



Toronto 2016 BUDGET

OPERATING PROGRAM SUMMARY



Affordable Housing Office

2016 OPERATING BUDGET OVERVIEW

The Affordable Housing Office (AHO) is responsible for the stewardship of federal, provincial and City investments and incentives to create and maintain safe, affordable housing for lower-income residents, and to develop innovative housing solutions through policy and partnerships, supporting *Housing Opportunities Toronto, An Affordable Housing Action Plan 2010-2020*.

2016 Budget Highlights

The total cost to deliver these services to Toronto residents in 2016 is \$2.957 million gross and \$1.180 million net.

(in \$000's)	2015 Approved Budget	2016 Budget	Change	
			\$	%
Gross Expenditures	2,763.5	2,956.6	193.1	7.0%
Gross Revenues	1,569.5	1,777.0	207.5	13.2%
Net Expenditures	1,194.0	1,179.6	(14.3)	(1.2%)

AHO experienced base pressures of \$0.194 million net arising from increases to salaries and benefit costs and the need for an additional lawyer to manage the growing volume and complexity of legal agreements for affordable housing funding, land and development transactions. Through expenditure reductions and revenue adjustments, the Program was able to more than offset these pressures, bringing the 2016 Operating Budget to - 1.2% under its 2015 Budget.

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Fast Facts

- The AHO is providing financial stewardship in 2015 for 4,792 homes: 1,586 affordable rental and ownership homes under development and 3,206 homes being repaired/modified for lower-income residents from the City's priority groups.
- Throughout the project lifecycle, AHO's administrative oversight for the above homes will create some 4,927 jobs.
- An October survey had a 56% positive response rate to the *Close the Housing Gap* campaign from federal parties and candidates in Toronto ridings. Results were made public for voters. In April, a campaign rally at City Hall drew some 400 people.

Trends

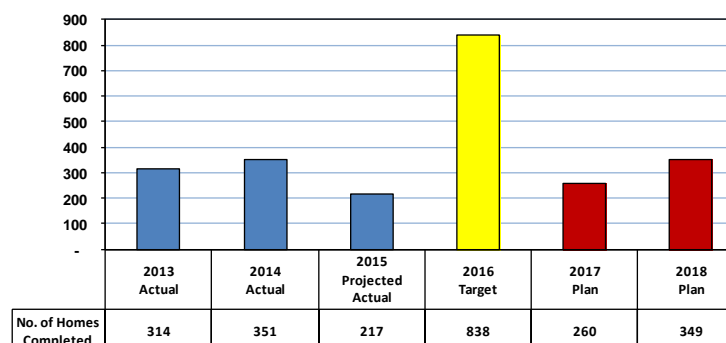
- AHO has financial stewardship for projects throughout the 2-4 year lifecycle of the development process.
- In 2016, 838 new affordable rental homes will be added including 253 homes in the Pan Am Village, 348 homes in Emery Village and other locations; and 118 new affordable ownership homes will be completed. These are done in partnership with non-profit housing and private developers.
- This spike in 2016 is a result of one-time funding approval of the Pan Am Village by the Province and completion of the large development at Emery Village.
- The number of new homes created is expected to increase in future years as a result of potential new federal/provincial infrastructure funding and the Open Door Program.

Our Service Deliverables for 2016

The AHO supports the goals and targets of *Housing Opportunities Toronto, an Affordable Housing Action Plan 2010-2020 (HOT)*, providing affordable housing services to the public in three key areas. The 2016 Operating Budget will:

- Develop, promote, lead and leverage innovative affordable housing solutions through policies, programs and partnerships with the private and community sectors, focussing on the implementation of the Mayor's *Open Door Program* with streamlined access to City lands and financial incentives, and the advancement of pilot developments.
- Provide financial stewardship of \$138.8 million in federal, provincial and city investments while leveraging \$214.2 million from the private and non-profit sectors, to support 1,519 new affordable rental and ownership homes under development in 2016, creating 3,798 jobs through the development lifecycle.
- Implement Toronto Renovates by administering:
 - ✓ \$8.6 million in federal/provincial *Investment in Affordable Housing (IAH)* and *Homelessness Partnership Strategy (HPS)* funding for essential health, safety & accessibility repairs and modifications underway in 2016.
 - ✓ This is projected to assist 933 lower-income homeowner and tenant households (including seniors, persons with disabilities and transitional and supportive housing tenants) and creating some 280 jobs during the project lifecycles.

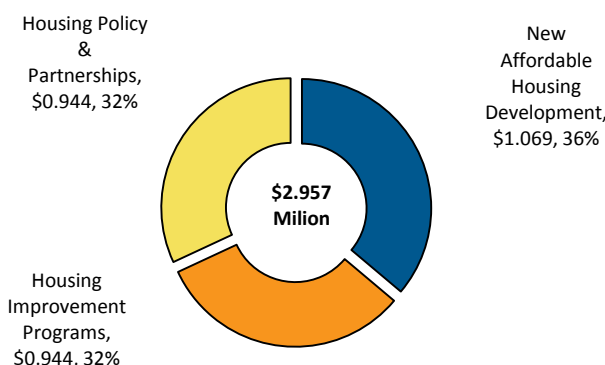
New Affordable Homes Completed 2013 - 2018



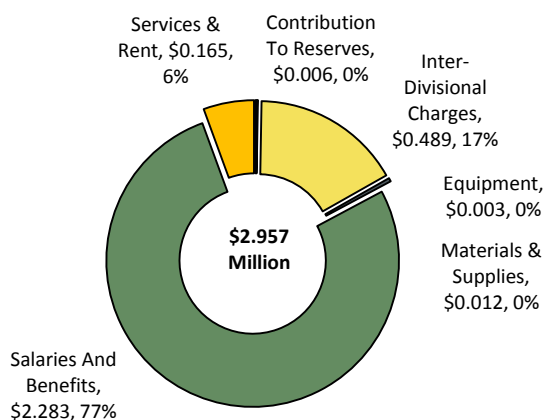
2016 Operating Budget Expenses & Funding

Where the money goes:

2016 Budget by Service

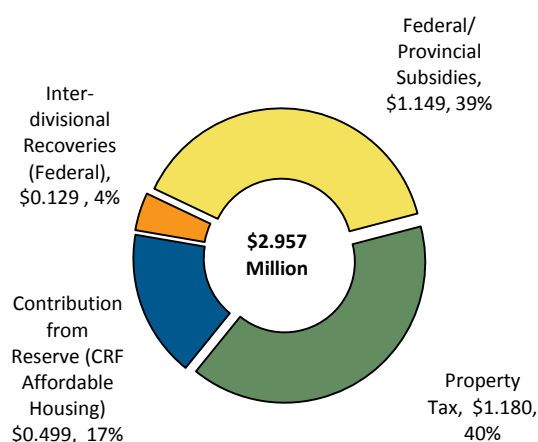


2016 Budget by Expenditure Category



Where the money comes from:

2016 Budget by Funding Source



Our Key Issues & Priority Actions

- **Demand for Affordable Housing** - The *Investment in Affordable Housing (IAH) 2015-2020 Program* is a primary revenue source for the Program to deliver its services. The demand and need for affordable housing in Toronto is growing at a faster rate than available funding and the trend is expected to continue beyond 2020.
 - ✓ In 2014, the federal/provincial governments renewed the *Investment in Affordable Housing for Ontario (IAH) (2014 Extension)* program to 2020 and set the City of Toronto's funding allocation to \$197.078 million over a six-year term.
 - ✓ Innovative developments such as East Bayfront will enhance the City's ability to integrate affordable housing into condominium and other mixed income developments.
 - ✓ In addition to City investments, the Program has been engaging the federal/provincial governments to provide surplus land and additional funding for new affordable housing.
 - ✓ Funding for an additional lawyer is included in the 2016 Operating Budget to help manage the growing volume and complexity of development deals.
 - ✓ AHO will continue to implement major strategic policies and programs in 2016, including a 5-year review of *Housing Opportunities Toronto* and implementation of the Open Door program. Both of these initiatives are expected to generate new affordable housing opportunities.

2016 Operating Budget Highlights

- The 2016 Preliminary Operating Budget for the Affordable Housing Office of \$2.957 million in gross expenditures provides funding for three services: New Affordable Housing Development, Housing Improvement Programs and Housing Policy and Partnerships.
- The Program has exceeded the budget target of a -1% increase from the 2015 Approved Budget through measures taken based on the following criteria:
 - ✓ The identification of sustainable, on-going savings from line by line reductions (\$0.004 million) and an increase in base revenue (\$0.208 million).
 - ✓ Target achievement without impacting on Council approved Service Levels.

Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2016 Operating Budget for the Affordable Housing Office of \$2.957 million gross, \$1.180 million net for the following services:

	Gross	Net
<u>Service:</u>	<u>(\$000s)</u>	<u>(\$000s)</u>
New Affordable Housing Development:	1,068.5	390.9
Housing Improvement Programs:	944.1	395.0
Housing Policy and Partnerships:	943.9	393.8
Total Program Budget	<u>2,956.6</u>	<u>1,179.6</u>

2. City Council approve the 2016 service levels for the Affordable Housing Office as outlined on pages 12,15, and 19 of this report, and associated staff complement of 19.0 positions.

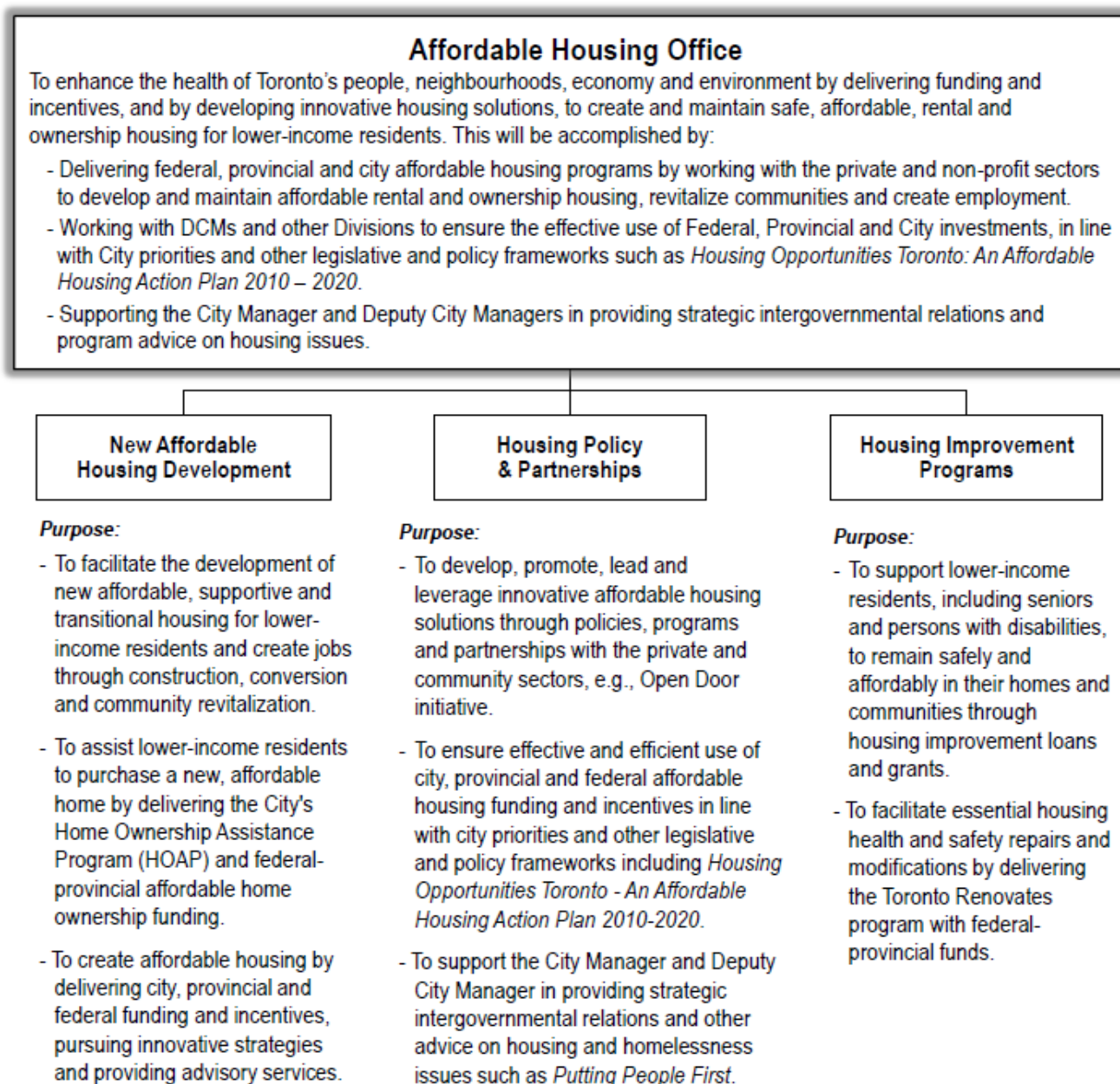


Part I:

2016 – 2018

Service Overview and
Plan

Program Map



Service Customers

New Affordable Housing Development

- Lower-income renters
- Private and non-profit housing developers
- Private sector and community organizations
- City Agencies, Boards & Divisions
- Federal and provincial governments

Housing Policy & Partnerships

- Lower-income residents
- Private sector and community organizations
- City Agencies, Boards & Divisions
- Federal and provincial governments

Housing Improvement Programs

- Lower-income homeowners and renters
- Seniors and persons with disabilities
- Private apartment & rooming house landlords
- City Agencies, Boards & Divisions
- Federal and provincial governments

Table 1
2016 Operating Budget and Plan by Service

(In \$000s)	2015		2016 Operating Budget			2016 vs. 2015 Budget Approved Changes		Incremental Change 2017 and 2018 Plan			
	Approved Budget	Projected Actual	2016 Base	2016 New/Enhanced	2016 Budget			2017		2018	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
New Affordable Housing Development											
Gross Expenditures	1,004.0	995.3	1,068.5		1,068.5	64.5	6.4%	1.2	0.1%	7.4	0.7%
Revenue	606.2	596.9	677.7		677.7	71.5	11.8%				
Net Expenditures	397.8	398.4	390.9		390.9	(7.0)	(1.8%)	1.2	0.3%	7.4	1.9%
Housing Improvement Programs											
Gross Expenditures	879.7	872.0	944.1		944.1	64.5	7.3%	1.6	0.2%	6.5	0.7%
Revenue	481.1	473.8	549.1		549.1	68.0	14.1%				
Net Expenditures	398.5	398.3	394.9		395.0	(3.5)	(0.9%)	1.6	0.4%	6.5	1.6%
Housing Policy & Partnerships											
Gross Expenditures	879.7	872.1	943.9		943.9	64.2	7.3%	1.6	0.2%	6.5	0.7%
Revenue	482.2	474.8	550.2		550.2	68.0	14.1%				
Net Expenditures	397.6	397.3	393.8		393.8	(3.8)	(1.0%)	1.6	0.4%	6.5	1.7%
Total											
Gross Expenditures	2,763.5	2,739.5	2,956.6		2,956.6	193.1	7.0%	4.5	0.2%	20.5	0.7%
Revenue	1,569.5	1,545.5	1,777.0		1,777.0	207.5	13.2%			-	
Total Net Expenditures	1,194.0	1,194.0	1,179.6		1,179.6	(14.3)	(1.2%)	4.5	0.4%	20.5	1.7%
Approved Positions	19.0	19.0	19.0		19.0						

The Affordable Housing Office's 2016 Operating Budget is \$2.957 million gross and \$1.180 million net, representing a 1.2% decrease over the 2015 Approved Net Operating Budget and exceeds the reduction target as set out in the 2016 Operating Budget Directions and Guidelines.

- Base pressures of \$0.194 million can be attributed to known salary and benefits adjustments as well as the cost of adding one additional lawyer on a temporary basis to manage the increased volume and complexity of legal agreements arising from affordable housing funding, land and development transactions for the projects projected and currently underway.
- To help mitigate these base pressures, the Program was able to achieve base expenditure reductions through line by line review as well as revenue adjustments arising from additional federal/provincial IAH funding and increased contribution from the Capital Revolving Fund for Affordable Housing Reserve that funds increased administration costs.
- The 2017 and 2018 Plan projected increase is attributable to cost pressures for progression pay, step and fringe benefits. As 2016 is a collective bargaining year, no cost of living estimate has been included.

Table 2
Key Cost Drivers

(In \$000s)	2016 Operating Budget						2016 Base Budget	
	New Affordable Housing Development		Housing Improvement Programs		Housing Policy & Partnerships		Total	
	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes								
Salaries and Benefits								
Change to Base Salaries (including Step)	0.5		0.7		0.7		2.0	
Benefits	4.5		4.3		4.0		12.8	
Progression Pay	7.3		7.3		7.3		21.8	
Overtime	0.5		0.5		0.5		1.5	
<i>Total Salaries and Benefits</i>	12.8		12.8		12.5		38.1	
Other Base Changes								
IDC Increase	53.1		53.1		53.1		159.4	
Total Gross Expenditure Changes	65.9		65.9		65.6		197.5	
Revenue Changes (Increase) / Decrease								
IDR Increase	(3.4)						(3.4)	
Total Revenue Changes	(3.4)						(3.4)	
Net Expenditure Changes	62.5		65.9		65.6		194.1	

Key cost drivers for the Affordable Housing Office are discussed below:

- Salary and Benefit Changes:
 - ✓ Progression Pay, Step and other know salary increases of \$0.038 million are included in 2016. Cost of living has not been included as 2016 is a bargaining year.
- Other Base Changes:
 - ✓ The increased complexity and volume of legal agreements associated with affordable housing transactions in 2016 will require the services of an additional lawyer which will result in an increase of \$0.160 million in interdepartmental charges from Legal Services.

In order to offset the above net pressures, service cost changes for the Affordable Housing Office consists of base expenditure savings of \$0.004 million net and base revenue increases of \$0.204 million net, for a total of \$0.208 million net reduction to the 2016 Base Budget as detailed below.

Table 3
2016 Service Cost Change Summary

Description (\$000s)	2016 Service Changes						Total Service Changes			Incremental Change			
	New Affordable Housing Development		Housing Improvement Programs		Housing Policy & Partnerships		\$	\$	#	2017 Plan		2018 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:													
Base Expenditure Changes													
<i>Line-By-Line Review Expenditure Reductions</i>	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(4.4)	(4.4)					
Base Expenditure Change	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(4.4)	(4.4)					
Base Revenue Changes													
<i>Federal/Provincial Administration Fee Increase</i>		(34.7)		(34.7)		(34.7)		(104.0)					
<i>Increase in Contribution from Capital Revolving Fund</i>		(33.3)		(33.3)		(33.3)		(100.0)					
Base Revenue Change		(68.0)		(68.0)		(68.0)		(204.0)					
Sub-Total	(1.5)	(69.5)	(1.5)	(69.5)	(1.5)	(69.5)	(4.4)	(208.4)					
Total Changes	(1.5)	(69.5)	(1.5)	(69.5)	(1.5)	(69.5)	(4.4)	(208.4)					

Base Expenditure Changes (Savings of \$0.004 million gross & net)*Line-by Line Review*

- Savings of \$0.004 million net will be realized through a line by line review of all expenditure accounts, across all services, to reflect actual experience and service delivery needs.

Base Revenue Changes (Savings of \$0.204 million net)*Federal/Provincial Administration Fee Increase*

- \$0.104 million in additional administrative funding will be provided from the federal/provincial IAH program.

Increase in Contribution from Capital Revolving Fund

- The Capital Revolving Fund for Affordable Housing will provide an additional \$0.100 million bringing the total reserve contribution to \$0.499 million. The reserve contribution will support the cost of developing proposals for affordable housing projects, providing project development assistance and other activities related to improving the quality and supply of affordable housing in the City.

Approval of the 2016 Budget for Affordable Housing Office will result in a 2017 incremental net cost of \$0.005 million and a 2018 incremental net cost of \$0.021 million to maintain the 2016 service levels, as discussed in the following section:

Table 5
2017 and 2018 Plan by Program

Description (\$000s)	2017 - Incremental Increase					2018 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Salary and Benefits (excluding COLA)	4.5		4.5			20.5		20.5		
Sub-Total	4.5		4.5			20.5		20.5		
Total Incremental Impact	4.5		4.5			20.5		20.5		

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- Step and progression pay increases, along with associated fringe benefits of \$0.005 million in 2017 and 0.021 million in 2018.



Part II:

2016 Budget by
Service

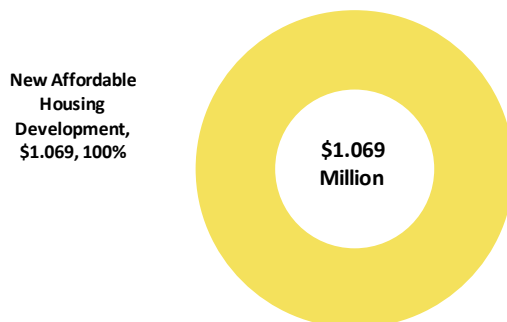
New Affordable Housing Development

New Affordable Housing Development

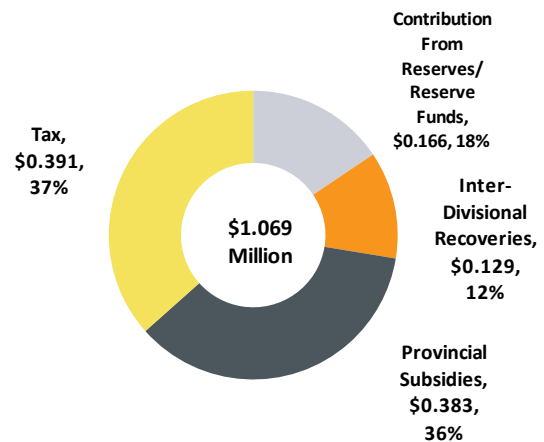
What We Do

- Facilitate the development of new affordable, supportive and transitional rental housing for lower-income residents and create jobs through construction, conversion and community revitalization.
- Assist lower-income residents to purchase new, affordable homes by delivering the City's Home Ownership Assistance Program (HOAP) and federal/provincial affordable home ownership funding.
- Create affordable housing by delivering city, provincial and federal funding and incentives, pursuing innovative strategies and providing advisory services.

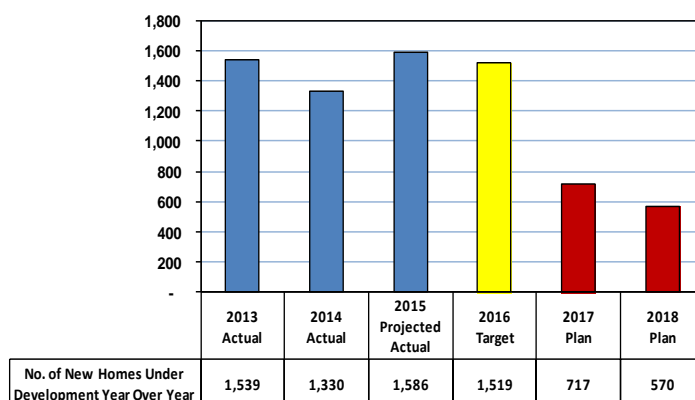
2016 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



New Homes Under Development Year over Year



- The AHO has financial stewardship for projects during the 2-4 year lifecycle of the development process. The numbers in this chart are not cumulative and do not represent annual completions which are shown in the chart on page 2.
- With many completions expected by the end of 2016, future year targets are lower reflecting current funding levels. Targets may increase based on expected new federal/provincial infrastructure funding and implementation of the Open Door Program.

2016 Service Levels

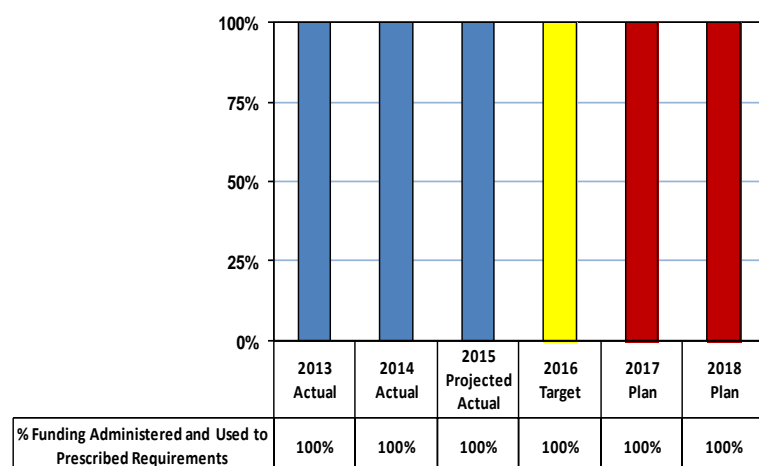
New Affordable Housing

Activity Type	Status	Approved Service Levels			2016
		2013	2014	2015	
Development of New Affordable Housing through Construction, Conversion and Intensification	Approved	Funding disbursed 100% of the time within prescribed guidelines leading to completion of new affordable homes achieving annual targets according to available funding. Note: Federal/Provincial funding is now provided under the new Investment in Affordable Housing (IAH) Program.	100% of Federal, Provincial & City funding for new affordable rental and ownership homes under development disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	100% of Federal, Provincial & City funding for new affordable rental and ownership homes under development disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.	100% of Federal, Provincial & City funding for new affordable rental and ownership homes under development disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.
Housing Advisory & Consultation Services, Sometimes Fee-based, to Other Orders of Government and Other Partners	Approved	Service delivered within prescribed requirements to satisfaction of clients.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program which has been renewed 2014-2020.	Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program .
Implementation of Special Council & Committee Directives	Approved	Special directives implemented to prescribed requirements to satisfaction of council and committees.			

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels.

Service Performance

Efficiency Measure – Percentage of Funding Administered and Used to Prescribed Requirements



- The AHO ensures that 100% of available, approved federal, provincial and City funding is delivered to prescribed requirements.
- For 2015 and future years, it is expected to remain consistent at 100%.

Table 6
2016 Service Budget by Activity

	2015	2016 Operating Budget							2016 Budget vs. 2015 Budget		Incremental Change				
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015 Budget	% Change	New/Enhanced	2016 Budget			2017 Plan		2018 Plan		
	(\$000s)	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.															
New Affordable Housing Development	1,004.0	1,070.0	(1.5)	1,068.5	64.5	6.4%		1,068.5	64.5	6.4%	1.2	0.1%	7.4	0.7%	
Total Gross Exp.	1,004.0	1,070.0	(1.5)	1,068.5	64.5	6.4%		1,068.5	64.5	6.4%	1.2	0.1%	7.4	0.7%	
REVENUE															
New Affordable Housing Development	606.2	609.7	68.0	677.7	71.5	11.8%		677.7	71.5	11.8%					
Total Revenues	606.2	609.7	68.0	677.7	71.5	11.8%		677.7	71.5	11.8%					
NET EXP.															
New Affordable Housing Development	397.8	460.3	(69.5)	390.9	(7.0)	(1.8%)		390.9	(7.0)	(1.8%)	1.2	0.3%	7.4	1.9%	
Total Net Exp.	397.8	460.3	(69.5)	390.9	(7.0)	(1.8%)		390.9	(7.0)	(1.8%)	1.2	0.3%	7.4	1.9%	
Approved Positions	7.0	7.0		7.0	0.0	0.1%		7.0	0.0	0.1%	0.0%				

The **New Affordable Housing Development Service** facilitates the development of new affordable, supportive and transitional rental housing, as well as provides homeownership financial assistance, for lower-income residents. Further, the service helps to create jobs through construction, conversion and community revitalization. This service primarily:

- Delivers federal, provincial and City funding and incentives to create affordable housing as well as pursuing innovative strategies and providing advisory services; and
- Delivers the City's Home Ownership Assistance Program (HOAP) and the federal/provincial home ownership program.

The New Affordable Housing Development service's 2016 Operating Budget of \$1.069 million gross and \$0.391 million net is \$0.007 million or 1.8% under the 2015 Approved Net Budget.

The base budget pressures arising from hiring an additional lawyer and salary and benefit adjustments are allocated equally among all of the 3 services.

These base pressures have been offset by increased IAH funding and an additional reserve contribution, as well as line by line review savings, and are allocated equally among all of the 3 services.

Specific to this service only is an increase in interdepartmental recoveries of \$0.003 million net due to salary and benefits adjustments.

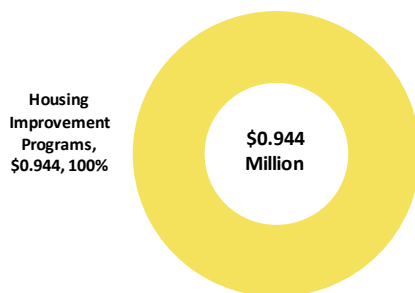
Housing Improvement Programs

Housing Improvement Programs

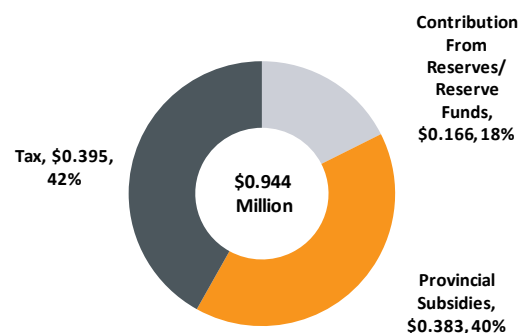
What We Do

- Assist lower-income residents, including seniors and persons with disabilities, to remain safely and affordably in their homes and communities through housing improvement loans and grants.
- Facilitate essential health, safety and accessibility repairs and modifications by delivering the Toronto Renovates program with federal/provincial funds and the federal Homelessness Partnership Strategy.

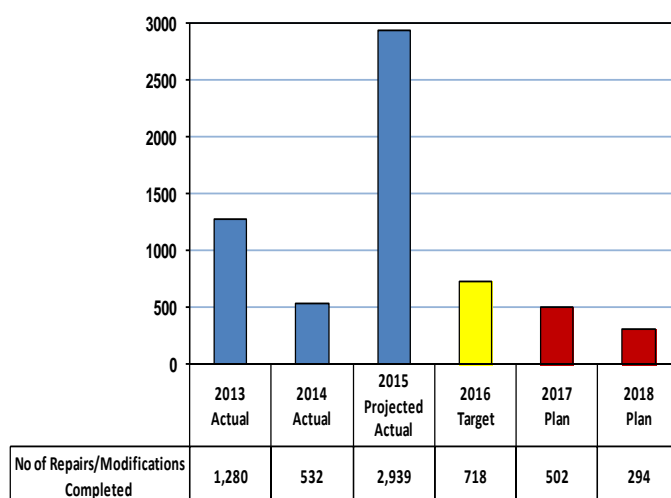
2016 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Number of Repairs/Modifications Completed



- The AHO provides administrative oversight for essential health, safety and accessibility repairs and modifications for lower income households.
- The increase in 2015 Projected Actuals is due to one-time funding approved in 2013, resulting in 2,721 tenant households in apartment buildings and rooming houses being assisted through the federal/provincial IAH program, as well as 218 lower-income homeowners.
- In 2016, the target is lower at 718, reflecting the program focus on repairs and modifications to rooming houses and private homes, which are smaller in number than the expired multi-unit building improvement program, as well as capital repairs to transitional & supportive housing.

2016 Service Levels

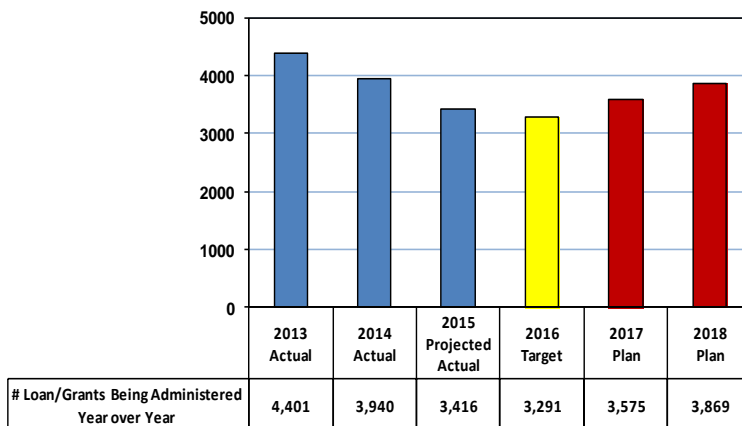
Housing Improvement Programs

Activity Type	Status	Approved Service Levels			2016
		2013	2014	2015	
Loans and grants to private landlords and home owners who are lower income seniors & persons with disabilities	Approved	<p>Funding disbursed 100% of the time within prescribed guidelines leading to completion of renovation or accessibility modification of homes achieving annual targets according to available funding.</p> <p>Note: The Toronto Renovates component of the new Federal-Provincial Investment in Affordable Housing (IAH) funding program replaces RRAP & HASI. The service for private homeowners (formerly under RRAP) supports low-income homeowners, either seniors or persons living with disabilities, to remain in their homes. The AHO is responsible for direct administration of this funding and is establishing program guidelines in 2012.</p>			
Loans for Private Apartments and Rooming Houses Rented at or Below 100% AMR	Approved	<p>Funding disbursed 100% of the time within prescribed guidelines leading to completion of renovation or modification of homes achieving annual targets according to available funding.</p> <p>Note: The Toronto Renovates component of the new Federal-Provincial Investment in Affordable Housing (IAH) funding program replaces RRAP & HASI. The service for Private Apartments (formerly under RRAP) supports renovations to rental housing for low-income tenants. The AHO is responsible for direct administration of this funding and is establishing program guidelines in 2012.</p>	<p>100% of Federal, Provincial & City funding for housing improvement loans & grants to lower-income private homeowners and tenants, especially seniors & persons with disabilities, disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.</p> <p>Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program.</p>	<p>100% of Federal/Provincial funding for housing improvement loans & grants to lower-income private homeowners and tenants, especially seniors & persons with disabilities, disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.</p> <p>Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program which has been renewed 2014-2020.</p>	<p>100% of Federal/Provincial funding for housing improvement loans & grants to lower-income private homeowners and tenants, especially seniors & persons with disabilities, disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence.</p> <p>Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program and the federal Homelessness Partnership Strategy (HPS).</p>
Accessibility Grants for Low-Income Seniors & Persons with Disabilities	Approved	<p>Funding disbursed 100% of the time within prescribed guidelines leading to completion of renovation or modification of homes achieving annual targets according to available funding.</p> <p>Note: The Toronto Renovates component of the new Federal-Provincial Investment in Affordable Housing (IAH) funding program replaces RRAP & HASI. The provision of accessibility grants for seniors and persons with disabilities (formerly under HASI) supports accessibility modifications for low-income residents. The AHO is responsible for direct administration of this funding and is establishing program guidelines in 2012.</p>			

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels.

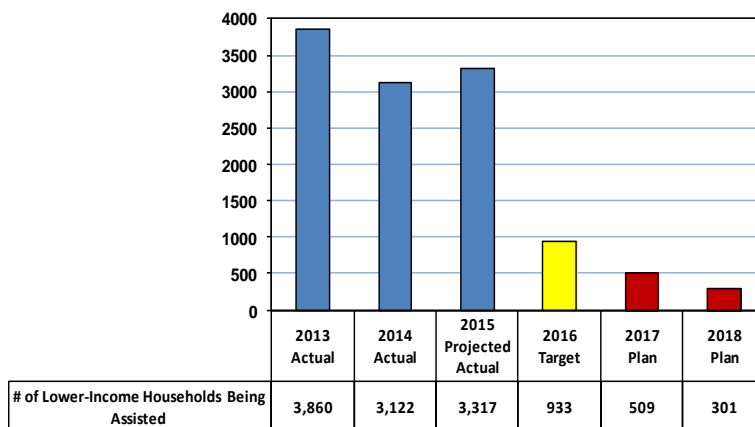
Service Performance

Output Measure – Number of Loans and Grants being Administered Year over Year



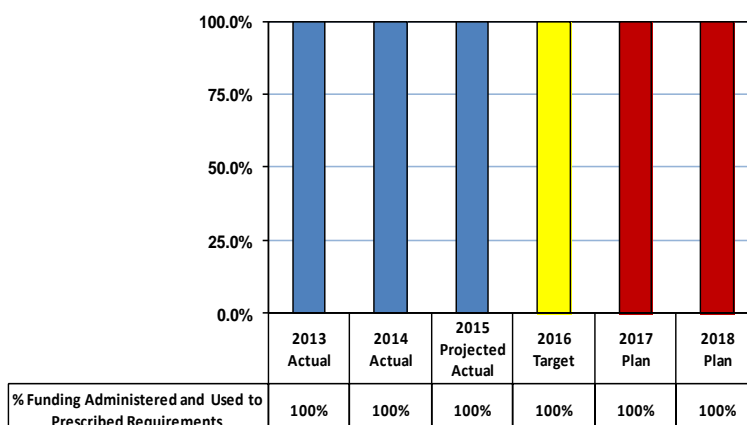
- The AHO has financial stewardship for grants during the 1-2 year lifecycle of the repair/modification process, and 10-15 years for loans until the loan maturity date is reached.
- These numbers are not cumulative and do not represent the total number of essential repairs/modifications completed annually, but rather the number of loans & grants being administered.
- In 2016, the projected level is 3,291 which is lower than 2015 due to expected completions.

Output Measure – Number of Lower-Income Households Being Assisted with Essential Repairs & Modifications Year Over Year



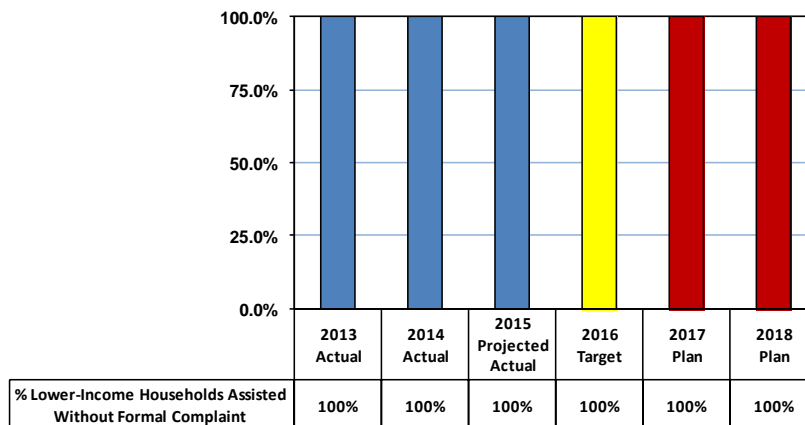
- The AHO has financial stewardship for funding being provided to assist households year-over-year through the 1-2 year lifecycle of the repair/modification process.
- These numbers are not cumulative and do not represent essential repairs/modifications completed each year (see the chart on pg 14).
- The decline since 2013 is due to completion of improvements to multi-unit apartment buildings in 2015 and rooming houses in 2016 and 2017, leaving only homeowner repairs in 2018.

Efficiency Measure – Percentage of Funding Administered and used to Prescribed Requirements



- The AHO ensures that 100% of available, approved federal, provincial and City funding are delivered to prescribed requirements.
- The AHO has achieved 100% and expects to continue this trend in the future.

Effectiveness Measure – Percentage of Lower-Income Households Assisted Without Formal Complaints



- Customer service excellence has resulted in the Housing Improvement Program's ability to provide service delivery, without formal complaints, to vulnerable low-income residents, primarily seniors and persons with disabilities.
- The AHO has achieved 100% satisfaction rating from clients and expects this trend to continue.

Table 6
2016 Service Budget by Activity

	2015	2016 Operating Budget							2016 Budget vs. 2015 Budget		Incremental Change				
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015 Budget	% Change	New/Enhanced	2016 Budget			2017 Plan		2018 Plan		
	(\$000s)	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.															
Housing Improvement Programs	879.7	945.6	(1.5)	944.1	64.5	7.3%		944.1	64.5	7.3%	1.6	0.2%	6.5	0.7%	
Total Gross Exp.	879.7	945.6	(1.5)	944.1	64.5	7.3%		944.1	64.5	7.3%	1.6	0.2%	6.5	0.7%	
REVENUE															
Housing Improvement Programs	481.1	481.1	68.0	549.1	68.0	14.1%		549.1	68.0	14.1%					
Total Revenues	481.1	481.1	68.0	549.1	68.0	14.1%		549.1	68.0	14.1%					
NET EXP.															
Housing Improvement Programs	398.5	464.5	(69.5)	395.0	(3.5)	(0.9%)		395.0	(3.5)	(0.9%)	1.6	0.4%	6.5	1.6%	
Total Net Exp.	398.5	464.5	(69.5)	395.0	(3.5)	(0.9%)		395.0	(3.5)	(0.9%)	1.6	0.4%	6.5	1.6%	
Approved Positions	6.0	6.0		6.0	0.0	0.3%		6.0	0.0	0.3%	0.0%				

The **Housing Improvement Programs Service** supports lower income residents, including seniors and persons with disabilities, to remain safely and affordably in their homes and communities by:

- Providing housing improvement loans and grants; and
- Facilitating essential housing health, safety and accessibility repairs and modifications through the Toronto Renovates program with federal/provincial funds.

The Housing Improvement Programs Service's 2016 Operating Budget of \$0.944 million gross and \$0.395 million net is \$0.004 million or 0.9% under the 2015 Approved Net Budget.

Similar to the other two services, the base budget pressures are due to hiring an additional lawyer and salary and benefit adjustments which have been more than offset by increased IAH funding and an additional reserve contribution, as well as line by line review savings.

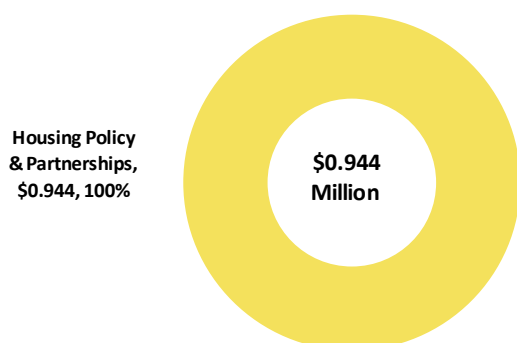
Housing Policy and Partnerships

Housing Policy & Partnerships

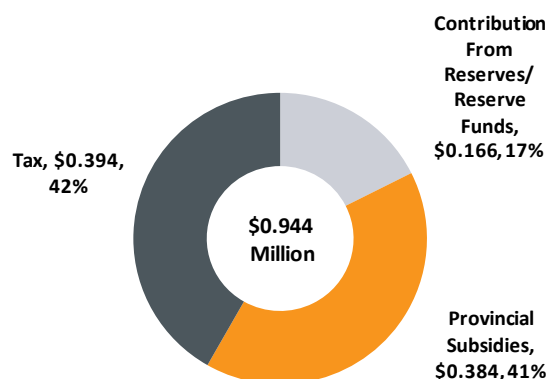
What We Do

- Develop, promote, lead and leverage innovative affordable housing solutions through policies, programs and partnerships with the private and community sectors, e.g., Mayor's Open Door Program.
- Ensure effective and efficient use of city, provincial and federal affordable housing funding and incentives in line with city priorities and other legislative and policy frameworks including *Housing Opportunities Toronto - An Affordable Housing Action Plan 2010-2020*.
- Support the City Manager and Deputy City Managers in providing strategic intergovernmental relations and program advice on housing issues.
- Work with the AHO's Affordable Housing Development unit to deliver home ownership programs.

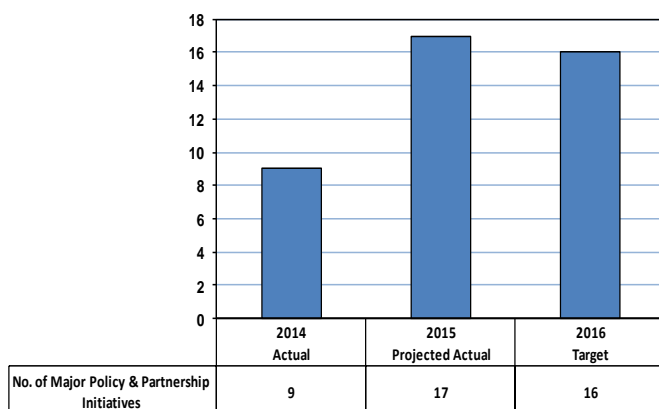
2016 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Number of Major Policy & Partnerships Initiatives



- The AHO has increased the number of major policy and partnership initiatives being developed and implemented since 2014.
- Initiatives in 2015 include: Open Door Program, *Close the Housing Gap* campaign, Weston Community/Cultural Hub, GTA Housing Action Lab, 5-year review of *Housing Opportunities Toronto*, working with the Province to secure provincial land for affordable housing and the AMO Affordable Housing & Homelessness Task Force.
- In 2016, there will be one less initiative as the *Close the Housing Gap* campaign will end.

2016 Service Levels

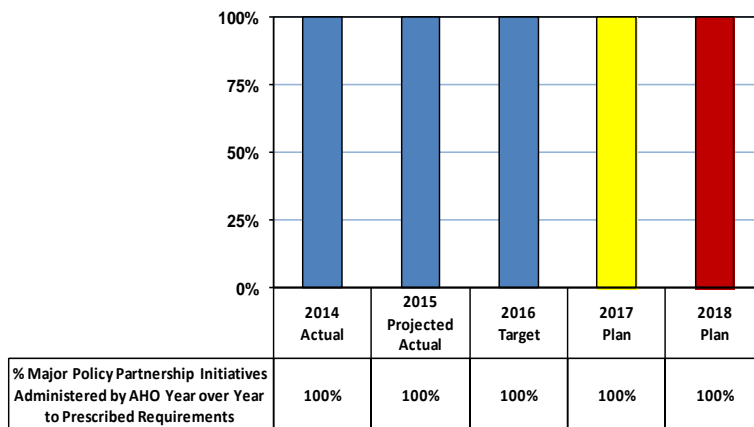
Housing Policy and Partnerships

Activity Type	Status	Approved Service Levels			2016
		2013	2014	2015	
Policies, Plans, Programs, Agreements, Partnerships, Funding & Special Council & Committee Directives	Approved	100% of the time authorized policies, plans, programs, agreements & special Council & Committee directives developed, implemented and maintained according to required parameters, high standards of best practices and where applicable achieving annual targets according to available funding. Note: This includes development of policies and implementation of Housing Opportunities Toronto (HOT), the Home Ownership Assistance Program and Toronto Renovates.	Financial stewardship: 100% of federal, provincial & city funding for new affordable homes and repairs to assist lower-income residents disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence. Major Strategic Policy: 100% of innovative affordable housing strategies and solutions developed & implemented according to prescribed requirements, City Council approvals and service excellence, supporting the implementation of Housing Opportunities Toronto (HOT). Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program.	Financial stewardship: 100% of federal, provincial & city funding for new affordable homes and repairs to assist lower-income residents disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence. Major Strategic Policy: 100% of innovative affordable housing strategies and solutions developed & implemented according to prescribed requirements, City Council approvals and service excellence, supporting the implementation of Housing Opportunities Toronto (HOT). Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program which has been renewed 2014-2020.	Financial stewardship: 100% of federal, provincial & city funding for new affordable homes and repairs to assist lower-income residents disbursed according to prescribed requirements, Council approvals, sound financial stewardship and service excellence. Major Strategic Policy: 100% of innovative affordable housing strategies and solutions developed & implemented according to prescribed requirements, City Council approvals and service excellence, supporting the implementation of Housing Opportunities Toronto (HOT). Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program and the federal Homelessness Partnership Strategy (HPS) .
Partnerships / Relationships Developed / Maintained	Approved	100% of the time excellent partnerships/relationships maintained with the federal & provincial governments, affordable housing developers and private sector & community groups to assist in the implementation of HOT strategies & recommendations and Council & Committee directives, including funding decisions.			
Financial stewardship of program funding	Approved	100% of funded developments or programs to be reviewed as being cost-effective and financially sound according to program requirements with quarterly reporting on federal-provincial programs.			

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels.

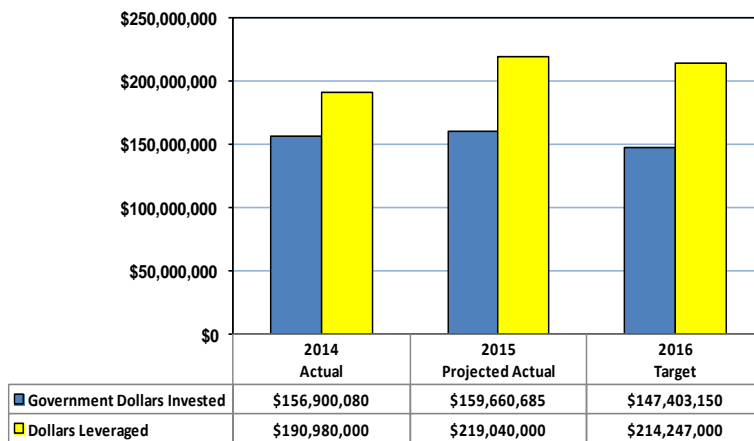
Service Performance

Effectiveness Measure – Percentage of Major Policy & Partnership Initiatives Administered By AHO Year over Year to Prescribed Requirements



- The AHO has met the requirements every year for the policy and partnership initiatives administered and expects to continue so in the future.

Effectiveness Measure – Government Dollars Invested and Dollars Leveraged



- The new Open Door initiative launched in 2015 will contribute to the City's 10-year HOT targets, important given the limited federal-provincial funds.
- 2016 shows a decline in government investments compared to 2014 and 2015, but strong partnerships with the private and non-private sectors will help offset the decline. Anticipated federal/provincial infrastructure funding will increase future year investment targets.
- Contribution to local employment will remain steady at some 4,000 jobs.

Table 6
2016 Service Budget by Activity

	2015	2016 Operating Budget							2016 Budget vs. 2015 Budget		Incremental Change			
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015 Budget	% Change	New/Enhanced	2016 Budget			2017 Plan		2018 Plan	
	(\$000s)	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Housing Policy & Partnerships	879.7	945.4	(1.5)	943.9	64.2	7.3%		943.9	64.2	7.3%	1.6	0.2%	6.5	0.7%
Total Gross Exp.	879.7	945.4	(1.5)	943.9	64.2	7.3%		943.9	64.2	7.3%	1.6	0.2%	6.5	0.7%
REVENUE														
Housing Policy & Partnerships	482.2	482.2	68.0	550.2	68.0	14.1%		550.2	68.0	14.1%				
Total Revenues	482.2	482.2	68.0	550.2	68.0	14.1%		550.2	68.0	14.1%				
NET EXP.														
Housing Policy & Partnerships	397.6	463.2	(69.5)	393.8	(3.8)	(1.0%)		393.8	(3.8)	(1.0%)	1.6	0.4%	6.5	1.7%
Total Net Exp.	397.6	463.2	(69.5)	393.8	(3.8)	(1.0%)		393.8	(3.8)	(1.0%)	1.6	0.4%	6.5	1.6%
Approved Positions	6.0	6.0		6.0				6.0			0.0%			

The **Housing Policy and Partnerships Service** develops, promotes, leads and leverages innovative affordable housing solutions through policies, programs and partnerships with the private and community sectors while ensuring effective and efficient use of federal, provincial and City affordable housing funding and incentives. The service also supports the City Manager and Deputy City Manager with intergovernmental relations and advice on housing and homelessness issues and supports the AHO's other services.

The Housing Policy and Partnerships Service's 2016 Operating Budget of \$0.944 million gross and \$0.394 million net is \$0.004 million or 1.0% under the 2015 Approved Net Budget.

Similar to the other two services, the base budget pressures are due to hiring an additional lawyer and salary and benefit adjustments which have been more than offset by increased IAH funding and an additional reserve contribution, as well as line by line review savings.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2016 Budget

Affordable Housing Targets

- The City's *Housing Opportunities Toronto – Affordable Housing Action Plan 2010-2020 (HOT)* established targets of 1,000 new affordable rental homes and 200 new affordable ownership homes annually or 10,000 affordable rental and 2,000 ownership homes over the Plan's ten years.
- During the Plan's first five years, the City, often in partnership with the federal and provincial governments, has assisted non-profit and private sector organizations to build some 2,800 affordable rental homes and more than 850 affordable ownership homes.
- Using current resources and delivery methods the City will continue to open new homes over the next five years; however, by 2020 a shortfall of 6,000 affordable rental homes and almost 600 affordable ownership homes is projected.
- Two new strategies and resources which will be needed to achieve the approved Council affordable housing targets are as follows:
 - A) Open Door Program
 - City Council at its meeting of December 9th and 10th, 2015, adopted the report "*Affordable Housing Open Door Program*" <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.18> and in so doing, approved the overall direction for the Open Door Program to assist the City in achieving its approved affordable rental and ownership housing targets by: activating surplus public land for new affordable rental and ownership housing; establishing a "Gold Star" planning initiative; and extending City financial incentives, previously limited to non-profit groups, to private sector affordable rental housing developers.
 - AHO is developing two pilot projects totaling more than 160 affordable units, one approved by Council in 2015 and a second to be submitted to Council for approval in 2016.
 - The City Manager will report to Council in 2016 on the financial and administrative implications of the various Open Door program components, and implementation details including rental, ownership and Gold Star programs.
 - B) Additional Federal Funding
 - The new federal government is expected in 2016 to announce a national infrastructure program which will also include affordable housing. The platform of the federal liberal party contained commitments to \$6 billion in additional infrastructure funding for affordable housing and seniors facilities over 4 years (\$19.7 billion over 10 years in total) including building and refurbishing more units, renewing co-operative agreements and providing operational support to municipalities. It's expected that the provincial government will match this federal funding, as has been done in the past.
 - To address the current workload and complexity of new affordable housing developments, the AHO's 2016 Operating Budget includes the resources needed to retain a second lawyer on a temporary contract basis to ensure the City's legal and financial obligations are being met. This will be fully funded through a combination of federal/provincial IAH funding and reserve funding.



Appendices:

Appendix 1

2015 Service Performance

2015 Key Service Accomplishments

In 2015, the Affordable Housing Office accomplished the following results:

Financial Stewardship to Create Affordable Housing and Jobs

- ✓ Provided financial stewardship for \$160 million in federal, provincial and City investments for 4,792 affordable rental and ownership homes being developed or repaired/modified for lower-income residents from the City's priority groups.
- ✓ Leveraged \$219 million from the private and non-profit sectors, for a total of \$378.7 million of affordable housing investments being administered in 2015.

Create New Affordable Rental & Ownership Homes

- ✓ Administered \$145 million in federal/provincial/City funds to create 1,586 new affordable rental and affordable ownership homes under development in 2015, allocated \$12 million to create new affordable rental homes at 200 Madison.
- ✓ Continued administration of the East Bayfront development in the waterfront – a City model for integrating affordable housing into a condominium complex.

Support Housing Improvements for Lower-Income Residents

- ✓ Administered \$0.6 million to complete capital improvements to transitional and supportive housing developments with over 10 non-profit organizations that will improve the housing of 560 low-income and formerly homeless residents.
- ✓ Administered \$11.6 million from the Toronto Renovates program to assist 312 lower-income homeowners to make essential health, safety and accessibility repairs to their homes and to repair apartment buildings and rooming houses benefitting 2,438 lower income households. Increased the ceiling on funding available from \$10,000 to \$15,000.
- ✓ Allocated \$5 million through an RFP to assist 416 rooming house units to be completed through to 2017 of which \$2.5 million was being administered in 2015 for 208 units.

Actions on Affordable Housing Policy and Partnerships

- ✓ Reported to Council in December 2015, the City's Open Door Program to scale up affordable housing construction through land, financial and planning tools.
- ✓ Worked with Build Toronto to create a Delivery Plan identifying additional sites for affordable housing partnerships and with the Province to secure provincial land for affordable housing.
- ✓ Led interdivisional work on the Weston Community/Cultural Hub public-private partnership, with a report approved by Council in December 2015, to create 26 affordable live-work homes for artists, in one of the city's Neighbourhood Improvement Areas, integrated with a new private rental building containing six affordable, accessible homes.
- ✓ Continued to manage, in conjunction with Toronto Community Housing, the Close the Housing Gap advocacy campaign to persuade the federal and provincial governments to increase funding for new affordable housing and social housing repairs. An October survey had a 56% positive response rate to from federal parties and candidates in Toronto ridings.

Appendix 2

2016 Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2013	2014	2015	2015	2016	2016 Change from		Plan	
	Actual	Actual	Budget	Projected	Budget	2015 Approved		2017	2018
	\$	\$	\$	Actual *	\$	Budget	%		
Salaries and Benefits	1,976.9	2,270.9	2,244.9	2,244.9	2,283.0	38.1	1.7%	2,287.5	2,308.0
Materials and Supplies	6.9	(11.9)	12.9	12.9	11.6	(1.4)	(10.6%)	11.6	11.6
Equipment	0.2	2.3	2.0	2.0	2.5	0.5	22.3%	2.5	2.5
Services & Rents	79.9	114.5	168.7	168.6	165.2	(3.5)	(2.1%)	165.2	165.2
Contributions to Reserve/Res Funds	4.7	4.7	5.6	5.6	5.6			5.6	5.6
Interdivisional Charges	311.2	312.7	329.2	329.2	488.7	159.4	48.4%	488.7	488.7
Total Gross Expenditures	2,379.8	2,693.1	2,763.5	2,763.4	2,956.6	193.1	7.0%	2,961.1	2,981.5
Interdivisional Recoveries	119.7	140.2	125.1	125.1	128.5	3.4	2.8%	128.5	128.5
Provincial Subsidies	723.2	959.0	1,045.4	1,045.4	1,149.4	104.0	10.0%	1,149.4	1,149.4
Federal Subsidies	2.2								
Contribution from Reserve/Reserve Funds	339.7	399.0	399.0	399.0	499.0	100.0	25.1%	499.0	499.0
Sundry Revenues	0.1	0.1							
Total Revenues	1,184.9	1,498.3	1,569.5	1,569.5	1,777.0	207.5	13.2%	1,777.0	1,777.0
Total Net Expenditures	1,194.9	1,194.8	1,194.0	1,194.0	1,179.6	(14.3)	(1.2%)	1,184.1	1,204.6
Approved Positions	19.0	19.0	19.0	19.0	19.0			19.0	19.0

* Based on the 2015 9-month Operating Variance Report

For additional information regarding the 2015 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "*Operating Variance Report for the Nine-Month Period Ended September 30, 2015*" approved by City Council at its meeting on December 9, 2015.

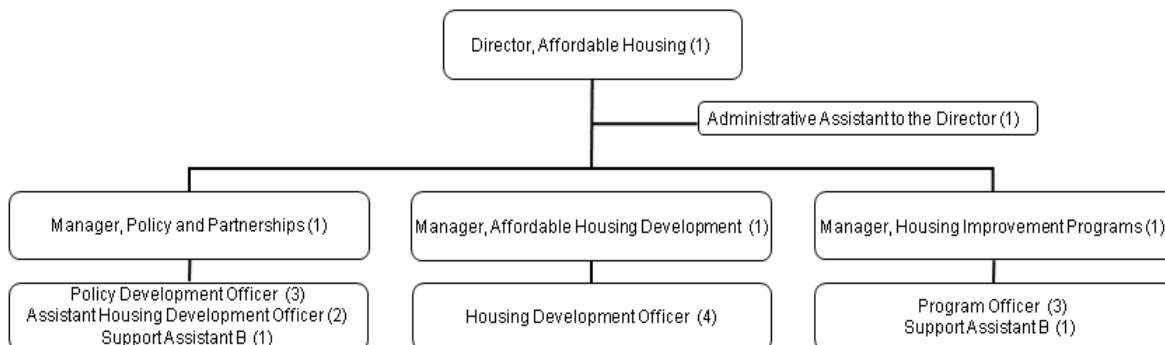
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.27>

Impact of 2015 Operating Variance on the 2016 Budget

The Program has reduced expenditures by \$0.004 million based on projected spending for 2015.

Appendix 3

2016 Organization Chart



2016 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	4.0		10.0	15.0
Temporary		2.0		2.0	4.0
Total	1.0	6.0		12.0	19.0

Appendix 4

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance			8,783.7	8,284.7	7,085.7
Capital Revolving Fund for Affordable Housing	XR1058	8,783.7			
<i>Proposed Withdrawals (-)</i>			(499.0)	(499.0)	(499.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		8,783.7	8,284.7	7,785.7	6,586.7
Other Program / Agency Net Withdrawals & Contributions				(700.0)	700.0
Balance at Year-End		8,783.7	8,284.7	7,085.7	7,286.7

* Based on 9-month 2015 Reserve Fund Variance Report

** Please note that not all commitments, incoming contributions and loan repayments are included. Expect to get repayment of \$7M in 2018

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance			25,335.2	25,340.8	25,346.5
Insurance Reserve Fund	XR1010	25,335.2			
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			5.6	5.6	5.6
Total Reserve / Reserve Fund Draws / Contributions		25,335.2	25,340.8	25,346.5	25,352.1
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		25,335.2	25,340.8	25,346.5	25,352.1

* Based on 9-month 2015 Reserve Fund Variance Report