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## 2018 OPERATING BUDGET BRIEFING NOTE

### Toronto Poverty Reduction Strategy

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#### Issue/Background:

In 2015, City Council approved *TO Prosperity: Toronto Poverty Reduction Strategy* (PRS), a 20-year strategy focused on Housing Stability, Service Access, Transit Equity, Food Access, Quality Jobs & Liveable Incomes, and Systemic Change. The PRS contains 17 recommendations linked to a set of actions to be carried out over a four-year period. Annual work plans identify initiatives that implement these actions.

#### Key Points:

1. The 2018 PRS Work Plan includes 54 initiatives that will be implemented within existing resources and external funding, and 16 initiatives that have a combined operating impact of \$61.3M (gross) and \$11.4M (net) for Council's consideration in the 2018 Budget Process.
  - Initiatives implemented with existing resources focus on the improvement of ongoing programs, the piloting of new approaches to service delivery, and the development of policies. These initiatives advance the City's commitment to driving systemic change by prioritizing poverty reduction actions and making them part of the City's day-to-day work.
  - Poverty reduction initiatives carried out with existing resources also include programs that leverage the City's economic and regulatory powers to generate positive social outcomes; examples include the Social Procurement Program and affordable housing units secured through Section 37 and other City incentives.
  - The \$61.3M (gross) includes new provincial funding for the child care system and a new request for the Toronto Urban Health Fund expansion.
  - The \$11.4M (net) represents the City's 2018 contribution towards its 20% share of the Child Care Growth Strategy, first phase of the low-income transit pass, and expansion of student nutrition programs.
  - The 2018 Preliminary Operating Budget for Shelter, Support and Housing Administration (SSHA) includes new, on-going funding of \$15M to sustain demand in the emergency shelter system to support new arrivals to the City plus \$3 M funded from the Social Housing Federal Reserve to provide additional surge capacity in 2018.

- In 2018 the Affordable Housing Office plans to deliver \$62.7M in grants to non-profit and private sector developers, homeowners and landlords to create 937 new affordable homes and to assist 812 households with essential repairs and modifications to their homes.
- Funding of \$537.6M (\$15.1M for 2018) is included in the 2018-2027 Capital Plan for SSHA, subject to Council approval, for the George Street Revitalization Project that will fund the transition, planning and construction of the new shelter.
- Funding of \$279.2M (\$216M for 2018) to the Toronto Community Housing Corporation (TCHC) is included in the 2018-2027 Capital Plan for SSHA to reduce the State of Good Repair backlog and to revitalize the existing housing stock in TCHC's portfolio.
- Due to adjustments made after the submission of the 2017 Progress Report and 2018 Work Plan, prior to the 2018 Budget launch for the Poverty Reduction Strategy, there is a discrepancy of \$3M (gross) \$0 (net) between figures presented in the financial impact statement of the staff report and the amounts discussed in this briefing note.

**Table 1: PRS Work Plan initiatives for consideration as part of the 2018 Budget Process**

<b>Poverty Reduction Initiatives (Original Plan)</b>	<b>Gross (\$000)</b>	<b>Net (\$000)</b>
<b>Children's Services*</b>		
Child & Family Centres administration program support	2,698.90	
Child & Family Centres program delivery	23,825.20	
City 20% share of Provincial/Federal growth subsidy	2,000.00	2,000.00
Increased staffing to manage growth	2,668.40	
Child care expansion (Firgrove / Ancaster) increased spaces	534.00	106.80
Additional 825 Spaces to support growth	12,000.00	
Increased Provincial Support for Programming	4,313.00	
<b>City Manager's Office</b>		
Funding to Support Poverty Reduction Strategy in HR	92.40	92.40
<b>Shelters Supports &amp; Housing Administration</b>		
TCHC's Tenants First implementation project	3,019.00	
<b>Social Development, Finance &amp; Administration</b>		
Equity Budgeting	105.00	105.00
Poverty Reduction evaluation framework	150.00	150.00
Transit Fare Equity Program - Phase 1	4,800.00	4,600.00
<b>Toronto Employment &amp; Social Services</b>		
Positions to administer Transit Fare Equity Program	421.40	
<b>Toronto Paramedic Services</b>		
Community Medicine @ Home-program expansion	355.20	355.20

<b>Poverty Reduction Initiatives (Original Plan)</b>	<b>Gross (\$000)</b>	<b>Net (\$000)</b>
<b>Toronto Public Health</b>		
Student Nutrition Program - Expansion	442.80	442.80
Student Nutrition Program - Strengthen Current Program	1,681.40	1,681.40
Toronto Urban Health Fund - Enhancement (Year 4)	150.00	37.50
<b>Toronto Public Library</b>		
Additional Youth Hubs, staff and programming costs	390.00	390.00
Sunday service enhancement	574.00	574.00
Wi-Fi Hotspot Lending	300.00	300.00
<b>Sub-Total</b>	60,520.70	10,835.10
<b>Poverty Reduction Initiatives (New to Plan)</b>		
Toronto Urban Health Fund - 15% Budget Enhancement	339.10	84.80
Community Services Partnership Funding Increase	450.00	450.00
<b>Sub-Total</b>	789.10	534.80
<b>Total</b>	61,309.80	11,369.90

\*In the 2018 PRS Work Plan, investments in child care are bundled under two broad initiatives.

- As noted in Table 2 below, additions of \$233.4M in PRS investments are being considered in the 2018 Preliminary Capital Budget.

**Table 2: PRS Investments in 2018 Preliminary Capital Budget**

	<b>Approximate Capital Investments (\$000)</b>	
	<b>Cash flow in 2018</b>	<b>Comments</b>
George Street Revitalization	\$15.1M	See comments above
Capital Repair Financing to TCHC	\$216.0M	See comments above
Human Service Integration	\$2.3M	Total project cost of \$9.823M with cash flow funding through 2021
<b>Total</b>	<b>\$233.4M</b>	

- Year to Year Investments in the Poverty Reduction Strategy are summarized in Table 3.

- In 2015, the first year of the PRS, there was no specified annual work plan, but \$25.9M (gross), \$18.3M (net) of new funding was invested in poverty reduction initiatives such as the elimination of TTC fares for children 12 years of age and under, and the expansion of Recreation Centers Where Programs Are Free.
- New and enhanced initiatives in the 2016 PRS Work Plan added to \$163.1M (gross), \$92.7M (net) of new funding. Key initiatives included securing property tax funding for essential shelters and child care services that previously relied on limited reserve funds.

- New and enhanced initiatives in the 2017 PRS Work Plan added to \$35.7M (gross), \$34.7M (net) of new funding. Key initiatives included new operating funding for TCHC, expansion of Student Nutrition Programs, and expansion of youth programs.

**Table 3: Year to Year Investments in the Poverty Reduction Strategy**

Year	New & Enhanced Initiatives	
	Gross	Net
2015	\$25.9M	\$18.3M
2016	\$163.1M	\$92.7M
2017	\$35.7M	\$34.7M
2018 Request*	\$61.3M	\$11.4M

\* Pending Council approval

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