

Item 4A – 2022 Operating and Capital Budgets  
TCHC Board Meeting of December 9, 2021  
Report#: TCHC:2021-80 **Attachment 1**

# 2022 Budget

## Toronto Community Housing

December 6, 2021



# Overview

## Description

TCHC delivers essential frontline service that involves providing housing and support for vulnerable Torontonians. Through deeply affordable rents TCHC makes it possible for tens of thousands of low-income families to maintain their housing.

TCHC's overall priorities are to provide 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.

## Why We Do It

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

Through collaboration and with residents' needs at the forefront, we connect residents to services and opportunities, and help foster great neighbourhoods where people can thrive.

## What Services We Provide

### Who We Serve:

TCHC's tenants are from all walks of life, with a primary eligibility being low-income, survivors of domestic violence or human trafficking, shelter residents, and applicants experiencing homelessness.

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

### What We Deliver:

TCHC provides affordable and subsidized housing to 110,000 tenants, in 58,500 units, across the city. 89% of tenancies are deep-affordable, with a subsidy value sufficient to reduce the cost of housing to one-third of tenant income, or as little as \$85 per month. TCHC manages and maintains an infrastructure portfolio of 2,100 buildings, worth over \$10B and invests \$350M in capital repairs and improvements per year towards restoring this valuable public asset to a full state of good repair.

## 2022 Budget Highlights

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Like most organizations TCHC's operations, outcomes, and strategic planning continue to have been impacted by the ongoing COVID-19 Pandemic.

TCHC continued to provide its essential services to tenants throughout the pandemic and in collaboration with the City of Toronto, have developed a break-even base budget for 2022.

### Highlights:

- Mitigated \$39.0M in non-discretionary costs through efficiencies, improvements and City support
- Pre-COVID break-even base budget with increase in funding; COVID pressure of \$26.8M
- FCI improvements in 2022 continue a downward trend ahead of the original 2017 FCI estimates
- Begin construction on 223 rental replacement units (RGI) and 39 affordable rental units and continue construction on 254 RGI units

# 2021 In Review

# 2021 Forecast

(in \$000's)	2021 FORECAST			2021 BUDGET			2021F vs 2021B	
	Base	COVID Expenses	Total	Base	COVID Expenses	Total	\$ Change	% Change
<b>CASH INFLOWS</b>								
Residential rent - RGI	257,202	(7,805)	249,396	256,198	(16,000)	240,198	1,004	0%
Residential rent - Market	92,375	(1,407)	90,968	94,835	(1,400)	93,435	(2,460)	-3%
Bad Debt Expense	(3,304)	(1,759)	(5,063)	(4,400)	(3,744)	(8,144)	1,096	-25%
Subsidies - City	250,960		250,960	250,960		250,960	0	0%
Subsidies - Regent Park	(4,568)		(4,568)	(6,000)		(6,000)	1,432	-24%
Parking, laundry and cable fees	19,232	(1,053)	18,179	18,698	(400)	18,298	534	3%
Commercial rent	16,991		16,991	16,479		16,479	513	3%
Other revenue	1,788		1,788	1,857		1,857	(69)	-4%
RPEI revenue	4,127		4,127	5,312		5,312	(1,185)	-22%
	634,804	(12,024)	622,779	633,939	(21,544)	612,395	865	0%
<b>CASH OUTFLOWS</b>								
Utilities	131,850	2,934	134,784	131,305	2,934	134,239	545	0%
Energy Efficiency savings	(2,722)		(2,722)	(7,169)		(7,169)	4,447	-62%
Municipal taxes	18,780		18,780	18,943		18,943	(164)	-1%
Mortgage Interest & Principal	132,672		132,672	134,830		134,830	(2,158)	-2%
Operations	160,165	9,820	169,985	160,435	8,732	169,167	(270)	0%
Operations (Other)	75,028	2,499	77,527	73,252	1,198	74,450	1,776	2%
Corporate	63,061	894	63,955	65,276	423	65,699	(2,215)	-3%
Senior Housing Unit	28,233	3,760	31,993	29,724	2,675	32,399	(1,491)	-5%
Development	227		227	(0)		(0)	227	-100%
Other	19,718	-	19,718	19,403	-	19,403	315	2%
IT/Corporate Capital	9,393	-	9,393	7,939	-	7,939	1,454	18%
	636,405	19,906	656,312	633,939	15,962	649,900	2,466	0%
<b>Total Cash Surplus (Shortfall)</b>	<b>(1,601)</b>	<b>(31,930)</b>	<b>(33,533)</b>	<b>0</b>	<b>(37,506)</b>	<b>(37,505)</b>	<b>(1,601)</b>	<b>-100%</b>

## 2021 Accomplishments – Core Business

<b>Tenant Services and Building Operations</b>	<ul style="list-style-type: none"> <li>• Opened 86 HUBs as part of the organizational restructure which will help to improve tenant service levels. The remaining 2 HUBs, bringing the total to 88 HUBs, will be ready to open by February 2022.</li> <li>• First year of tenant data collected and incorporated into TCHC's Service Quality Indicator metrics system</li> <li>• Completed bringing the West region Contract Managed buildings back to Direct Managed; implemented the conversion of Central, East and Senior Contract Managed buildings to Direct Managed</li> </ul>
<b>Community Safety and Supports</b>	<ul style="list-style-type: none"> <li>• Increased efficiencies by implementing an Alternate Response Unit (ARU), a team dedicated to handling service calls remotely or over the telephone when an in person discussion with a special constable is not needed</li> <li>• Developed a Summer Safety Strategy program in collaboration with the City of Toronto, TPS and external community stakeholders</li> </ul>
<b>Building Capital Renewal</b>	<ul style="list-style-type: none"> <li>• On track to deliver the 2021 SOGR budget of \$350 million even through the pandemic shut-down</li> </ul>
<b>Seniors' Housing Unit</b>	<ul style="list-style-type: none"> <li>• Phase 2 of the Integrated Service Model (ISM) is currently underway</li> </ul>
<b>IT modernization (HoMES)</b>	<ul style="list-style-type: none"> <li>• Phase 2A completed for tenancy management and 2B currently on-track to deliver demand maintenance, inspections reporting and performance accountability.</li> </ul>

# TCHC Service Quality Indicators

## Service Quality Indicators Process

- TCHC receives tenant feedback on the quality of service delivery across its 88 service hubs made up of 159 buildings/communities of buildings.
- The feedback is used to inform staff-to-tenant engagement and develop building level improvement plans aimed to improve frontline service quality and delivery.
- Feedback is collected across 17 service area metrics within the four service pillars.
- In the SQI model, staff and tenant jointly conduct building rounding and review the quality of service levels.

## Indicators

1



### Cleaning

Sub-metrics: Indoor; Exterior; Moving rooms, Garbage/Recycling areas

2



### Building Maintenance

Sub-metrics: Exterior; Mechanical; Common Areas; Environmental Health; Customer Service Experience; Notifications of Work

3



### Tenancy Management

Sub-metrics: Tenant Notifications, Staff Responsiveness

4

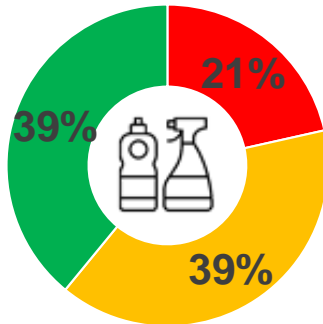


### Community Safety and Supports

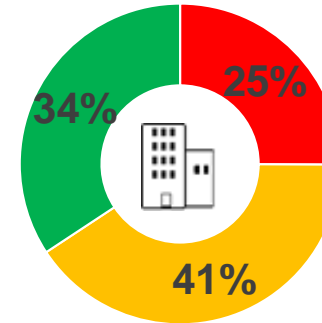
Sub-metrics: Access to Supports/Information; Partnerships; Isolation/Resiliency; Community Events; Tenant Empowerment; Building Infrastructure, Safety Incidents, CSU Presence

# 2021 TCHC Service Quality Indicators

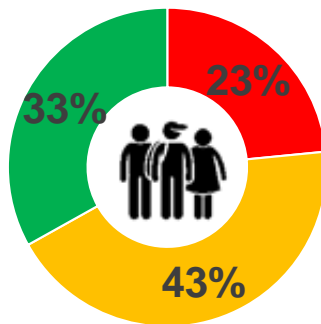
## 1 Cleaning



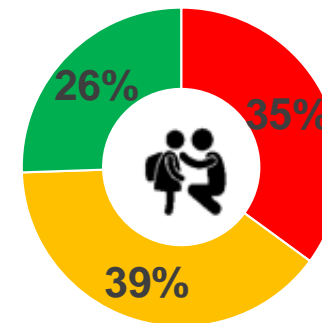
## 2 Building Maintenance



## 3 Tenancy Management



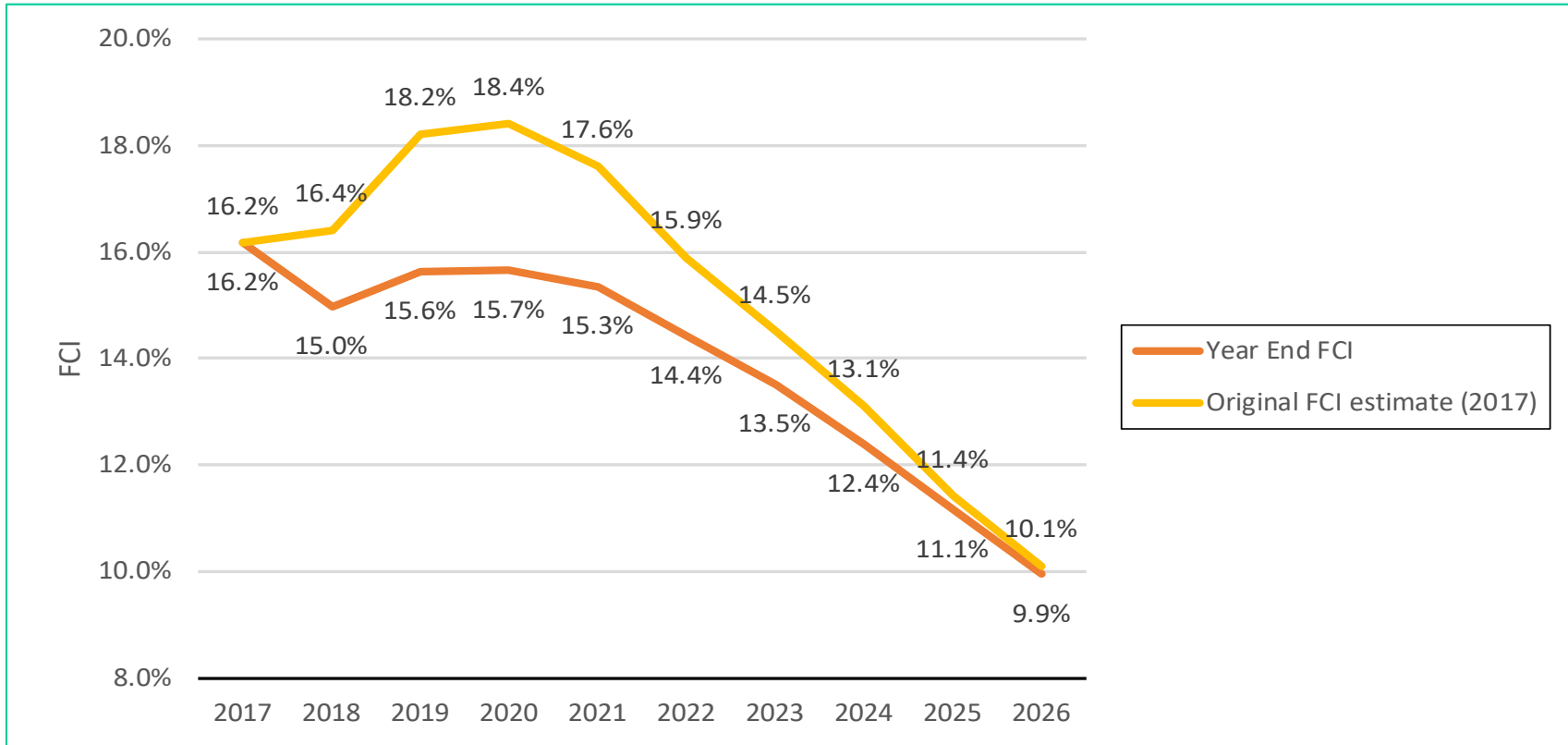
## 4 Community Supports



Note: The above represents the first year of data collected from TCHC tenants on the Service Quality Indicators. In 2020, COVID restrictions prevented the collection of this data.



# 2021 Building FCI – Actuals and Projection



- The Facility Condition Index represents the number of building components reaching or exceeding the end of their useful life.
- An FCI of 10% or less is the industry standard for a state of good repair.
- With a fully funded capital repair plan, TCHC has reliably improved upon its capital projections and is on-track to reach a sustainable state of good repair in 2026

# 2022 Operating Budget

# 2022 Budget – Priority Actions

## Key Risks and Challenges

- TCHC, like the City as a whole, has been significantly impacted by COVID-19, this is projected to continue into 2022 driving the following pressures:
  - (\$13.1M) shortfall in revenue, driven by the COVID-related Provincial rent cap that will reduce residential rent by \$9.8M and COVID-related economic instability that is projected to result in a \$2.1M increase in arrears and unpaid fees.
  - \$13.7M in COVID related expenses driven by increased operational requirements (such as increased cleaning and PPE consumption) and increased utilities consumption by tenants who are home more often due to COVID restrictions in public spaces.
- Non-COVID pressures, such as utilities rate increases, service contract rate increases, collective agreement pay increases, increase in mortgage P&I from the CMHC NHS loan, and the Seniors Housing Integrated Service Model, transfer of market rental units to RGI, will represent significant pressures against the city subsidy.

## Priority Actions for 2022

- TCHC will continue to implement its restructuring of its service delivery model across the city, ensuring that tenants have easier, quicker and more accessible service, delivered safely and consistent with COVID-19 guidelines, through the opening of 88 Tenant Service Hubs across the City.
- Work with City staff to continue the transition of TCHC scattered houses to new permanent management by non-profit housing providers.
- Partnering with the City to establish the Toronto Seniors Housing Corporation to improve outcomes for tenants in the Seniors Portfolio
- TCHC continues to execute its Capital Plan and remains on schedule to bring its building portfolio into a state of good repair by 2026. In 2021 TCHC staff reprioritized the capital work plan to account for social distancing limits and other COVID-19 impacts to ensure that the Plan remained on schedule. In 2022 TCHC will continue to maintain a flexible approach to its Capital Plan and continue to meet its targets.
- Continue to enhance TCHC's cyber security measures as well as replacing TCHC's end-of-life IT systems with modern applications that support increased business intelligence and reporting (HoMES).

## 2022 Budget - At a Glance

<b>Total Budget</b>	<b>\$1,128.9M</b>	<b>(2021: \$1,111.2M)</b>
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<b>Operating Budget</b>	<b>\$672.1M (Pre-COVID Impact)</b>	<b>(2021: \$633.9M)</b>
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TCHC's 2022 Budget continues to focus on increasing the quality and availability of service to tenants. Accountability will be driven by the Service Quality 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.

<b>Building Repair Capital</b>	<b>\$350.0M</b>	<b>(2021: \$350.0M)</b>
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TCHC is budgeting to deliver \$350M in building capital repairs in 2022, similar to the anticipated capital spend for 2021. The 2022 year-end FCI is estimated to be 14.4% and TCHC is on track to achieving the FCI goal of 10% by 2026 year-end.

<b>Development Capital</b>	<b>\$98.0M</b>	<b>(2021: \$103.1M)</b>
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Development Capital will continue to be used in the creation of 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.

<b>HoMES</b>	<b>\$8.8M</b>	<b>(2021: \$24.2M)</b>
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TCHC's multi-year investment to update their legacy and end-of-life systems is on track and within the approved Budget.

# 2022 Operating Budget

	2022 BUDGET			2021 FORECAST			2022B vs 2021F	
	Base	COVID Expenses	Total	Base	COVID Expenses	Total	\$ Change	% Change
<b>CASH INFLOWS</b>								
Residential rent - RGI	259,170	(8,416)	250,754	257,202	(7,805)	249,396	1,969	1%
Residential rent - Market	91,870	(1,407)	90,463	92,375	(1,407)	90,968	(505)	-1%
Bad Debt Expense	(4,375)	(2,073)	(6,449)	(3,304)	(1,759)	(5,063)	(1,071)	32%
Subsidies - City *	284,777		284,777	250,960		250,960	33,817	13%
Subsidies - Regent Park	(3,544)		(3,544)	(4,568)		(4,568)	1,024	-22%
Parking, laundry and cable fees	19,289	(1,220)	18,069	19,232	(1,053)	18,179	57	0%
Commercial rent	17,208		17,208	16,991		16,991	217	1%
Other revenue	1,687		1,687	1,788		1,788	(101)	-6%
RPEI revenue	6,011		6,011	4,127		4,127	1,883	46%
	672,093	(13,116)	658,976	634,804	(12,024)	622,779	37,289	6%
<b>CASH OUTFLOWS</b>								
Utilities	138,381	2,279	140,661	131,850	2,934	134,784	6,531	5%
Energy Efficiency savings	(4,706)		(4,706)	(2,722)		(2,722)	(1,985)	73%
Municipal taxes	19,314		19,314	18,780		18,780	534	3%
Mortgage Interest & Principal	137,031		137,031	132,672		132,672	4,358	3%
Operations	158,261	6,367	164,628	160,165	9,820	169,985	(1,904)	-1%
Operations (Other)	89,667	817	90,484	75,028	2,499	77,527	14,639	20%
Corporate	75,761	689	76,450	63,061	894	63,955	12,701	20%
Senior Housing Unit	32,494	3,573	36,067	28,233	3,760	31,993	4,261	15%
Development	(0)	-	(0)	227		227	(227)	-100%
Other	19,170	-	19,170	19,718	-	19,718	(548)	-3%
IT/Corporate Capital	6,720	-	6,720	9,393	-	9,393	(2,673)	-28%
	672,093	13,725	685,818	636,405	19,906	656,312	35,688	6%
<b>Total Cash Surplus (Shortfall)</b>	<b>0</b>	<b>(26,842)</b>	<b>(26,842)</b>	<b>(1,601)</b>	<b>(31,930)</b>	<b>(33,533)</b>	<b>1,601</b>	<b>-100%</b>

\* Includes \$9.5M of one-time funding from the City

# 2022 Budget – Key Cost Drivers

Key Cost Drivers (in \$000s)	City / Shareholder	Inflationary	Other	Total
<b>GENERAL</b>				
Utilities (Hydro 4.8%, Natural Gas 5.6%, Water 3.0% and Waste 5.6%)		3,153		3,153
COLA and Collective Bargaining Non-discretionary increase		4,367		4,367
Mortgage P&I			4,358	4,358
Revenue impact: Transition of Market units to RGI	1,848			1,848
Municipal Taxes		534		534
<b>SENIORS HOUSING</b>				
Full year impact of 2021 mid-year hiring implementation	1,404			1,404
Full year impact from deferral of 2021 Annual unit inspections			1,333	1,333
<b>OPERATIONS</b>				
Rate increases for service contracts upon renewal		1,000	-	1,000
Preventative Maintenance programs			3,253	3,253
Contract Managed - East, Central and Seniors	1,621			1,621
<b>CORPORATE</b>				
HoMES annual license fee			2,100	2,100
HoMES transitional costs			1,530	1,530
Insurance program increases		1,375		1,375
Confronting Anti-Black Racism			807	807
IT Cyber security and End of Life system replacment			834	834
<b>2022 Base Budget Pressures</b>	<b>4,873</b>	<b>10,428</b>	<b>14,215</b>	<b>29,517</b>
City Subsidy Increase				(24,308)
One-Time Cost Drivers Funding				(9,509)
Revenue increases				(2,992)
Utility savings from investments made to reduce consumption				(1,985)
Line by line review for savings				(1,832)
<b>Revenue Adjustments and Balancing Actions</b>				<b>(40,626)</b>
<b>Net 2022 Base Budget Drivers</b>				<b>(11,110)</b>
One-Time Cost Drivers				9,509
<b>Total Budget Change</b>				<b>(1,601)</b>

## 2022 Budget – One Time Costs

One Time Costs (in \$000s)	Amount
Community Safety Unit supplies and maintenance costs	287
Legal and professional fees	3,233
<b>Information Technology</b>	
End user devices (eg laptops/desktops, monitors, keyboards, etc.)	1,050
Equipment for Hub projects and other devices	300
Software Costs	235
Additional resources/ Professional Services for Office 365	550
	<b>2,135</b>
<b>Communications</b>	
Tenant Focused Digital Content Strategy	225
External website scoping & development	250
	<b>475</b>
<b>Utilities - timing of savings</b>	<b>3,379</b>
<b>Total One Time Costs</b>	<b>9,509</b>

## 2022 Budget – COVID Impact

COVID-19 Impacts (in \$000s)	2021 Forecast	2022 Budget
<b>Revenue Loss</b>		
RGI Rent due to Rent Cap	7,805	8,416
Bad Debt	1,759	2,073
Market Rent due to Rent Cap	1,407	1,407
Parking Revenue	1,053	1,220
<b>Sub-Total</b>	<b>12,024</b>	<b>13,116</b>
<b>Expenditure Increase</b>		
PPE	7,601	6,454
Overtime	8,568	4,303
Utilities	2,934	2,279
Information Technology	804	689
<b>Sub-Total</b>	<b>19,906</b>	<b>13,725</b>
<b>Total COVID-19 Impact</b>	<b>31,930</b>	<b>26,842</b>



# 2022 Building Renewal Capital Budget

# Key Capital Objectives & Priority Actions

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## 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.

- Continue to implement a build capital repair plan to achieve a 10% Facility Condition Index (FCI) by end of 2026
- Work to ensure zero closures and to maximize units available for rental (enhance unit availability)
- Reduce portfolio wide energy consumption by 25% by the end of 2028
- Maximize accessibility for our tenants including building common areas and 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	2019 Actuals	2020 Actuals	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Planned Capital	\$100	\$168	\$195	\$225	\$230	\$213	\$215	\$200	\$161	\$101	\$101	\$101	\$101
Demand Capital	\$119	\$123	\$90	\$89	\$84	\$84	\$84	\$76	\$65	\$51	\$51	\$51	\$51
Energy Programs	\$79	\$59	\$30	\$18	\$18	\$11	\$10	\$9	\$9	\$0	\$0	\$0	\$0
Capital Other	\$15	\$18	\$18	\$19	\$18	\$17	\$17	\$16	\$13	\$9	\$9	\$9	\$9
	\$313	\$367	\$333	\$350	\$350	\$325	\$325	\$300	\$247	\$160	\$160	\$160	\$160

TCHC 10 Year Facilities Condition Index													
	2019 Actuals	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Year End Capital Needs	1,578	1,618	1,650	1,580	1,512	1,413	1,297	1,180	1,151	1,176	1,266	1,314	1,334
Year End FCI	15.6%	15.7%	15.3%	14.4%	13.5%	12.4%	11.1%	9.9%	9.5%	9.5%	10.1%	10.2%	10.2%
Original FCI estimate (2017)	18.2%	18.4%	17.6%	15.9%	14.5%	13.1%	11.4%	10.1%	10.1%	10.2%	10.5%	10.0%	10.0%
FCI Improvement	2.6%	2.7%	2.3%	1.5%	1.0%	0.7%	0.3%	0.2%	0.6%	0.7%	0.4%	-0.2%	-0.2%

NOTE: The forecasted backlog of capital repair needs and corresponding FCI are calibrated annually by a third party audit and subject to ongoing adjustment.

- Building FCI is estimated to be better than originally anticipated in 2018 in all years leading up to 2026, where FCI will be at approximately 10% by year-end

# Multi-Year Building Renewal Capital Commitment

Budget Category consolidated	Capital Envelope	RC Programs	2022	2023 Current Commitments	2024 Current Commitments	2025 Current Commitments
<b>Planned Capital</b>	CA01	Common Area Accessibility	\$ 11,750,000	\$ 750,000	\$ -	\$ -
	CC01	Commercial - Laundry Rooms	\$ 1,300,000	\$ -	\$ -	\$ -
	CC09	Commercial Retail Repairs	\$ 1,000,000	\$ -	\$ -	\$ -
	RC03	Electrical	\$ 5,000,000	\$ -	\$ -	\$ -
	RC05	Elevators	\$ 6,000,000	\$ -	\$ -	\$ -
	RC07	Envelope	\$ 40,000,000	\$ 14,094,119	\$ 3,793,458	\$ -
	RC08	Grounds	\$ 10,000,000	\$ -	\$ -	\$ -
	RC09	Interior	\$ 7,000,000	\$ 1,000,000	\$ -	\$ -
	RC10	Emergency Generators	\$ 4,000,000	\$ -	\$ -	\$ -
	RC12	Life Safety	\$ 9,000,000	\$ 4,049,852	\$ 1,866,998	\$ -
	RC15	HVAC	\$ 18,000,000	\$ 1,895,882	\$ 12,448	\$ -
	RC16	Plumbing	\$ 12,000,000	\$ 982,704	\$ -	\$ -
	RC18	Roofing	\$ 10,000,000	\$ 431,669	\$ 179,862	\$ -
	RC19	Cameras and Access Control	\$ 10,000,000	\$ -	\$ -	\$ -
	RC22	Single Dwelling Units	\$ 2,000,000	\$ -	\$ -	\$ -
	RC23	Structural	\$ 8,000,000	\$ 1,331,330	\$ -	\$ -
	RC24	Parking Garages	\$ 10,000,000	\$ 1,060,985	\$ -	\$ -
	RC39	Common Area Hallway Repairs	\$ 1,000,000	\$ -	\$ -	\$ -
	RC41	Swimming Pool Envelope	\$ 1,000,000	\$ 658,335	\$ -	\$ -
	RCHH	Heritage Houses	\$ 1,000,000	\$ -	\$ -	\$ -
	HBWP	Holistic Building Retrofit Program	\$ 40,000,000	\$ 25,691,354	\$ 6,908,456	\$ -
	RCXZ	Capital Contingency	\$ 14,103,616	\$ -	\$ -	\$ -
<b>Planned Capital Total</b>			<b>\$ 222,153,616</b>	<b>\$ 51,946,230</b>	<b>\$ 12,761,222</b>	<b>\$ -</b>
<b>Demand Capital</b>	CA02	Resident's Demand Unit Accessibility Upgrade	\$ 5,000,000	\$ -	\$ -	\$ -
	CA03	Common Area Demand Accessibility Upgrade	\$ 1,350,000	\$ -	\$ -	\$ -
	CG01	Waste Equipment Repairs	\$ 1,000,000	\$ -	\$ -	\$ -
	CI01	Risk Management and Insurance Claims	\$ 4,000,000	\$ -	\$ -	\$ -
	COXX	FM Demand Component Capital	\$ 50,000,000	\$ 21,253	\$ 7,677	\$ -
	LCXX	Resident Appliances and Equipment	\$ 2,000,000	\$ -	\$ -	\$ -
	LMXX	Local Moveouts	\$ 16,500,000	\$ -	\$ -	\$ -
	SOGI	State of Good Repair - Interior	\$ 5,000,000	\$ -	\$ -	\$ -
	SOGM	State of Good Repair - MLS Issues	\$ 4,000,000	\$ -	\$ -	\$ -
<b>Demand Capital Total</b>			<b>\$ 88,850,000</b>	<b>\$ 21,253</b>	<b>\$ 7,677</b>	<b>\$ -</b>
<b>Energy Programs</b>	AIP1	Apartment Investment Plan - SHAIP **	\$ 101,384	\$ 76,432	\$ -	\$ -
	RPEI	Regent Park Energy Initiatives	\$ 5,665,000	\$ -	\$ -	\$ -
	EW01	Water Conservation & Recommissioning	\$ 4,000,000	\$ -	\$ -	\$ -
	EW03	Energy Retrofit and Recommissioning	\$ 1,000,000	\$ -	\$ -	\$ -
	EW08	EW08 - Metering / Monitoring	\$ 2,650,000	\$ -	\$ -	\$ -
	EW09	EW09 - iBMS System Integration	\$ 3,080,000	\$ 18,063	\$ 18,063	\$ 10,536
	EW10	In-Suite LED Lighting and E Renewable Program	\$ 4,000,000	\$ -	\$ -	\$ -
<b>Energy Programs - RPEI Total</b>			<b>\$ 20,496,384</b>	<b>\$ 94,495</b>	<b>\$ 18,063</b>	<b>\$ 10,536</b>
<b>Capital Other</b>	ADM	FM Labour Costs - Project Management (5%)	\$ 17,500,000	\$ -	\$ -	\$ -
	RC01	Building Condition Audits	\$ 1,000,000	\$ 367,347	\$ 367,347	\$ 306,123
<b>Capital Other Total</b>			<b>\$ 18,500,000</b>	<b>\$ 367,347</b>	<b>\$ 367,347</b>	<b>\$ 306,123</b>
<b>Grand Total</b>			<b>\$ 350,000,000</b>	<b>\$ 52,429,324</b>	<b>\$ 13,154,308</b>	<b>\$ 316,659</b>

# 2022 Development Capital Budget

# Key Capital Objectives & Priority Actions

## Objectives:

- Continue implementing the revitalization program in 8 TCHC communities across the City.
- Demolish 102 rental units and begin construction on 223 rental replacement units (RGI) and 39 affordable rental units and continue construction on 254 RGI units.

## Priority Actions:

- Implementation of future phases of Regent Park and Lawrence Heights
- Continue construction work for Alexandra Park Phase 2 , Don Summerville, and demolition in Firgrove
- 250 Davenport – Completion of amenity space improvements and finalization of use of space agreements with COTA.
- Working with the Housing Secretariat to:
  - Proceed with the next steps for sites with approved Initial Development Proposals
  - Finalize City costs for infrastructure, streets, parks and community amenities for inclusion in 10 year capital plans for Lawrence Heights Phase 2/3 and Firgrove
  - Finalize a funding application to CMHC for the Co-Investment Fund at Firgrove
  - Determine the preferred affordable housing approach for Phase 2/3 of Lawrence Heights

# Key Capital Issues & Challenges for 2022 and Beyond

<p><b>Uncommitted funding for ongoing development revitalizations</b></p>	<p>Regent Park Phases 4 &amp; 5 Lawrence Heights Phases 2-4, Alexandra Park Phase 2 and Firgrove are projecting a shortfall with no identified funding source to cover the gap of approximately \$475M over the next 10 years and <u>2024 will require City funding to cover the projected shortfall across these sites.</u></p> <p>Regent Park will save TCHC an estimated \$71M in capital repair backlog for phases 4 and 5 over the next ten years, Lawrence Heights Phases 2-4 of \$122M, Alex Park Phase 2 of \$46.1M and Firgrove of \$41M in avoided capital costs</p> <p>In 2019, Toronto City Council approved the relocation and demolition of the remaining 102 occupied units at Firgrove. If a plan to rebuild does not move forward, the City will lose 234 rent geared to income units from TCHC's portfolio.</p>
<p><b>Transfer to Create TO</b></p>	<p>The pending move of TCHC's Development team to Create TO has created considerable uncertainty as to how projects will be managed and where responsibilities will lie</p>
<p><b>Delays with construction in 2021</b></p>	<p>Supply chain issues, labour shortages and construction costs have impacted timelines and budgets.</p> <p>Phase 1 Lawrence Heights construction has been slowed due to the delayed delivery of the second rental building which has impacted the start of demolition and site servicing work for new roads.</p>

# Development – 2022 Capital Budget Breakdown

## 2022 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	90.1	(32.8)			57.3
Market Buildings			(45.8)	(21.7)	(67.5)
Development Department Costs	7.6				7.6
<b>Total In-Flight Development</b>	<b>97.7</b>	<b>(32.8)</b>	<b>(45.8)</b>	<b>(21.7)</b>	<b>(2.6)</b>
<b>Total Non In-Flight Development</b>	<b>0.3</b>				<b>0.3</b>
<b>Total Development Capital</b>	<b>98.0</b>	<b>(32.8)</b>	<b>(45.8)</b>	<b>(21.7)</b>	<b>(2.3)</b>

## Summary of Units Under Construction in 2022

Project	Rental Units
Alexandra Park	124
Don Summerville	138
Regent Park	189
Lawrence Heights	65
<b>Total</b>	<b>516</b>