



Toronto Community Housing Corporation

**2020 Operating Budget
2020 – 2029 Capital Budget & Plan**

**Budget Briefing to Budget Committee
January 15, 2020**

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Overview and Highlights

2020 Operating Budget and Plan

2020 – 2029 Capital Budget and Plan

Overview and Highlights

Toronto Community Housing provides affordable and subsidized housing across the city.



110,000 tenants



58,500 units



2,100 buildings



Portfolio value over \$10B



89% of tenancies are deep-affordable (subsidy to reduce housing cost to 1/3 of income)



\$609M in rent savings benefits to TCHC tenants in 2019

TCHC's overall priorities are to provide positive tenant experience, quality homes and vibrant communities. Key service areas include:

Operating



Tenant Services



Building Operations



Community Safety and Supports

Capital



Building Repair Capital



Development Capital



Most TCHC tenants are identified through the City of Toronto Housing Connections waitlist. The primary eligibility criteria is low-income, and the city prioritizes survivors of domestic violence or human trafficking, shelter residents, and applicants experiencing homelessness.



Approximately ten-percent of tenants enter through various affordable housing, programs. Less than two-percent of TCHC tenancies are drawn directly from social service providers as part of support-housing partnerships called 'referral agreements'.

Notable statistics about TCHC tenants include:



43% of households have a member with a disability



29% of tenants live alone



26% of households are headed by a single parent



12% of households self-identify as having at least one member with a mental health concern



Median household income of TCHC tenants is \$18,398



Close to 75% of households rely on government funds as their primary source of income



TCHC’s vision for accountability is one where our tenants’ customer experience is the ultimate measure of success. In spring of 2020 we will be implementing a new Service Quality Indicator system to measure our performance and hold TCHC leadership accountable wherever we affect the lives of tenants.



These new indicators will be measured quarterly for every TCHC community and will be reported publicly. Tenant representatives will be part of the evaluation process to ensure that they accurately reflect the real experience of the people who call TCHC home.

Over twenty new service indicators will be used across numerous areas of activity, including:



Cleaning

Indoor, Outdoor, Garbage/Recycling



Building Maintenance

Plumbing, Heating, Common areas, Exterior, Air Quality and Environment, Elevators



Safety

Personal Safety, Interior and Exterior Lighting



Supports and Community Services

Access to Supports, Social Engagement, Arrears Support







Communication





Timely tenant notifications, Customer Satisfaction, Information and Engagement before Capital Projects



Community Engagement

Access to Input and Consultation, Delivery of Community Events

Outcomes		Description
	Tenants benefit from quality homes	<ul style="list-style-type: none"> Buildings are clean and well maintained, and service calls are resolved quickly to the satisfaction of tenants
	Tenants receive consistent service to meet their needs	<ul style="list-style-type: none"> Tenants have reliable access to staff who can solve problems quickly and thoroughly Tenants with complex needs are supported or connected to supports to be able to pay their rent and meet the obligations of their lease
	Tenants feel safe in their communities	<ul style="list-style-type: none"> Tenants have access to community spaces where they can feel safe, have confidence in their future safety, and experience less anti-social behaviour from neighbours and guests
	Tenants have a quality home to live	<ul style="list-style-type: none"> Buildings are in good repair and communities are built to help improve and enhance the quality of life for TCHC tenants

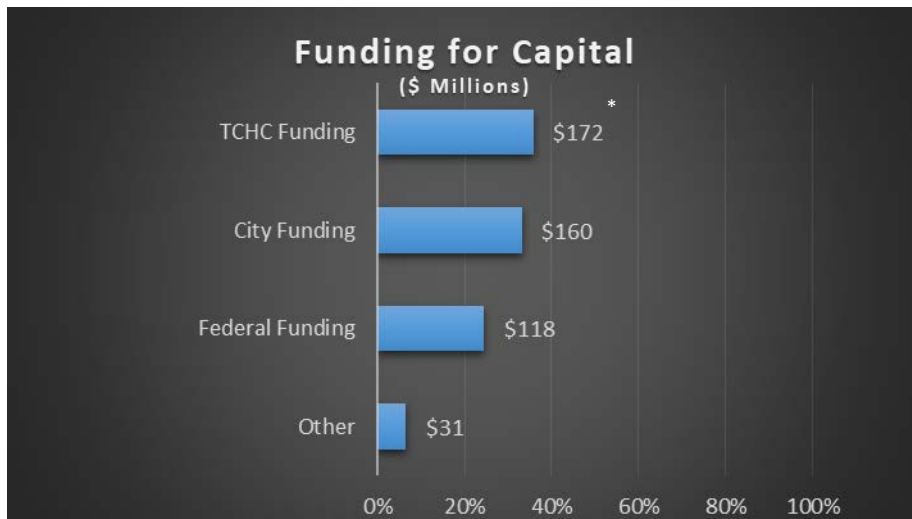
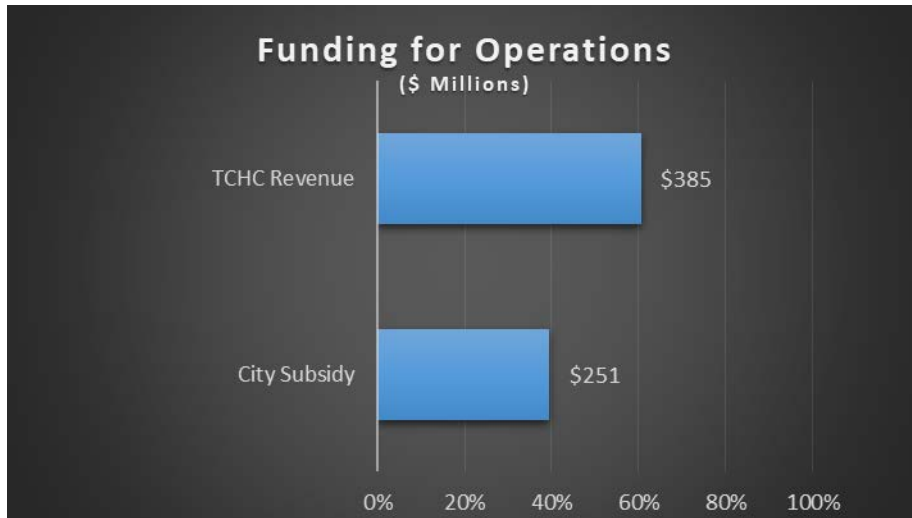
Key Priority Actions	
	<p>Building Operations</p> <ul style="list-style-type: none"> ✓ Expand evening and weekend superintendent, cleaning, and maintenance services ✓ Pest Mitigation ✓ Invest in energy efficient retrofits to reduce rising costs of utilities consumption
	<p>Tenant Services</p> <ul style="list-style-type: none"> ✓ Decentralize operations to enable front-line staff to address tenant and building needs more quickly ✓ Provide tenants with a prime point of contact in their buildings ✓ Establish the new tenant resolutions office and re-establishing the role of Chief Operating Officer ✓ Implement the Integrated Seniors Model in 18 buildings
	<p>Community Safety and Supports</p> <ul style="list-style-type: none"> ✓ Expand violence reduction program to communities with high youth gang populations, with a focus on community policing, relationship-building, listening to tenants, crime prevention and partnerships ✓ Continue to improve fire safety by increasing building inspection frequency, and providing fire safety education to tenants.
	<p>Building Repair and Development Capital</p> <ul style="list-style-type: none"> ✓ Achieving a Facility Condition Index (FCI) of 10% by the end of 2026 ✓ 25% Reduction in portfolio wide energy consumption by the end of 2028 ✓ Accessibility projects at common areas in 130 buildings and providing accessibility accommodations at 20% of TCHC units by the end of 2028 ✓ Continue to move forward with development in various communities such as Regent Park, Lawrence Heights, Alexandra Park and Don Summerville

2020 Operating Budget and Plan

2020 Operating Budget

(In \$000s)	2017 Actual	2018 Actual	2019 Approved Budget	2019 Projected Actual *	2020 Staff Rec'd Budget	Change v. 2019 Projected Actual	
						\$	%
By Service			\$		\$	\$	%
Revenues							
Residential Rent - RGI	230,754	240,648	236,960	246,442	251,104	4,662	1.9%
Residential Rent - Market	79,094	84,206	82,412	89,918	92,152	2,234	2.5%
City Subsidy	234,540	241,347	243,438	239,171	250,960	11,789	4.9%
Other	37,536	37,440	38,392	38,108	41,497	3,389	8.9%
Total Revenues	581,924	603,641	601,202	613,639	635,713	22,074	3.6%
Expenses							
Total Operating Expenses	582,285	603,641	601,202	599,053	635,713	36,660	6.1%
Total Gross Expenditures	582,285	603,641	601,202	599,053	635,713	36,660	6.1%
Net Expenditures	361	0	0	(14,586)	0	14,586	100.0%

* 2019 Projection is of August, 2019



* \$76M of TCHC's funding is a carry-forward of SHAIIP funding budgeted in 2019 and includes development funding

- For 2020, the City introduced Permanent Funding Model for TCHC
- The funding model calculates TCHC's subsidy based on 75% of Average Market rent
- Using the new funding model, TCHC's subsidy increases from a forecasted \$239M in 2019 to \$251M in 2020

- The City's new Permanent Funding model will also include \$160M of annual funding allocated for building capital repair
- Federal funding in the total of \$1.3B to be received over the next 9 years will contribute \$118M to the building repair program in 2020

Key Points

Key Cost Drivers – Base Budget

Key Cost Drivers (\$000)		2018 Actuals	2019 Proj. Actuals	2020 Staff Rec'd Base Budget	YoY Changes	
					\$	%
Expenditures						
1	Municipal Taxes and Fees	18,806	18,241	19,751	1,510	8.3%
2	Mortgage P&I	124,550	129,286	131,998	2,712	2.1%
3	Insurance Premiums and Liability Claims	6,424	7,408	7,951	543	7.3%
4	COLA, Collective Agreement and Adjustments to Benefits	4,805	6,715	5,793	(922)	-13.7%
5	Utilities and Other	449,056	437,403	448,624	11,221	2.6%
Total Expenditures		603,641	599,053	614,117	15,064	2.5%
Revenues						
1	Residential Rent - RGI	240,648	246,442	251,104	4,662	1.9%
2	Residential Rent - Market	84,206	89,918	92,152	2,234	2.5%
3	City Subsidy	241,347	239,171	250,960	11,789	4.9%
4	Other	37,440	38,108	41,497	3,389	8.9%
Total Revenues		603,641	613,639	635,713	22,074	3.6%
Net Expenditures		0	(14,586)	(21,596)	(7,010)	48.1%

(\$000s)				
Recommendations	Type	2020		
		Revenue	Gross	Net
Management Streamlining	Efficiencies		(1,930.0)	(1,930.0)
Information Technology Modernization	Efficiencies		(3,050.0)	(3,050.0)
Workflow Improvements	Efficiencies		(550.0)	(550.0)
Energy Efficiency	Efficiencies		(6,270.0)	(6,270.0)
Budget Increase/(Decrease)		-	(11,800.0)	(11,800.0)

New / Enhanced Priorities

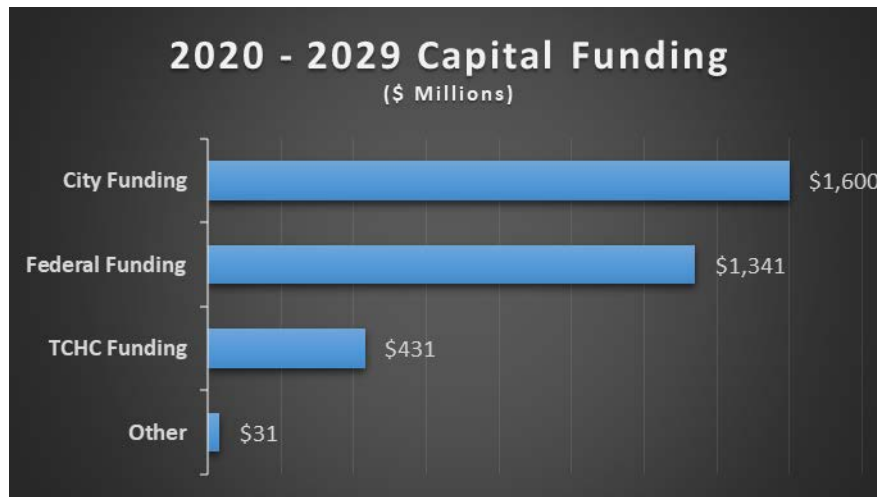
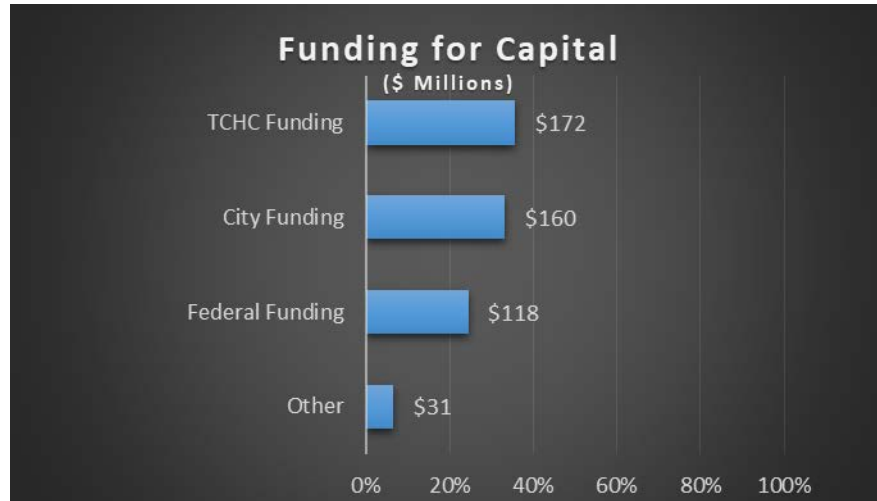
New / Enhanced (\$000s)			2020		
			Revenue	Gross	Net
Service Enhancements	1	Demand Maintenance		5,704.0	5,704.0
	2	Enhanced Front Line Operations		5,000.0	5,000.0
	3	Pest Mitigation		1,177.0	1,177.0
Safety and Security Enhancements	4	Fire Safety Inspections		1,300.0	1,300.0
	5	Violence Reduction Program		4,747.0	4,747.0
Other Enhancements	6	Seniors Integrated Service Model		3,668.0	3,668.0
Total New / Enhanced				21,596.0	21,596.0

2020 – 2029 Capital Budget and Plan

\$3,403.7M 10 YEAR GROSS CAPITAL PROGRAM

Budget Category	2020	2021	2022	2023	2024	Total 2020 - 2024	Total 2025 - 2029	Total 10 Year Plan
Planned Capital	\$180	\$245	\$248	\$248	\$223	\$1,144	\$811	\$1,955
Demand Capital	\$67	\$78	\$78	\$78	\$78	\$378	\$300	\$677
Energy Programs	\$85	\$10	\$6	\$6	\$6	\$113	\$18	\$131
Capital Other	\$18	\$18	\$19	\$18	\$18	\$91	\$63	\$154
Development Capital	\$131	\$95	\$57	\$30	\$27	\$339	\$148	\$487
	\$481	\$445	\$407	\$380	\$352	\$2,064	\$1,340	\$3,404

Where the Money Comes From

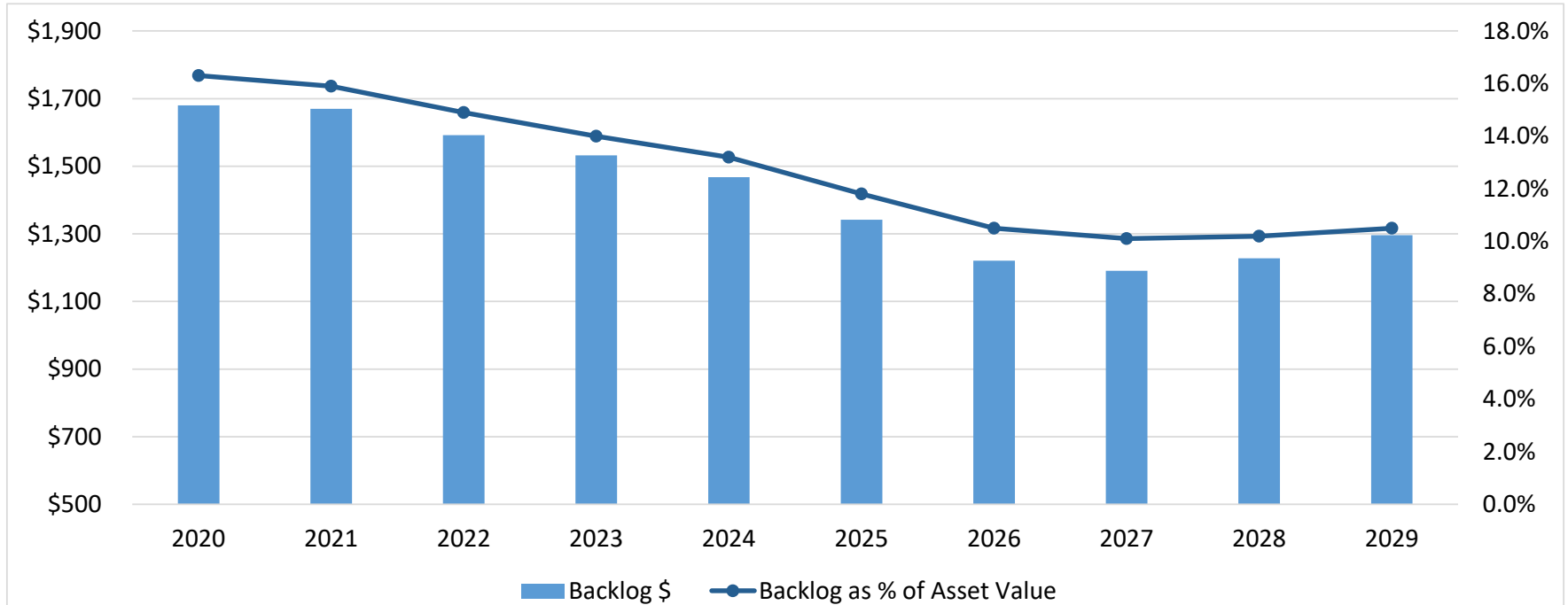


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What This Buys

- \$350M of the gross 2020 budget request is mainly allocated to the building repair capital targeted at bringing the FCI to 10% by the end of 2026
- Projects to increase accessibility for tenants and to reduce energy consumption in TCHC buildings will also be ongoing in 2020
- \$131M is for Development capital which will see over 300 new rental units completed in 2020
- Continued development of new communities such as Alexandra Park Phase 2

Accumulated Backlog as a % of Asset Value (\$ Millions)



\$Millions	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Backlog \$	\$1,680	\$1,670	\$1,592	\$1,532	\$1,468	\$1,342	\$1,221	\$1,191	\$1,228	\$1,296
Backlog as % of Asset Value	16.3%	15.9%	14.9%	14.0%	13.2%	11.8%	10.5%	10.1%	10.2%	10.5%

The addition of \$1.600 billion in City funding to TCHC's 2020-2029 Capital Budget and Plan, combined with \$1.34 billion of federal funding secured through the National Housing Strategy, will enable TCHC to bring their portfolio to a state of good repair and ensure no additional units are closed.

Thank You