

BudgetTO

Toronto Community Housing Corporation
Toronto Seniors Housing Corporation

2024 Operating Budget and
2024-2033 Capital Budget & Plan
Briefing to Budget Committee

January 17, 2024

While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding the charts, graphs, or any other content, please contact us at (416) 981-4256 or Lily.Chen@torontohousing.ca for TCHC and (647) 500-9819 or Vince.Truong@torontoseniorshousing.ca for TSHC



TCHC's mission is to provide clean, safe, well-maintained, affordable homes for residents.

TSHC's vision is to provide safe, diverse, and vibrant communities where tenants have a sense of inclusion and well-being.

TCHC/TSHC Services

Deeply Affordable Housing



- TCHC and TSHC delivers housing stability and social supports for low income and equity deserving Torontonians.
- Provides deeply affordable housing in clean, safe and well-maintained buildings, and supports the wellbeing of people and communities.
- Around 110,000 people call TCHC and TSHC home, with 89% of households benefiting from the Rent-Geared-to-Income (RGI) program.

Long-term Stewardship of a Critical Asset



- Together, TCHC and TSHC manage and maintain 2,100 buildings, worth over \$10.0 Billion.
- TCHC plans and delivers the capital repair and community revitalization programs, ensuring that these public assets are maintained in a state of good repair.

Housing and Support for Seniors



- TSHC is committed to supporting seniors, allowing them to live independently and to age in their homes and communities while enjoying a better quality of life.
- TSHC manages a portfolio of 83 buildings with approximately 14,000 units, which houses approximately 15,000 low and moderate-income seniors.

Strategic Outcomes

Quality Homes in Vibrant Communities

Every tenant has **reasonable enjoyment of their home.**

Tenants' **homes will be well-maintained and made accessible** by TCHC.

Tenants **feel safe, secure and supported** and are **connected to the services** they need.

Culture of Tenant Service

Frontline leadership and employees are empowered to **make tenant-focused decisions locally.**

Services are delivered effectively and efficiently through **skilled and compassionate staff teams** who work in the communities **where tenants live.**

Effective and efficient tenant service processes, systems and tools that enable timely decision making and identifies tenant service success measures.

Corporate Outcomes

Organizational Excellence

High performing teams that bring to life a **culture of tenant service.**

Utilize **business intelligence tools** and data systems to bring **greater insights** to the organization and **improved decision-making.**

Modernize technology systems that are focused on cybersecurity resiliency.

Financial Sustainability

TCHC's **funding reflects the organizations mandate**, operational environment and evolving tenant needs.

Strategic Outcomes

Safe, clean and well-maintained buildings

Safe and secure buildings and communities

Timely unit and building maintenance, pest management, and high standards for cleanliness

Support for tenant accessibility

Support stable tenancies, maintain RGI eligibility, and eviction prevention

Enhanced Tenant Engagement

Tenants engaged in their communities and opportunities for tenant voices

Increase in programs, events and activities for tenant well-being

Improve language, interpretation and translation supports

Improve tenant/staff interaction and communication

Improve tenant-facing policies

Access to Services and Programs for Tenants

Facilitate access for tenants to priority health and community support services

Increase programs and services for tenants offered through partnerships

Support programs that foster community development

Partner and build relationships for innovation, research, emerging trends and new practices

Corporate Outcomes

Organizational Excellence & Employer of Choice

Meet Shareholder Direction requirements

Improve service quality & improvement projects

Be data informed

Effective use of technology

Good governance

Identify, reduce and manage risk

Develop Talent Strategy

Embrace Equity, Diversity and Inclusion

Create positive culture and engaged employees

Foster continuous learning and Improvement

Increase support for staff well being programs and health & safety

Financial Sustainability

TSHC's funding reflects the organizations mandate, operational environment and evolving tenant needs.

Manage financial resources responsibly and operating a balanced budget

TSHC is committed to being a leader in the delivery of quality, affordable housing for seniors

2024 Budget Overview

Operating Budget								
\$ Thousands	2022 Actual	2023 Budget	2023 Projection*	2024 Budget	Chg from 2023 Budget		OUTLOOK***	
					\$	%	2025	2026
Rent Revenue - RGI & Market	\$352,808	\$353,897	\$360,119	\$364,081	\$10,184	2.9%	\$368,637	\$373,258
City Base Subsidy	\$278,777	\$272,795	\$272,795	\$312,795	\$40,000	14.7%	\$312,795	\$312,795
City One-Time Subsidy	\$2,456	\$23,027	\$23,027	\$33,580	\$10,553	45.8%		
City One-Time Subsidy from 2022			\$22,040			N/A		
Other Revenue	\$36,820	\$39,462	\$38,323	\$39,408	(\$54)	-0.1%	\$40,390	\$41,253
TCHC Reserve City Repayment**						N/A	\$6,500	\$6,500
Total Revenues	\$670,861	\$689,180	\$716,304	\$749,863	\$60,683	8.8%	\$728,322	\$733,806
Gross Expenditures	\$684,644	\$699,934	\$703,847	\$749,863	\$49,929	7.1%	\$771,510	\$806,000
Net Expenditures	\$13,783	\$10,754	(\$12,457)	\$0	(\$10,754)	-100.0%	\$43,188	\$72,194
Approved Positions	2,504.0	2,649.0	2,535.0	2,653.0	N/A	N/A	2,663.0	2,663.0

*Projection based on 9 Month Variance
 **City will be repaying 50% of TCHC's \$13M reserve withdrawal each year
 ***Modern TO, Mayor's New Affordable Rental Homes Initiative, completion of the TSHC transition, and TCHC hiring plan costs to be determined

10 Year Capital Budget & Plan				
\$ Millions	2024	2025-2033	Total	City Funding**
Building Repair Capital*	\$332.8	\$1,957.0	\$2,289.8	\$1,600.0
Development Capital*	\$135.4	\$956.4	\$1,091.8	\$198.8
IT/Corporate Capital*	\$8.6	\$0.0	\$8.6	\$8.6
Total	\$476.9	\$2,913.4	\$3,390.2	\$1,807.4

*Amounts only include committed funding portion. Any unfunded requests are presented under Capital Needs Constraints slide

**Excludes Other City Funding for Development Capital (S37/Infrastructure) of \$34.7M



Financial Sustainability

- Implement the efficiency opportunities identified in the Strategic Financial Sustainability Plan (Ernst & Young report) and address long-term financial precarity resulting from structural challenges, misaligned funding, inflationary pressures, cost increases and an evolving operating environment.
- Despite ongoing investment from the City, the limited ability to increase revenues requires ongoing city subsidy support and organization-wide cost optimization measures.
- Expiration of the federal National Housing Co-Investment Fund program in 2027 will impact the future state of good repair needs.



Tenant Supports and Needs

- Continue to address the increasing complexity in housing and support needs of tenants by advancing opportunities which ensure services are delivered effectively, efficiently, compassionately, and enable tenants to maintain successful tenancies in healthy and vibrant communities.
- Ensure the delivery of a community-based safety and security infrastructure, including the Special Constable staffing model to manage community safety concerns.
- Collaborate with the City, Toronto Police Services, TSHC and various community partners to enhance community safety and well-being programs and initiatives as a priority in meeting tenant safety needs.
- Improve the tenant human rights complaints process by implementing the Ombudsman recommendations, including hiring two new dedicated staff to receive, investigate and resolve tenant human rights complaints.



Corporate Capacity

- **TCHC:** Maintain compensation levels, benefits, and learning and development opportunities to remain competitive with the City of Toronto and the comparator market.
- **TCHC:** Align business intelligence resources and modernize data governance, collection, management processes to collect and ensure accuracy and integrity of data required to deliver work plans efficiently and measure performance quality.
- **TCHC:** Continue to invest significantly in cybersecurity, including software, system and process improvements as well as ongoing staff training.
- **TSHC:** Continue to develop and establish an administrative structure that will effectively manage the administration of the seniors housing portfolio.



Support the rights of every tenant to have reasonable enjoyment of their homes

and empower and support frontline leadership and employees in resolving issues and challenges locally in support of tenant needs.

- Continue the tenant-centric customer service model review, ensuring service is delivered effectively and efficiently in the communities where tenants live.
- Continue to execute the Revitalization Capital plan and build mixed income, mixed-use and inclusive communities
- Continue to execute the Building Repair Capital Plan and strive to bring the aging housing stock into a state of good repair by 2027.
- Transform tenant service processes, systems, and tools.
- Develop a business intelligence foundation that enables timely decision making and identifies tenant service success measures.



Build high performing teams that bring to life a culture of tenant service

- Attract and retain talents through competitive compensation, benefits and learning and development that aligns with the City and the broader employment market.
- Continue investment in ongoing key initiatives of the Equity Diversity and Inclusion and Confronting Anti-Black Racism strategies.



Work with the City to support and enable City led initiatives

- Work with the City's Development & Growth Services to support the “Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes” initiative (2023.EX7.2).
- Continue to support the full transition of the scattered homes portfolio, as part of the Tenant's First Plan.
- Continue the transition plan with TSHC.
- Support the City's ModernTO plan and continue TCHC's relocation planning to Metro Hall in mid-2025.

TSHC's priority is the Interim Strategic Directions, Objectives and Enablers roadmap of actions



An excellent housing provider

To provide safe, clean and well-maintained buildings and to support stable tenancies



Tenant engagement

To enhance tenant engagement and inclusion in their communities and provide opportunities for tenants to have a voice.



Partnerships

To facilitate access to services and programs that tenants need and want.



Innovation

To develop and promote innovation and leading practices which contribute to seniors' well-being.



Organizational excellence

To strive for organizational excellence to ensure effective and efficient delivery of our mandate.



Employer of choice

To be an employer of choice by fostering a culture of innovation that engages, empowers, and supports staff.

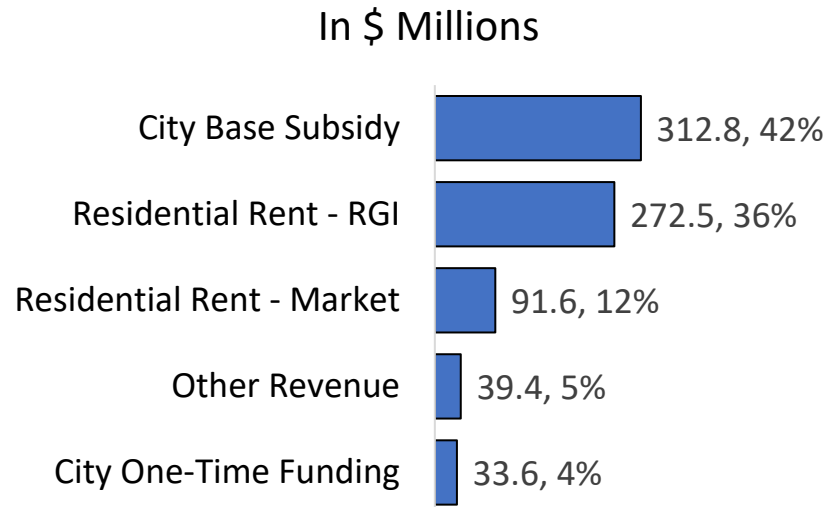
- TSHC will continue to work towards establishing and stabilizing corporate functions in Finance, People and Culture, Policy Planning and Quality Improvement, and Partnerships, Engagement and Communication.
- TSHC's service model continues to include the Integrated Service Model (ISM) which is now embedded in our strategy and operations.

2024 Operating Budget Submission

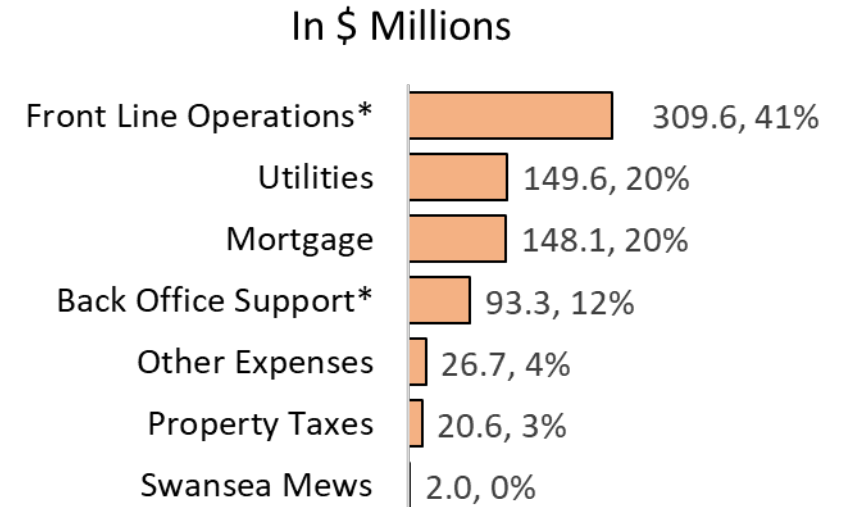
TCHC/TSHC

How the 2024 Operating Budget is Funded & Where the Money Goes

Where the Money Comes From (\$750M)



Where the Money Goes (\$750M)



*Includes TSHC cost of \$38.3M for Front Line Operations and \$5.1M for Back Office Support

2024 Net Operating Budget

(In \$000s)	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Budget	Change v. 2023 Budget excl COVID	
					\$	%
By Service	\$	\$	\$	\$	\$	%
Revenues						
City Funding						
City Base Subsidy	272,795	272,795	272,795	312,795	40,000	14.7%
City One-Time Funding	23,027	23,027	23,027	33,580	10,553	45.8%
City One-Time Funding from 2022		22,040				N/A
Total City Funding	295,821	317,861	295,821	346,375	50,553	17.1%
Residential Rent - RGI	265,076	269,961	265,076	272,499	7,423	2.8%
Residential Rent - Market	88,821	90,159	88,821	91,582	2,760	3.1%
Other	39,462	38,322	46,369	39,408	(6,961)	(15.0%)
Total Revenues	689,180	716,303	696,087	749,863	53,776	7.7%
Expenditures						
Operating Expenses	699,934	695,743	696,087	747,863	51,776	7.4%
Swansea Mews		8,104		2,000	2,000	N/A
Total Gross Expenditures	699,934	703,847	696,087	749,863	53,776	7.7%
Net Expenditures/(Surplus)	10,754	(12,456)	0	0	0	N/A

*2023 Projection based on 9 Month Variance

Key Points

- Base City Subsidy Increase of \$40.0M to offset inflationary pressures and other non-discretionary costs
- One-Time City funding of \$33.6M as a bridging strategy to cover both one-time costs in 2024 and on-going cost pressures with future expected savings opportunities
- Increase in non-discretionary costs of \$22.0M driven by utility, insurance, municipal taxes, and service contract rate increases and \$19.8M due to impact of contractual salary and benefit increases primarily related to collective agreements

2024 – 2033 Capital Budget & Plan Submission

TCHC/TSHC

Capital Assets to Deliver Services

Budget 2024

Asset Value – \$14.2 B

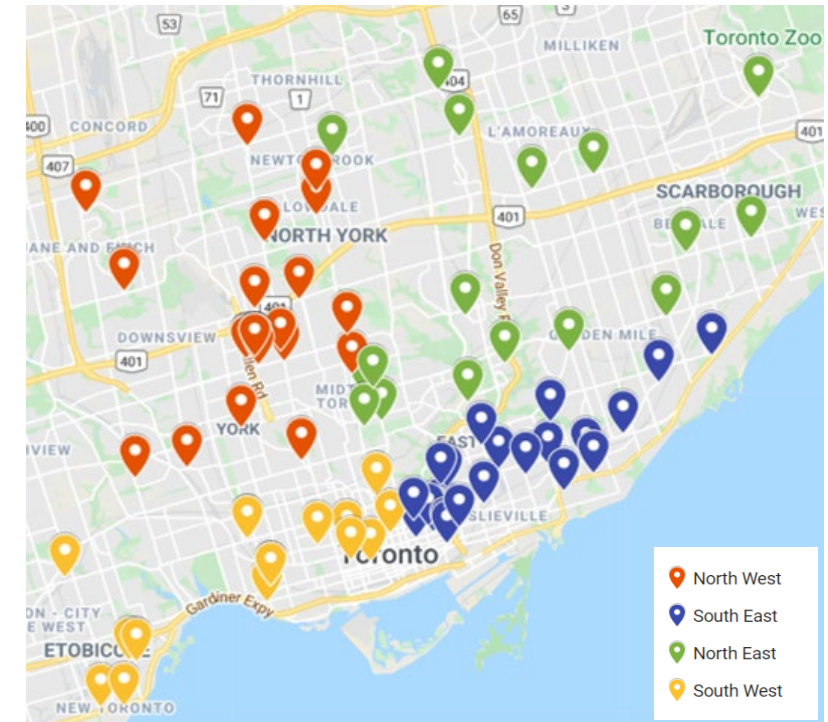
- 58,500 public housing units

Map of TCHC assets



Note: The map below shows an overview of TCHC's buildings that contain more than five individual units.

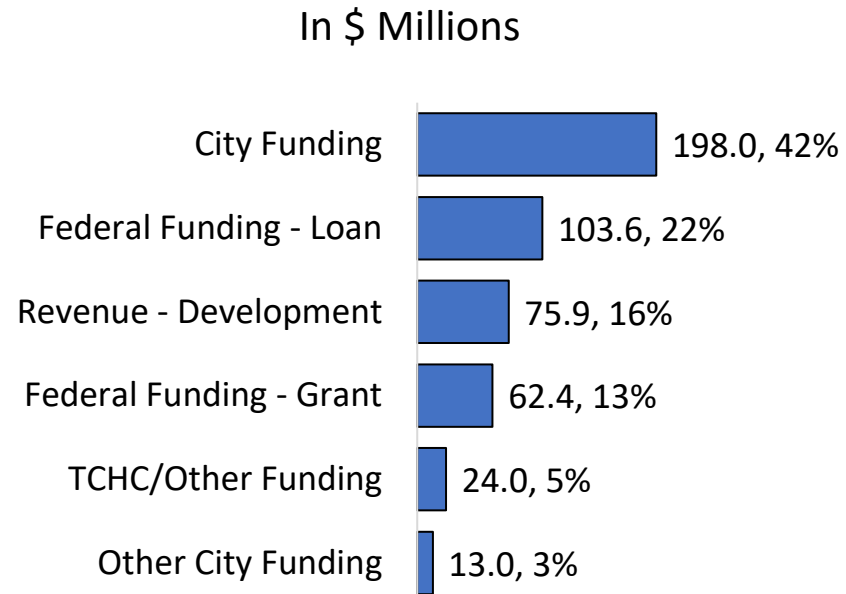
Map of TSHC assets



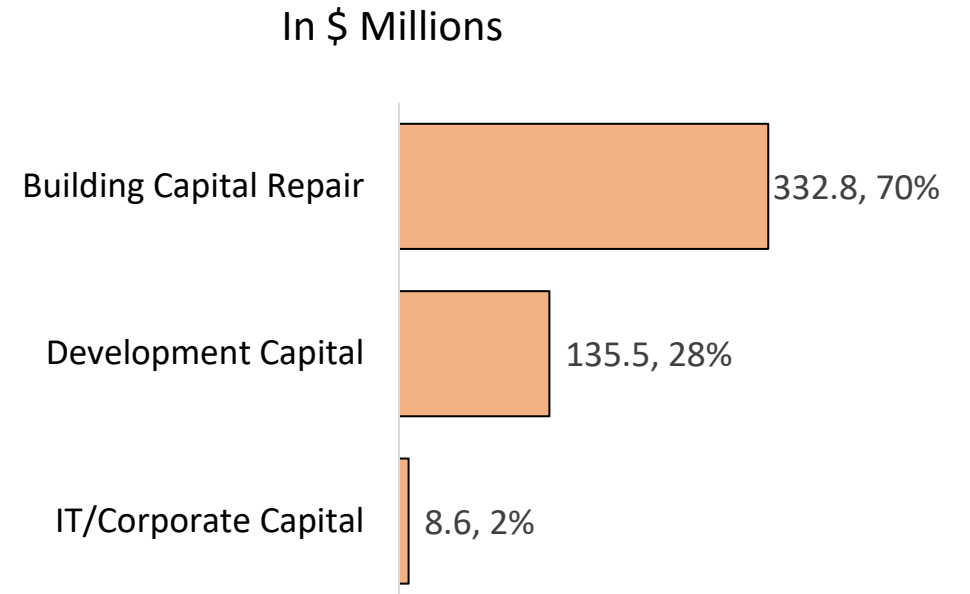
Note: TCHC continues to own and manage the capital services for all TSHC operated buildings

2024 Capital Budget Breakdown










Where the Money Comes From (\$476.9M)



Where the Money Goes (\$476.9M)



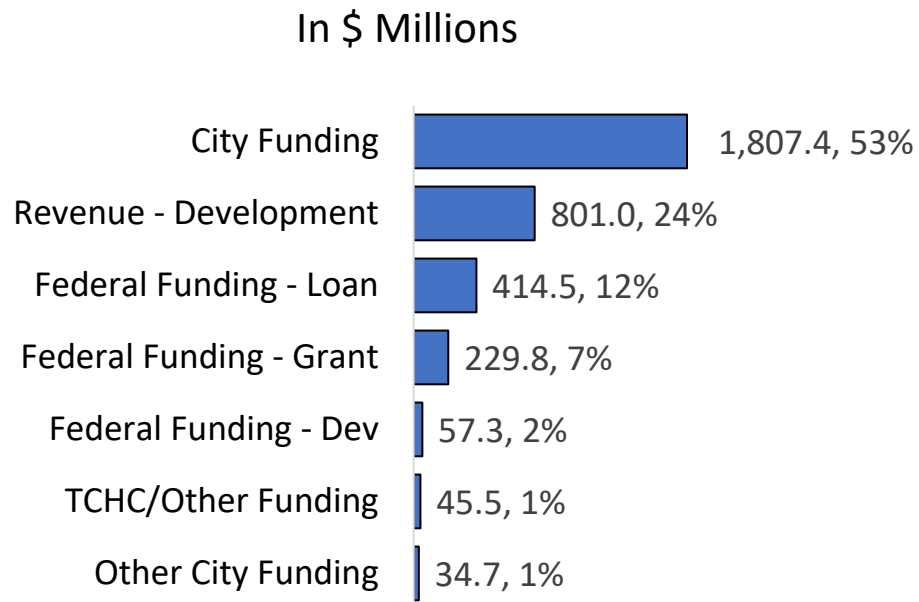
\$3.4 Billion 10-Year Gross Capital Program

				
Planned Capital	Demand Capital	Additional Energy Programs	Capital Other	Development Capital
\$1,169.7 M 34.5% 	\$796.3 M 23.5%	\$54.2 M 1.6% 	\$278.2 M 8.2% 	\$1,091.8 M 32.2% 
<ul style="list-style-type: none"> Envelope Grounds Emergency generators HVAC Plumbing Roofing Structural Large scale holistic energy retrofits Common area accessibility upgrades 	<ul style="list-style-type: none"> Accessibility upgrades Waste equipment repairs Risk management Appliances and equipment Local move-outs MLS Issues 	<ul style="list-style-type: none"> Energy initiatives Water conservation Energy retrofits 	<ul style="list-style-type: none"> Project management Building condition audits Overall Capital Contingency IT & Corporate capital projects 	<ul style="list-style-type: none"> In-flight revitalization projects

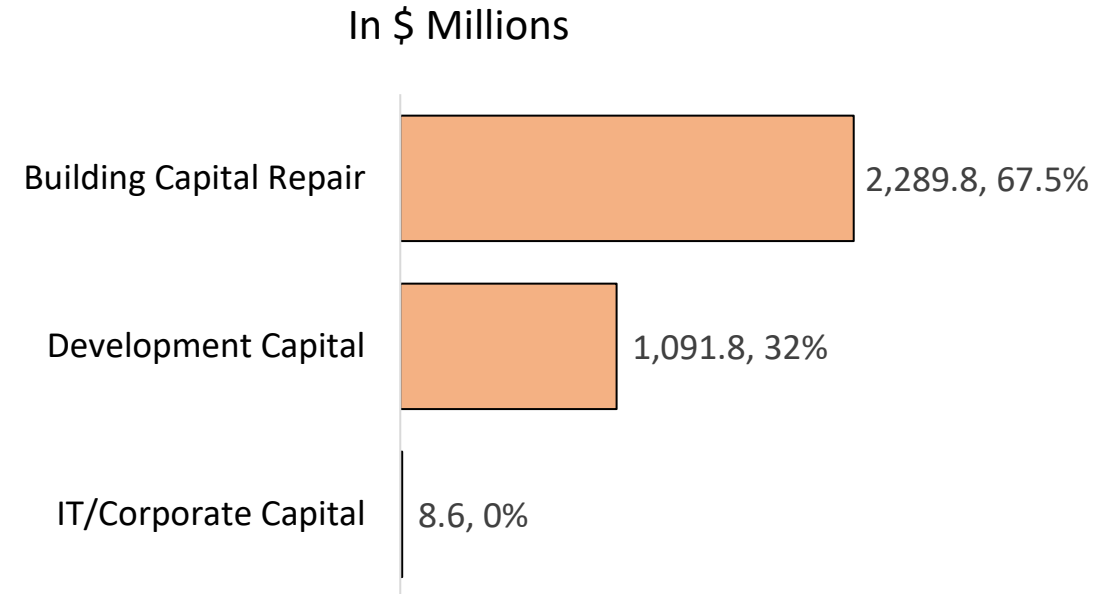
 - Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction

2024 – 2033 Capital Program Breakdown

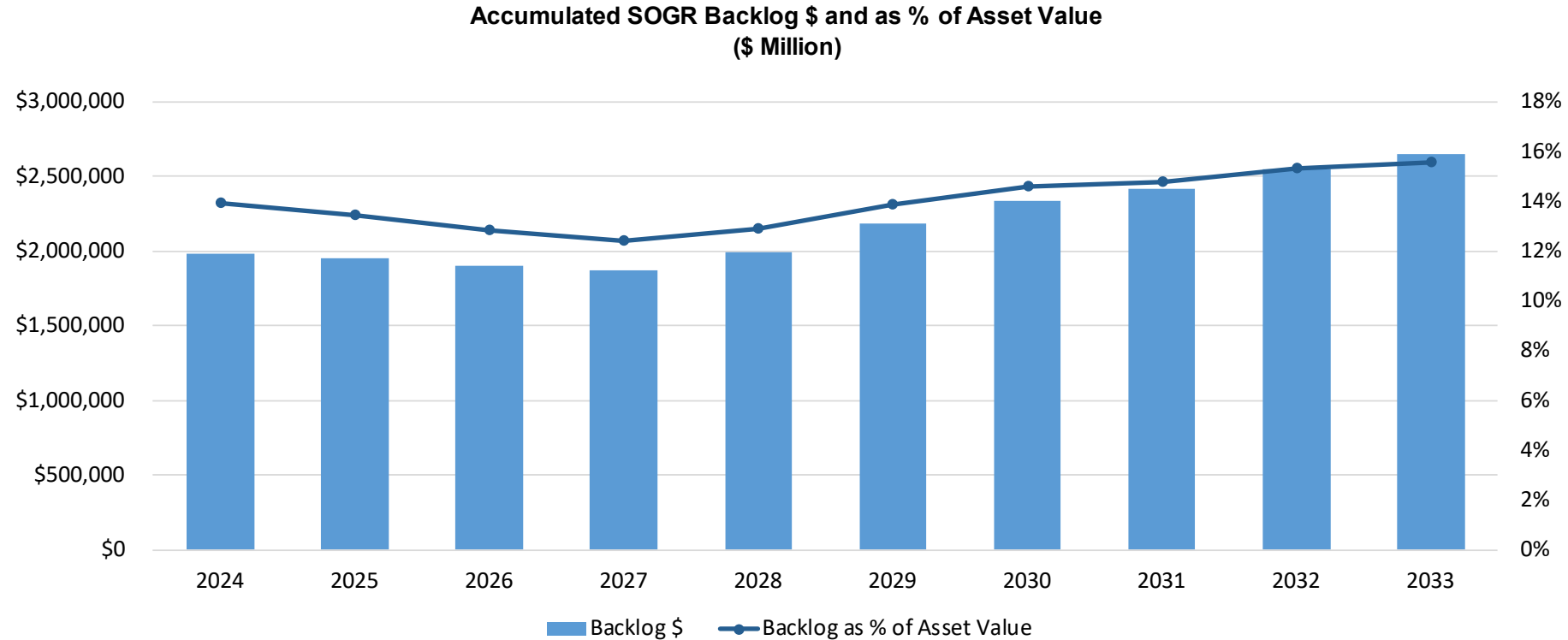
Where the Money Comes From (\$3.4B)



Where the Money Goes (\$3.4B)



State of Good Repair (SOGR) Backlog



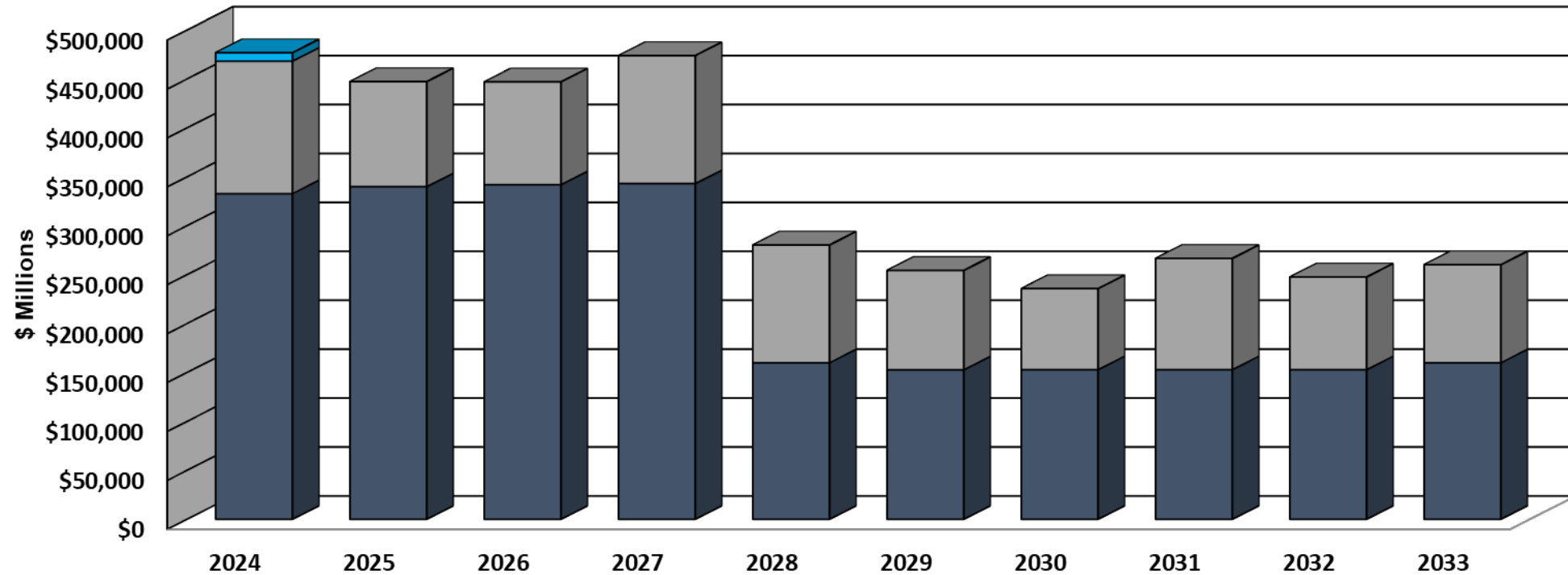
\$Millions	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Backlog \$	\$1,985	\$1,955	\$1,904	\$1,874	\$1,986	\$2,180	\$2,335	\$2,416	\$2,551	\$2,650
Backlog as % of Asset Value	13.9%	13.5%	12.8%	12.4%	12.9%	13.9%	14.6%	14.8%	15.3%	15.6%

Thank you

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Appendices

2024 – 2033 Capital Budget & Plan by Project Category



2024 - 2033 Tabled Capital Budget and Plan by Category											
\$ Millions	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
SOGR	332.8	340.0	342.0	343.2	160.0	152.8	153.0	153.0	153.0	160.0	2,289.8
Development*	135.4	107.3	105.1	130.7	120.4	101.6	82.8	113.7	94.6	100.2	1,091.8
IT & Corporate	8.6										8.6
Total	476.9	447.3	447.1	473.9	280.4	254.4	235.8	266.7	247.6	260.2	3,390.2

*Funding for Development Capital includes City Repayments of \$127.5M in 2030 and \$180.3M in 2033. The timing and City Repayment amounts will be assessed at each budget cycle.

Capital Needs Constraint - \$4.5 Billion

Project Description	Total Project Cost	Cash Flow (In \$ Millions)									
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Building Repair Capital											
Net Zero (80% target)*	2,990.0	50.0	50.0	100.0	150.0	340.0	340.0	340.0	540.0	540.0	540.0
Unfunded SOGR (per EY projection)	478.2					75.0	82.2	82.0	82.0	82.0	75.0
Total Building Repair Capital	3,468.2	50.0	50.0	100.0	150.0	415.0	422.2	422.0	622.0	622.0	615.0
Development Capital											
Not In Flight Projects	999.3	-	8.5	36.5	260.9	114.7	58.9	50.0	162.7	223.2	83.7
Total Development Capital	999.3	-	8.5	36.5	260.9	114.7	58.9	50.0	162.7	223.2	83.7
Total Needs Constraints (Not Included)	4,467.5	50.0	58.5	136.5	410.9	529.7	481.1	472.0	784.7	845.2	698.7

*Net Zero investments goes beyond 2033, total investment required until 2040 is \$6.1 Billion

**IT & Corporate Capital of \$1.6M lower priority projects have been deferred into 2025

***Future Budget submission of the 10 Year Capital Plan will be adjusted to changes to inflation