



TCHC's Annual Information Return

Item 7E

April 24, 2023

Board of Directors

Report: TCHC:2023:18

To: Board of Directors (the "Board")

From: Building Investment, Finance and Audit Committee
("BIFAC")

Date: April 12, 2023

PURPOSE:

The purpose of this report is to seek the Board's approval of Toronto Community Housing's ("TCHC") Annual Information Return ("AIR"), as required prior to May 31, 2023 per its Operating Agreement, for the year ended December 31, 2022.

RECOMMENDATIONS:

It is recommended that Board of Directors:

1. approve the Annual Information Return of TCHC for the year ended December 31, 2022;
2. authorize two directors be authorized to sign the report as is required per the Operating Agreement, on behalf of the Board; and
3. authorize the appropriate TCHC officials to forward the Annual Information Return to the City in the form set out in Attachment 1 to this Report, in accordance with clause 4.2 of its Operating Agreement.

BIFAC:

This report will be considered by the BIFAC on April 24, 2023.

REASONS FOR RECOMMENDATIONS:

TCHC is required to file the following items as part of its AIR, as per clause 4.2 of its Operating Agreement:

- a) a Balance Sheet prepared in accordance with generally accepted accounting principles in Canada (provided in the TCHC financial statements);
- b) an Income Statement prepared in accordance with generally accepted accounting principles in Canada (provided in the TCHC financial statements);
- c) a Statistical Report providing, by program, unit counts, average income levels and number of households by demographic type, the information in the form specified (as addressed in this report);
- d) such other information requested from time to time by the City as shall be reasonably necessary to permit the City to comply with its reporting requirements under the Act and Regulations, which includes any internal control findings by its external auditors.

TCHC is required to report annually, as per component (c) above, the number of households whose income is below and above the specified “household income limit” (“HIL”), households at market rent, and the number of units that are vacant. The information presented in this report is a “snapshot” taken at the end of the year. The report is divided by programs, specifically how each program supports the various unit types (Family, Seniors, Non-elderly singles and units with special needs). In addition, and new for 2022, the number of rent-geared-to-income (“RGI”) households deemed to be High Need have been identified. High need households are those with an income equal to or less than \$29,700 residing in a bachelor unit, ranging up to \$44,700 residing in a 4-bedroom or larger unit.

The programs are:

- Public Housing – all former Metro Toronto Housing Authority (“MTHA”) building units, and the Limited Dividend and Geared to Income programs from the former Toronto Housing Corporation (“THC”);
- Rent Supplement – internal rent supplement including those buildings under expired Operating Agreements that have been transferred to rent supplement funding;
- Section 95 Municipal Non-Profits - Municipal Non-Profit program; and
- Provincial Reformed - Non-Profit program.

The elements of this statistical report as at December 31, 2022 are as follows:

TCHC has a total inventory of 57,600 units under its Operating Agreement consisting of:

- 1) 48,542 units that house RGI tenants. Of these units, 40,854, or 84%, of RGI households are deemed to be High Need. The service level agreement calls for TCHC to have 52,533 rented RGI units, which is adjusted when we are redeveloping a property for demolition (and to be demolished) units that have not yet been replaced – to the current target of 51,804.
- 2) 6,062 units that house Market tenants. A market tenant could be a tenant who has initially signed a Market or an Affordable housing lease (4,371 market leases and 1,003 affordable leases), or a tenant whose household income was above the household income limit (“HIL”) (688 units) and were consequently charged Market rent. The HIL varies from \$49,500 for a bachelor unit to \$79,500 for a 4-bedroom or larger unit. Effective May 2020, TCHC stopped offering new Market rental leases.
- 3) 2,996 units that were vacant, of which 2,804 were RGI units and 192 were market units.

IMPLICATIONS AND RISKS:

The statistical report, together with the audited consolidated financial statements for the year ended December 31, 2022, provides the required reporting as per the Operating Agreement. TCHC was below the service level requirement as stipulated in the Operating Agreement by 3,262 units as at December 31, 2022. However, this service level does not account for the 603 RGI units transferred to agencies during 2022.

The approximately 2,659 (by excluding the transferred RGI units) units for which TCHC is under the service level is primarily due to:

- a) Tenants whose income is greater than the HIL, which is beyond TCHC's control, are not included in the RGI count (688 units);
- b) Units unavailable to be leased due to building demolition/revitalization activity at Lawrence Heights and Don Summerville (139 units). These units as will be replaced over time as TCHC continues with its various revitalization initiatives;
- c) Units being temporarily held for capital repairs and accessibility modifications (462 units);
- d) Units being temporarily held for tenants who have to be relocated from their current units due to anticipated revitalization work (137 units);
- e) Uninhabitable units at Firgrove Crescent (230 units), which have been deleased, pending demolition;
- f) Units being offered, but leases have not signed (243 units);
- g) Units held for the City (187 units – 148 units reserved for the central wait list and 39 units dedicated to Rapid Housing program);
- h) Units undergoing minor maintenance repairs and will be available for lease shortly (454 units); and
- i) Units held for overhoused and crisis transfer tenants (75 units).

The Service Manager has been made aware of, and has been be provided details on the variance. This is consistent with prior years where the variance had already existed.

SIGNATURE:

“Lily Chen”

Lily Chen
Chief Financial Officer and Treasurer

ATTACHMENTS:

1. Service Manager Annual Information Return
2. Annual Information Return Compliance Certificate

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