

## ATTACHMENT 1 - PERMANENT FUNDING MODEL FOR TORONTO COMMUNITY HOUSING

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### 1) Creating a baseline subsidy amount:

Using 2019 Average Market rent, a baseline revenue stream will be created using the following formula:

Total (75%) average market rent for rent-geared-to income units – rent charged to tenants = total subsidy amount

The total subsidy amount will be allocated in the following way:

Capital funding: \$160 million annually

Operating subsidy: The difference between total subsidy amount and the capital funding

### 2) Annual subsidy calculation:

Annually, the subsidy will be updated by applying a cost factor to the operating subsidy that will increase this part of the total subsidy to cover operational increases. The annual cost factor increases will be recommended through the budget process and considered by Council through the annual City budget process.

### 3) Subsidy Review Schedule:

Trigger for review	Purpose of review	Date of review
Finalization of the mandate for TCHC and Seniors Housing Corporation	Ensure that the funding model is adequate to support the core mandate of TCHC and the seniors housing corporation as City-owned social housing providers.	2020
Transfer of operations of seniors portfolio	Ensure that removing the funding associated with the seniors housing portfolio and transferring that funding to a new corporation will not negatively impact the overall funding to TCHC and will provide adequacy for the seniors housing corporation.	2022
Annual review through the budget process	Assess the current operating and capital budget of TCHC and the seniors housing corporation in relation to current funding model.	Annually
Five year review	Review the baseline average market rent set for 2020 to ensure that it is still reflects appropriate revenue requirements.	2025