



Toronto 2015 BUDGET

OPERATING ANALYST NOTES



Affordable Housing Office 2015 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*.

2015 Budget Highlights

The total cost to deliver this Program to Toronto residents in 2015 is \$2.764 million gross and \$1.195 million net as shown below.

(in \$000's)	2014 Approved Budget	2015 Rec'd Budget	Change	
			\$	%
Gross Expenditures	2,743.2	2,764.3	21.1	0.8%
Gross Revenues	1,548.4	1,569.5	21.1	1.4%
Net Expenditures	1,194.8	1,194.8	0.0	0.0%

Entering into 2015, AHO was facing a base pressure of \$0.021 million net due primarily to cost of inflation and cost of living for staff. Through savings from a line by line expenditure review and base revenue changes, the Program was able to fully offset these pressures in 2015.

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Fast Facts

- 4,147 affordable rental and ownership homes for lower-income residents being developed, repaired or modified in 2014.
- Throughout the project lifecycle, AHO's administrative oversight for the above homes created approximately 4,111 jobs.
- The number of major, Council-approved housing policy and partnership initiatives administered by the AHO in 2015 increased by 43% from 2012.

Trends

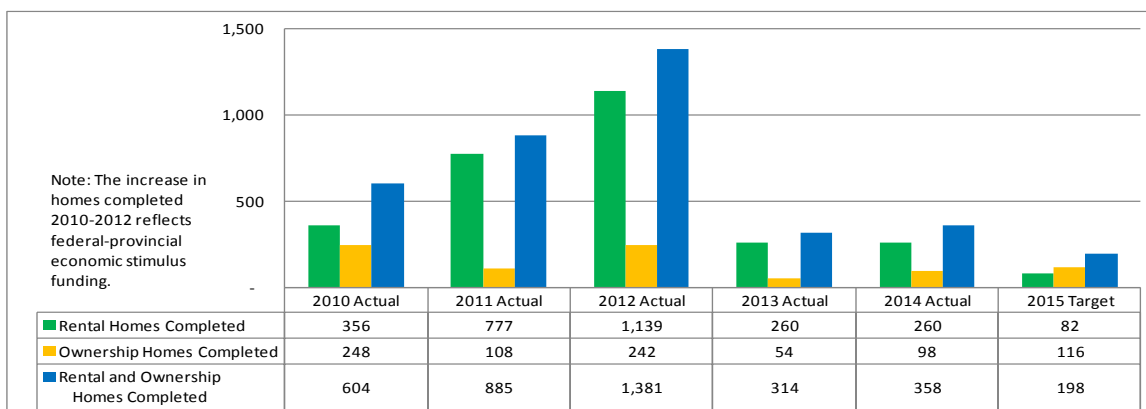
- New affordable housing completions peaked in 2012 due to additional one-time Federal-Provincial economic stimulus funding. Reduced volume since then reflects declining levels of government funding.
- In 2015, 198 rental and ownership homes are expected to be completed which is lower than previous years due to a decline in federal-provincial funding, with a peak in 2012 that included additional economic stimulus funding.

Our Service Deliverables for 2015

The Affordable Housing Office supports the goals of *Housing Opportunities Toronto, an Affordable Housing Action Plan 2010-2020* (HOT) by delivering affordable housing services to the public in 3 key areas. The 2015 Recommended Operating Budget will enable the program to:

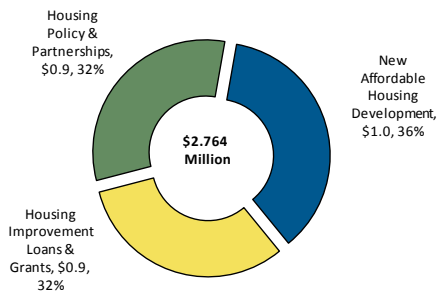
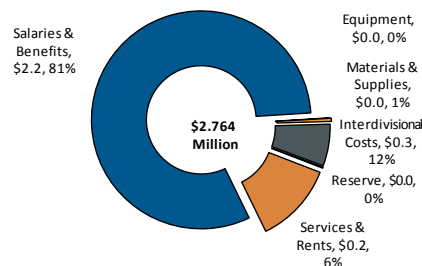
- Provide financial stewardship of \$110 million in Federal, Provincial and City investments, leveraging some \$205 million from the private/non-profit sectors, to support 1,366 new affordable rental and ownership homes under development in 2015.
- Provide financial stewardship of \$13 million in Federal-Provincial Investment in Affordable Housing funding for essential repairs and modifications.
- The above funding will assist 2,610 lower-income households (including seniors and persons with disabilities) – 167 homeowners and 2,443 tenant households in aging apartment buildings and rooming houses, reducing pressure on health and social support systems.
- Develop and implement Council-approved policies/programs, including *Housing Opportunities Toronto* (with City partners); deliver a mid-term HOT review and consultation; and support the City Manager in implementing *Putting People First* and *Close the Housing Gap* campaign.

New Affordable Homes Completed 2010-2015



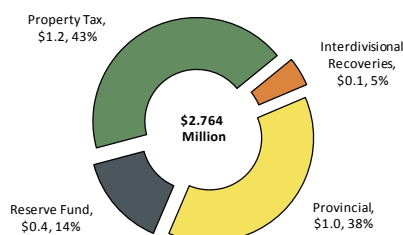
2015 Operating Budget Expenses & Funding

Where the money goes:

2015 Budget by Service
\$2.764 Million2015 Budget by
Expenditure Category

Where the money comes from:

2015 Budget by Funding Source



Our Key Challenges & Priority Actions

- The current Investment in Affordable Housing (IAH) Program expires in 2015 and is the primary revenue source for the Program. Sustainable Federal/Provincial funding support is necessary for the delivery of affordable housing in future years.
 - ✓ In 2014, the Federal and Provincial governments renewed the Investment in Affordable Housing for Ontario (IAH) (2014 Extension) program 2014 to 2020.
 - ✓ In December 2014, the Province announced the City of Toronto's funding allocation in the amount of \$197.078 million over the six-year term of the program.
 - ✓ Among 3 program components, the spending priorities for the extended IAH program will be developed by the program as authorized by City Council in June 2014 and reported to Council in 2015.
- AHO will continue to implement major strategic policies in 2015, including a review of *Housing Opportunities Toronto*, implementation of *Putting People First* and *Close the Housing Gap* campaign.

2015 Operating Budget Highlights

The 2015 Recommended Operating Budget for the Affordable Housing Office of \$1.195 million net is equivalent to the 2014 Approved Net Operating Budget and will maintain 2014 Service Levels.

- Base pressures include funding for inflation and cost of living increases for staff which were offset by a reduction in program expenditures through line by line review savings and an increase in Federal/Provincial funding to achieve a balanced budget.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Operating Budget for the Affordable Housing Office of \$2.764 million gross, \$1.195 million net for the following services:

	Gross	Net
<u>Service:</u>	<u>(\$000s)</u>	<u>(\$000s)</u>
New Affordable Housing Development:	1,004.3	398.1
Housing Improvement Loans and Grants:	879.9	398.8
Housing Policy and Partnerships:	880.0	397.9
Total Program Budget	<u>2,764.3</u>	<u>1,194.8</u>

2. City Council approve the 2015 recommended service levels for the Affordable Housing Office as outlined on pages 14, 17, and 20 of this report, and associated staff complement of 19.0 positions.

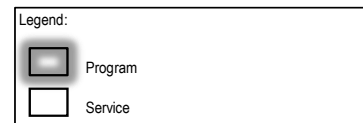
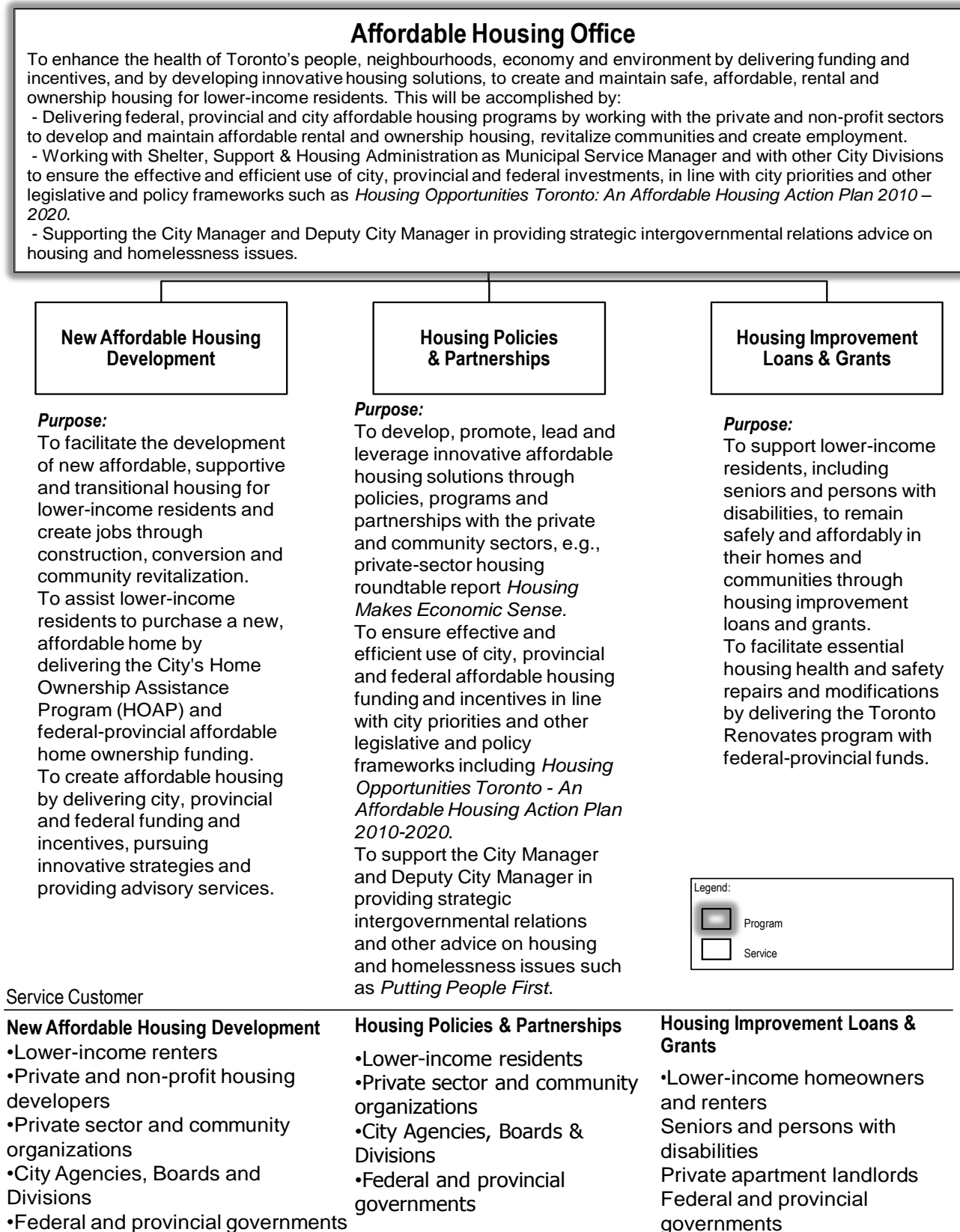


Part I:

2015 – 2017

Service Overview and
Plan

Program Map



2015 Service Deliverables

The 2015 Recommended Operating Budget of \$2.764 million gross and \$1.195 million net for Affordable Housing Office will fund and support the goals of *Housing Opportunities Toronto, An Affordable Housing Action Plan 2010-2020* (HOT) by delivering affordable housing services to the public in three key areas, as follows:

New Affordable Housing Development

- Provide financial stewardship of \$110 million in Federal, Provincial and City investments, leveraging some \$205 million from the private and non-profit sectors, to support the development of 1,366 new affordable rental and ownership homes under development in 2015, creating some 3,415 jobs.
- Work with Toronto Community Housing, private sector and non-profit partners to deliver Toronto's affordable housing priorities & to create jobs.

Housing Improvement Loans and Grants (Toronto Renovates)

- Implement Toronto Renovates by providing \$13 million in Investment in Affordable Housing funding for essential health, safety & accessibility repairs and modifications, benefitting 2,610 lower-income households (including seniors and persons with disabilities) – 167 homeowners and 2,443 tenant households in aging apartment buildings and rooming houses, reducing pressure on health and social support systems and creating some 783 private-sector jobs.

Housing Policy & Partnerships

- Develop and implement Council approved policies and programs, including implementation of *Housing Opportunities Toronto*, in partnership with City divisions and agencies, and private and non-profit organizations.
- Deliver a mid-term HOT progress report and consultation process.
- Support the City Manager in implementing *Putting People First – Transforming Toronto Community Housing* and the *Close the Housing Gap* campaign.

Table 1
2015 Recommended Operating Budget and Plan by Service

(In \$000s)	2014		2015 Recommended Operating Budget				Incremental Change 2016 and 2017 Plan					
	Approved Budget	Projected Actual	2015 Rec'd Base	2015 Rec'd New/Enhanc ed	2015 Rec'd Budget	2015 Rec.d vs. 2014						
						Budget Approved Changes						
									2016	2017		
By Service	\$	\$	\$	\$	\$	%	\$	%	\$	%		
New Affordable Housing Development												
Gross Expenditures	995.2	995.2	1,004.3		1,004.3	9.1	0.9%	3.6	0.4%	4.0	0.4%	
Revenue	597.5	597.5	606.2		606.2	8.7	1.4%					
Net Expenditures	397.6	397.6	398.1		398.1	0.5	0.1%	3.6	0.9%	4.0	1.0%	
Housing Improvement Loans & Grants												
Gross Expenditures	871.3	871.3	879.9		879.9	8.7	1.0%	3.6	0.4%	4.0	0.4%	
Revenue	474.9	474.9	481.1		481.1	6.2	1.3%					
Net Expenditures	396.4	396.4	398.8		398.8	2.4	0.6%	3.6	0.9%	4.0	1.0%	
Housing Policy & Partnerships												
Gross Expenditures	876.7	876.7	880.0		880.0	3.3	0.4%	3.6	0.4%	4.0	0.5%	
Revenue	475.9	475.9	482.2		482.2	6.2	1.3%					
Net Expenditures	400.8	400.8	397.9		397.9	(2.9)	(0.7%)	3.6	0.9%	4.0	1.0%	
Total												
Gross Expenditures	2,743.2	2,743.2	2,764.3		2,764.3	21.1	0.8%	10.8	0.4%	12.0	0.4%	
Revenue	1,548.4	1,548.4	1,569.5		1,569.5	21.1	1.4%					
Total Net Expenditures	1,194.8	1,194.8	1,194.8		1,194.8	(0.0)	(0.0%)	10.8	0.9%	12.0	1.0%	
Approved Positions	19.0	19.0	19.0		19.0							

The 2015 Recommended Operating Budget for the Affordable Housing Office (AHO) of \$2.764 million gross and \$1.195 million net is equivalent to the 2014 Approved Budget.

- Base pressures, common to all three services provided by AHO, are due mainly to the contractual inflationary cost increase related to salary and benefits totaling \$0.015 million and inflationary increases in interdepartmental charges of \$0.007 million.
- The above pressures were offset by line by line review savings of \$0.001 million net across all services. Other adjustments include revenue increases of \$0.019 million which represents additional Federal/Provincial funding for the administration of the IAH program and an inflationary increase in interdepartmental Recoveries of \$0.002 million which is specific to the *New Affordable Housing Development* service.
- The 2016 and 2017 Plans reflect the inflationary cost increases for progression pay, step and fringe benefits. As 2016 is a collective bargaining year, no cost of living allowance estimate has been included.

Approval of the 2015 Recommended Operating Budget will result in no change to the Affordable Housing Office's approved staff complement of 19.0 positions, as highlighted in Table 2 on the next page:

Table 2
2015 Recommended Total Staff Complement

Changes	2015 Budget				Plan	
	New Affordable Housing Development	Housing Improvement Loans & Grants	Housing Policy & Partnerships	Total	2016	2017
2014 Approved Complement	7.0	6.0	6.0	19.0	19.0	19.0
In-year Adjustments						
Adjusted 2014 Staff Complement	7.0	6.0	6.0	19.0	19.0	19.0
Recommended Change in Staff Complement						
Total	7.0	6.0	6.0	19.0	19.0	19.0
Position Change Over Prior Year						
% Change Over Prior Year						

The 2015 Recommended Operating Budget for the Affordable Housing Office includes base expenditure pressures of \$0.022 million net, primarily attributable to salary and non-salary inflationary increases which have been partially offset by revenue adjustments of \$0.002 million net as detailed below:

Table 3
Key Cost Drivers

(In \$000s)	2015 Recommended Operating Budget			Total Rec'd 2015 Base Budget
	New Affordable Housing Development	Housing Improvement Loans & Grants	Housing Policy & Partnerships	
Gross Expenditure Changes				
COLA and Progression Pay				
COLA, Benefits, Step Increase & Progression Pay	7.1	6.7	1.3	15.1
Other Base Changes				
Gapping to maintain percentage	(0.1)	(0.1)	(0.1)	(0.3)
IDC Increase	2.5	2.5	2.5	7.4
Total Gross Expenditure Changes	9.5	9.0	3.7	22.2
Revenue Changes				
IDR Increase	2.4			2.4
Total Revenue Changes	2.4			2.4
Net Expenditure Changes	7.1	9.0	3.7	19.8

Key cost drivers for Affordable Housing Office's Services are as follows:

- Cost of living adjustments, including contractually obligated cost of living allowance, progression pay and associated fringe benefit adjustments are common amongst all services and create a \$0.015 million pressure in the budget.
- Increase in interdepartmental charges due to inflation adds a pressure of \$0.007 million.
- Revenue change of \$0.002 million for interdepartmental recoveries is specific to the *New Affordable Housing Development* and represents the inflationary increase in salaries and benefits

for a position funded by Shelter, Support and Housing Administration through the Federal Housing Partnership Strategy (HPS).

In order to offset the above pressures, the 2015 recommended service changes for the Affordable Housing Office consist of base expenditures changes of \$0.001 million and base revenue changes of \$0.019 million. These changes are detailed in Table 4 below:

Table 4
2015 Total Recommended Service Change Summary

Description (\$000s)	2015 Recommended Service Changes						Total Rec'd Service			Incremental Change			
	New Affordable Housing Development		Housing Improvement Loans & Grants		Housing Policy & Partnerships		\$	\$	#	2016 Plan		2017 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:													
Base Expenditure Changes													
Line-by-line savings	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(1.1)	(1.1)					
Base Expenditure Change	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(1.1)	(1.1)					
Base Revenue Changes													
Federal/Provincial Administration Fee Increase		(6.2)		(6.2)		(6.2)		(18.7)					
Base Revenue Change		(6.2)		(6.2)		(6.2)		(18.7)					
Sub-Total	(0.4)	(6.6)	(0.4)	(6.6)	(0.4)	(6.6)	(1.1)	(19.8)					
Total Changes	(0.4)	(6.6)	(0.4)	(6.6)	(0.4)	(6.6)	(1.1)	(19.8)					

Base Expenditure Changes (Savings of \$0.001 million gross & \$0.001 million net)

- Savings of \$0.001 million net will be realized through a line by line review of all expenditure accounts, across all services, to reflect actual experience.

Base Revenue Changes (Savings of \$0.019 million net)

- The 2015 Recommended Budget includes an additional contribution of \$0.019 million which represents additional Federal/Provincial funding for the administration of the IAH program across all 3 services.

Approval of the 2015 Recommended Budget for the Affordable Housing Office will result in a 2016 incremental net cost of \$0.011 million and a 2017 incremental net cost of \$0.012 million to maintain the 2015 level of service as discussed in the next section.

Table 6
2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Fringe Benefits	3.0		3.0			3.1		3.1		
Progression Pay & Step Increases	7.8		7.8			8.9		8.9		
Sub-Total	10.8		10.8			12.0		12.0		
Total Incremental Impact	10.8		10.8			12.0		12.0		

Future year incremental costs are primarily attributable to the following:

Known Impacts

- Progression pay, step and fringe benefits will result in an incremental pressure of \$0.011 million in 2016 and \$0.012 million in 2017. Since 2016 is a collective bargaining year, no estimate for the cost of living allowance is included.



Part II:

2015 Recommended
Budget by Service

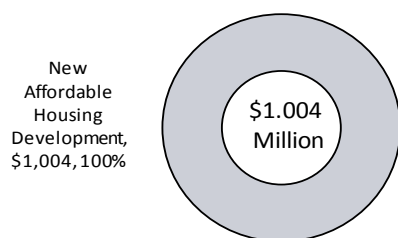
New Affordable Housing Development

New Affordable Housing Development

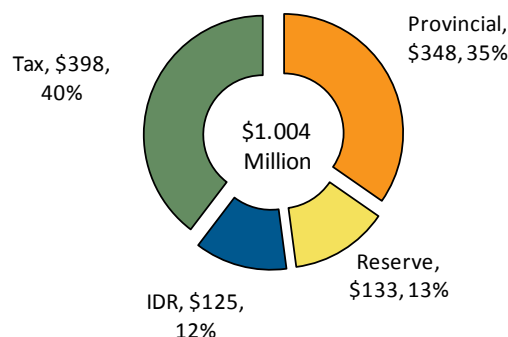
What We Do

- Facilitate the development of new affordable, supportive and transitional 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 Federal, Provincial and City funding and incentives, pursuing innovative strategies and providing advisory services.

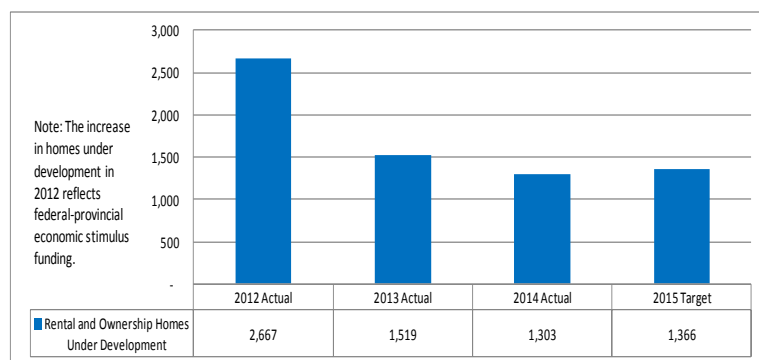
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Number of new affordable rental & ownership homes under development based on available funding



- In 2014, AHO provided financial stewardship for 1,303 affordable rental and ownership homes that were under development as part of the multi-year lifecycle of each project.
- The number of homes under development is expected to reach 1,366 in 2015.

Note: As the AHO has financial stewardship for projects throughout the 2-4 year lifecycle of the development process, the above chart is not cumulative and does not represent the total # of units completed each year. A chart detailing those numbers is provided on Page 2.

2015 Service Levels

New Affordable Housing Development

Activity Type	Status	Approved Service Levels			Recommended
		2012	2013	2014	2015
Development of New Affordable Housing through Construction, Conversion and Intensification	Approved	Funding disbursed within prescribed guidelines leading to completion of new homes 100% of the time, achieving annual targets according to available funding	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. Federal/Provincial funding is provided through the 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. Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program which has been renewed 2014-2020.
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.	Service delivered within prescribed requirements to satisfaction of clients.		
Implementation of Special Council & Committee Directives	Approved	Special directives implemented to prescribed requirements to	Special directives implemented to prescribed requirements to satisfaction of council and committees.		

The 2015 Recommended Service Levels are consistent with the approved 2014 Service Levels.

Table 7

2015 Recommended Service Budget by Activity

(\$000s)	2014	2015 Recommended Operating Budget							Incremental Change					
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
New Affordable Housing Development	995.2	1,004.7	(0.4)	1,004.3	9.1	0.9%		1,004.3	9.1	0.9%	3.6	0.4%	4.0	0.4%
Total Gross Exp.	995.2	1,004.7	(0.4)	1,004.3	9.1	0.9%		1,004.3	9.1	0.9%	3.6	0.4%	4.0	0.4%
REVENUE														
New Affordable Housing Development	597.5	600.0	6.2	606.2	8.7	1.4%		606.2	8.7	1.4%				
Total Revenues	597.5	600.0	6.2	606.2	8.7	1.4%		606.2	8.7	1.4%				
NET EXP.														
New Affordable Housing Development	397.6	404.7	(6.6)	398.1	0.5	0.1%		398.1	0.5	0.1%	3.6	0.9%	4.0	1.0%
Total Net Exp.	397.6	404.7	(6.6)	398.1	0.5	0.1%		398.1	0.5	0.1%	3.6	0.9%	4.0	1.0%
Approved Positions	7.0	7.0		7.0				7.0						

The 2015 Recommended Operating Budget for New Affordable Housing Development of \$1.004 million gross and \$0.398 million net is \$0.001 million or 0.1% over the 2014 Approved Net Budget.

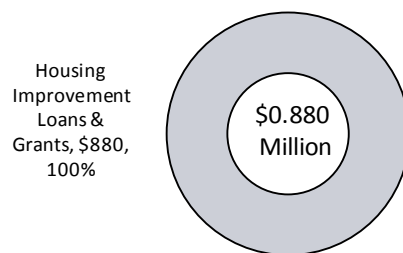
The ***New Affordable Housing Development Service*** facilitates the development of new affordable, supportive and transitional housing, as well as provides homeownership financial assistance, for lower-income residents. Further, the service helps to create jobs through construction, conversion and community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

- Delivers Federal, Provincial and City funding and incentives to create affordable housing as well as pursue innovative strategies and provide advisory services; and
- Delivers the City's Home Ownership Assistance Program (HOAP) and the Federal-Provincial home ownership program.
- Base budget pressures of \$0.010 million net, arising from inflationary cost increases related to salary and benefits and interdepartmental charges, were partially offset by an inflationary increase in interdepartmental recoveries, specific to this service, of \$0.002 million, line by line review savings of \$0.0004 million and revenue changes of \$0.006 million representing Federal/Provincial funding for the administration of the IAH program.

Housing Improvement Loans and Grants

Housing Improvement Loans and Grants

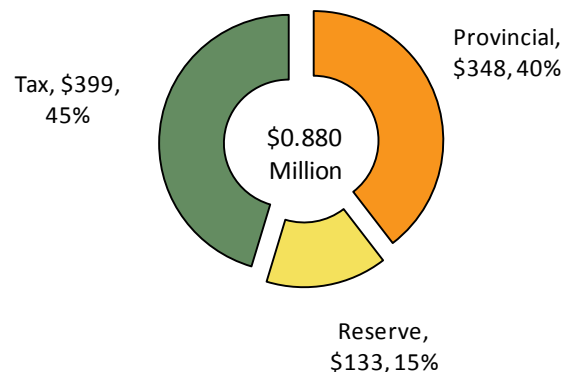
2015 Service Budget by Activity (\$000s)



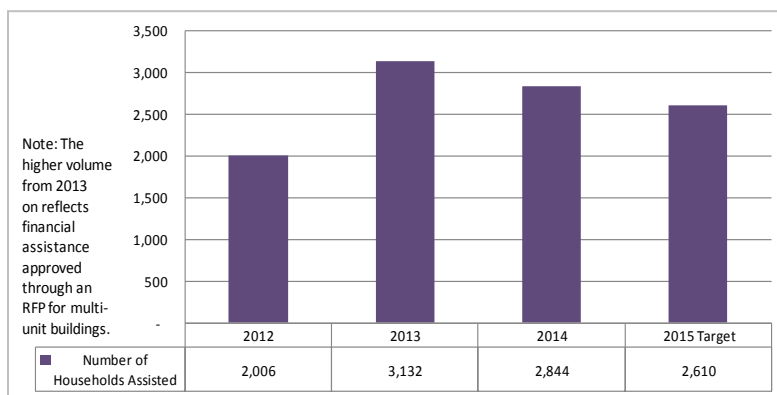
What We Do

- Support 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 while also creating private-sector jobs.
- Facilitate essential health, safety and accessibility repairs and modifications by delivering the Toronto Renovates program with Federal-Provincial funds.

Service by Funding Source (\$000s)



Number of households assisted through loans & grants being administered for essential health, safety & accessibility repairs/modifications



- The AHO provided administrative oversight in 2014 for essential health, safety and accessibility repairs and modifications benefitting 2,844 households.
- In 2015 the projected level is 2,610.

Note: The above chart reflects the AHO's administration of government investments to repair and modify homes owned by lower-income residents, including seniors and persons with disabilities, and rental units in multi-unit buildings including rooming houses and transitional/supportive housing for low-income tenants. This process takes 1 to 2 years during which time the AHO has financial stewardship; therefore, the above unit counts are not cumulative and do not represent the total number of units repaired or modified each year. To view that information for single family homeowners, see the chart on page 17.

2015 Service Levels

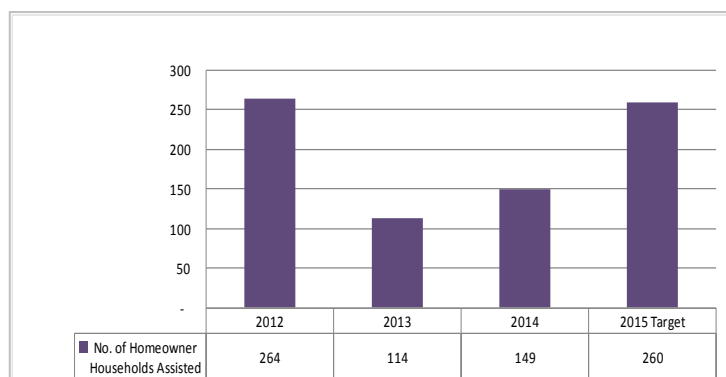
Housing Improvement Loans and Grants

Activity Type	Status	Approved Service Levels			Recommended
		2012	2013	2014	2015
Loans and grants to private landlords and home owners who are lower income seniors & persons with disabilities	Approved	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.	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. 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.	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. Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program.	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. Federal/Provincial funding is provided through the Investment in Affordable Housing (IAH) Program which has been renewed 2014-2020.
Loans for Private Apartments and Rooming Houses Rented at or Below 100% AMR	Approved	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.	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. 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.		
Accessibility Grants for Low-Income Seniors & Persons with Disabilities	Approved	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.	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. 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.		

The 2015 Recommended Service Levels are consistent with the approved 2014 Service Levels.

Service Performance

Output Measure – Homeowner households assisted through essential repairs and modifications completed in 2012-2015



- The AHO provides administrative oversight for essential health, safety and accessibility repairs and modifications.
- In 2014, 149 single family homeowners benefitted from repairs or modifications completed and in 2015 it is expected to increase to 260.

Table 7

2015 Recommended Service Budget by Activity

(\$000s)	2014	2015 Recommended Operating Budget							Incremental Change					
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Housing Improvement Loans & Grants	871.3	880.3	(0.4)	879.9	8.7	1.0%		879.9	8.7	1.0%	3.6	0.4%	4.0	0.4%
Total Gross Exp.	871.3	880.3	(0.4)	879.9	8.7	1.0%		879.9	8.7	1.0%	3.6	0.4%	4.0	0.4%
REVENUE														
Housing Improvement Loans & Grants	474.9	474.9	6.2	481.1	6.2	1.3%		481.1	6.2	1.3%				
Total Revenues	474.9	474.9	6.2	481.1	6.2	1.3%		481.1	6.2	1.3%				
NET EXP.														
Housing Improvement Loans & Grants	396.4	405.4	(6.6)	398.8	2.4	0.6%		398.8	2.4	0.6%	3.6	0.9%	4.0	1.0%
Total Net Exp.	396.4	405.4	(6.6)	398.8	2.4	0.6%		398.8	2.4	0.6%	3.6	0.9%	4.0	1.0%
Approved Positions	6.0	6.0		6.0				6.0						

The 2015 Recommended Operating Budget for Housing Improvement Loans and Grants of \$0.880 million gross and \$0.399 million net is \$0.002 million or 0.6% over the 2014 Approved Net Budget.

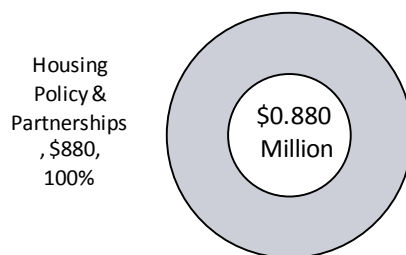
The **Housing Improvement Loans and Grants Service** supports lower income residents, including seniors and persons with disabilities, to remain safely and affordably in their homes and communities by:

- 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.
- Base budget pressures of \$0.009 million, arising from inflationary cost increases related to salary and benefits and interdepartmental charges, were partially offset by line by line review savings of \$0.0004 million and revenue changes of \$0.006 million representing Federal/Provincial funding for the administration of the IAH program.

Housing Policy and Partnerships

Housing Policy and Partnerships

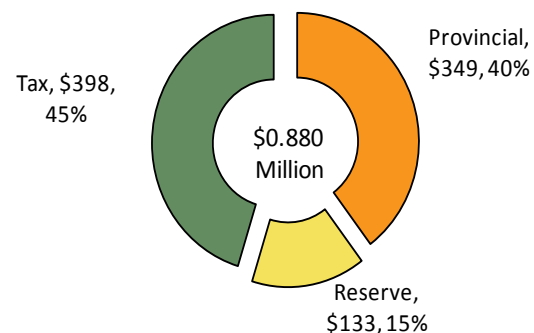
2015 Service Budget by Activity (\$000s)



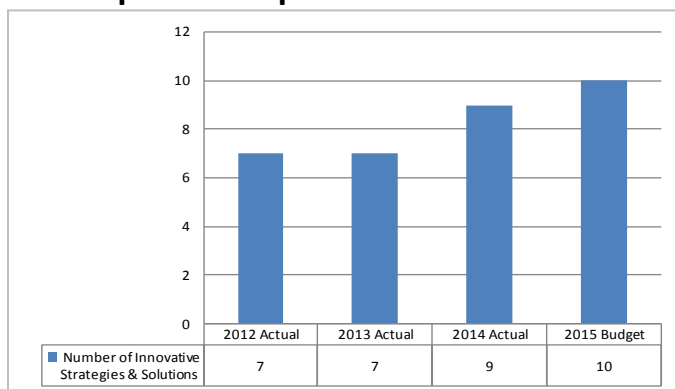
What We Do

- Develop, promote, lead and leverage innovative affordable housing solutions through policies, programs and partnerships with the private and community sectors.
- Ensure effective and efficient use of Federal, Provincial and City affordable housing funding and incentives in line with city priorities and other legislative and policy frameworks.
- Support the City Manager and DCM in providing strategic intergovernmental relations and other advice on housing and homelessness issues.
- Support delivery of the affordable home ownership program.

Service by Funding Source (\$000s)



Number of major innovative housing policy strategies and solutions being developed or implemented



- Major policy initiatives and housing solutions developed steadily increased by 29% in 2012 to 2014, with another 11% increase projected in 2015.
- New initiatives being developed include: Creating housing for youth victims of human trafficking, neighbourhood revitalization through the Weston Community/Cultural Hub and conducting a mid-term review, including a consultation, in 2015 of the City's 10-year housing plan *Housing Opportunities Toronto*.

2015 Service Levels

Housing Policy and Partnerships

Activity Type	Status	Approved Service Levels			Recommended
		2012	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.	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.
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.	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.	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.		

The 2015 Recommended Service Levels are consistent with the approved 2014 Service Levels.

Table 7

2015 Recommended Service Budget by Activity

	2014	2015 Recommended Operating Budget							Incremental Change					
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan	
	(\$000s)	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Housing Policy & Partnerships	876.7	880.4	(0.4)	880.0	3.3	0.4%		880.0	3.3	0.4%	3.6	0.4%	4.0	0.5%
Total Gross Exp.	876.7	880.4	(0.4)	880.0	3.3	0.4%		880.0	3.3	0.4%	3.6	0.4%	4.0	0.4%
REVENUE														
Housing Policy & Partnerships	475.9	475.9	6.2	482.2	6.2	1.3%		482.2	6.2	1.3%				
Total Revenues	475.9	475.9	6.2	482.2	6.2	1.3%		482.2	6.2	1.3%				
NET EXP.														
Housing Policy & Partnerships	400.8	404.5	(6.6)	397.9	(2.9)	(0.7%)		397.9	(2.9)	(0.7%)	3.6	0.9%	4.0	1.0%
Total Net Exp.	400.8	404.5	(6.6)	397.9	(2.9)	(0.7%)		397.9	(2.9)	(0.7%)	3.6	0.9%	4.0	1.0%
Approved Positions	6.0	6.0		6.0				6.0						

The 2015 Recommended Operating Budget for Housing Policy and Partnerships of \$0.880 million gross and \$0.398 million net is \$0.003 million or 0.7% under the 2014 Approved Net Budget.

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.

- Base budget pressures of \$0.004 million net, arising from inflationary cost increases related to salary and benefits and interdepartmental charges were more than offset by a line by line review savings of \$0.0004 million and revenue changes of \$0.006 million representing Federal/Provincial funding for the administration of the IAH program.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2015 Budget

Update on Funding Sources

- The 2015 Recommended Operating Budget for the Affordable Housing Office (AHO) is funded by a combination of Federal and Provincial funding of \$1.171 million and funding from the Capital Revolving Fund for Subsidized Housing of \$0.399 million, with the balance funded from property tax revenue (net City funding).
- The following table provides details on the AHO's revenue projections from 2015 to 2017:

AFFORDABLE HOUSING OFFICE OPERATING REVENUE 2014-17					
	2014 Approved Budget	2014 Projected Actuals	2015 Budget	2016 Plan	2017 Plan
	\$000	\$000	\$000	\$000	\$000
CANADA-ONTARIO AFFORDABLE HOUSING PROGRAM					
Balance of Affordable Housing Program Administration Fees	149.9	267.4	0.0	0.0	0.0
INVESTMENT IN AFFORDABLE HOUSING (IAH) PROGRAM (FEDERAL/PROVINCIAL)					
Investment in Affordable Housing for Ontario (IAHO) Program Administration Fees 2011 - 2015.	826.7	689.1	1,045.4	215.1	0.0
Investment in Affordable Housing for Ontario (IAHO) Program Administration Fees 2014 - 2020	0.0	0.0	0.0	830.3	1,045.4
2015 PAN AM / PARAPAN GAMES AFFORDABLE HOUSING LEGACY (PROVINCIAL)					
Affordable Housing Administration Fee for AHO services rendered to assist province regarding non-profit affordable housing operators	50.0	50.0	0.0	0.0	0.0
FEDERAL HOMELESSNESS PARTNERING STRATEGY (HPS)					
Homelessness Partnering Strategy (HPS) (cost recovery to AHO through an IDC-IDR)	122.7	126.0	125.1	125.1	125.1
COST RECOVERY FROM CITY MANAGER'S OFFICE					
Close the Housing Gap Campaign	0.0	20.0	0.0	0.0	0.0
CAPITAL REVOLVING FUND FOR SUBSIDIZED HOUSING (CITY)					
CRF Contribution	399.0	399.0	399.0	399.0	399.0
TOTAL	1,548.4	1,551.5	1,569.5	1,569.5	1,569.5

- As seen in the table above, the Program is funded through a combination of Federal, Provincial and City Funding sources, which are described in detail below:

Investment in Affordable Housing (IAH Program)

- The 2015 Recommended Operating Budget includes administration fee revenue of \$1.045 million from the Federal and Provincial governments through the IAH program. This funding is a partial reimbursement to municipalities to cover the cost of administering this program which includes selection of non-profit and private-sector developers, approval of applications to deliver essential health, safety and accessibility repairs and modifications, receipt and disbursement of funds, and reallocations of year end funding between program components to ensure full and effective use of available Federal and Provincial funds.

- As permitted under the IAH program 2011-2015, City Council directed that 5% of Toronto's total allocation be applied to administration fees, to be divided at a ratio of 52% for Shelter, Support & Housing Administration (SSHA) and 48% for the Affordable Housing Office, aligning with program components delivered by each Division. Under the IAH program 2011-2015 this was equivalent to \$2.562 million in administration fee revenue for the AHO. This funding will continue to be utilized through to 2016 (\$1.045 million in 2015 and \$0.215 million in 2016), matching the AHO's oversight for housing projects funded through the program.
- The Federal and Provincial governments announced an extension to the *Investment in Affordable Housing for Ontario* (IAH) program on August 11, 2014. The Administrative Agreement between the Province and the City of Toronto has been signed for the full term of the program 2014-2020. On December 18, 2014, the Province confirmed that the City of Toronto would receive the notional funding allocation of \$197,077,900 under the *Investment in Affordable Housing for Ontario* (2014 Extension) over the program's six year term.
- As permitted under the IAH program 2014-2020, 5% of the City's total allocation can be applied to administration fees, to be divided in the same ratio of 52% for SSHA and 48% for the AHO, aligning with program components delivered by each Division. Based on the province's notional funding allocation to Toronto, this would be equivalent to \$4.730 million in administration fee revenue for the AHO over the length of the program of which \$0.830 million is projected to begin to be utilized in 2016.

Housing Partnership Strategy (HPS)

- The 2015 Recommended Operating Budget includes administrative funding under HPS of \$0.125 million. Funding is provided by the Federal Government, and in 2014 the HPS was renewed until 2019 to support a number of initiatives aimed at combating homelessness.

Contribution from Capital Revolving Fund (CRF) for Subsidized Housing

- The uncommitted CRF balance as of September 30, 2014 is \$8.584 million. The purpose of the CRF is to provide funding to nonprofit and private sector organizations, including the Toronto Community Housing (TCHC), for capital costs for affordable housing.
- This funding is used to offset the cost of developing proposals for affordable housing projects, to provide project development assistance, including forgivable and repayable loans, project financing and other activities related to improving the quality and supply of affordable housing in the City.
- The recommended contribution of \$0.399 million for AHO is the same as 2014 and is consistent with its historical use for this purpose, supporting "activities related to improving the quality/quantity of affordable housing in the City."



Appendices:

Appendix 1

2014 Service Performance

2014 Key Service Accomplishments

In 2014, the Affordable Housing Office achieved the following results:

Financial Stewardship to Create Affordable Housing and Jobs

- ✓ Continued to fulfill the AHO's role of administering affordable housing programs by providing financial stewardship for \$159 million in Federal, Provincial and City investments for 4,147 affordable rental and ownership homes being developed or repaired/modified in 2014 for lower-income residents from the City's priority groups.
- ✓ This activity leveraged some \$186 million from the private and non-profit sectors, resulting in AHO oversight in 2014 for a total of \$345 million of affordable housing investment.
- ✓ The development and repair/modification of homes administered by the AHO in 2014 would result in the creation of some 4,111 jobs through the project lifecycles.

Create New Affordable Rental & Ownership Homes

- ✓ Administered \$136 million in Federal/Provincial/City funds for 888 affordable rental homes under development in 2014. This resulted in the completion of 260 new affordable rental homes in 2014.
- ✓ Administered \$1 million in Federal-Provincial funds and \$8 million from the City's Home Ownership Assistance Program (HOAP) funded through the Development Charges Reserve Fund for Subsidized Housing for a total of \$9 million. In 2014 there were 415 new ownership homes under development in 9 projects with 98 units completed during the year.
- ✓ Council approved an increase in the average loan disbursed under the HOAP to \$25,000 from \$15,000 offsetting an increase in development charges for non-profit organizations.

Essential Health, Safety & Accessibility Housing Improvements

- ✓ Administered \$14 million in Federal/Provincial investments through the Toronto Renovates program and the Homelessness Partnering Strategy to deliver essential health, safety and accessibility repairs and modifications benefitting 2,844 lower-income households, including seniors and persons with disabilities, reducing pressure on health and social support systems and creating some 853 jobs.
- ✓ Repairs and modifications completed in 2014 assisted 348 lower-income households - 149 homeowners and 199 tenant households in apartment buildings and rooming houses.
- ✓ The AHO's financial oversight included \$6 million provided to 9 non-profit organizations for improvements to transitional and supportive housing to upgrade the homes of 568 low-income and formerly homeless residents.

Actions on Affordable Housing Policy and Partnerships

- ✓ Initiated Toronto's first supportive housing for young women who are victims of human trafficking, in conjunction with TCH, through the AHO report "Creating Housing for Youth Victims of Human Trafficking".
- ✓ Continued to implement recommendations included in the Council-approved report, "Putting People First-Transforming Toronto Community Housing". Supported the City Manager working with TCHC and Shelter, Support & Housing Administration to generate new revenue for social housing repairs as part of TCH's 10-year capital repair financing plan.
- ✓ Continued to manage, in conjunction with TCH, the Close the Housing Gap advocacy campaign designed to persuade the Federal and Provincial governments to maintain and increase social housing funding.
- ✓ Worked with Economic Development and Culture to report to Council on neighbourhood revitalization through the Weston Community/Cultural Hub to include 26 live/work units for artists.
- ✓ Continued to implement the affordable housing recommendations of the Toronto Seniors Strategy.
- ✓ Assisted Build Toronto (BT) to create a 2-3 year Funding Allocation under the Memorandum of Understanding between the AHO and BT, identifying sites for affordable housing partnerships.
- ✓ Continued with implementation and advocacy regarding the "Housing Makes Economic Sense" private-sector roundtable report.

2014 Financial Performance**2014 Budget Variance Analysis**

(\$000s)	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Projected Actuals*	2014 Approved Budget vs. Projected Actual Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	2,363.6	2,379.8	2,743.2	2,743.2		
Revenues	1,275.1	1,184.9	1,548.4	1,548.4		
Net Expenditures	1,088.5	1,194.9	1,194.8	1,194.8		
Approved Positions	22.0	19.0	19.0	19.0		

* Based on the 9 month Operating Budget Variance Report

2014 Experience

- The third quarter variance results indicates that the Affordable Housing Office (AHO) will be on budget by year-end and running at a full complement of 19.0 positions.

Appendix 2

2015 Operating Budget by Recommended Expenditure Category

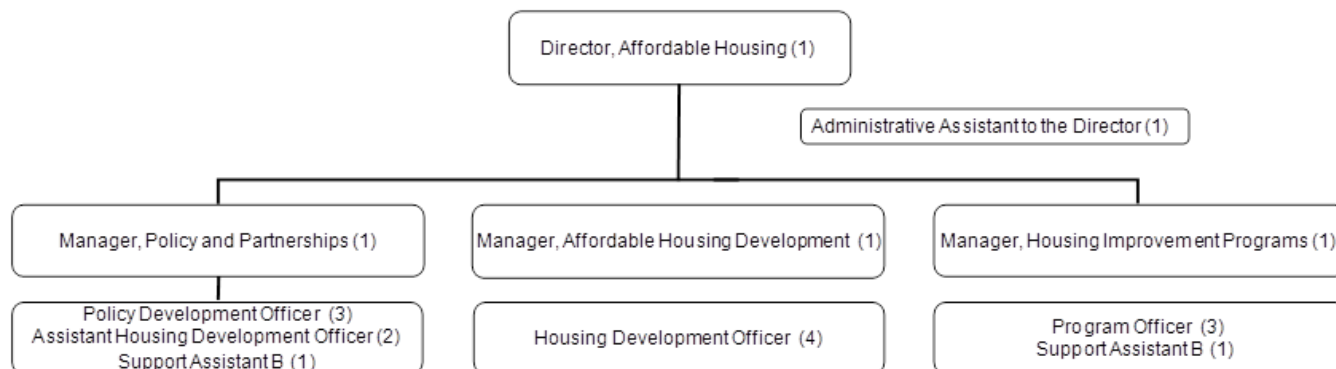
Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2014 Approved			
	\$	\$	\$	Actual*	Budget	Budget	%	2016	2017
Salaries and Benefits	1,974.8	1,976.9	2,230.1	2,230.1	2,244.9	14.8	0.7%	2,255.7	2,267.7
Materials and Supplies	4.8	6.9	12.9	12.9	12.9	(0.0)	(0.0%)	12.9	12.9
Equipment	1.0	0.2	2.0	2.0	2.0	(0.0)	(0.0%)	2.0	2.0
Services & Rents	40.9	79.9	171.5	171.5	170.5	(1.1)	(0.6%)	170.5	170.5
Contributions to Reserve/Res Funds	4.7	4.7	4.7	4.7	4.7	0.0	0.0%	4.7	4.7
Interdivisional Charges	337.4	311.2	321.8	321.8	329.2	7.4	2.3%	329.2	329.2
Total Gross Expenditures	2,363.6	2,379.8	2,743.2	2,743.2	2,764.3	21.1	0.8%	2,775.1	2,787.0
Interdivisional Recoveries	112.4	119.7	122.7	122.7	125.1	2.4	2.0%	125.1	125.1
Provincial Subsidies	821.0	723.2	1,026.7	1,026.7	1,045.4	18.7	1.8%	1,045.4	1,045.4
Federal Subsidies	341.7	2.2							
Contribution from Reserve Funds		339.7	399.0	399.0	399.0			399.0	399.0
Sundry Revenues		0.1							
Total Revenues	1,275.1	1,184.9	1,548.4	1,548.4	1,569.5	21.1	1.4%	1,569.5	1,569.5
Total Net Expenditures	1,088.5	1,194.9	1,194.8	1,194.8	1,194.8	(0.0)	(0.0%)	1,205.6	1,217.5
Approved Positions	22.0	19.0	19.0	19.0	19.0			19.0	19.0

* Note: Based on the 9 month Operating Budget Variance Report

Appendix 3

2015 Organization Chart



2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	4.0	3.0		12.0	19.0
Part-Time					
Total	4.0	3.0		12.0	19.0

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Table 8

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance					
Capital Revolving Fund for Subsidized Housing	XR1058	8,583.8	8,583.8	8,184.8	7,785.8
<i>Proposed Withdrawals (-)</i>					
<i>AHO</i>			(399.0)	(399.0)	(399.0)
Total Reserve / Reserve Fund Draws / Contributions		8,583.8	8,184.8	7,785.8	7,386.8
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		8,583.8	8,184.8	7,785.8	7,386.8

Table 9

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance					
Insurance Reserve Fund	XR1010	21,307.7	21,307.7	21,312.4	21,317.1
<i>Contributions (+)</i>					
<i>AHO</i>			4.7	4.7	4.7
Total Reserve / Reserve Fund Draws / Contributions		21,307.7	21,312.4	21,317.1	21,321.8
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		21,307.7	21,312.4	21,317.1	21,321.8