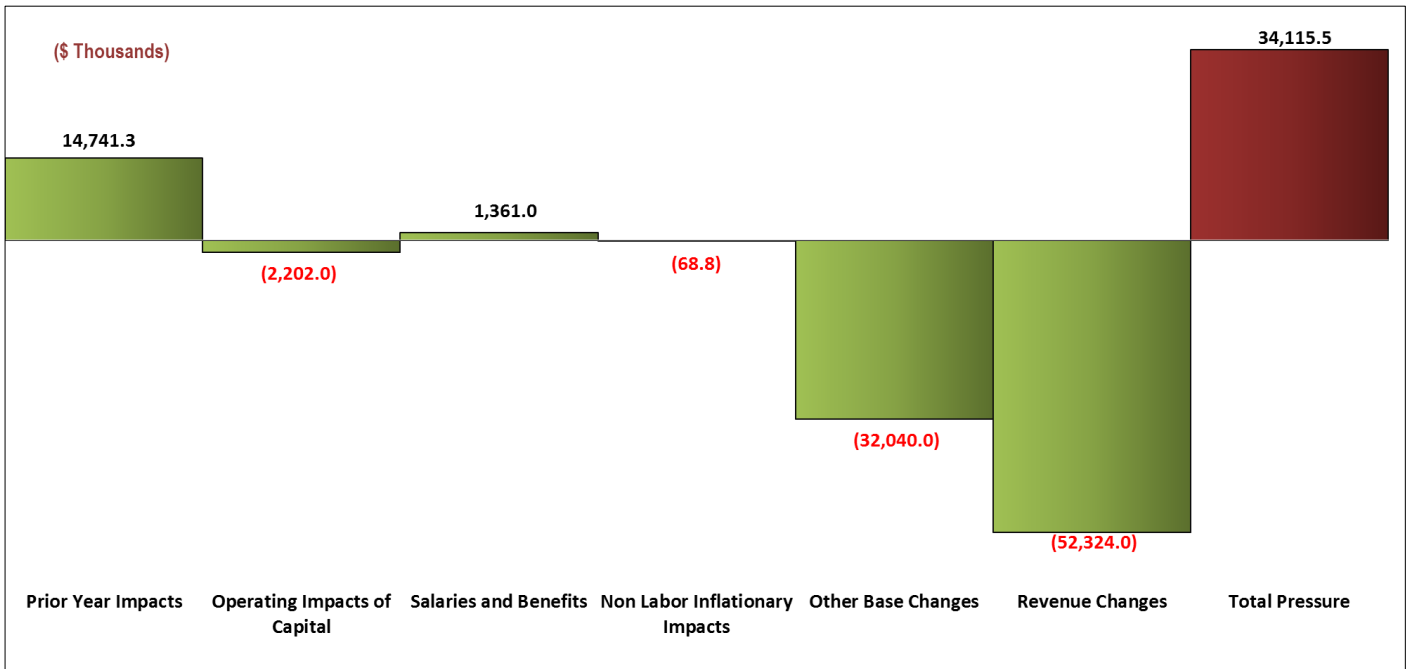
(In \$000s)	2017		2018 Preliminary Operating Budget			2018 Preliminary vs. 2017 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget	\$	%	2019 Plan		2020 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Homeless and Housing First Solutions											
Gross Expenditures	199,017.8	209,528.8	234,680.9	0.0	234,680.9	35,663.1	17.9%	12,536.2	5.3%	(24,237.6)	(9.8%)
Revenue	129,136.9	125,092.9	145,011.3	0.0	145,011.3	15,874.5	12.3%	(907.9)	(0.6%)	(19,475.9)	(13.5%)
Net Expenditures	69,880.9	84,435.9	89,669.6	0.0	89,669.6	19,788.7	28.3%	13,444.1	15.0%	(4,761.7)	(4.6%)
Social Housing System Management											
Gross Expenditures	644,727.3	606,335.2	590,415.5	0.0	590,415.5	(54,311.8)	(8.4%)	(62,422.4)	(10.6%)	(14,724.5)	(2.8%)
Revenue	307,470.8	273,133.1	242,272.4	0.0	242,272.4	(65,198.4)	(21.2%)	(74,083.1)	(30.6%)	(48,800.7)	(29.0%)
Net Expenditures	337,256.5	333,202.2	348,143.2	0.0	348,143.2	10,886.7	3.2%	11,660.7	3.3%	34,076.2	9.5%
Total											
Gross Expenditures	843,745.1	815,864.0	825,096.5	0.0	825,096.5	(18,648.6)	(2.2%)	(49,886.3)	(6.0%)	(38,962.1)	(5.0%)
Revenue	436,607.7	398,226.0	387,283.7	0.0	387,283.7	(49,324.0)	(11.3%)	(74,991.1)	(19.4%)	(68,276.6)	(21.9%)
Total Net Expenditures	407,137.4	417,638.0	437,812.7	0.0	437,812.7	30,675.4	7.5%	25,104.8	5.7%	29,314.5	6.3%
Approved Positions	809.4	748.4	826.4	0.0	826.4	17.0	2.1%	4.0	0.5%	(8.0)	(1.0%)

Shelter, Support and Housing Administration's 2018 Preliminary Operating Budget is \$825.097 million gross and \$437.813 million net, representing a 7.5% increase to the 2017 Approved Net Operating Budget and \$30.675 million away from the reduction target of 0% as set out in the 2018 Operating Budget Directions approved by Council.

- Base pressures in Homeless and Housing First Solutions are mainly attributable to occupancy pressures due to the increasing demand on the Shelter system exacerbated by the significant increase in the number of people arriving in Toronto and the difficulty in locating and acquiring properties to open new shelters and expand the emergency shelter system to cope with these pressures.
- The Social Housing System Management Service also continues to experience significant budget pressures resulting from the loss of Federal funding which is projected to reach \$9.737 million in 2018 in addition to higher salary and benefit costs resulting from known Cost of Living Adjustments and benefit payments to union employees.
- The 2018 Preliminary Operating Budget also includes base operating subsidy to TCHC of \$243.795 million (which includes \$52.375 million in federal funding flowed through SSHA's Operating Budget). The operating subsidy is \$2.089 million or 0.9% above the 2017 level primarily due to the replacement of expired/expiring Federal funding with rent supplement funding from the City which is in line with the current Operating Agreement. The 2018 operating subsidy maintains the \$37.2 million provided to TCHC in 2017 to stabilize its operating pressures.
- To help mitigate the above pressures, the Program was able to achieve base expenditure savings through detailed review of budgeted line items and adjustment to actual experience of \$0.440 million, absorption of corporate inflationary factors, realignment of program resources, and recovery of \$3.0 million from the Social Housing Federal Reserve as a one-time bridging strategy to address surge capacity in the shelter system. The operating costs of 2 new permanent shelters originally planned to open in 2018 as part of the George Street Revitalization- Phase 2 - Seaton House Transition Plan have been deferred to 2019 since these sites are not expected to be operational before then resulting in further base reductions of \$4.426 million.
- Any further service adjustments to meet the budget target were not considered as these would adversely impact service levels.
- Approval of the 2018 Preliminary Operating Budget will result in Shelter, Support and Housing Administration increasing its total staff complement by 17 positions from 809.4 to 826.4.
- The 2019 and 2020 Plan increases are attributable to anticipated incremental funding of \$21.198 million to TCHC required for the corporation to meet its sinking fund covenants in 2020 and beyond, indexed Cost Factor increases in the Social Housing system and inflationary increases in salaries and benefits, COLA and progression pay. Further losses in federal subsidies are also anticipated in 2019 and 2020, however, with the recent announcements regarding the National Housing Strategy, future year impacts are not known at this time.

The following graphs summarize the operating budget pressures for Shelter, Support and Housing Administration and the actions taken to offset/reduce these pressures to meet the budget target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target

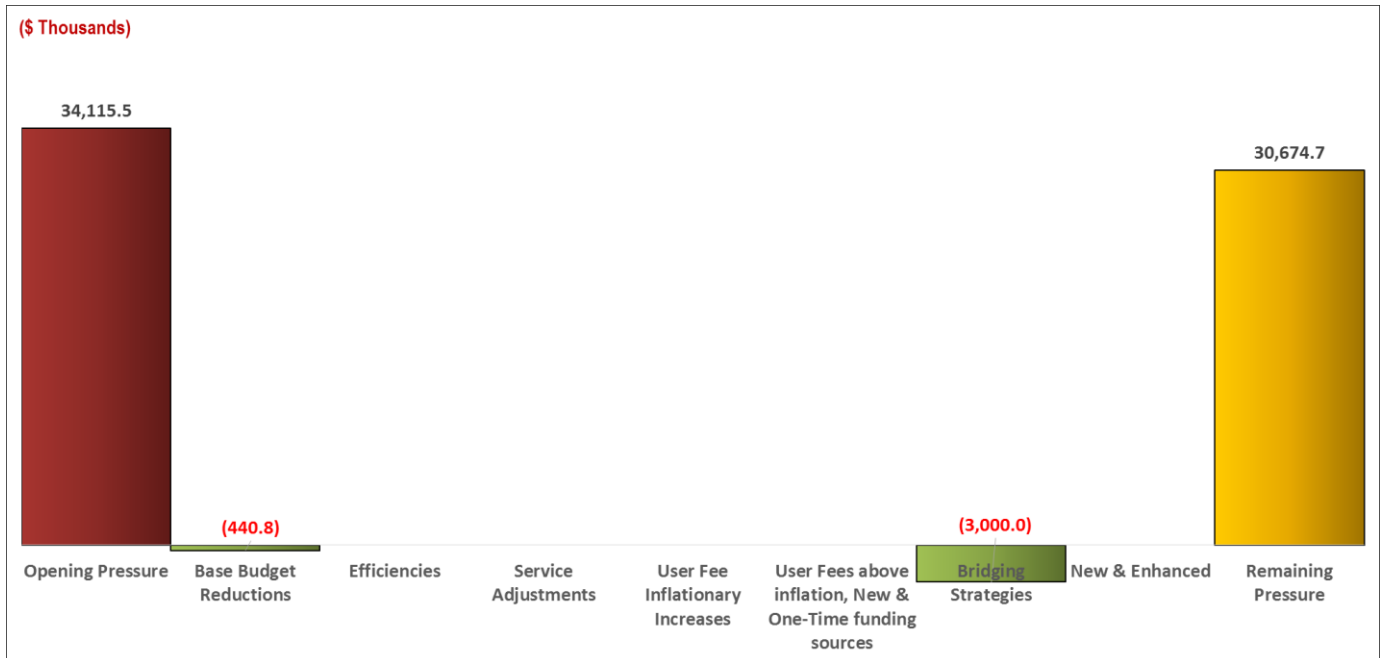


Table 2
Key Cost Drivers

	2018 Base Operating Budget		Total		
	Homeless & Housing First Solutions	Social Housing System Management			
	(In \$000s)	\$	\$	\$	Position
Gross Expenditure Changes					
Prior Year Impacts					
	Annualization of Purchase of Service funding allocations and adjustments for shelter operators	2,181.2		2,181.2	
	Operating costs for 2 permanent shelter sites required for the implementation of the Seaton House Transition Plan	5,923.5		5,923.5	
	Deferral of the operating costs for 2 permanent shelters required for the implementation of the Seaton House Transition plan no longer anticipated to open in 2018	(4,425.8)		(4,425.8)	
	Projected operating costs for the new Youth-Link Shelter expected to open in 2018	1,150.0		1,150.0	
1	Reversal of 2017 Council approved one-time funded affordable housing projects, 2016/17 Winter Respite Services and renovation costs of the new Youth-Link Shelter.	(3,191.9)	(5,956.5)	(9,148.4)	
2	Additional expenditures required for the expansion of Winter Respite Services during the 2017/18 winter season.	704.0		704.0	
3	Anticipated expenditures required for the implementation of new Provincial Home for Good Program	18,356.8		18,356.8	
Delivery of Capital Projects					
	Adjustment to the operating impacts of 2 transitional shelters anticipated to commence operations in Q3 of 2018.	(2,043.9)		(2,043.9)	
	Short term Capital delivery positions required for the procurement and installation of the Choice Based Housing Access System.	28.1	133.9	162.0	12.0
	Deletion of Capital delivery positions required for the procurement and installation of the Choice Based Housing Access System.	(70.7)	(249.3)	(320.0)	(3.0)
Economic Factors					
	Corporate Economic Factors (Utilities)	47.1	0.3	47.3	
	Absorption of Corporate Economic Factors	(47.1)	(0.3)	(47.3)	
Divisional Economic Factors					
	Adjustment of -3% (from 4.8% to 1.8%) to projected Hydro costs as directed by FREEE based on the outcome of the Provincial Fair Hydro Plan	(68.3)	(0.6)	(68.8)	
Salary & Benefit Changes					
		(371.4)	1,732.4	1,361.0	
Other Base Expenditures Changes					
	Social Housing Provider Index Cost Factor Increases (TCHC related: \$0.107 million and Non-TCHC related: \$0.557 million)		663.6	663.6	
4	Miscellaneous expenditure changes relating to federal/provincial funded social housing and homelessness prevention programs and Housing Allowance Reserve Contribution	(1,420.5)	(74,998.9)	(76,419.4)	
	Increase in shelter capacity to address demands	18,037.3		18,037.3	
5	Base budget changes for 2018 Affordable Housing projects		23,104.0	23,104.0	
6	2018 Housing Allowance Reserve Spending Plan		1,387.5	1,387.5	
	2% Inflationary Increase for Purchase of Service Shelters	1,187.7		1,187.7	
	Repurposing of funding for Birkdale Shelter, Social Housing Waitlist applications and deletion of temporary positions relating to the Survivors of Domestic Violence Housing Benefit Pilot program.				8.0
Total Gross Expenditure Changes		35,976.136	(54,183.9)	(18,207.8)	17.0
Prior Year Impacts					
1	Reversal of 2017 One-time funding for Affordable Housing projects, Winter Respite Services and opening of the new YouthLink Shelter	(3,191.9)	(5,956.5)	(9,148.4)	
2	Additional funding from reserves approved by Council for the expansion of Winter Respite Services during the 2017/18 Winter season	704.0		704.0	
3	Anticipated grant funding for the implementation of new Provincial Home for Good Program	18,356.8		18,356.8	
Base Revenue Changes					
	Transfer from Capital to support the implementation of the Seaton House Transition Plan-Funding for the operations of 2 Temporary sites and Choice Based Housing Access System	(1,401.6)	486.2	(915.4)	
4	Miscellaneous revenue changes relating to federal/provincial funded social housing and homelessness prevention programs	(1,592.8)	(74,482.7)	(76,075.5)	
5	Base budget changes for 2018 Affordable Housing projects		23,104.0	23,104.0	
6	2018 Housing Allowance Reserve Spending Plan		1,387.5	1,387.5	
	Loss in Federal Funding -Non-TCHC		(3,627.8)	(3,627.8)	
	Loss in Federal Funding -TCHC		(6,109.1)	(6,109.1)	
Total Revenue Changes		12,874.5	(65,198.4)	(52,324.0)	
Net Expenditure Changes		23,101.7	11,014.5	34,116.2	17.0

Key cost drivers for Shelter, Support and Housing Administration are discussed below:

Gross Expenditure Changes

- Prior Year Impacts:
 - The annualized impact of purchase of service adjustments to 2 of the Programs community partners (Salvation Army Hope and HFS-Scar Women's shelter) to add a total of 53 additional shelter beds in the men and women's sector initiated part way in 2017 will add a pressure of \$2.181 million in 2018.
- Operating Impacts of Capital:
 - The operating impact of 2 transitional shelters earlier planned to open in 2018 have been revised in recognition of the fact that these shelters will only become operational part way through the year.
 - In addition, some of the approved capital delivery positions for the acquisition and implementation of the Choice Based Housing Access system will be deleted partway in 2018 as the project's implementation reaches an advanced stage.
- Salaries and Benefits
 - Known salary and benefit increases have been partially offset by position realignments between services and revisions to original assumptions for vacant positions and benefit payments to union employees.

Other Base Changes

- Base pressures totalling \$0.664 million are due to anticipated increases in RGI subsidies, legislated Indexed Cost Factors for social housing providers and property tax payments related to existing mortgages.
- The 2018 purchase-of-service costs for 3 motel programs dedicated to refugee claimants will result in operating pressures of \$18.037 million.
- 2% Inflationary cost increases for Purchase-of-Service shelter operators to enable them manage the cost of providing services to the Program's clients at Council approved service levels will result in a pressure of \$1.188 million. The Program has made this inflationary adjustment every 2 years.

Base Revenue Changes

- The loss in Federal funding due to the expiry of federal operating agreements creates a pressure of \$9.737 million in the Social Housing System Management service.
- The 2018 implementation costs of the new Provincial Home for Good program (\$18.357 million) are fully offset by provincial revenue.

In order to achieve the budget reduction target, SSHA's 2018 Preliminary Operating Budget includes base expenditure savings of \$0.441 million net and a recovery of \$3.0 million from the Social Housing Federal Reserve for a total of \$3.441 million net.

Table 3
Actions to Achieve Budget Reduction Target
2018 Preliminary Service Change Summary

Description (\$000s)	Service Changes				Total Service Changes			Incremental Change			
	Homeless & Housing First Solutions		Social Housing System Management		\$	\$	#	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:											
Base Expenditure Changes											
Line-by-Line Review Adjustments	(313.0)	(313.0)	(127.8)	(127.8)	(440.8)	(440.8)					
Base Expenditure Change	(313.0)	(313.0)	(127.8)	(127.8)	(440.8)	(440.8)					
Base Revenue Changes											
Recovery from the Social Housing Federal Reserve as a one-time Bridging Strategy		(3,000.0)				(3,000.0)					
Base Revenue Change		(3,000.0)				(3,000.0)					
Sub-Total	(313.0)	(3,313.0)	(127.8)	(127.8)	(440.8)	(3,440.8)					
Total Changes	(313.0)	(3,313.0)	(127.8)	(127.8)	(440.8)	(3,440.8)					

SSHA did not meet budget target but was able to partially offset budget pressures with the following measures:

Base Expenditure Changes (Savings of \$0.441 million gross & net)

Base Reductions to Align Budget with Actual Expenditure

- 2018 projections for several operating line items, specifically for supplies, equipment, travel, and rental operating costs, professional and technical services have been realigned to actual experience resulting in savings of \$0.441 million.

Base Revenue Changes (\$3.0 million net)

- The 2018 Preliminary Operating Budget includes a recovery of \$3.0 million from the Social Housing Federal Reserve as a bridging strategy to augment the additional tax funding of \$15 million included in the budget for the purchase-of-service costs for the motel programs activated in 2017 to provide SSHA with the flexibility to better respond to situations requiring extra surge capacity within the shelter system, if required.
- Staff will monitor demand throughout 2018 and consider any incremental funding requirements as part of the 2019 Budget process.

Table 5
2019 and 2020 Plan by Program

Description (\$000s)	2019 - Incremental Increase			2020 - Incremental Increase		
	Gross	Revenue	Net	Gross	Revenue	Net
Known Impacts:						
Prior Year Impact						
Additional funding for the pilot expansion of Winter Respite Services (2018/2019 year)	2,695	(3,399)	6,094	(6,094)		(6,094)
Operating Costs for 2 GSR Permanent sites	4,426		4,426	411		411
Expenditures related to the Street Needs Assessment survey	(77)	(77)				
Implementation of the Provincial Home for Good (HFG) Program	3,979	3,979		(18,357)	(18,357)	
One-time funding to provide surge capacity in shelter to address surge in demand from new arrivals		(3,000)	3,000			
Operating Impact of Capital						
Transfer from Capital Budget for the Implementation of the Choice Based Housing Access System	(168)	(936)	767	(4)	(139)	135
Operating costs of 2 transitional shelters required for GSR project: Seaton House Transition Plan	2,550	2,578	(28)	(14)		(14)
Salaries and Benefits	1,548	(55)	1,603	1,141		1,141
Other Base Changes (specify)						
Base Expenditure Changes - (TCHC and Non-TCHC related)	2,431		2,431	(2,813)		(2,813)
Adjustment to hydro costs and other expenditure	(251)		(251)	(41)		(41)
Changes in legislated indexed cost factors Non-TCHC	(3,422)		(3,422)	(2,870)		(2,870)
Changes in legislated indexed cost factors - TCHC	2,889		2,889	(1,752)		(1,752)
IT support for the Centralized Wait List	40		40	3		3
Federal Homelessness Partnering Strategy (HPS) grant extension	(2,162)	(2,162)		(1,081)	(1,081)	
Annualization impact from the City's acquisition of the Birkdale Shelter	10		10	3		3
Interdepartmental costs and revenue changes	(238)		(238)	25		25
Housing Allowance spending plan changes	(188)	(188)				
TCHC's loan Sinking Fund contribution				21,198		21,198
Revenue Changes						
Loss in Federal funding (TCHC and Non-TCHC related)		(8,643)	8,643		(19,957)	19,957
Provincial Social Housing programs revenue changes		(300)	300		(45)	45
Cashflow changes relating to 2018 affordable housing projects, Social Infrastructure Fund (SIF) and Social Housing Apartment Retrofit (SHARP) grant	(63,949)	(63,925)	(24)	(28,717)	(28,697)	(20)
Community Homelessness Prevention Initiative (CHPI) grant cashflow changes		1,137	(1,137)			
Sub-Total	(49,886)	(74,991)	25,105	(38,962)	(68,277)	29,315
Total Incremental Impact	(49,886)	(74,991)	25,105	(38,962)	(68,277)	29,315

Future year incremental costs are primarily attributable to the following:

Known Impacts:

Prior Year Impact

- SSHA will implement a pilot expansion of Winter Respite Services for the 2017/18 winter season which will be funded from the Social Housing Stabilization reserve. The continuation of the pilot in 2019 will result in additional pressures of \$6.094 million.
- The implementation of the George Street Revitalization (GSR)-Seaton House Transition Plan has been delayed because of the difficulty in acquiring the 4 shelters (2 permanent and 2 transitional) required for the implementation of the plan. Therefore operating costs for the 2 permanent shelters originally planned for 2018 have been deferred to 2019 resulting in pressures of \$4.425 million in 2019 and \$0.411 million in 2020.

Operating Impact of Capital:

- Position changes relating to the acquisition and delivery of the Choice based Housing Access System capital project will add a pressure of \$0.767 million in 2019 and \$0.135 million in 2020.

Salaries and Benefits:

- Known salary and benefits and negotiated progression pay increases will result in additional pressures of \$1.603 million and \$1.141 million in 2019 and 2020 respectively.

Other Base Changes:

- The 2017 Approved Operating Budget for SSHA identified \$72 million for TCHC as an outlook pressure in 2018, comprised of \$54 million for its capital repair backlog and \$18 million towards the sinking fund contribution.
 - The provision of \$160 million in debt funding to TCHC for its state of good repair program in 2018 and another \$40 million in 2019 (included for Council's approval in the 2018-2027 Capital Plan for SSHA), eliminates the need for \$54 million subsidy increase to fund the capital program.
 - Further, the \$18 million sinking fund contribution which has now increased to \$21.198 million to account for foregone contributions in prior years has been deferred to 2020 when a sustainable funding model for TCHC is expected to be established.

Revenue Changes:

- The loss in federal funding for Social Housing is noted in the table, however it is expected to change given the recent announcement on the National Housing Strategy.
- Additional Funding from the Provincial CHPI allocation of \$1.137 million in 2018 will help mitigate the aforementioned base pressures.



Part 2

2018 Preliminary Operating Budget by Service

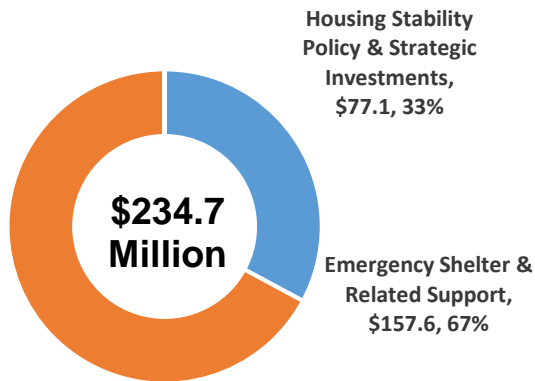
Homeless & Housing First Solutions



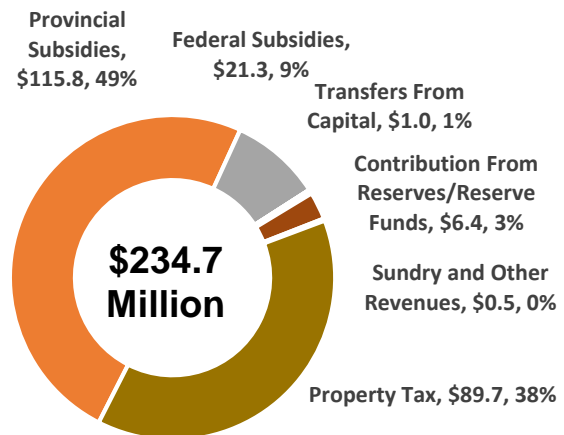
What We Do

- Provide street outreach services that assist street involved people find and keep permanent housing.
- Manage over 5,000 shelter system beds in Toronto, overseeing the 52 locations that are operated by community agencies under contract and the 10 shelters that are operated by City staff.

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)



2018 Service Levels

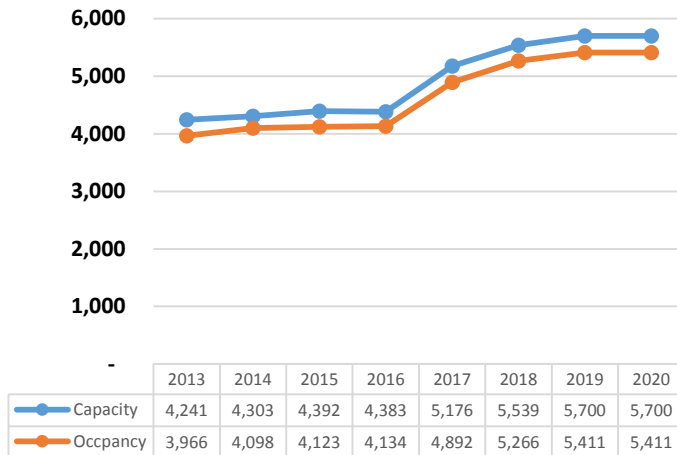
Homeless and Housing First Solutions

Activity	Type	Sub-Type	Status	2015	2016	2017	2018
Provide Emergency Shelter & Related Support	Directly operated	# of Shelter Beds	Approved	1,658	1,658	1,715	1,668
			Actual	1,658	1,715	1,668	
		Food Services - # of Meals or Snacks Provided / Total Value of Meals or Snacks	Approved	942,051 / \$5.7 M 42,872 / \$0.322 M	1,060,914 / \$6.3 M 34,868 / \$0.266 M	1,060,914 / \$6.3 M 34,868 / \$0.266 M	1,269,632 / \$7.0 M 51,455 / \$0.562 M
		# of Food Allowances Provided / Total Value of Food Allowance	Actual	1,050,678 / \$6.2M 34,531 / \$0.264M	1,060,914 / \$6.3M 34,868 / \$0.266M	1,164,800 / \$6.4M 34,868 / \$0.386M	
		Personal Supports (Counselling, Housing Help services, Employment Support, Crisis Support, Daily Living Supports) - # Clients Provided with Supports	Approved	7,700	7,700	7,700	7,700
			Actual				
		Children's Supports - # Children Supported	Approved	1,700	1,990	1,536	1,900
			Actual			1,883	
		Nursing Care - Average # of Individuals per Day Supported with On-Site Nursing or Medical Care	Approved	410	410	370	370
			Actual	369	370	216	
	Community Agencies	Emergency Shelter funding - # Contracts with Funding / # Beds / # Providers / Total Value of Funding	Approved	32 / 2,734 / 49 / \$53.2 M	32 / 2,928 / 51 / \$57.5 M	31 / 2,950 / 52 / \$57.5 M	34 / 3,108 / 54 / \$59.4 M
			Actual	32 / 2,950 / 49 / \$56.62 M	31 / 2,736 / 49 / \$53.9 M	30 / 3,023 / 52 / \$57.2 M	
		Housing Help services inside shelters funding - # Agencies Provided Funding / Total Value of Funding	Approved	26 / \$5.8 M	28 / \$5.98 M	34 / \$7.07 M	34 / \$7.42 M
			Actual	25 / \$5.8 M	25 / \$5.8 M	34 / \$7.07 M	
		Rooming/Boarding House funding - # Beds / Total Value of Funding	Approved	931 / \$10.1 M	931 / \$10.1 M	1,081 / \$11.7 M	1,081 / \$10.6 M
			Actual	931 / \$10.1 M	931 / \$10.1 M	951 / \$10.2 M	
		Out of the Cold program funding - Average # of Spots Nightly / # of Unique Spots / # of Locations / Total Value of Funding	Approved	92 / 627 / 17 / \$0.9 M	95 / 667 / 16 / \$0.9 M	95 / 667 / 16 / \$0.9 M	95 / 667 / 16 / \$1.04 M
			Actual	95 / 662 / 16 / \$1.189 M	95 / 662 / 16 / \$1.04 M	100 / 662 / 16 / \$1.04 M	
		Quality Assurance - # of Visits	Approved	57	59	61	64
			Actual	24	59	61	
Complaints Management - # Complaints Handled	Approved	260	260	244	250		
	Actual	222	244	244			
Central Intake - # Calls / # Intakes	Approved	51,990 / 12,565	58,000 / 11,000	58,000 / 11,000	58,000 / 11,000		
	Actual						
Provide Homeless & Housing Support in the Community	Community Agencies	Street Outreach funding - # Agencies Funded / Total Value of Funding	Approved	14 / \$4.4M	14 / \$4.4M	14 / \$4.4M	14 / \$4.57M
			Actual	15 / \$4.36M	14 / \$4.09M	14 / \$4.4M	
		Housing Follow-up funding - # Agencies Funded / Total Value of Funding	Approved	10 / \$2.9M	10 / \$2.9M	8 / \$2.7M	7 / \$2.83M
			Actual	10 / \$2.91M	10 / \$2.68M	8 / \$2.7M	
		Housing Help services - # Agencies Funded / Total Value of Funding	Approved	55 / \$10.1M	46 / \$8.7M	61 / \$11.88M	48 / \$11.60M
			Actual	59 / \$9.31M	62 / \$11.47M	61 / \$11.88M	
		Drop-in funding - # Agencies Funded / Total Value of Funding	Approved	30 / \$6.2M	28 / \$7.4M	32 / \$7.54M	30 / \$10.86M
			Actual	32 / \$5.98M	29 / \$7.42M	31 / \$10.82M	
		Supports to Daily Living funding - # Agencies Funded / Total Value of Funding	Approved	14 / \$4.9M	14 / \$4.9M	14 / \$4.93M	16 / \$5.09M
			Actual	35 / \$5.49M	14 / \$4.93M	14 / \$4.93M	
	Pre-employment Supports funding - # Agencies Funded / Total Value of Funding	Approved	16 / \$2.6M	16 / \$2.6M	16 / \$2.3M	16 / \$2.3M	
		Actual	17 / \$2.23M	16 / \$2.32M	16 / \$2.3M		
	Capital funding - # Agencies Funded / Total Value of Funding	Approved	8 / \$0.5M	8 / \$0.5M	8 / \$0.5M	8 / \$0.5M	
		Actual	53 / \$1.98M	29 / \$1.56M	8 / \$0.5M		
	Directly Operated	Street Outreach - # Street Outreach Clients Offered Assistance	Approved	1,300	1,300	1,300	1,300
			Actual	1,679	1,512	1,300	
		Housing Follow-up - # Clients / Average Length of Support (Months)	Approved	150 / 18	150 / 18	170 / 18	170 / 18
			Actual	151 / 18	149 / 18	170 / 18	
		Street Respite - # Clients Using Respite (Not Unique Individuals)	Approved	2,500	2,500	2,500	2,500
			Actual				
Shelter Referrals - # Shelter Referrals Made from SHARC (Not Unique Individuals)		Approved	8,000	8,400	8,400	8,400	
		Actual					
Transition to Housing Beds - # Clients / # Available Transition to Housing Beds at		Approved	200 / 40	200 / 40	200 / 40	200 / 40	
		Actual					
Pre-employment Supports - # Pre-Employment Clients Assisted	Approved	280	280	400	400		
	Actual	314	294	400			

Except for annual volume and budget adjustments, the 2018 Service Levels are consistent with the approved 2017 Service Levels for Homeless and Housing First Solutions.

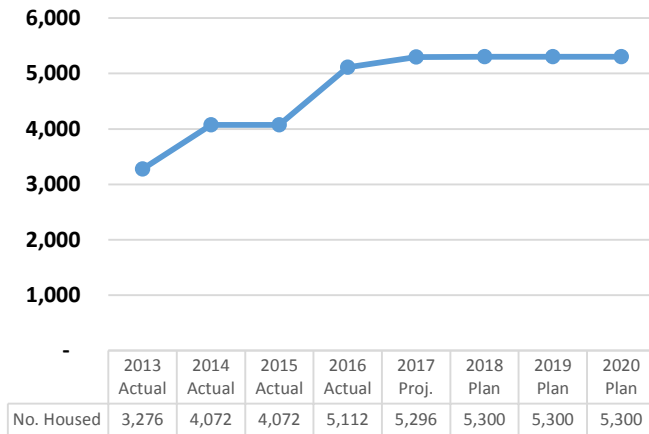
Service Performance Measures

Number of Shelter beds



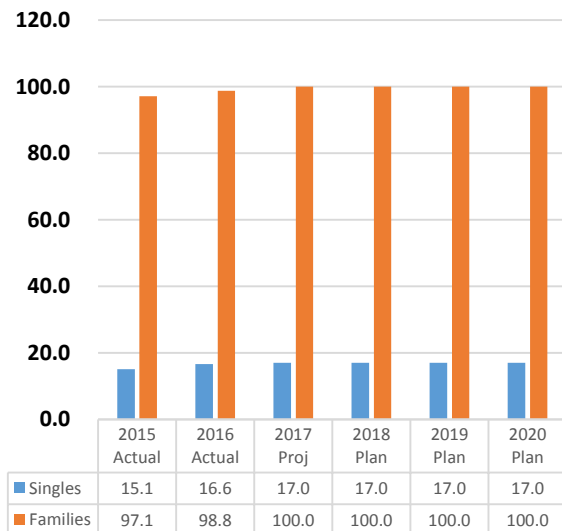
- The numbers reflect overall yearly averages. The demand for shelter beds have increased from approximately 4,000 beds in 2013 to over 5,000 in 2017.
- However, system capacity has increased over the same period from approximately 4,200 beds to 5,200 beds in response to strong demand across all sectors.

Number of Individuals Housed from Shelters



- The number of individuals housed from shelters has steadily increased over the last 2 years.
- More than 80% of these individuals are housed in permanent housing such as private market housing, social housing, long term care facilities or supportive housing.
- Introduction of more hostel to homes programs, such as Bridges to Housing, will help increase the number of clients housed in the future

Average Bed nights per Admission



- The average length of stay for both sectors remain steady reflecting the dearth of affordable housing options.

**Table 6
2018 Preliminary Service Budget by Activity**

(\$000s)	2017	2018 Preliminary Operating Budget							Incremental Change					
	Approved Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2017 Budget		New/Enhanced	Prelim Budget	2018 Prelim Budget vs. 2017 Budget		2019 Plan		2020 Plan	
					\$	% Change			\$	%	\$	%	\$	%
GROSS EXP.														
Emergency Shelter & Related Support	138,455.1	157,559.8		157,559.8	19,104.7	13.8%		157,559.8	19,104.7	13.8%	7,989.7	5.1%	1,046.4	0.6%
Housing Stability Policy & Strategic Inves	60,562.7	77,121.1		77,121.1	16,558.5	27.3%		77,121.1	16,558.5	27.3%	4,546.5	5.9%	(25,284.0)	(31.0%)
Total Gross Exp.	199,017.8	234,680.9		234,680.9	35,663.1	17.9%		234,680.9	35,663.1	17.9%	12,536.2	5.3%	(24,237.6)	(10.9%)
REVENUE														
Emergency Shelter & Related Support	80,799.9	79,445.7		79,445.7	(1,354.2)	(1.7%)		79,445.7	(1,354.2)	(1.7%)	640.6	0.8%	(65.7)	(0.1%)
Housing Stability Policy & Strategic Inves	48,336.9	65,565.6		65,565.6	17,228.7	35.6%		65,565.6	17,228.7	35.6%	(1,548.5)	(2.4%)	(19,410.2)	(30.3%)
Total Revenues	129,136.9	145,011.3		145,011.3	15,874.5	12.3%		145,011.3	15,874.5	12.3%	(907.9)	(0.6%)	(19,475.9)	(15.6%)
NET EXP.														
Emergency Shelter & Related Support	57,655.2	78,114.1		78,114.1	20,458.9	35.5%		78,114.1	20,458.9	35.5%	7,349.1	9.4%	1,112.2	1.3%
Housing Stability Policy & Strategic Inves	12,225.7	11,555.5		11,555.5	(670.2)	(5.5%)		11,555.5	(670.2)	(5.5%)	6,095.0	52.7%	(5,873.9)	(33.3%)
Total Net Exp.	69,880.9	89,669.6		89,669.6	19,788.7	28.3%		89,669.6	19,788.7	28.3%	13,444.1	15.0%	(4,761.7)	(4.8%)
Approved Positions	692.2	696.5		696.5	4.4	0.6%		696.5	4.4	0.6%	10.6	1.5%	(8.0)	(1.1%)

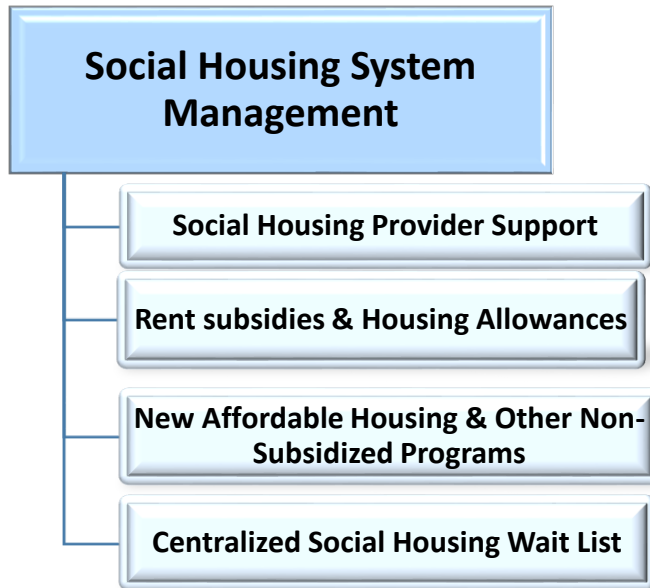
Homeless and Housing First Solutions helps people who are homeless or at risk of homelessness find and keep housing. This service also provides emergency accommodation and related support services to vulnerable people and equity seeking groups in various communities across the City.

Homeless and Housing First Solution's 2018 Preliminary Operating Budget of \$234.681 million gross and \$89.670 million net is \$19.789 million or 28.3% over the 2017 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing significant cost pressures resulting from a sustained demand for emergency shelter services which have been further exacerbated by a surge in the number of refugee claimants arriving in Toronto.
- Additional base pressures arise from 2% inflationary cost increases and adjustments for Purchase-of-Service shelter operators to enable them meet the increasing cost of providing services at Council mandated service levels and add capacity to the system will result in additional pressures of \$2.181 million.
- A further boost to system capacity is the new Youth-Link shelter which is expected to open in 2018 which will add 51 beds in the youth sector. This new Purchase-of-Service operation will result in additional operating pressures of approximately \$1.150 million in 2018.
- Additional funding of \$18.037 million has been included in the 2018 Preliminary Operating Budget to enable SSHA sustain the motel programs activated in 2017 to provide surge capacity in the emergency shelter system in response to the higher than normal demand for beds arising from a spike in new arrivals and refugee claimants to the City.
- In order to partially offset these operating pressures, the 2018 Preliminary Operating Budget includes line-by-line savings of \$0.313 million and a recovery of \$3.0 million from the Social Housing Stabilization Reserve as a one-time bridging strategy, to provide extra surge capacity, should it be required.
- In addition, the operating costs of permanent shelters required to support the Seaton House Transition Plan have been deferred to 2019 as these shelters are not expected to open before then.

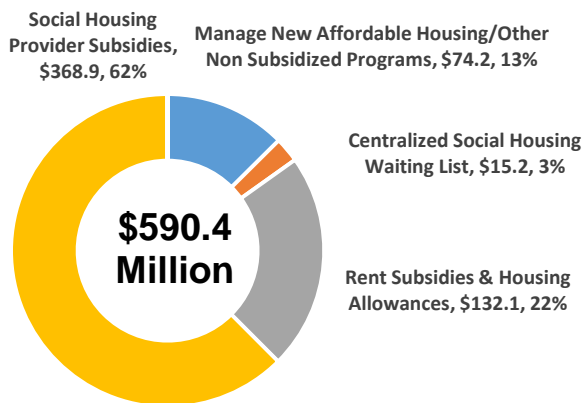
Social Housing System Management

What We Do

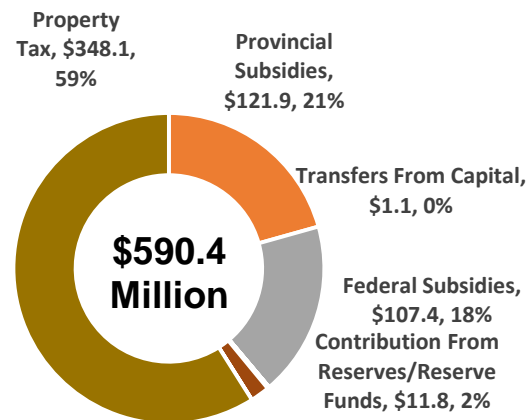


- Administer contracts of the 200 community housing providers, including City-owned Toronto Community Housing (TCHC).
- Fund the rent subsidies and housing allowances paid to housing providers as required under the Housing Services Act.
- Manage the centralized wait list for Social Housing.
- Administer funding for new affordable housing construction on behalf of the Affordable Housing Office (AHO).

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)



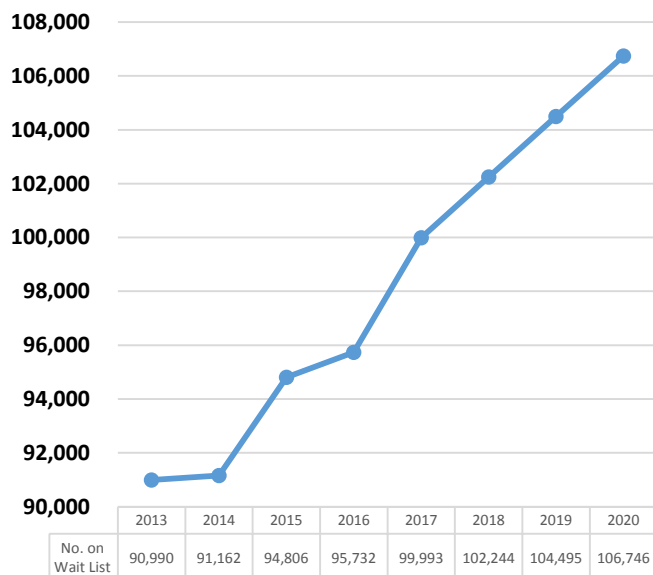
2018 Service Levels Social Housing System Management

Activity	Type	Sub - Type	Status	2015	2016	2017	2018
Manage Social Housing Provider Subsidies	Co-op Housing Subsidy	# of Units / # Providers / Total Value of Subsidy	Approved	7,429 / 68 / \$55.4 M	7,429 / 68 / \$57.6 M	7,296 / 67 / \$56 M	7,296 / 67 / \$57 M
			Actual	7,296 / 67 / \$54.2 M	7,296 / 67 / \$55.0 M	7,296 / 67 / \$56.0 M	
	Non-Profit Housing Subsidy	# of Units / # Providers / Total Value of Subsidy	Approved	20,356 / 156 / \$111.7 M	20,108 / 154 / \$112.1 M	18,001 / 148 / \$110 M	15,552 / 129 / \$110.5 M
			Actual	19,901 / 154 / \$116.2M	19,077 / 150 / \$111.0 M	17,749 / 142 / \$110 M	
Municipal Corporation Housing Subsidy (TCH)	# of Units / # Providers / Total Value of Subsidy	Approved	59,148 / 1 / \$233.1 M	58,912 / 1 / \$232.3 M	58,701 / 1 / \$228.1 M	59,078 / 1 / \$271.5 M	
		Actual	59,031 / 1 / \$230.0 M	59,057 / 1 / 234.0 M	59,078 / 1 / 269.4 M		
Manage Centralized Social Housing Waiting List		# of Households	Approved	95,732	95,732	97,532	101,845
			Actual	94,523	98,928	101,845	
Manage Rent Subsidies and Housing Allowances	Rent Supplements	Private Landlords - # of Units / Total Value of Rent Supplements	Approved	2,602 / \$24.9 M	2,666 / \$25.8 M	2,621 / \$25.7 M.	2,641 / \$26.3 M.
			Actual	2,617 / \$25 M	2,617 / \$25.8 M	2,622 / \$25.7 M.	
	Non-Profit Housing - # of Units / Total Value of Rent Supplements	Approved	917 / \$8.8 M	979 / \$9.1 M	979 / \$9.4 M	979 / \$9.4 M	
		Actual	979 / \$9.0 M	979 / \$9.2 M	982 / \$9.4 M		
Housing Allowances	IAH Extension	Approved		N/A	3,264	4,100	
Manage New Affordable Housing & Other Non Subsidized Programs	Privately Owned	# of Contracts Administered / # of Units	Approved	16 / 1,921	20 / 2,362	16 / 2,362	20 / 2,288
			Actual	14 / 2,014	16 / 2,373	20 / 2,288	
	Non-Profit Owned	# of Contracts Administered / # of Units	Approved	50 / 1,005	57 / 1,318	56 / 1,306	43 / 1,313
			Actual	49 / 1,415	57 / 1,397	43 / 1,393	

Except for annual volume and budget adjustments, the 2018 Service Levels are consistent with the approved 2017 Service Levels for Social Housing System Management.

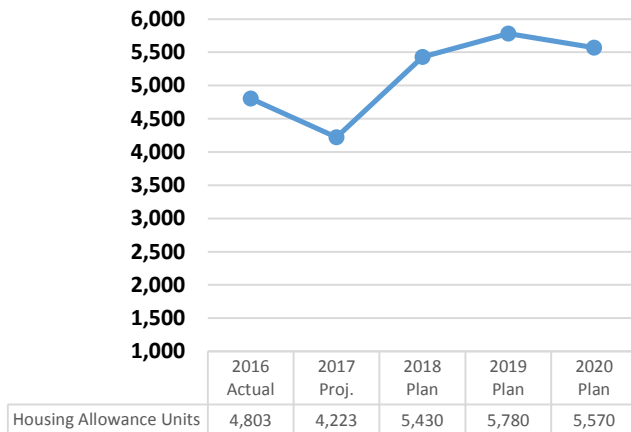
Service Performance Measures

Demand for Social Housing



- The demand for social housing has continued to grow and is expected to keep growing for the next few years.
- The expansion of the housing allowance program to applicants on the wait list will help improve affordability of housing for applicants who have been longest on the waitlist.

Number of Housing Allowance Units Supported



- The projected increase in housing allowance units supported is due to expansion of the housing allowance program, in particular the Investment in Affordable Housing (IAH) Extension program.

**Table 6
2018 Preliminary Service Budget by Activity**

	2017		2018 Preliminary Operating Budget							Incremental Change				
	Approved Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2017 Budget		New/Enhanced	Prelim Budget	2018 Prelim Budget vs. 2017 Budget		2019 Plan		2020 Plan	
					\$	%			\$	%	\$	%	\$	%
GROSS EXP.														
Social Housing Provider Subsidies	400,545.8	368,900.9		368,900.9	(31,644.9)	(7.9%)		368,900.9	(31,644.9)	(7.9%)	(15,172.2)	(4.1%)	15,421.9	4.4%
Rent Subsidies & Housing Allowances	139,133.5	132,110.2		132,110.2	(7,023.3)	(5.0%)		132,110.2	(7,023.3)	(5.0%)	(8,043.0)	(6.1%)	(1,596.4)	(1.3%)
Manage New Affordable Housing/Other Non Subsidized Programs	81,195.2	74,184.8		74,184.8	(7,010.4)	(8.6%)		74,184.8	(7,010.4)	(8.6%)	(31,189.7)	(42.0%)	(28,647.9)	(66.6%)
Centralized Social Housing Waiting List	23,852.8	15,219.6		15,219.6	(8,633.2)	(36.2%)		15,219.6	(8,633.2)	(36.2%)	(8,017.5)	(52.7%)	98.0	1.4%
Total Gross Exp.	644,727.3	590,415.5		590,415.5	(54,311.8)	(8.4%)		590,415.5	(54,311.8)	(8.4%)	(62,422.4)	(10.6%)	(14,724.5)	(2.9%)
REVENUE														
Social Housing Provider Subsidies	147,076.3	106,956.7		106,956.7	(40,119.6)	(27.3%)		106,956.7	(40,119.6)	(27.3%)	(23,620.3)	(22.1%)	(15,649.8)	(18.8%)
Rent Subsidies & Housing Allowances	64,133.6	54,492.2		54,492.2	(9,641.4)	(15.0%)		54,492.2	(9,641.4)	(15.0%)	(10,634.1)	(19.5%)	(4,422.5)	(10.1%)
Manage New Affordable Housing/Other Non Subsidized Programs	79,335.4	71,994.9		71,994.9	(7,340.4)	(9.3%)		71,994.9	(7,340.4)	(9.3%)	(31,461.8)	(43.7%)	(28,719.3)	(70.9%)
Centralized Social Housing Waiting List	16,925.5	8,828.5		8,828.5	(8,097.0)	(47.8%)		8,828.5	(8,097.0)	(47.8%)	(8,367.0)	(94.8%)	(8.1)	(2.0%)
Total Revenues	307,470.8	242,272.4		242,272.4	(65,198.4)	(21.2%)		242,272.4	(65,198.4)	(21.2%)	(74,083.1)	(30.6%)	(48,800.7)	(40.9%)
NET EXP.														
Social Housing Provider Subsidies	253,469.5	261,944.2		261,944.2	8,474.7	3.3%		261,944.2	8,474.7	3.3%	8,448.1	3.2%	31,071.7	11.5%
Rent Subsidies & Housing Allowances	74,999.9	77,618.0		77,618.0	2,618.1	3.5%		77,618.0	2,618.1	3.5%	2,591.1	3.3%	2,826.1	3.5%
Manage New Affordable Housing/Other Non Subsidized Programs	1,859.8	2,189.8		2,189.8	330.0	17.7%		2,189.8	330.0	17.7%	272.1	12.4%	71.4	2.9%
Centralized Social Housing Waiting List	6,927.3	6,391.1		6,391.1	(536.2)	(7.7%)		6,391.1	(536.2)	(7.7%)	349.4	5.5%	107.1	1.6%
Total Net Exp.	337,256.5	348,143.2		348,143.2	10,886.7	3.2%		348,143.2	10,886.7	3.2%	11,660.7	3.3%	34,076.2	8.7%
Approved Positions	117.2	129.8		129.8	12.6	10.8%		129.8	12.6	10.8%	(6.6)	(5.1%)		

The **Social Housing System Management** service manages the City's social housing programs and ensures the ongoing viability of existing social housing units to improve the quality of life of tenants, build strong neighbourhoods and sustain healthy communities.

The Social Housing System Management service's 2018 Preliminary Operating Budget of \$590.416 million gross and \$348.143 million net is \$10.887 million or 3.2% over the 2017 Approved Net Budget.

Included in the budget for this service is City's annual operating subsidy to TCHC of \$243.795 million which is \$2.089 million or 0.9% above the 2017 Operating Subsidy.

- In addition to the base budget pressures common to all services, this service will experience one more year of base pressures from the loss of federal funding. However, with the recent announcements of the National Housing Strategy, future year impacts are not fully known at this time.
- Legislated indexed Cost Factor Increases for Social Housing providers in compliance with the Housing Services Act of 2011 result in additional operating pressures of \$0.663 million and negotiated salary and benefit increases for union employees of \$1.732 million.
- To partially offset these pressures, the 2018 Preliminary Operating Budget includes line-by-line savings of \$0.128 million.



Part 3

Issues for Discussion

Issues Impacting the 2018 Budget

Budget Target

- At its meeting on May 24, 2017, the "2018 Budget Process - Budget Directions and Schedule" staff report (EX25.18) was submitted for consideration and adopted by City Council regarding the establishment of the 2018 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2018 Operating Budget and 2018 – 2027 Capital Budget and Plan for the City of Toronto. (<http://www.toronto.ca/legdocs/mmis/2017/ex/bqrd/backgroundfile-103826.pdf>)
- City Council directed all City Programs and Agencies to prepare their 2018 net operating budget equal to the 2017 Approved Net Operating Budget, representing 0.0% increase, 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 order to meet City Council's budget target of 0.0%, any additional service adjustments would negatively impact the Program's ability to meet its service objectives.

Pressures in Homeless and Housing First Solutions

Shelter Volume and Capacity

- The City faces significant occupancy pressures in the emergency shelter system. The occupancy rate across all sectors of the system averaged 95% throughout 2017 and is projected to reach 97% by the end of the year. This is well above the Council directed occupancy rate of 90%.
- The strong demand for shelter beds is primarily attributable to Toronto's tight rental market and the insufficiency of affordable housing options for lower income residents and vulnerable individuals and families in the City.
- Toronto has sought to increase the number of shelter beds in the system in response to demand. As earlier noted in the chart on page 17 of this report, system capacity has increased from approximately 4,241 beds in 2013 to 5,200 beds in 2017.
- While capacity has grown in response to demand, the City's attempt to stabilize and further expand the system to keep up with demand, is made more difficult by the strong growth and competitive nature of Toronto's real estate market. Attempts to acquire properties to open new shelters have been challenging.
- A recent source of occupancy pressure to the system is the increase in new arrivals including refugee claimants in the City of Toronto. At the beginning of 2016, 459 new arrivals were in City shelters on an average night (about 11.2% of the total shelter population). By August 2017, this number had increased to 1,260 on an average night (25.3% of the total shelter population).
- Since existing facilities were already at capacity, three motel programs were activated to respond to this urgent need for additional capacity. The response has however negatively impacted SSHA's 2017 Operating Budget performance. As of Q3-2017, SSHA projects a divisional overspend of \$10.500 million by the end of 2017.
- As a sanctuary city, Toronto's emergency shelter system has always provided accommodation for all new arrivals and the City has experienced temporary shelter occupancy pressures in the past. However, in view of recent geo-political events, the strong demand for emergency shelter beds is expected to continue well into 2018.
- In order to meet the need for additional capacity in 2018, the 2018 Preliminary Operating Budget for SSHA provides funding of \$18.037 million to sustain the continued operation of the 3 motel programs dedicated to new arrivals to the City throughout 2018, which includes incremental tax funding of \$15 million augmented by a one-time recovery of \$3 million from the Social Housing Reserve Fund as a bridging strategy to allow SSHA to respond to extra surge capacity if required.

- Another source of shelter occupancy pressures, are weather related events. Historically, the demand for shelter beds spikes during winter months. In response, the City has established and operated a Winter Respite program triggered by Extreme Cold Weather Alerts issued by Toronto Public Health.
- While this program was intended as a temporary measure to be activated only in times of extreme weather conditions, demand for services has remained strong throughout the winter in the past years.
- In response, City Council approved the following actions in 2017:
 - Addition of \$3 million gross, \$0 net to SSHA's 2017 Operating Budget to be funded from the Social Housing Reserve Fund as a one-time contribution for additional winter services, if required, during the 2017-2018 winter season as contained in CD19.11 "*Service Level Impact of the 2017 Service Adjustments to Shelter, Support and Housing Administration*"
 - Following a broader review of the Winter Readiness Program, SSHA proposed enhancements to the program through CD21.6 "*Review of Current Winter Respite Services and Planning for the 2017/18 Winter Season*". The recommendations in this report were adopted by City Council at its meeting on July 4, 2017.
 - These enhancements include continuous operation of Winter Respite Services from November 15, 2017 to April 15, 2018, new locations to increase service capacity as well as additional resources to improve coordination, data collection, measurement and the provision of housing access supports to clients of the Service. A link to the report can be found here:
<http://www.toronto.ca/legdocs/mmis/2017/cd/bgrd/backgroundfile-104153.pdf>.
 - These enhancements are to be fully funded by a draw of \$6.094 million from the Social Housing Reserve.
- SSHA also continues efforts to maintain and increase shelter capacity, a total of 291 beds are expected to open in 2018:
 - Additional funding to 2 community based organizations, Salvation Army Hope (60 beds), Egale Canada (30) beds to add a total of 90 beds in the men's and youth sectors respectively.
 - The establishment of a 51 bed youth shelter on the property at 747 Warden Avenue. The shelter is expected to commence operations mid-2018.
 - Also in connection with the George Street Revitalization, another 150 beds (50 beds at 731 Runnymede and 100 beds at 3306 Kingston) are expected to open by the third quarter of 2018.
- To further streamline the process for identifying potential shelter locations and better respond to anticipated need, City Council approved a new community engagement and planning process for emergency shelters through the adoption of CD19.6 "*Proposed New Engagement and Planning Process for Emergency Shelters*"
 - It is anticipated that the new shelter site identification and approval protocols as well as the community engagement process which will be piloted through 4 new shelter sites currently in planning stages will expedite the acquisition of new shelter sites and alleviate the occupancy pressures in the system.

Pressures in Social Housing System Management

The City continues to face significant pressures in Social Housing driven by the increasing gap between expenditures and declining revenues required to fund housing services.

Since the transfer of Social Housing to municipalities, the program has faced an annual operating shortfall. However, with the recent announcements of the National Housing Strategy, future year impacts are not fully determined.

The next few bullets explain in greater detail the operating pressures faced by the Social Housing System Management service.

▪ Federal Funding

- The Federal government has traditionally provided funding (transferred through the province under the Canada-Ontario Social Housing Agreement) to be used by the City to pay for mortgage and debenture repayments, certain operating costs and rent supplements for former federal housing providers.
- Once the housing provider's mortgage matures, funding from the federal government is no longer provided. Although there may be some cost relief to the City as the mortgage and debenture debts are paid in full, there is a loss in operating subsidy and funding for ongoing capital maintenance. If the housing provider takes on a new mortgage, federal funding is no longer available to offset the associated costs.
- The City is however legislatively required to maintain existing social housing service levels, and if the City does not fill the funding gap, the housing provider may not be able to keep the properties affordable, and may reset the rents on the units to market rates.

The City receives notice of the funding reduction from the Ministry of Municipal Affairs and Housing, which relies on the publications from the "Canada Gazette". From 2005 through to 2018, the City will have lost \$67.6 million in Federal support required to fund subsidies to Social Housing providers.

▪ Other Social Housing Pressures

- As prescribed by the Housing Services Act, 2011, social housing costs are annually indexed to the CPI. The City is legally mandated to fund inflationary impacts, which put a yearly pressure on the budget.
- Table A below highlights the anticipated expenditure pressures in 2018, 2019 and 2020, which are over and above the revenue losses noted in the previous section.

Table A

2018 Social Housing Operating Budget with 2019 - 2020 Outlooks									
(In \$000s)	2018 Recommended			2019 Outlook			2020 Outlook		
	Gross	Revenue	Net	Gross	Revenue	Net	Gross	Revenue	Net
Budget / Plan	431,405	141,602	289,804	431,644	131,605	300,039	433,242	122,663	310,580
	431,405	141,602	289,804	431,644	131,605	300,039	433,242	122,663	310,580
Mortgage Renewals	(807)		(807)	(898)		(898)	(323)		(323)
Rent Supplement Increases	2,720		2,720	5,331		5,331	3,305		3,305
Cost Factor Increases	439		439	(2,484)		(2,484)	(1,166)		(1,166)
Property Tax	294		294	731		731	749		749
Federal Subsidy (Including Debentures)	(1,982)	(9,737)	7,754	(1,282)	(8,643)	7,361	(10,000)	(19,957)	9,957
Settlements				500		500			
Annual Changes	664	(9,737)	10,401	1,898	(8,643)	10,541	(7,436)	(19,957)	12,522

- The cost drivers that comprise the \$10.401 million net pressure between 2017 to 2018, are noted below:
 - Rent Supplement subsidy increases of \$2.720 million, Cost Factor increases of \$0.439 million and property tax increases of \$0.294 million.

- The loss of Federal funding of \$9.736 million from expiry of the mortgages and loss of debenture funding on properties under administration between the City and the social housing providers as previously described. This includes the federal funding loss for both TCHC and Non-TCHC housing providers.
 - These pressures are offset by savings totaling \$807 million for mortgage renewals at lower interest rates.
- *Depletion of Social Housing Reserves*
- Historically, the Social Housing Stabilization Reserve and the Social Housing Federal Reserve Fund have been used to fund ongoing pressures in social housing. The cost increases for social housing have been significant in the past few years and as previously noted, are mandated through the Housing Services Act, 2011 and are linked to cost drivers outside the Program's control, including market-rent rate and CPI increases, property tax increases, and reductions in Federal and Provincial subsidy transfers.
 - Funding from the Province and Federal government does not take inflation into consideration.
 - During 2017, Council approved the following additional transfers to and from the reserves noted in Table B on the next page.

Table B

Reserve / Reserve Fund Name (In \$000s)	Projected Balance as of Dec. 31, 2017 \$	Withdrawals (-) / Contributions (+)		
		2018 \$	2019 \$	2020 \$
Projected Beginning Balance		28,247.2	7,646.2	7,482.8
Social Housing Federal Reserve	22,024.8			
Social Housing Stabilization Reserve	19,962.9			
	41,987.7	28,247.2	7,646.2	7,482.8
Commitments (-)				
Additional Cold Weather Drop-in Programs for the 2016/17 Winter season	(2,000.0)			
Additional winter services during the 2017/18 Winter season (One-time funding to be drawn only if required)	(3,000.0)			
Expansion of Winter Respite Services for the 2017/18 Winter season (Nov 15 - Dec 31, 2017 - \$2.659 M & Jan 1 - Mar 31, 2018 - \$3.399 M)	(2,695.0)	(3,399.0)		
One-time funding to support Human Services response to surge in new arrivals		(3,000.0)		
Choice Based Housing Access System	(2,793.0)	(1,430.0)	(134.0)	
Human Services Intergration Project		(3,275.0)		
TCHC Implementation (PMO)	(658.1)	(667.6)		
George Street Revitalization (GSR)-Phase 2 - Transition - Seaton House	(12,700.0)			
Tenant Relocation Support Services for Residents of 77 Mutual Street	(100.0)			
Rent Gap Assistance for Residents of 77 Mutual Street	(25.6)	(25.6)	(25.6)	(25.6)
Police Reference Checks	(3.8)	(3.8)	(3.8)	
TCHC Pre-development Agreement for 389 Church Street Redevelopment	(500.0)			
Transfer to TCHC for the redevelopment of 389 Church Street		(8,800.0)		
Renovations at 747 Warden Avenue - YouthLink Shelter	(1,000.0)			
Total Commitments/Withdrawals	(25,475.5)	(20,601.0)	(163.4)	(25.6)
Projected Contributions (+)				
Loan Repayment	232.5			
75, 77 & 83 Mutual Street	202.5			
Acquisition of 55-57 Humewood Drive- Christy Gardens settlement	2,500.0			
389 Church Street, Release of Reserve	8,800.0			
Total Contributions	11,735.0	-	-	-
Projected Uncommitted Balance	28,247.2	7,646.2	7,482.8	7,457.2

- Consistent with the purpose of the reserve, the 2018 Preliminary Operating Budget for SSHA includes a draw of \$3.000 from the Social Housing Stabilization Reserve to partially offset the cost of sustaining the motel programs activated to alleviate the occupancy pressures in the emergency shelter system and \$3.275 million to fund the implementation of the Human Services Integration capital project in collaboration with Toronto Employment and Social Services and Children Services. Please refer to the 2018 - 2027 Preliminary Capital Budget and Plan for Toronto Employment and Social Services.
- These draws will bring the projected uncommitted balance in the Social Housing Reserves to \$7.457 million at the end of 2020.

Toronto Community Housing Corporation – Interim 2018-2019 Funding

- City Council, at its meeting on July 4, 2017 adopted the report entitled "Tenants First- Phase 1 Implementation Plan EX26.1" and directed:
 - The development of an interim funding model for TCHC to address the current and short-term operating and capital funding shortfalls in 2018 and 2019, as part of the 2018 budget process; and
 - The creation of a permanent funding solution for the New TCHC and the new Seniors Housing and Services entity, to be reported to City Council in 2019. A link to the report can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX26.2>
- In keeping with City Council's direction, an Interim Funding strategy has been established for TCHC following a review of TCHC's operating requirements through the City's financial planning and management processes, pending the determination of a longer term funding model to be developed in 2019.

- This strategy will allow TCHC to continue its operations while providing substantial debt funding for its Capital program and to continue inflight capital revitalization projects during 2018 and 2019 to avoid any permanent unit closures.
- Through the 2017 Budget process, \$37.200 million was added to TCHC's operating subsidy to stabilize its operations. In addition, pressures of \$72 million were identified and deferred to the 2018 Budget process, including an \$18 million contribution to the sinking fund to retire public debentures and \$54 million towards the capital repair backlog.
- The operating subsidy for TCHC flows through SSHA's Operating Budget and funds mortgage and debenture repayments, property taxes and a portion of TCHC's remaining operating costs net of rental income.
 - A review of TCHC's submitted operating requirements (2018-2020) indicated that TCHC is able to address their operating requirements through a variety of funding strategies, including existing grants and subsidies, rental income and the use of reserves. In addition, TCHC identified efficiencies which have been reinvested in the corporation to restore adequate service levels for repairs, maintenance and cleaning.
 - In 2018 and 2019, TCHC does not require additional operating subsidy beyond the annual inflationary increases included to address expired units in the Operating Agreement and inflation in the Rent Supplement Agreement between TCHC and the City.
- The 2018 Preliminary Operating Budget includes base operating subsidy to TCHC of \$243.795 million (which includes \$52.375 million in federal funding flowed through SSHA's Operating Budget) and is in line with the 2018 Budget approved by TCHC's Board of Directors on September 28, 2017.
 - The operating subsidy is \$2.089 million or 0.9% above the 2017 level primarily due to the replacement of expired/expiring Federal funding with rent supplement funding from the City which is in line with the current Operating Agreement. The 2018 operating subsidy maintains the \$37.2 million provided to TCHC in 2017 to stabilize its operating pressures.
- In addition, the City will provide debt funding of \$279.2 million to TCHC (\$216 million in 2018 and \$63.2 million in 2019), subject to Council's approval of SSHA's 2018 - 2027 Preliminary Capital Budget and Plan, to allow the corporation to continue its capital repair plan and continue with current phases of Council approved revitalizations planned for 2018 and 2019.

Affordable Housing Grants

- The 2018 Operating Budget includes affordable housing funding through the Development Charges Reserve Fund for Subsidized Housing (DCRF), capital Revolving Reserve Fund for Affordable Housing (CRRF) and Federal/Provincial Programs, which are summarized in the table below:

2018 Affordable Housing Grants					
Project Name	No. Units	Capital Revolving Reserve	Development Charges Reserve Fund	Federal-Provincial Funds	Total
City Home Ownership Assistance Program (HOAP) (DCRF)	38		1,000.000		1,000.000
IAH New Affordable Rental Housing 1 (2011-2014)	47			1,339.500	1,339.500
IAH New Affordable Rental Housing (2014-2020)	149			7,664.000	7,664.000
IAH Toronto Renovates (2014-2020)	566			3,133.992	3,133.992
Bayside Pilot Project (Rental)	80	2,575.000		6,000.000	8,575.000
200 Madison Affordable Rental Project	82			4,756.000	4,756.000
Capital Revolving Fund (CRF) (Rental)	50	590.000		2,070.000	2,660.000
Development Charge Reserve Fund (DCRF) Rental Housing	268		5,436.331	3,500.000	8,936.331
Social Infrastructure Fund/IAH Affordable Rental	204			19,639.000	19,639.000
Social Infrastructure Fund/IAH TO Renovates	246			4,022.621	4,022.621
Social Infrastructure Fund/IAH Affordable Ownership	19			950.000	950.000
TOTAL	1,749	3,165.000	6,436.331	53,075.113	62,676.444

- The Affordable Housing Office transfers funding from the Provincial and federal governments, as well as the City's Development Charge Reserve Fund from Subsidized Housing and the Capital Revolving Reserve Fund for Affordable Housing to provide financial support to non-profit and private sector developers as well as homeowners and land lords, 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 SSHA's Operating Budget.

New & Enhanced Not Included in the 2018 Preliminary Operating Budget

The following initiatives have not been included in the 2018 Preliminary Operating Budget. However, they are detailed below for Budget Committee's consideration in the 2018 Budget process.

Description (\$000s)	New/Enhanced				Total			Incremental Change			
	Homeless & Housing First Solutions		Social Housing System Management		\$	\$	Position	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
New and Enhanced Services Priorities											
Staff Initiated:											
Transformative Data Analytics Team	192.0	80.5	94.5	39.7	286.5	120.3	4.0	101.0		5.9	
Sub-Total Staff Initiated	192.0	80.5	94.5	39.7	286.5	120.3	4.0	101.0	0.0	5.9	0.0
Referred to the Budget Process - Poverty Reduction											
TCHC's Tenant's First Implementation project			3,019.0		3,019.0						
Sub-Total Referred to Budget Process	0.0	0.0	3,019.0	0.0	3,019.0	0.0	0.0		0.0		0.0
Total New / Enhanced Services (Not Included)	192.0	80.5	3,113.5	39.7	3,305.5	120.3	4.0	101.0	0.0	5.9	0.0

Transformative Data Analytics Team

- This initiative proposes the establishment of a Transformative Data Analytics team to enhance the Program's data gathering and reporting capabilities. This team would analyze and report on service data and trends in the provision of divisional services, Performance Measures and provide mandatory metrics to the provincial government. A core focus will also be the identification and reporting of metrics measuring existing services and areas of increased service pressure.
- The new team will require 4 new permanent positions (2 Business Analysts and 2 Systems Integrators) as well as hardware and software requirements to enable it deliver on its mandate. The cost of these staff and equipment requirements are eligible for cost sharing with the Province as indicated in the chart above.

Tenants First Implementation Plan (\$3.019 million gross and \$0 net)

- City Council, at its meeting on May 24, 2017 adopted the report entitled "2018 Budget Process - Budget Directions and Schedule EX25.18" which requested TCHC to prepare a separate budget for the implementation and funding of the recommendations in the "Tenants First – Phase 1 Implementation Plan EX26.2" report and that staff include the funding in the 2018 budget submission. Link to report: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.18>
- Subsequently, City Council, at its meeting on July 4, 2017 adopted the recommendations of "Tenants First-Phase 1 Implementation Plan EX26.1". Link to report: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX26.2>
- As directed by City Council, TCHC, in collaboration with City staff, has developed a Tenants First budget to implement the recommendations of the report. The initiative will cost \$3.019 million in 2018 and \$2.996 million in 2019 and will be fully funded through TCHC's reserves, with no net cost the tax base.
- The program includes three pilots: one in Etobicoke that will test a decentralized service model that is more responsive to tenant needs, and two other community development pilots focused on aligning Youth programs and services in Rexdale and the creation of a local action plan in Scarborough.
- To execute the recommendations of Tenants First and the pilot programs, a temporary team of 19.0 positions is required by TCHC in 2018 and 2019 to carry out the project management functions, manage tenant consultations, and implement the pilot projects. Non-labour costs include office and system setup costs, reimbursement for consultations and travel, as well as external consultant fees detailed in the table below:

Tenants First Gross Expenditures (\$000s)	2018 Budget	2019 Plan
Labour & Related Costs		
Project Team	240.0	244.8
Decentralization Pilot	478.9	488.5
Community Development Pilots	769.0	784.4
Total Labour & Related Costs	1,487.9	1,517.7
Non-Labour Operating Costs		
Tenant and Community Program Costs	159.0	162.2
Staff Expenses	10.5	10.7
Office Operating Expenses	39.5	30.1
System Expenses (IT Only)	72.1	-
Professional Fees	1,250.0	1,275.0
Non-Labour Operating Costs	1,531.1	1,478.0
Gross Expenditures	3,019.0	2,995.7

- An update on the pilot program plan will be provided to City Council in January 2018 as part of the Tenants First Implementation Report and work will commence in Q1 2018.



Appendices

Appendix 1

2017 Service Performance

Key Service Accomplishments

In 2017, Shelter, support and Housing Administration accomplished the following:

Homeless Services

- ✓ Completed the purchase of 702 Kennedy Road and opened a 60 bed women's shelter operated by Homes First Society.
- ✓ The work needed for a new shelter for single men is nearing completion and will open its doors at 29 Leslie Street in 2018 to be operated by the Salvation Army Hope.
- ✓ Council approved the creation of a new shelter for youth at 747 Warden Avenue to be operated by Youth-Link. The Shelter will open in the summer of 2018.
- ✓ Signed a lease for the new shelter at 731 Runnymede Road to be one of the first shelters required for the George Street Revitalization project.
- ✓ Finished the implementation of the Hostel to Homes Housing First Pilot for long term shelter users. The program enrolled 200 clients and housed 70 with supports.
- ✓ The emergency Shelter system has responded to increased demands from refugee claimants adding more than 800 beds to the system.
- ✓ Council approved \$6.094 million to expand winter respite services that include 24-hour winter drop-ins from mid-November to mid-April.

Social Housing

- ✓ Assisted 5,500 households with housing allowances.
- ✓ Supported the implementation plans of Tenants First to enhance TCHC's capacity as a housing provider.

Appendix 2

2018 Preliminary Operating Budget by Expenditure Category
Program Summary by Expenditure Category

Category of Expense (\$000's)	2015	2016	2017	2017	2018	2018 Change from		Plan	
	Actual	Actual	Budget	Projected	Preliminary	2017 Approved		2019	2020
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries And Benefits	67,005.1	71,724.0	74,769.6	75,709.7	77,277.5	2,507.9	3.4%	80,189.5	80,707.1
Materials & Supplies	3,980.0	4,113.1	4,156.8	4,138.4	4,394.3	237.5	5.7%	4,573.9	4,598.0
Equipment	113.6	385.2	174.0	367.3	230.6	56.5	32.5%	253.3	256.8
Service And Rent	69,260.0	77,243.6	77,047.6	95,545.9	95,553.2	18,505.5	24.0%	91,401.5	91,438.3
Contribution To Reserves/Reserve Funds	4,841.9	2,367.9	2,443.4	637,408.8	1,371.4	(1,072.0)	(43.9%)	1,371.4	1,371.4
Other Expenditures	512,290.3	486,554.0	682,795.8	0.7	643,828.5	(38,967.3)	(5.7%)	595,217.8	555,649.3
Inter-Divisional Charges	1,192.6	1,818.4	2,357.8	2,693.1	2,441.0	83.2	3.5%	2,202.7	2,227.2
Total Gross Expenditures	658,683.5	644,206.2	843,745.1	815,864.0	825,096.5	(18,648.6)	(2.2%)	775,210.2	736,248.1
Inter-Divisional Recoveries	11.3	12.7	11.3	11.3	11.3			11.3	11.3
Provincial Subsidies	156,655.2	137,763.6	262,280.1	229,561.1	237,731.4	(24,548.7)	(9.4%)	176,791.7	139,582.0
Federal Subsidies	155,639.2	149,369.8	138,574.7	138,574.7	128,746.0	(9,828.7)	(7.1%)	117,864.1	96,825.7
Transfers From Capital	152.4	153.1	2,953.9	669.8	2,038.5	(915.4)	(31.0%)	3,680.5	3,541.3
Contribution From Reserves/Reserve Funds	24,307.5	6,614.6	30,811.3	27,637.2	18,231.4	(12,579.9)	(40.8%)	13,419.9	3,530.5
Sundry and Other Revenues	118.7	2,166.1	1,976.4	1,764.0	525.2	(1,451.2)	(73.4%)	525.2	525.2
Total Revenues	337,184.7	296,095.2	436,607.7	398,226.0	387,283.7	(49,324.0)	(11.3%)	312,292.7	244,016.0
Total Net Expenditures	321,498.7	348,111.0	407,137.4	417,638.0	437,812.7	30,675.4	7.5%	462,917.6	492,232.1
Approved Positions	575.3	759.4	809.4	748.4	826.4	17.0	2.1%	830.4	822.4

* Based on the 9-month Operating Variance Report

- Based on the 2017 Q3 results, Shelter, Support and Housing Administration projected over spending of \$10.500 million due to costs of providing additional shelter beds to meet higher than normal demand resulting from a spike in new arrivals and refugee claimants to the City of Toronto.

For additional information regarding the 2017 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, 2017" to be considered by City Council at its meeting on December 5, 2017.

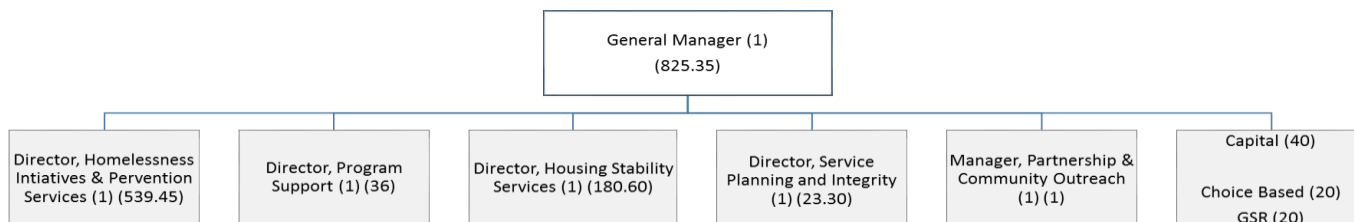
<http://www.toronto.ca/legdocs/mmis/2017/ex/bgrd/backgroundfile-109109.pdf>

Impact of 2017 Operating Variance on the 2018 Preliminary Operating Budget

- The operating pressures created by the increased demand for emergency shelter beds is expected to continue well into 2018. The 2018 Preliminary Operating Budget includes \$18.037 million in additional funding to SSHA to enable it to sustain its response to these pressures in 2018.

Appendix 3

2018 Organization Chart



2018 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	5.00	142.00	44.00	432.25	623.25
	Temporary		19.40	6.00	137.70	163.10
	Total Operating	5.00	161.40	50.00	569.95	786.35
Capital	Permanent					
	Temporary		7.00	5.00	28.00	40.00
	Total Capital		7.00	5.00	28.00	40.00
Grand Total		5.00	168.40	55.00	597.95	826.35

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, 2017* \$	Withdrawals (-) / Contributions (+)		
			2018 \$	2019 \$	2020 \$
Projected Beginning Balance			33,439.8	27,003.5	15,627.2
Dev Charges (2009) - Subsidized Housing	XR2116	43,942.1			
<i>Proposed Withdrawals (-)</i>		(16,700.4)	(6,436.3)	(11,376.3)	(1,532.0)
<i>Projected Contributions (+)</i>		6,198.1	-		
Total Reserve / Reserve Fund Draws / Contributions		33,439.8	27,003.5	15,627.2	14,095.2
Balance at Year-End		33,439.8	27,003.5	15,627.2	14,095.2

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017* \$	Withdrawals (-) / Contributions (+)		
			2018 \$	2019 \$	2020 \$
Projected Beginning Balance			7,318.6	10,594.6	10,035.6
Capital Revolving Fund - Affordable Housing	XR1058	11,360.6			
<i>Proposed Withdrawals (-)</i>		(6,298.7)	(3,225.0)	(60.0)	(60.0)
<i>Projected Contributions (+)</i>		2,755.7	7,000.0	-	
Total Reserve / Reserve Fund Draws / Contributions		7,817.6	11,093.6	10,534.6	9,975.6
Other Program / Agency Net Withdrawals & Contributions		(499.0)	(499.0)	(499.0)	(499.0)
Balance at Year-End		7,318.6	10,594.6	10,035.6	9,476.6

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

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017* \$	Withdrawals (-) / Contributions (+)		
			2018 \$	2019 \$	2020 \$
Projected Beginning Balance			8,040.8	6,653.3	5,453.3
Housing Allowance	XQ1112	2,702.5			
<i>Proposed Withdrawals (-)</i>		(533.7)	(1,387.5)	(1,200.0)	(1,200.0)
<i>Projected Contributions (+)*</i>		5,872.0		-	-
Total Reserve / Reserve Fund Draws / Contributions		8,040.8	6,653.3	5,453.3	4,253.3
Balance at Year-End		8,040.8	6,653.3	5,453.3	4,253.3

* Based on 9-month 2017 Reserve Fund Variance Report

Includes \$1.0m one time contribution in 2017 + \$3.8m year-end surplus allocation

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017* \$	Withdrawals (-) / Contributions (+)		
			2018 \$	2019 \$	2020 \$
Projected Beginning Balance			187.5	196.0	204.6
Vehicle Reserve- SSHA	XQ1100	178.9			
<i>Proposed Withdrawals (-)</i>					
<i>Projected Contributions (+)</i>		8.6	8.6	8.6	8.6
Total Reserve / Reserve Fund Draws / Contributions		187.5	196.0	204.6	213.1
Balance at Year-End		187.5	196.0	204.6	213.1

* Based on 9-month 2017 Reserve Fund Variance Report