

Attachment 3

Toronto Community Housing



EX16.17

Toronto Community Housing Corporation, 2019-2022
Strategic Plan and 2020 Budget Detailed Summary



Toronto Community Housing Strategic Plan

2019-2022

Under Review – to be updated in 2021



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Message from the Chair and the CEO

Toronto Community Housing's buildings are the homes and communities where 110,000 tenants build their lives. We want these homes to be places where all tenants can thrive and realize their potential.

Working with the City of Toronto, in 2017 we refocused our mandate on the core services we deliver as a social housing provider. We are also working to transform our culture and practices to become more responsive and tenant-centric. We are working to integrate Toronto Community Housing within the network of supports and services that exist in the city to better meet the needs of tenants.

Within the context of refocusing our mandate, we engaged tenants to gain insight into what matters most to them. Our 2019 – 2022 Strategic Plan reflects the priorities we heard from tenants and from our employees. It provides the framework to continue building on our progress. The plan sets ambitious but achievable targets that will drive meaningful change and advance our journey to better service delivery.

The plan sets out three strategic priorities: positive tenant experience, quality homes and vibrant communities. These priorities underscore our continuing focus on delivering clean, well-maintained buildings where tenants have opportunities to engage with their community. We are committed to ensuring that service delivery meets high standards consistently across the organization. Our strategic plan speaks to our role in collaborating with organizations, governments and the private sector to improve tenant access to services and support community building.

We are enthusiastic about our strategic plan and the clear direction it sets for visible, meaningful and positive change for tenants. We want tenants to be proud to call Toronto Community Housing their home, and we want employees to be proud to work here.



Vision

Quality homes in vibrant communities where people are proud to live and work

Values

Respect: We respect people as individuals and create environments where fairness, trust and equitable treatment are the hallmarks of how we work.

Accountability: We are accountable for our actions, accept responsibility for our performance and share the results of our work in an open, honest and transparent manner.

Community collaboration: We recognize we can do more together than alone. We seek out partnerships with tenants, the City of Toronto, stakeholders and government to combine efforts and resources in pursuit of common goals.

Integrity: We perform our duties with the utmost regard to the high standards expected of a corporation established to deliver social housing.

Accessibility for persons with disabilities: We are committed to providing accessible service. This includes meeting our duty to accommodate disabilities under the *Human Rights Code*, and the standards set out in the *Accessibility for Ontarians with Disabilities Act*.



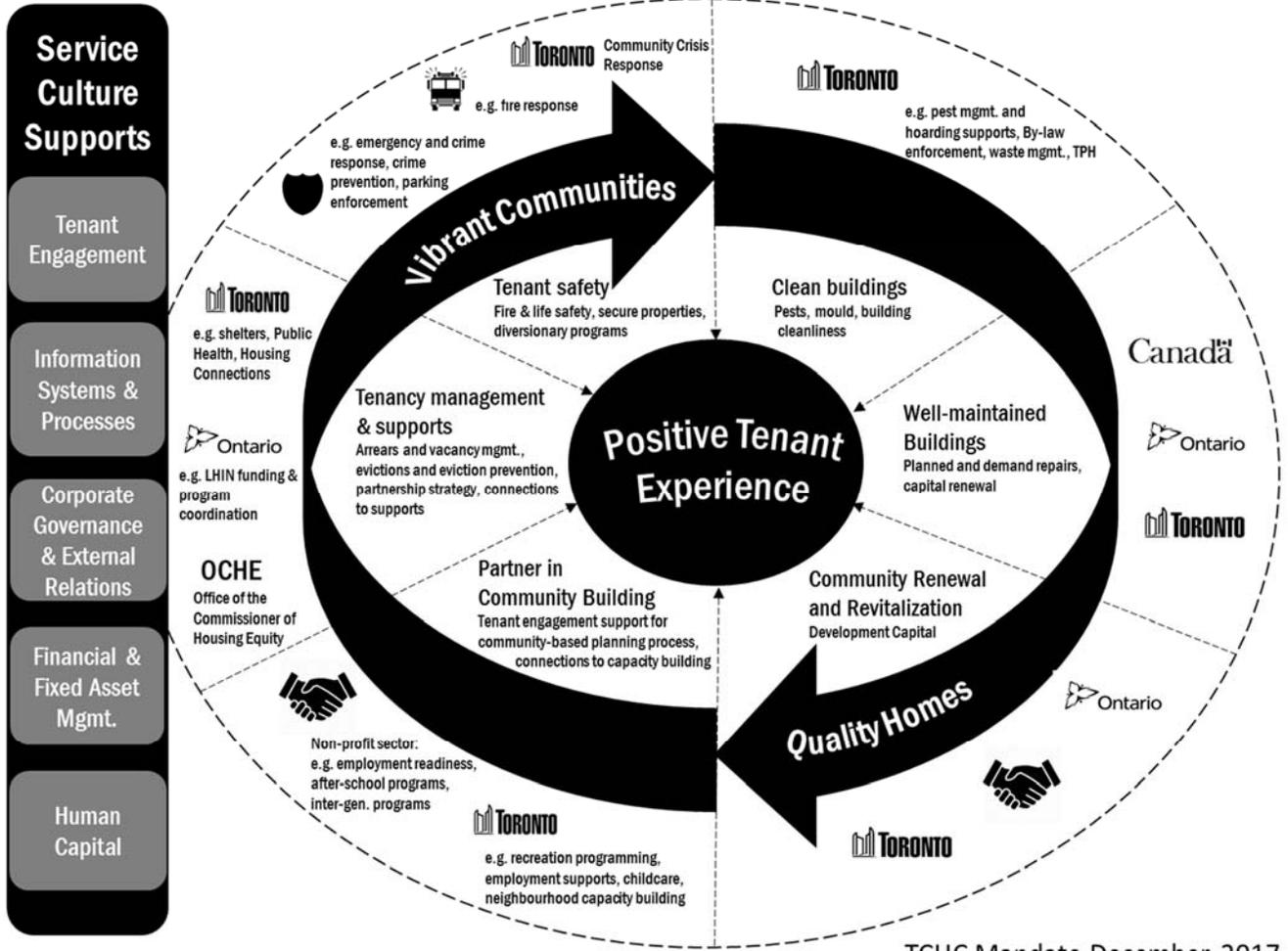
Mandate

As a social housing provider, we must do more than a typical landlord and are responsible for meeting the requirements set out by the City in our Shareholder Direction. We provide a complex array of services and programs. As a result, our role in the community has not always been clear, leading to expectations which exceed our mandate. In order to use resources effectively and provide quality service to tenants, we need to focus on delivering our core competencies. Recognizing this, we worked with the City of Toronto in 2017 to refocus our mandate.

The mandate diagram on page 7 defines Toronto Community Housing's six core services as a social housing provider.

- **clean buildings** includes unit condition, and pest and mould control;
- **well-maintained buildings** includes regular maintenance and emergency repairs in tenants' units and in buildings;
- **revitalization and renewal** includes communities undergoing comprehensive redevelopment and buildings where large-scale capital renewal projects are being undertaken;
- **community building partner** includes tenant engagement systems and multi-partner work on local community planning;
- **tenancy management and supports** includes assistance for vulnerable tenants to meet the terms of their lease and maintain their tenancy; to better deliver this function while adhering to our mandate, we need to make connections with outside agencies such as Local Health Integration Networks, the Centre for Addiction and Mental Health, and legal clinics; and
- **tenant safety** includes community safety response, building design to deter crime, fire life safety, and youth programs; Toronto Police Service is responsible for delivering the policing services that keep our communities safe; however, through our Community Safety Unit, we do our part working collaboratively with police to ensure that tenants are properly served.

The inner circle of the mandate diagram provides a snapshot of Toronto Community Housing's core services. The outer circle represents some of the many partners and organizations that deliver programs and services that support tenants. These programs and services are complementary to our services but are not part of our core competencies as a social housing provider, nor should they be.





We do not have the funding, employee capacity or expertise to deliver all of the wide variety of programs and services that tenants need to maintain successful tenancies. As a result, we rely on external organizations to provide the services we are not mandated to deliver. Our plan assumes that all three orders of government will provide their fair share of financial and other resources. All three orders have pledged support, but program details have yet to be articulated.

With assistance from the City of Toronto, we must move toward a more strategic approach to partnerships, and do so in a way that enhances the wellbeing of tenants. By leveraging the use of non-residential space in our buildings, we can attract the right community partners to deliver the needed services to tenants within their own communities. This will allow us to focus on delivering programs and services within our mandate.

Building strategic and beneficial partnerships takes time and resources, as well as partners who are committed to working with us to create positive change. Our ongoing collaboration with the City of Toronto to drive transformative change through the Tenants First project will be integral to achieving successful outcomes for tenants.



Introduction and Context

About Us

To be as an iconographic/infographic

Tenants:

- Some 110,000 people (4% of the City of Toronto's population) live in our buildings. They come from many different backgrounds with a diversity in age, education, language, mental and physical ability, religion, ethnicity and race.
- Roughly two out of every five households self-identify as having a member with a disability.
- 89% of tenants pay rent-geared-to-income. The other 11% pay market rent or affordable rent rates.
- The median income of Toronto Community Housing households in 2017 was \$17,677. By comparison, the median income of economic families in Toronto in 2015 (latest data available) was \$82,859.

Employees:

- Almost 2,000 people work at Toronto Community Housing.
- 81% of employees work in operational divisions providing frontline service to tenants.
- 15% of our employees are either current or former tenants of social housing.
- 13% of our employees will be eligible to retire in the next five years.

Portfolio:

- Toronto Community Housing is the largest social housing provider in Canada.
- Nearly 60,000 low-and moderate-income households call Toronto Community Housing home.
- We own and manage rental units in 2,100 buildings across the city, containing nearly 50 million square feet of residential space, in more than 100 of Toronto's neighbourhoods.
- Our portfolio is a \$10-billion public asset.
- Most of our buildings are more than 50 years old and need large-scale repairs.



Strategic context

The Mayor's Task Force and Tenants First

In January 2015, Mayor John Tory appointed an independent Task Force to review the operations of Toronto Community Housing. Following the Task Force's final report in January 2016, the City established the Tenants First team to create a plan for implementing the Task Force recommendations. Tenants First focuses on Toronto Community Housing's role as a social housing provider, from maintaining its buildings in good repair to connecting tenants to appropriate services and engaging in their communities.

As part of Toronto Community Housing's work with the City to implement the Tenants First report, in the fall of 2017 we collaborated on refocusing our mandate. Guided by this refocused mandate, we are now working with the City to establish a sustainable funding model. The new model will align with a revised operating agreement and Shareholder Direction.

Our strategic plan continues to address the Tenants First recommendations, focusing on improved service delivery, better building conditions, increased access to services, and connecting and integrating services to effectively meet the needs of senior tenants and communities. To the last point, we will:

- work with the City of Toronto to create a new integrated service model to promote aging in place, better quality of life and successful tenancies for Toronto Community Housing seniors—those living in seniors buildings and those living in other buildings—as well as all other tenants; and
- evolve the Seniors Housing Unit established within Toronto Community Housing in 2018 to implement the model and manage the seniors portfolio.

As the City's direction on seniors housing evolves, based on their review of City services for seniors and investigation into the creation of a Seniors Housing and Services Entity, we will continue to work with them to implement a system that best meets the needs of seniors. We are committed to developing an infrastructure that will support the needs of all tenants living in Toronto Community Housing.

Policy, Regulation and Legislation

Several factors impact both the direction of the strategic plan and our day-to-day operations. As a public institution and with the City of Toronto as our sole shareholder, Toronto Community Housing is subject to municipal, provincial and federal legislation and initiatives. The political climate in Ontario began to change in 2018 with the election of a new majority government, and further changes may arise in 2019 following the federal election. New policies, regulations and legislation from other orders of



government could require a change in the direction of our strategic plan and impact how we operate.

Several government initiatives currently underway also have the potential to directly affect Toronto Community Housing. For example, possible funding under the National Housing Strategy, the Government of Ontario's efforts to modernize social housing, the Survivors of Domestic Violence Portable Housing Benefit, the Government of Ontario's Fair Wage Better Jobs initiative, legalization of recreational cannabis, alternative level of care decisions, the push to reduce shelter crowding and the RentSafeTO landlord registry could impact our operations.

Rental Housing Crisis

Toronto is currently in the midst of a housing affordability crisis, especially for rental units. The vacancy rate for purpose-built rental housing is at its lowest rate (1%) since 2001, while monthly rental rates are at an all-time high. As a result, almost half of renters in Toronto pay more than 30% of their monthly income for housing.

This crisis has further exacerbated demand for subsidized housing. There are more people with active applications on the City's waitlist than there are tenants currently residing within Toronto Community Housing. The active waitlist has increased by 28% over the past five years to more than 180,000 people, while our supply of subsidized housing has declined during that same period due to a lack of funding to maintain and repair units.

As the city's largest social housing provider, our strategic plan addresses the need to repair and revitalize our buildings in order to maintain the limited supply of affordable rental housing in Toronto. Secure funding sources are needed from other orders of government to address all necessary repairs.



Strengths, weaknesses, opportunities and threats (SWOT) analysis

Strengths

Committed employees

Our team of dedicated employees is one of our greatest strengths to ensure the successful execution of our strategic plan. Although Toronto Community Housing faces many challenges, our employees continue to demonstrate their commitment to serving tenants. We have capitalized on their experience and knowledge to develop an achievable plan that will drive change and improve our service delivery to tenants.

Full complement of executive leadership team

Several of Toronto Community Housing's executive leadership positions were filled on an interim basis for varying lengths of time between 2014 and 2017, leading to uncertainty for our front-line staff on the direction we were headed. The majority of officer positions, including President and Chief Executive Officer, have been filled on a permanent basis, providing stability and continuity as we move forward to deliver on our strategic priorities.

Revitalization expertise

We are internationally recognized for our community-based approach to revitalization which leverages funding from partners to create replacement rental housing, new community spaces, and employment and training opportunities for tenants while actively engaging them in the transformation of their neighbourhood. We are currently revitalizing eight of our communities across the city, and have several large properties within our portfolio that could accommodate additional housing developments, and hence additional revitalization opportunities. We will leverage our expertise and strong reputation as a developer on additional revitalization projects that we are actively exploring.

Operational efficiencies

We are committed to delivering operational efficiencies wherever possible and any funds freed up will be relocated to services with direct tenant benefit.

Weaknesses

Meeting stakeholder expectations

The needs of tenants extend beyond our mandate as a social housing provider. This is especially pronounced regarding tenant vulnerabilities, such as mental health and addiction issues, that create challenges to maintaining successful tenancies. An estimated 23% of tenants live with mental health challenges, and there is currently a shortage of more than 12,000 units in Toronto for individuals living with serious and



persistent mental illnesses who require supportive housing. More than two-thirds of tenants who are seniors live alone, with many struggling to access the community services or supports they need to live independently.

When supports for tenants are not available, we have often sought to provide assistance in ways that go beyond our core competencies. This results in suboptimal services for tenants and diverts our limited resources from our core mandate. Meeting these needs going forward requires greater collaboration with the City of Toronto, Toronto Police Service, Toronto Public Health and other community service partners through a holistic service delivery model.

Aging Buildings and Insufficient Funding

The majority of our buildings are more than 50 years old, and only two per cent were built within the past 10 years. We have operated for more than 15 years without a stable, long-term source of funding to pay for capital repairs, which has resulted in a \$2.6-billion repair backlog, deteriorating building conditions and the permanent closure of hundreds of units.

Since launching our 10-year capital repair plan, our annual spending has steadily increased from \$68 million in 2013 to a record \$300 million in 2018. We have used these funds to make significant progress toward addressing our portfolio's repair and renewal needs and are committed to accelerating our progress.

Although the City of Toronto's 10-year capital plan includes \$160 million per year for Toronto Community Housing, which would ensure no further permanent closures of units, funding challenges remain. (Please refer to the threats section on page 12.) Our capital renewal program remains underfunded as our portfolio continues to age.

Information technology infrastructure

Our information technology infrastructure consists of more than 180 applications and systems, with many approaching or already at end of life. Many systems are at an increased risk of failure and are no longer supported by the developer. We are currently planning to upgrade the core applications to provide an integrated solution for our operations, and expect to have a new system in place within the next two years. This investment will enable our employees to quickly and easily access the information they need to do their jobs and serve tenants.

Service delivery in contract-managed buildings

The 2017 tenant survey found that only 55% of tenants in contract-managed buildings were satisfied with Toronto Community Housing's services compared with 70% of tenants in direct-managed buildings. These results show that tenants in contract-managed buildings do not feel they are receiving the level of service they deserve. Ensuring that tenants receive consistent and high-quality service across the portfolio is a key goal within our strategic plan.



Opportunities

National Housing Strategy

The National Housing Co-Investment Fund, announced in April 2018 as part of the Government of Canada's National Housing Strategy, aims to create up to 60,000 new affordable units and repair up to 240,000 affordable and community units across Canada over the next 10 years. Through the fund, the federal government will provide a combination of loans and financial contributions to projects that meet or exceed affordability, accessibility and energy-efficiency criteria and have a form of investment from another order of government. We are determining which of our capital projects could be adjusted to meet the criteria and whether we can access provincial or municipal funding support to be eligible; however, this program will not address our long-term funding needs on a sustainable basis.

Transit expansion

The federal and provincial governments have committed a combined \$9.6 billion toward five transit projects in Toronto over the next decade, including the Scarborough East LRT and Scarborough subway extension. In addition, the Eglinton Crosstown and the Finch West LRT are projected to open in 2021 and 2022 respectively. Our properties located near these new transit nodes would likely increase in value. This presents opportunities for revitalizing these communities by partnering with the private sector to develop for-sale market condominiums and using proceeds to help fund the replacement of our buildings on the property.

Tenants First

Our ongoing collaboration with the City of Toronto to implement Tenants First creates opportunities to develop a new service model to better serve tenants. We moved swiftly in 2018 in response to Council's direction to establish a Seniors Housing Unit, and are working with the City to create a new integrated service model for seniors housing. The result will be better coordination of the services provided to seniors by outside organizations and better alignment of programs focused on seniors delivered by the City, the province and the federal government. Tenants who are seniors will be better positioned to age in place and enjoy better quality of life and successful tenancies.



Threats

Reduced funding sources

Following a recommendation in the Putting People First: Transforming Toronto Community Housing report, we began the process of refinancing our mortgages in 2013 to take advantage of lower interest rates and to generate funding for our 10-year capital repair plan. Between 2013 and 2017 just under \$750 million was generated through mortgage re-financing; however, this source of funding is not sustainable as the number of mortgages available for refinancing will decline in the coming years.

Between 2018 and 2027, we are forecasting to generate an additional \$196 million from mortgage refinancing. With the \$160 million per year commitment from the City and mortgage financing proceeds, we have been able to secure only one-third of the funding we need to fully implement our 10-year capital renewal plan. We are also aware of funding gaps in the City's 10-year capital plan.

We are working with the City of Toronto to develop a sustainable, permanent funding model. This will not be possible without the provincial and federal governments contributing their share of funding toward the capital repair backlog. To date we have not received any funding commitments to support the delivery of our 10-year capital plan from other orders of government.

With the recent change in provincial government we face additional funding uncertainty. For example, in June 2018, the provincial government announced its decision to cancel the cap-and-trade program, which was a source of funding for our plan. Contracts for existing projects funded by cap-and-trade will be honoured; however, future funding can no longer be expected through this program.

As government funding pressures are expected to increase over time, we also recognize that securing additional revenue and funding sources are needed to ensure financial sustainability.

Demographic trends and tenant needs

An increasing number of senior tenants who are aging in place face isolation and barriers which impact their ability to manage their lives. Between 2013 and 2017, our population of seniors grew by 25%, and seniors living alone grew by six per cent. This trend will continue, as the number of people in Toronto aged 65 and over is expected to almost double by 2041. This trend will result in increased demand from tenants, including for accessibility modifications to their units to enable them to continue completing daily activities without barriers. We will work with the City of Toronto to create a new integrated service model to promote aging in place, better quality of life and successful tenancies for all seniors living in our buildings.

Many of our most vulnerable tenants, including seniors, do not have access to the proper supports that they need to maintain their tenancies. Increases in shelter usage,



and a lack of long-term care beds and supportive housing, will lead to further instances of vulnerability within the tenant population. This will continue to be a challenge for us. Toronto's waiting list for supportive housing for mental health and addictions increased by 138% between 2013 and 2017, while demand for long-term care services in Ontario continues to grow at an annual rate of 15%. It is essential that we work collaboratively with the full range of community partners and other orders of government to ensure that tenants have access to the supports and alternative housing options that best fit their needs.

Rising utility costs

The Ontario government forecasts that the average monthly residential bill for electricity in Ontario is expected to increase by 52% between 2017 and 2035, which will divert our resources away from maintaining our buildings and improving conditions for tenants. We spend upward of 20% of our operating budget on utilities. We have been mitigating exposure to rising energy costs while improving living conditions for tenants through retrofits and upgrades to buildings, such as new energy-efficient heating, improved insulation and window replacements. We will continue to work with the City of Toronto to secure funds available through the Ontario Climate Change Action Plan, as well as continuing to pursue other available sources of funding.



Enterprise Risk Management

Toronto Community Housing uses an Enterprise Risk Management (ERM) framework to identify, monitor, and evaluate risk exposures. This ensures that we have appropriate risk controls and mitigation plans in place, and that exposures are within the established risk appetite. As well, we use identified priority risk exposures and their associated controls and mitigation plans to inform enterprise-wide planning and decision making. We have integrated this information into the development of the strategic plan and divisional business plans.

To strengthen our ability to manage priority risks, in 2018, we refreshed the original ERM framework first implemented in 2015. The ERM refresh focused on three components: governance, framework, and policies and procedures.

Governance

We have established an ERM Committee composed of company officers to provide executive oversight on key activities such as enhancing management governance and strengthening accountability and integrated decision-making. The ERM Committee updates the profile of priority risks and emerging risks annually and leverages opportunities to facilitate enterprise-wide planning and decision making.

Framework

We used an enterprise-wide risk register to track all identified priority risks and emerging risks, as well as corresponding risk controls. We update the risk register quarterly with consideration to risk controls that have been developed and implemented throughout the organization. We have also adopted standardized risk domains to help categorize all identified risk exposures. The risk domains are as follows:

- **Business Risks:** business operations, reputation and public image, and governance
- **Resource Risks:** human resources, financial, information systems, and physical assets
- **Compliance Risks:** environmental, health and safety, legal, regulatory and standards, and policies and procedures.



How We Consulted with Tenants and Employees

We worked closely with tenants and the City of Toronto to refocus our mandate. Through this process we gathered valuable input from key stakeholders that helped us develop our strategic plan. In addition to our refocused mandate, our SWOT analysis, risk assessment and the results of the 2017 tenant survey provided the foundation for the overall direction of the strategic plan. The survey results showed that tenant satisfaction has improved in many key areas and that our organization is heading in the right direction.

To confirm we were on the right track with our strategic priorities and to gain a deeper understanding of tenants' perceptions, we held six consultation sessions and conducted an online survey through which we engaged over 270 tenants from across the city. We asked tenants what success would look like to them and what outcomes they would like to see at the end of the four-year strategic plan. We also consulted with employees regarding our vision through our employee engagement survey, which was completed by 77% of employees.

What we heard from tenants and employees reinforced our strategic priorities, and helped us to identify goals and objectives for each priority. The following key themes emerged from these consultations:

- improve the conditions of units, buildings and common areas;
- dedicate more resources to community safety;
- create more opportunities to engage tenants and connect them to the broader community; and
- provide more frequent and proactive communications to tenants in a respectful manner.



The Plan

To achieve our vision, we have identified three strategic priorities:

- Positive Tenant Experience
- Quality Homes
- Vibrant Communities

For each priority, we have identified strategic goals, key actions that will enable us to achieve them, and key performance indicators and targets over the strategic plan period. Of course, the ultimate measure of success will be the positive changes that tenants experience as a result of us effectively executing our strategic plan.

To embed tenant experience in all aspects of our work, we have looked at each of the seven goals through a tenant-experience lens. Each goal includes a section called “What tenants will see” that provides examples of what we will strive for in terms of a positive experience for tenants.



Positive Tenant Experience

Our refocused mandate identifies positive tenant experience as central to all that we do at Toronto Community Housing. We want tenants to feel they have been treated with respect and received quality service in every interaction with our employees and contractors.

Goal 1: Tenants receive responsive, consistent and quality service, and proactive communication

Through our annual tenant survey and direct feedback, tenants have told us that we need to provide timelier and more respectful communication to tenants, and restore their confidence in Toronto Community Housing. It has also shown that tenants living in contract-managed buildings are not as satisfied with the service they receive as are tenants living in direct-managed buildings. Tenants are entitled to the same quality of service no matter where they live in our portfolio.

As our seniors population ages, we recognize there is a need to support aging in place to promote better quality of life and successful tenancies for all seniors. To accomplish this, a new integrated service model is needed.

What we heard

Tenants told us they want maintenance requests for their units completed in a timely and respectful manner, regardless of whether their building is directly managed by Toronto Community Housing or contract-managed. Tenants also want to receive clear and timely notices and other communication.

Actions

- 1.1 Proactively communicate with tenants in all matters that affect them.
- 1.2 Work with contracted property management companies to ensure that service delivery is improved and is consistent across all buildings.
- 1.3 Evolve the Seniors Housing Unit within TCHC and implement the integrated service model to effectively address the needs of seniors across the portfolio.

What tenants will see:

- service delivery that better meets the needs of senior tenants;
- more responsive and consistent service delivery;
- respectful treatment when interacting with employees and contractors; and
- clear and proactive communications regarding repairs and service disruptions.



Goal 2: Employees are engaged, empowered and accountable in a tenant-centric culture

To become more tenant-centric, we will need to transform our culture. Our employees are the drivers of organizational success and tenant satisfaction. We need employees to feel empowered and take ownership of their work. We will provide them with clear expectations, the tools, training and support they need, as well as the authority to make decisions. We will work to create an environment that is conducive to high morale and performance, which will then be reflected in the service provided to tenants.

What we heard

Tenants want Toronto Community Housing employees to be accountable for the services they provide. Tenants want employees to respond in a timely, respectful and consistent manner. This means providing employees with the skills, tools, support and accountability systems to help them do their work.

Actions

- 2.1 Foster high levels of employee engagement and a workplace that is conducive to high morale and strong leadership competency, where employees have ownership of and accountability for their work.
- 2.2 Have in place the tools, technology and clear processes to deliver services effectively.

What tenants will see

improvements in quality, consistency and response time for service requests;

What employees will see

- all employees have the skills, support and authority they need to perform their work and feel confident in doing so; and
- achievements are recognized and rewarded.



Quality Homes

Quality homes means buildings are clean and well-maintained to keep them in a state of good repair, and that we are taking advantage of renewal and revitalization opportunities where possible.

Goal 3: Buildings are clean and well-maintained

All tenants deserve to live in homes that are in good condition and are a place they are proud to call home, raise their families and invite their friends to visit. Through our 2017 tenant survey, tenants told us that providing clean, well-maintained homes is the most significant driver of tenant satisfaction.

Each year, we update our 10-year capital renewal plan to address the capital repair backlog and forecast our continued funding needs. Full funding and implementation of the plan will return our buildings to a state of good repair. Within the 10-year capital renewal plan, we have developed a four-year building repair capital plan that is aligned with our strategic plan period; it is included in Appendix B. We have also developed energy-efficiency and environmental targets, as required by the Shareholder Direction.

What we heard

The buildings' common areas need to be clean and accessible, elevators need to be more reliable, and laundry, garbage and recycling areas need to be better managed. Tenants want more frequent pest control treatments and to have all aspects of their units working properly.

Actions

- 3.1 Continue implementing the 10-year capital renewal plan.
- 3.2 Deliver consistently clean buildings.
- 3.3 Improve the quality of maintenance and repair work through strengthened vendor performance management
- 3.4 Initiate the revitalization process in additional communities and continue to revitalize 250 Davenport, Alexandra Park, Allenbury Gardens, Don Summerville, Firgrove, Lawrence Heights, Leslie Nymark and Regent Park.

What tenants will see

- capital work reflects input from tenants;
- interior and exterior common areas are accessible and refreshed;
- elevators are reliable;
- units are in a state of good repair;
- cleaning standards are communicated to tenants and adhered to;



- waste is managed effectively;
- maintenance requests are completed properly the first time; and
- revitalization communities are actively involved in the renewal process.



Goal 4: Resources are effectively allocated, while managing risk and providing value for money

We are accountable to tenants for the housing we provide, and to the citizens of Toronto for the funding we receive from the City. Our limited resources mean we must make every effort to ensure we are getting the most out of each dollar. This means making investments based on life-cycle costing and value for money. Our four-year operating budget can be found in Appendix A.

What we heard

Tenants want staff to have more oversight of the quality of work completed by vendors and property management companies to make sure repairs are completed properly the first time a request is made. Tenants also want our procurement processes to place more emphasis on the quality of services offered by vendors. Tenants recognize that efficient financial management means resources can be stretched further, enabling us to deliver more core services to tenants.

Action

- 4.1 Enhance the strategic sourcing process to ensure the selection of quality vendors and optimize value for money.
- 4.2 Leverage underutilized assets to generate revenue that will provide direct benefits to tenants and Toronto Community Housing.

What tenants will see

- repairs are completed properly the first time;
- more repair and maintenance work is carried out; and
- services are delivered to tenants more efficiently.



Vibrant Communities

Vibrant communities are places that tenants are proud to call home. It is where they feel safe whether they are raising a family or living alone. Our communities need to be places where people can thrive and reach their potential.

Goal 5: Tenants feel safe in their communities

Safety in our communities is top priority. We have been and are continuing to introduce new strategies and actions to deter crime; however, curtailing such activity is mostly beyond our control as a social housing provider. Yet, when a violent incident happens on one of our properties, its impacts are felt throughout the community by tenants, the broader community and our employees alike.

Many of our communities are in neighbourhoods that have consistently high crime rates. While Toronto Community Housing tenants comprise four per cent of the city's total population, 26% of shootings in the city in 2017 occurred on our properties. Our community safety resources are disproportionate to the volume of tenants that may require safety services. On average there is one special constable on duty for every 5,240 tenants covering an area of 30 square kilometres. We lack access to robust intelligence data that would enable us to better and more proactively respond to requests for service. Despite increasing our complement of special constables from 102 to 114 in 2018, we cannot solve this issue on our own. The Toronto Police Service is responsible for managing crime and enhancing public safety across the entire city, including in Toronto Community Housing communities. Despite our positive and collaborative relationship, we need more support in order to deliver on this goal.

It is our responsibility to ensure that all our buildings meet the *Ontario Fire Code* through regular inspection and maintenance. The vulnerability of many tenants puts them at greater risk during a fire, which increases the complexity of providing a safe environment. Six out of seven causes of fires at our buildings are human behavior-related, such as careless cooking, careless smoking or unattended open flames. We have an important role in educating tenants and employees in partnership with Toronto Fire Services to promote behaviours that create a culture of fire safety for everyone.

What we heard

Tenants would like us to respond more quickly when they call us. They also would like to see a more visible presence of Community Safety Unit special constables in their communities to help build relationships so that both employees and the community can collectively address incidents of anti-social behaviour when they occur. In addition, investments in better lighting, signage and security cameras can help tenants feel safer in their communities.



Actions

5.1 Enhance and upgrade physical infrastructure to increase security and deter criminal behaviour.

5.2 Implement a new safety model to deliver enhanced Community Safety Unit presence in priority communities using the information gathered through the implementation of pilots in the broader Dan Harrison and 145 Strathmore communities¹.

5.3 Advance the fire safety culture by improving tenants' and employees' awareness and by building partnerships with key stakeholders.

What tenants will see

- more timely and coordinated responses to emerging community issues;
- early identification of community issues and better problem solving and cooperation;
- community safety unit officers are visible in the community and tenants know how to get in touch with them;
- continued strategic installation of lighting and closed-circuit television cameras; and
- increased communication and awareness regarding fire safety.

¹ The broader Dan Harrison community has been identified as a priority community for safety concerns. The pilot, which will begin in 2018, will provide enhanced 24/7 presence in this community, conduct regular patrols and respond to security issues at surrounding buildings. This will increase our ability to better address anti-social behaviour and improve documentation to support evictions for cause.



Goal 6: Tenancies are well managed with a focus on supporting vulnerable tenants to have successful tenancies

We provide homes to many tenants who need additional supports to maintain their tenancies. Providing the appropriate support is in most cases beyond our core competencies. Strengthening our partnerships with government and the non-profit sector is essential to meet tenants' growing needs for support services. Toronto Community Housing's role is to identify tenants who face barriers to maintaining a successful tenancy and connect them to appropriate supports to help them maintain their tenancy.

What we heard

Tenants want employees to have a good understanding of the unique needs of vulnerable tenants in each community in order to develop strategic partnerships with service agencies that can meet these needs. Tenants also want employees to connect them with the right community partners that can meet their support needs.

Actions

6.1 Identify vulnerable tenants and connect them to appropriate supports.

6.2 Enhance relationships with existing partners and identify new collaboration opportunities that better address tenants' needs.

What tenants will see

- tenants receive timely communication on lease violations; and
- connections will be made to the right supports, when needed.



Goal 7: Tenants are engaged in activities that influence their quality of life

Tenants understand the needs of their communities. Toronto Community Housing is committed to providing an effective tenant engagement system that enables more tenants from all communities to get involved. This includes facilitating tenant participation and the connection to programs and services that enhance their quality of life.

What we heard

Tenants want more opportunities to provide input and to be involved in matters that affect them. They want more formal opportunities to get involved at the local level. Tenants want us to address barriers to participation by creating more accessible spaces and materials, and ensuring all communities receive notices and other information in a timely manner.

Tenants also want access to more recreational programs that serve the needs of the community.

Actions

7.1 Implement the refreshed tenant engagement system to remove barriers to tenant participation and empower tenants to be actively involved in local priority setting, action planning and collaboration on matters that affect them.

What tenants will see

- additional opportunities and structures for tenants to get involved in their community;
- timely notices posted in their communities in English and other commonly spoken languages;
- more information about local community programs and services that address priorities identified by the community;
- more communication about recreational programs delivered by community partners in their area; and
- better connections to partners that can help them get access to job, educational and mentorship opportunities.



Accountability

To maintain transparency and accountability we have identified key performance indicators (KPIs) and targets for each of our goals. We will use these to track our progress over the four years of the plan. These KPIs are included in the table “Goals, Actions and Key Performance Indicators” on page 41. We will also develop annual business plans to operationalize the strategic plan. We will report regularly to the Board of Directors on the progress against established goals and targets in our business plans.



Goals, Actions and Key Performance Indicators

Note: Baselines and targets are not available for all key performance indicators (KPIs) as several actions are new initiatives under development in 2018 or 2019. As a result, targets are listed as “to be determined” (TBD) for these actions. They will be set through the annual business plan once the baselines are established.

Strategic Priority	Strategic Goals	SP Actions	SP Key Performance Indicators	Baseline	SP Targets			
					2019	2020	2021	2022
Positive Tenant Experience	<p>1: Tenants receive responsive, consistent, and quality service, and proactive communication</p>	<p>1.1 Proactively communicate with tenants in all matters that affect them</p>	<p>Tenant Experience Survey: Keeping tenants informed of changes that affect them</p>	73% (2017)	75%	77%	79%	81%
		<p>1.2 Work with contracted property management companies to ensure that service delivery is improved and is consistent across all buildings</p> <ul style="list-style-type: none"> Partner with FM to assess preventative maintenance work and standardize capital management practices On-going contract Compliance Management 	<p>% of time that service levels are met.</p>	Baseline to be established in 2018	TBD	TBD	TBD	TBD
		<p>1.3 Evolve the Seniors Housing Unit within TCHC and implement the integrated service model to effectively address the needs of seniors across the portfolio</p> <ul style="list-style-type: none"> Operate Seniors Housing Unit under new structure and funding model to deliver a positive tenant experience Implement integrated service delivery model 	<p>Tenant Experience Survey: Overall tenant satisfaction in seniors buildings</p>	78% (2017)	79%	81%	83%	85%
			<p>Integrated service delivery model implemented in collaboration with the City of Toronto and service-delivery partners</p>	<p>Work plan to be developed in 2018</p>	<p>Milestones met</p>	<p>Milestones met</p>		



Strategic Priority	Strategic Goals	SP Actions	SP Key Performance Indicators	Baseline	SP Targets			
					2019	2020	2021	2022
Quality Homes	<p>2: Employees are engaged, empowered and accountable in a tenant-centric culture</p>	<p>2.1 Foster high levels of employee engagement and a workplace that is conducive to high morale and strong leadership competency where employees have ownership of and accountability for their work</p>	Employee engagement survey	66%	69%	72%	74%	76%
		<p>2.2 Have in place the tools, technology and clear processes to deliver services effectively</p>	IHMS delivered in accordance with work plan.	IHMS implemented according to budget and timelines	IHMS implemented according to budget and timelines	IHMS implemented according to budget and timelines		
	<p>3: Buildings are clean and well-maintained</p>	<p>3.1 Continue implementing the ten-year capital renewal plan</p> <ul style="list-style-type: none"> Implement energy management program 	<p>Facilities Condition Index (%)</p> <p>Energy reduction (%)</p>	<p>16.2%</p> <p>\$139.7M of utility expenses budgeted in 2018</p>	18.3%	18.5%	17.7%	16.0% ²
		<p>3.2 Deliver consistently clean buildings</p>	<p>Level of compliance with building cleaning standards portfolio wide</p>	95%	95%	95%	95%	95%
		<p>3.3 Improve the quality of maintenance and repair work through strengthened vendor performance management</p>	<p>Tenant Experience Survey: Building Conditions</p>	62% (2017)	64%	66%	68%	70%
		<p>3.4 Initiate the revitalization process in additional communities and continue to revitalize 250 Davenport,</p>	<p>Progress against milestones</p>		Development partner selected for	Construction start for Don	Construction on start on phase 4	Completion of 120 TCHC

² FCI targets will only be achieved if \$300 million in 2019 and \$350 million in subsequent years are allocated for capital renewal.



Strategic Priority	Strategic Goals	SP Actions	SP Key Performance Indicators	Baseline	SP Targets			
					2019	2020	2021	2022
		Alexandra Park, Allenbury Gardens, Don Summerville, Firgrove Lawrence Heights, Leslie Nymark and Regent Park			remaining revitalization phases in Regent Park and Lawrence Heights Planning approvals obtained for Don Summerville	Summerville site	Regent Park and phase 2 Lawrence Heights	rental units in Don Summerville
			100% of TCHC units committed to in revitalization communities are completed	n/a	451 units	279	233	99
	4: Resources are effectively allocated, while managing risk and ensuring value for money	4.1 Enhance the strategic sourcing process to ensure the selection of quality vendors and optimize value for money	Quality of vendors: increase in the average vendor evaluation scores	Baseline established in 2018	TBD	TBD	TBD	TBD
Vendor Performance: % of jobs completed in accordance with service standards			Baseline established in 2018	TBD	TBD	TBD	TBD	
		4.2 Leverage underutilized assets to generate revenue that will provide direct benefits to tenants and TCHC	Commercial revenue increase (%)	\$16.1 million (2017)	Targets developed	TBD	TBD	TBD
	5: Tenants feel safe in their communities	5.1 Enhance and upgrade physical infrastructure to increase security and deter criminal behaviour	Number of buildings with upgrades to cameras, lighting and building access systems.		Meet 100% of targets 40 buildings	Meet 100% of targets 30 buildings	Meet 100% of targets 20 buildings	Meet 100% of targets 20 buildings
Vibrant communities		5.2 Implement a new safety model to deliver enhanced Community Safety Unit presence in priority communities using the information gathered through the implementation of pilots	Reduction in anti-social behavior in selected communities		Baseline developed	5% decrease in 1st site	5% decrease in 2nd site	5% decrease in 3rd site



Strategic Priority	Strategic Goals	SP Actions	SP Key Performance Indicators	Baseline	SP Targets			
					2019	2020	2021	2022
6: Tenancies are well managed with a focus on supporting vulnerable tenants to have successful tenancies	in the broader Dan Harrison and 145 Strathmore communities	5.3 Advance the fire safety culture by improving tenants' and employees' awareness and by building partnerships with key stakeholders	% of staff trained	100%	100%	100%	100%	
			# of buildings/sites where training was offered	Baseline established in 2018	15% inc	15% inc	15% inc	
			# of tenants who received training	Baseline established in 2018	15% inc	15% inc	15% inc	
	6.1 Identify vulnerable tenants and connect them to appropriate supports	6.2 Enhance relationships with existing partners and identify new collaboration opportunities that better address tenants' needs	Vulnerable tenants requiring support connected to appropriate supports	Baseline to be established in 2018	100%	100%	100%	100%
			% of existing partnership agreements redrafted	25% completed (2018)	-	-	-	
			% of tenants participating in program offered by partner	TBD	TBD	TBD	TBD	

Appendix A: Four-Year Operating Budget

Will be attached once the budget is approved by the Board in September

Appendix B: Four-Year Building Capital Renewal Plan

Will be attached once the budget is approved by the Board in September



Toronto Community Housing 2020 Budget

Date: December 12, 2019

What We Do

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

Who We Serve



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

Keeping Accountable to Our Tenants



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 seven 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

2020 Budget – Key Deliverables

✓ TCHC's 2020 Budget includes the council approved permanent funding model (operating and capital).

Operating

Tenant Services



- Decentralize operations to enable front-line staff to address tenant and building needs more quickly
- Establish the new tenant resolutions office and re-establishing the role of Chief Operating Officer
- Implement the Integrated Seniors Model in 18 buildings



Building Operations

- Expand evening and weekend superintendent, cleaning and maintenance services
- Pest Mitigation



Community Safety and Supports

- 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 education to tenants

2020 Budget – Key Deliverables cont'd

✓ TCHC's 2020 Budget includes the council approved permanent funding model (operating and capital).

Capital



Building Repair Capital (\$350.0M)

- Repair Backlog Stabilized - Fully funded with combination of City funding (new permanent funding model) and CMHC loan/ funding



Development Capital (\$130.5M)

- Over 300 new rental units to be completed
- Fully funded from City Funding carried forward and TCHC funding

2020 Budget - At a Glance



Total Budget	\$1,110.2M	(2019: \$1,023.7M)
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Operating Budget	\$629.7M	(2019: \$601.2M)
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Building on TCHC's 2019/2020 reorganization, all business operations have been organized around the goal of providing quality service to tenants. Enhancements in the operating budget are focused on increasing the quality and availability of service to tenants. Accountability will be driven by twenty Quality Service Indicators which will integrate real-time service evaluations by staff and tenants to create a constant, responsive and publicly available system to measure the performance of TCHC's service systems.

Building Repair Capital	\$350.0M	(2019: \$313.1M)
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Through Building Repair Capital TCHC delivers preventative maintenance and planned capital improvements to buildings across the portfolio. These investments are key to preventing unit closures and ensuring that the largest publicly owned housing portfolio in Canada remains available for generations to come. TCHC is targeting a 2020 year-end FCI of 16.3% which is projected to decline on a go-forward basis reaching a sustainable state of good repair by 2026.

Development Capital	\$130.5M	(2019: \$109.5M)
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Development Capital represents the ongoing work by TCHC to create brand new housing units by leveraging the value of existing properties. Key objectives of this work include the wholesale replacement of aging RGI buildings, the development of new affordable rental, and the creation of diverse, welcoming communities.

2020 Budget – Permanent City Funding Model

Subsidy to Toronto Community Housing Corporation					
(in \$000s)	2016	2017	2018	2019	2020
Operating Subsidy	203,397	240,540	241,347	239,764	250,960
Capital Funding	-	-	160,000	40,000	160,000
One-time Provincial Funding (SHAIP)	-	-	-	133,111*	-
Total	203,397	240,540	401,347	412,875	410,960

*\$107M is expected to be deferred to 2020

- City subsidies for TCHC have increased beginning in 2017
- Temporary 2 year Capital Funding Model was implemented in 2018
- Permanent Funding Model for 2020 and onwards represents an allocation based on 75% of Average Market rent with \$160M allocated permanently for Building repair capital
 - Historically, City Subsidy was based on Block Funding

2020 Operating Budget

Service Improvement Areas



	Key Priority Actions
Building Operations	<ul style="list-style-type: none"> ▪ Invest in additional front-line resources to expand evening and weekend superintendent, cleaning, and maintenance services ▪ Improve vendor management to enhance quality of repairs ▪ Invest in energy efficient retrofits to reduce rising costs of utilities consumption
Tenant Services	<ul style="list-style-type: none"> ▪ Restructure front-line operations to deliver flexible, enhanced support for high-needs communities ▪ Hire additional community support and tenant service coordinators to support tenants with maintaining successful tenancies ▪ Decentralize operations and empower, train and support front-line staff to address tenant and building needs locally and as a result, more quickly ▪ Provide tenants with a prime point of contact in their buildings ▪ Establishing the new tenant resolutions office and re-establishing the role of Chief Operating Officer
Community Safety and Supports	<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.

Key Efficiencies Identified for 2020

- **\$1.93M – Management Streamlining**
 - Savings related to the elimination of head-office management positions and the conversion to a more streamlined reporting structure.
- **\$3.05M - Information Technology Modernization**
 - \$2.2 million reduction in ongoing maintenance and system development costs resulting from the retirement of inefficient legacy software and IT systems.
 - \$0.8 million reduction in software licensing fees resulting from the consolidation and renegotiation of software contracts
- **\$0.55M - Workflow Improvements**
 - \$0.3 million savings due to workflow modernization in Finance Division.
 - \$0.2 million savings as a result of work-schedule optimization and the renegotiation of shared-work agreements, related to the delivery of shared service partnerships
- **\$6.27M – Energy Efficiency**
 - Combined savings resulting from tenant education in energy efficient behaviour and energy efficient capital improvements.
- **TOTAL \$11.8M in savings reinvested into improved services**

2020 Budget – Enhancements



Key Cost Drivers	2020 Operating Budget (In \$000s)	
	Expenses	
Service Enhancements		
Demand Maintenance	\$	5,704
Enhance front line operations	\$	5,000
Pest Mitigation	\$	1,177
Total Service Enhancements	\$	11,881
Safety and Security Enhancements		
Fire Safety Inspections	\$	1,300
Violence Reduction Program	\$	4,747
Total Safety and Security Enhancements	\$	6,047
Seniors Integrated Service Model	\$	3,668
Total	\$	21,596

2020 Budget – Non-Discretionary Cost Drivers

Key Cost Drivers	2020 Operating Budget (In \$000s)	
	Expenses	
Municipal Taxes and Fees	\$	1,274
Mortgage P&I	\$	2,781
Insurance premiums and liability claims	\$	1,085
COLA, Collective Agreement Adjustments and Benefits	\$	2,351
Utilities and Other	-\$	577
Total	\$	6,914

2020 Budget – Summary of Cost Drivers



Key Cost Drivers	2020 Operating Budget (In \$000s)	
	Expenses	
Non-Discretionary	\$	6,914
Service Enhancements	\$	11,881
Safety and Security Enhancements	\$	6,047
Seniors' Integrated Service Model	\$	3,668
Total	\$	28,510

2020 Operating Budget Submission

(Amounts in \$000s)	Budget 2020	2019 Reforecast	2019 Budget	2018 Actual	2020B vs 2019 RF		2020B vs 2019B		2019B vs 2018A	
					\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Operating										
CASH INFLOWS										
Residential rent - RGI	251,104	246,442	236,960	240,648	4,662	2%	14,144	6%	(3,688)	-2%
Residential rent - Market	92,152	89,918	82,412	84,206	2,234	2%	9,740	12%	(1,794)	-2%
Subsidies - City	250,960	239,171	243,438	241,347	11,789	5%	7,522	3%	2,091	1%
Subsidies - Regent Park	(6,000)	(6,000)	-	(6,000)	-	0%	(6,000)	0%	6,000	-100%
Parking, laundry and cable fees	19,196	18,550	18,184	18,368	646	3%	1,012	6%	(184)	-1%
Commercial rent	16,157	15,419	15,284	15,413	738	5%	873	6%	(129)	-1%
Other revenue	1,998	2,142	2,267	2,183	(144)	-7%	(269)	-12%	84	4%
RPEI revenue	4,146	1,997	2,657	1,476	2,149	108%	1,489	56%	1,181	80%
	629,713	607,637	601,203	597,641	22,075	4%	28,510	5%	3,562	1%
CASH OUTFLOWS										
Utilities	134,415	124,856	131,226	120,658	9,559	8%	3,188	2%	10,568	9%
Utility Savings	(6,268)				(6,268)	0%	(6,268)	0%	-	0%
Municipal taxes	19,751	18,241	18,477	18,806	1,510	8%	1,274	7%	(330)	-2%
Mortgage Interest & Principal	131,998	129,286	129,217	124,550	2,711	2%	2,781	2%	4,667	4%
Operations	221,808	201,985	198,238	187,522	19,823	10%	23,570	12%	10,716	6%
Corporate	68,900	61,129	66,638	51,438	7,770	13%	2,262	3%	15,199	30%
Development	-	1	0	24	(1)	-100%	(0)	-100%	(24)	-100%
Senior Housing Unit	26,704	22,004	22,643	20,297	4,700	21%	4,061	18%	2,347	12%
Tenants First Unit	1,609	1,888	2,176	1,272	(279)	-15%	(566)	-26%	904	71%
Other	8,152	8,573	9,553	3,888	(421)	-5%	(1,401)	-15%	5,665	146%
CARR Reserve	9,090	9,118	9,000	9,091	(28)	0%	90	1%	(91)	-1%
RPEI operating expenditure	3,529	3,078	3,162	2,215	451	15%	368	12%	947	43%
Guaranteed equity housing project	173	239	288	255	(66)	-28%	(115)	-40%	33	13%
IT/Corporate/RPEI Capital	6,983	6,965	10,586	12,299	18	0%	(3,603)	-34%	(1,713)	-14%
Contribution to/(from) reserve	2,870	5,690	-	332	(2,820)	-50%	2,870	0%	(332)	-100%
Contribution for Building Capital repairs	-	-	-	44,993	-	0%	-	0%	(44,993)	-100%
HoMES	20,360	15,967	21,926	493	4,393	28%	(1,566)	-7%	21,433	4344%
HoMES reserve withdrawal	(20,360)	(15,967)	(21,926)	(493)	(4,393)	28%	1,566	-7%	(21,433)	4344%
	629,713	593,053	601,203	597,641	36,660	6%	28,510	5%	3,562	1%
Total Cash Surplus	-	14,584	(0)	-	(14,584)	-100%	0	0%	(0)	0%

2020 Building Renewal Capital Budget

Key Renewal Objectives & Priority Actions

2020 Objectives:

To deliver repairs and upgrades that maintain and build communities which will improve and enhance the quality of life for the tenants TCHC currently houses.

- Deliver \$350M of Building Capital repair
- Continue to implement a build capital repair plan to achieve a 10% Facility Condition Index (FCI) by end of 2026
- Prevent any permanent unit closures
- Execute over 10,000 individual capital improvements to benefit TCHC tenants, including:
 - Repair over 20 building roofs
 - Deliver Accessibility upgrades to 19 buildings
 - Improve Energy Efficiency of 38 buildings
- Reduce TCHC's energy consumption by 2.5% this year

Priority Actions:

- 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

10 Year Building Renewal Capital Budget and Forecasted FCI

TCHC 10 Year Building Renewal Capital Budget													
Budget Category	2017 Actuals	2018 Actuals	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Planned Capital	\$137	\$188	\$160	\$180	\$245	\$248	\$248	\$223	\$225	\$205	\$161	\$110	\$110
Demand Capital	\$74	\$91	\$66	\$67	\$78	\$78	\$78	\$78	\$76	\$72	\$71	\$41	\$41
Energy Programs	\$26	\$6	\$71	\$85	\$10	\$6	\$6	\$6	\$6	\$6	\$6	\$0	\$0
Capital Other	\$12	\$15	\$16	\$18	\$18	\$19	\$18	\$18	\$18	\$17	\$9	\$9	\$9
	\$250	\$300	\$313	\$350	\$350	\$350	\$350	\$325	\$325	\$300	\$247	\$160	\$160

TCHC 10 Year Facilities Condition Index													
	2017 Actuals	2018 Actuals	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Opening Backlog of FCI Capital needs	1,343	1,516	1,425	1,637	1,680	1,669	1,592	1,532	1,468	1,343	1,222	1,192	1,228
Forecasted growth in FCI capital needs (from following year)	387	253	434	290	236	169	188	165	105	92	143	141	171
Other Adj (inflation, engineering est)	6	(79)	28	33	34	33	32	31	29	27	24	24	25
Capital Needs Total	1,736	1,690	1,887	1,960	1,949	1,872	1,812	1,728	1,603	1,462	1,389	1,356	1,424
Capital Funding required (excluding Non Backlog Capital)	(220)	(265)	(250)	(280)	(280)	(280)	(280)	(260)	(260)	(240)	(197)	(128)	(128)
Year End Capital Needs	1,516	1,425	1,637	1,680	1,669	1,592	1,532	1,468	1,343	1,222	1,192	1,228	1,296
Year End FCI	16.2%	15.0%	16.2%	16.3%	15.9%	14.9%	14.0%	13.2%	11.8%	10.5%	10.1%	10.2%	10.5%
CAPITAL NEEDS FUNDING													
TCHC Cash Opening Balance	\$160	\$267	\$171	\$206	\$241	\$201	\$150	\$119	\$120	\$121	\$146	\$222	\$222
Sources of Funds													
TCHC Funding	\$324	\$47	\$76										
City Funding	\$9	\$128	\$107	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160
Provincial Government Funding	\$9	\$7	\$38	\$107									
Federal Government Funding	\$15	\$22	\$127	\$118	\$150	\$139	\$159	\$166	\$166	\$165	\$162	\$0	\$0
Cash Available	\$517	\$471	\$519	\$591	\$551	\$500	\$469	\$445	\$446	\$446	\$468	\$382	\$382
Capital Spend to Achieve 10% FCI													
Backlog Capital spend	(220)	(265)	(250)	(280)	(280)	(280)	(280)	(260)	(260)	(240)	(197)	(128)	(128)
Non-Backlog Capital spending	(30)	(35)	(63)	(70)	(70)	(70)	(70)	(65)	(65)	(60)	(49)	(32)	(32)
Total Capital Spend	(250)	(300)	(313)	(350)	(350)	(350)	(350)	(325)	(325)	(300)	(247)	(160)	(160)
TCHC Cash Closing Balance (Restricted and/or Unrestricted)	\$267	\$171	\$206	\$241	\$201	\$150	\$119	\$120	\$121	\$146	\$222	\$222	\$222
TCHC Restricted Closing Cash Balance	\$220	\$195											

Multi-Year Building Renewal Capital Commitment



Budget Category consolidated	Capital Envelope	RC Programs	2019 Budget	2020 Accelerated	2020 Budget	2021 Commitments	2022 Commitments	2023 Commitments
Planned Capital	CA01	Common Area Accessibility	\$ 8,500,000	\$ -	\$ 8,500,000	\$ 2,750,000	\$ -	\$ -
	CC01	Commercial - Laundry Rooms	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -
	CC09	Commercial Retail Repairs	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
	RC03	Electrical	\$ 6,000,000	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -
	RC05	Elevators	\$ 5,430,000	\$ -	\$ 5,000,000	\$ 724,000	\$ -	\$ -
	RC07	Envelope	\$ 29,530,000	\$ -	\$ 45,000,000	\$ 62,608,000	\$ 15,700,000	\$ 7,500,000
	RC08	Grounds	\$ 13,060,000	\$ -	\$ 8,000,000	\$ 1,203,000	\$ -	\$ -
	RC09	Interior	\$ 6,000,000	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -
	RC10	Emergency Generators	\$ -	\$ -	\$ 15,300,000	\$ -	\$ -	\$ -
	RC12	Life Safety	\$ 8,585,000	\$ -	\$ 6,000,000	\$ 1,250,000	\$ 650,000	\$ -
	RC15	HVAC	\$ 13,850,000	\$ -	\$ 12,000,000	\$ 6,150,000	\$ 500,000	\$ -
	RC16	Plumbing	\$ 13,985,000	\$ -	\$ 10,000,000	\$ 2,014,000	\$ -	\$ -
	RC18	Roofing	\$ 5,480,000	\$ -	\$ 8,000,000	\$ 3,108,000	\$ 2,000,000	\$ -
	RC19	Cameras and Access Control	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -
	RC22	Single Dwelling Units	\$ 5,000,000	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
	RC23	Structural	\$ 6,442,000	\$ -	\$ 8,000,000	\$ 9,173,475	\$ -	\$ -
	RC24	Parking Garages	\$ 9,024,000	\$ -	\$ 12,000,000	\$ 4,372,000	\$ 600,000	\$ -
	RC39	Common Area Hallway Repairs	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
	RC41	Swimming Pool Envelope	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
	RCHH	Heritage Houses	\$ 4,000,000	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
RCXZ	Capital Contingency**	\$ 27,775,000	\$ -	\$ 17,286,854	\$ -	\$ -	\$ -	
Planned Capital Total			\$ 172,161,000	\$ -	\$ 180,586,854	\$ 93,352,475	\$ 19,450,000	\$ 7,500,000
Demand Capital	CA02	Resident's Demand Unit Accessibility Upgrades	\$ 6,000,000	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -
	CA03	Common Area Demand Accessibility Upgrade	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -	\$ -	\$ -
	CG01	Waste Equipment Repairs	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
	CI01	Risk Management and Insurance Claims	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -
	COXX	FM Demand Component Capital	\$ 28,000,000	\$ -	\$ 28,000,000	\$ -	\$ -	\$ -
	LCXX	Resident Appliances and Equipment	\$ 2,000,000	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -
	LMXX	Local Moveouts	\$ 11,000,000	\$ -	\$ 11,000,000	\$ -	\$ -	\$ -
	SOGI	State of Good Repair - Interior	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 624,000	\$ -	\$ -
	SOGM	State of Good Repair - MLS Issues	\$ 5,000,000	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -
Demand Capital Total			\$ 66,400,000	\$ -	\$ 67,400,000	\$ 624,000	\$ -	\$ -
Energy Programs	AIP1	Apartment Investment Plan - SHAIIP **	\$ 50,000,000	\$ 12,100,000	\$ 71,000,000	\$ -	\$ -	\$ -
	AIP2	Apartment Investment Plan - SHAIIP Pre-work	\$ 3,500,000	\$ -	\$ 4,728,146	\$ -	\$ -	\$ -
	RPEI	Regent Park Energy Initiatives	\$ 5,050,000	\$ -	\$ 3,285,000	\$ 3,800,000	\$ -	\$ -
	EW01	Water Conservation & Recommissioning (Water and LED)	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
	EW03	Energy Retrofit and Recommissioning	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
	EWXX	Metering / Monitoring	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
Energy Programs - RPEI Total			\$ 58,550,000	\$ 12,100,000	\$ 84,013,146	\$ 3,800,000	\$ -	\$ -
Capital Other	ADM	FM Labour Costs - Project Management (5%)	\$ 15,000,000	\$ -	\$ 17,500,000	\$ -	\$ -	\$ -
	RC01	Building Condition Audits	\$ 1,000,000	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Capital Other Total			\$ 16,000,000	\$ -	\$ 18,000,000	\$ -	\$ -	\$ -
Grand Total			\$ 313,111,000	\$ 12,100,000	\$ 350,000,000	\$ 97,776,475	\$ 19,450,000	\$ 7,500,000

2020 Development Capital Budget

Key Development Objectives & Priority Actions



Objectives:

- Continue implementing the revitalization program in 7 TCHC communities across the City
- Deliver 309 rental replacement units in 2020

Priority Actions:

- Regent Park – Awarding the final phases to a developer partner
- Lawrence Heights – Implementation of Phase 2: obtaining necessary approvals and procurement for a developer partner
- Don Summerville – Planning for a fully integrated, mixed use development which will see a mix of RGI, affordable, market rental and market ownership housing. TCHC will benefit from the replacement of 120 RGI units in need of repair
- Alexandra Park – start of construction for Phase 2
- Firgrove – demolition and abatement
- Implementing Auditor General’s recommendations

Development – 2020 Capital Budget Breakdown

2020 Development Capital Breakdown					
(Amounts in Millions)					
	<u>Equity</u>	<u>Grants</u>	<u>Land Sale</u>	<u>Profits</u>	<u>Net Investment</u>
Rental Buildings	117.0	(45.7)			71.2
Market Buildings			(18.8)	(1.8)	(20.6)
Development Department Costs					
Development Division	3.9				3.9
TCS Division	2.8				2.8
Relocation Division	0.7				0.7
Total In-Flight Development	124.4	(45.7)	(18.8)	(1.8)	58.1
Total Non In-Flight Development	6.1				6.1
Total Development Capital *	130.5	(45.7)	(18.8)	(1.8)	64.2

* For 2020, \$64.2M of capital funding is requested of which \$58.1M will fund in flight development capital and \$6.1M will fund non in-flight development capital

Summary of Units To Be Complete in 2020	
Project	Rental Units
250 Davenport	13
Allenbury Gardens	97
Lawrence Heights	78
Leslie Nymark	121
Total	309

Appendix

Additional Information

Residential Rent



(Amounts in \$000s)	Budget 2020	Budget 2019	Actual 2018
RGI Rent	251,104	236,960	240,648
Market Rent	92,152	82,412	84,206
Residential Rent Revenue	343,256	319,373	324,854

Average Monthly Rent Per Unit

RGI	\$ 415	\$ 389	\$ 364
Market	\$ 1,185	\$ 1,133	\$ 1,090

Other Expenses

(Amounts in \$000s)	Budget 2020	Budget 2019	Actual 2018
Tribunal Fees	443	467	438
Bad Debt Expense	4,540	4,286	2,560
Post Retirement Benefit	3,169	4,800	890
Total Other Expense	8,152	9,553	3,888

Utilities Break Down

(Amounts in \$000s)	Budget 2020	Budget 2019	Actual 2018
<u>Hydro</u>			
Electricity consumption (kWh)	370,335,495	401,348,886	385,802,207
Average rate (\$/kWh)	\$0.1152	\$0.1129	\$0.1046
Annual costs	\$42,647	\$45,329	\$40,338
<u>Gas</u>			
Natural gas consumption (m ³)	91,525,189	97,816,973	90,910,646
Average rate (\$/m ³)	\$0.3197	\$0.2880	\$0.2695
Annual costs	\$29,259	\$28,172	\$24,503
<u>Water</u>			
Water consumption (m ³)	11,322,085	12,108,577	12,078,624
Average rate (\$/m ³)	\$4.0574	\$3.9392	\$3.8027
Annual costs	\$45,938	\$47,698	\$45,931
<u>Waste pick-up</u>			
Waste pick-up gross	\$19,113	\$18,557	\$8,496
Waste pick-up rebate	(\$10,888)	(\$10,247)	-
Annual costs	\$8,225	\$8,310	\$8,496
RPEI energy costs	\$1,338	\$1,006	\$743
Electric heating rebate	\$739	\$711	\$646
Total Utilities	\$128,146	\$131,226	\$120,658

Mortgage Principal and Interest

(Amounts in \$000's)	Budget 2020	Budget 2019	Actual 2018
Principal			
Mortgage payable to City	4,379	4,303	2,959
Mortgage payable to CMHC	11,755	8,771	13,014
Mortgage payable to Others	11,838	11,101	10,415
Mortgage payable to IO	21,036	20,178	17,749
	49,009	44,353	44,136
Loans payable to Others	2,296	2,220	2,001
Subtotal - Principal	51,305	46,572	46,137
Interest			
Mortgage payable to City	3,953	2,471	2,542
Mortgage payable to CMHC	10,796	10,473	11,632
Mortgage payable to Others	7,402	7,379	8,065
Mortgage payable to IO	34,046	34,743	30,711
	56,196	55,067	52,950
Loans payable to Others	1,514	4,595	2,481
Debenture Loans	22,983	22,983	22,983
Subtotal - Interest	80,693	82,645	78,413
Total Principal and Interest	131,998	129,217	124,550
Total Debt (Balance Sheet)	1,839,200	1,750,790	1,662,255

Development Capital

(Amounts in \$000s)	Budget 2020	Budget 2019	Actual 2018
Projects			
250 Davenport	150	150	578
Alexandra Park Phase 1	230	595	5,994
Alexandra Park Phase 2	5,397	2,649	32
Allenbury Gardens	18,527	27,619	3,232
Don Summerville	200	200	47
Firgrove	5,118	-	144
Lawrence Heights	22,086	13,613	19,648
Leslie Nymark	30,577	23,974	4,748
New Development	500	500	93
Regent Park Phase 2	1,142	761	5,344
Regent Park Phase 3	38,471	32,983	50,040
Regent Park Phase 4 & 5	610	112	7
Development Department	7,474	6,300	5,469
Total Development Capital	130,482	109,456	95,376

Other Capital

(Amounts in \$000s)	Budget 2020	Budget 2019	Actual 2018
IT Capital			
Business Projects	1,983	5,905	2,511
Corporate Capital			
Non-building capital	1,900	982	1,036
Fleet	1,000	1,600	608
Capital contingency	700	700	
Repurchase of guaranteed equity housing project	1,400	1,400	375
Total Corporate Capital	5,000	4,682	2,019
RPEI CHPSOP Capital			7,769
IT/Corporate/RPEI Capital	6,983	10,586	12,299