



Building Investment, Finance and Audit Committee

931 Yonge Street,
Toronto, M4W 2H2

Page 1 of 14

The Building Investment, Finance and Audit Committee (“BIFAC”) of the Toronto Community Housing Corporation (“TCHC”) held a hybrid Public meeting on February 9, 2024, via Webex and in-person at City Hall, Committee Room 1, 100 Queen Street West, commencing at 9:17 a.m.

BIFAC Directors Present: Nick Macrae (Chair)
John Campbell
Naram Mansour
Councillor Perruzza
Brian Smith

BIFAC Directors Absent: n/a

Management Present: Tom Hunter, Interim Chief Executive Officer (“CEO”)
Nadia Gouveia, Acting Chief Operating Officer (“COO”)
Darragh Meagher, General Counsel & Corporate Secretary
Lily Chen, Chief Financial Officer (“CFO”)
Jessica Hawes, Acting Chief Development Officer (“CDO”)
Barbara Shulman, Chief People & Culture Officer
Allen Murray, Vice President, Facilities Management
Ada Wong, Acting Vice President, Strategic Planning & Communications
Tony Bernabei, Director, Networks and Infrastructure
Hanan Barakat, Senior Director, Strategic Procurement

Ceilidh Wilson, Assistant Corporate Secretary

A quorum being present, Mr. Macrae, serving as Chair, called the meeting to order, and Ms. Wilson served as recording secretary.

ITEM 1 CHAIR'S REMARKS

The Chair welcomed everyone to the BIFAC meeting, noted the Acknowledgement of the Land, and provided an overview of the reports on today's public agenda.

DEPUTATIONS

The Chair polled for any deputations to be heard at the meeting. The following verbal deputation was presented:

- Item 7 – Urgently Building More Affordable Homes – TCHC Next Steps (*Miguel Avila-Velarde*)

The following written deputation was received:

- Item 7 – Urgently Building More Affordable Homes – TCHC Next Steps (*Miguel Avila-Velarde*)

ITEM 2 APPROVAL OF PUBLIC MEETING AGENDA

Motion carried

ON MOTION DULY MADE by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC unanimously approved:

1. the Agenda for its Public meeting of February 9, 2024;
and
2. all matters on the Agenda with the exception of:
 - Item 7 – Urgently Building More Affordable Homes – TCHC Next Steps;
 - Item 8 – Change Order: Rogers Communications Canada Ltd. for Mobile Devices, Voice and Data Services;
 - Item 9B – Q3 2023 Facilities Management Quarterly Capital Budget Update; and

- Item 12 – Strategic Procurement Update: Enabling Mid-Sized Vendors to Bid on Work at TCHC.

ITEM 3 CHAIR’S POLL RE: CONFLICT OF INTEREST

The Chair requested members of the BIFAC to indicate any agenda item in which they had a conflict of interest, together with the nature of the interest. **No conflicts were declared.**

ITEM 4 CONFIRMATION OF BIFAC PUBLIC MEETING MINUTES OF NOVEMBER 2, 2023 AND NOVEMBER 22, 2023

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC confirmed the above-captioned minutes without amendments.

ITEM 5 BUSINESS ARISING FROM THE PUBLIC MEETING MINUTES AND ACTION ITEMS UPDATE

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC received the updates provided as Business Arising from the Public Meeting Minutes and Action Items Update.

ITEM 6 2024 PUBLIC BIFAC WORK PLAN BIFAC:2024-06

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC unanimously approved, and recommended that the Board of Directors approve, the 2024 Public BIFAC Work Plan provided as Attachment 1 to Report BIFAC:2024-06.

**ITEM 7 URGENTLY BUILDING MORE AFFORDABLE
 HOMES – TCHC NEXT STEPS BIFAC:2024-07**

The above-captioned report was circulated to BIFAC members prior to the meeting.

A written deputation was received from Miguel Avila-Velarde with respect to this item and was circulated to the BIFAC.

A verbal deputation was received from Miguel Avila-Velarde with respect to this item.

Mr. Hunter and Ms. Hawes were available to answer questions of the BIFAC. Highlights of the discussion include:

- The City of Toronto (the "City") is looking at TCHC sites on which to build more housing, however it is not yet determined whether TCHC will be the owner and/or operator of those buildings. This is an option being contemplated among a variety of other operational methodologies.
- Net new affordable units were added to TCHC's portfolio as part of the Regent Park revitalization.
- A mix of housing tenures are being explored as part of the Lawrence Heights revitalization and it is likely that net new affordable units will be included in the plan for Phase 2.
- There are different models employed when net new units are built as part of a revitalization. There is a mix of private ownership and TCHC rental buildings that include rent-geared-to-income ("RGI"), affordable and market units.
- With condo buildings that are built as part of a revitalization, the deal is typically structured such that the land ownership component is transferred to the condominium.
- Part of this work is to look at opportunities for mixed housing tenures on TCHC and City-owned land to further the City's housing initiative.
- There are different properties being explored to participate in the City's housing initiative: construction-ready sites with inflight projects already approved by the Board of Directors and City Council, and potential sites, which is a long list, where further due diligence is

required to confirm whether they are appropriate for revitalization or infill.

- The list of potential sites has been in development for a number of years within the Development division. It is likely that this list will remain confidential until the sites' feasibility has been determined and the City releases details of the sites that will be used.
- The initial report back regarding next steps for the City's housing initiative will likely occur at the June 2024 City Council meeting.
- As part of the revitalization process, there is a commitment to relocate tenants within the TCHC portfolio while sites are under construction. There is a well-established relocation program in place that matches households with units throughout the portfolio.
- Where infill opportunities are being considered for a site, tenant relocation will not necessarily be required.
- As part of the review process with the City, management are looking at in-flight revitalization projects and potential revenue opportunities available through market partnerships, balanced with increasing the number of net new affordable units.
- The one-to-one replacement requirement for RGI units that are taken down as part of a revitalization project is based on the City's approval requirements.
- The target is 6,500 net new RGI units across the city, however it is not yet determined whether TCHC will become the owner and operator of a portion of those units.
- There are no specific commitments or mandates from the City at this point in time, only a broad guideline to explore what is possible.
- The focus will be to identify sites that are the least encumbered and the least challenging to deliver quickly, for example sites adjacent to other lands that provide the ability to deliver on the larger housing target.
- The approvals framework requires consultation with the local area Councillor regarding the initial development proposal and their vision for the property and the area.

*Motion
carried*

ON MOTION DULY MADE by Mr. Campbell, seconded by Councillor Perruzza and carried, the BIFAC unanimously approved and recommended that the Board of Directors:

Building Investment, Finance and Audit Committee
Public Minutes
February 9, 2024

Page 6 of 14

1. Work with the Deputy City Manager, Development and Growth Services, in support of Recommendation 5 in Item 2023.EX7.2, to undertake the development of complete communities on TCHC lands and properties through revitalization, redevelopment or stand-alone developments on existing sites, and create a model that includes TCHC staff and Board members to initiate and carry out this work;
2. Authorize the President and Chief Executive Officer and the Chief Development Officer or their designates to work with the City Manager and the Deputy City Manager, Development and Growth Services, or their designates, in support of the implementation of Recommendations 6 in Item 2023.EX9.3, to advance early due diligence work on the list of potential housing sites outlined in the Confidential Attachment to the City's Council Report, in order to report back by the end of the second quarter of 2024, with a prioritized list and recommendations, including any financial implications, to advance appropriate sites for housing purposes;
3. Request that the President and Chief Executive Officer, or their designate, continue to work with the City's Deputy City Manager, Development and Growth Services, in support of Recommendation 17 in Item 2023.EX9.3, and explore options to enhance the financial viability of Toronto Community Housing Corporation in-flight and planned revitalization and infill projects, including exploring both public and private options for financing, while delivering a wider range of net new rent-controlled affordable, rent-geared-to-income and market rental homes and other City-building uses;
4. Request that the President and Chief Executive Officer, or their designate, work with the City's Deputy City Manager, Development and Growth Services, in support of Recommendation 26 in Item 2023.EX9.3, to report back to the Executive Committee by the second quarter of

2024 on a strategy to accelerate the implementation of the Lawrence Heights Revitalization Phases II and III;

5. Authorize the President and Chief Executive Officer and the Chief Development Officer, or their designates, to work with the City Manager and the Deputy City Manager, Development and Growth Services, in support of the implementation of Recommendations 1 and 3 in Item 2023.EX10.2, to update TCHC's current strategic plan mandated by its shareholder direction and amend section 4.1.2(c) of TCHC's shareholder direction to facilitate and identify opportunities for enhanced alignment to support delivery of the City's housing plans and targets; and
6. Request the Chief Development Officer to report back on the opportunities and impacts associated with the implementation of the above recommendations including potential long-term outcomes on staffing impacts, unit type mixes, financial implications, etc.

**CHANGE ORDER: ROGERS
COMMUNICATIONS CANADA INC. FOR
MOBILE DEVICES, VOICE AND DATA
SERVICES**

ITEM 8

BIFAC:2024-08

The above-captioned report was circulated to BIFAC members prior to the meeting.

Mr. Bernabei was available to answer questions of the BIFAC. Highlights of the discussion include:

- This change order is for a contract that TCHC entered into with Rogers Communications Canada Ltd. ("Roger") that leveraged favourable pricing based on a Request for Proposals ("RFP") issued by Supply Ontario. Supply Ontario will be concluding a new RFP by late 2023, thus a change order is required to bridge the time between the existing contract and the outcome of the new RFP.
- The number of users for this contract has more than doubled in the last few years. This results from the additional devices required to support staff working remotely as a result of the COVID-19 pandemic,

Building Investment, Finance and Audit Committee
Public Minutes
February 9, 2024

as well as the need to address cybersecurity risks via the introduction of a multi-factor authentication (“MFA”) application that is accessed through users’ cellphones.

- Every TCHC employee is issued a cellphone.
- Concern was raised as to whether it is necessary for all staff to have company-issued cellphones, particularly some building cleaning staff. It was noted that for front-line staff, cellphones are a security device to access third party security services or other staff in relation to security incidents. Front-line staff also use their cellphones to access HoMES and receive work orders, and receive training that has been cascaded to them.
- The current plans with Rogers have unlimited voice minutes and 6GB of data per device. Information Technology Services (“ITS”) staff review the monthly Rogers invoices to identify overages.
- Overages vary from month to month and each instance is addressed with the individual team involved. Most overages are a result of business-related requirements.
- ITS does not report to the Board of Directors (the “Board”) related to this contract beyond seeking approval of the contract itself. Costs for the contract are included in the annual budget, which is approved by the Board each year.
- Where there are significant anomalies in usage, Rogers will notify ITS immediately, however it is uncommon to see large overages in the monthly spend.

*Motion
carried*

ON MOTION DULY MADE by Mr. Campbell, seconded by Councillor Perruzza and carried, the BIFAC unanimously:

1. Approved a change order to Rogers Communications Canada Ltd., in an amount not to exceed \$620,000.00 (exclusive of taxes), for mobile airtime and data services (including accessories and mobile devices) and to extend the contract term for an additional six months from February 1, 2024 to July 31, 2024 as follows:
 - a. up to \$85,000.00 for mobile airtime and data services from January 1 to January 31, 2024 to add additional funds to the remaining one-month term of the original agreement;

- b. up to \$515,000.00 for mobile airtime and data services for the contract extension period from February 1 to July 31, 2024;
- c. up to \$20,000.00 for accessories and mobile devices for the contract extension period from February 1 to July 31, 2024; and

- 2. Authorized the appropriate staff to take the necessary actions to give effect to the above recommendation.

**VENDOR AWARD: MANAGEMENT,
OPERATIONAL MAINTENANCE AND
CAPITAL MANAGEMENT SERVICES FOR
THE COMMUNITY ENERGY SYSTEM
OWNED AND OPERATED BY REGENT
PARK ENERGY INC.**

ITEM 9A

BIFAC:2024-10

The above-captioned report was circulated to BIFAC members prior to the meeting.

*Motion
carried*

ON MOTION DULY MADE by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC unanimously approved and recommended that the Board of Directors:

- 1. Approve the award of work to Oshawa PUC Energy Services Inc. for up to \$36,932,299.11 (exclusive of taxes) subject to finalizing the terms of an agreement governing performance of the work, to provide management, operational, maintenance, and capital management services for the Community Energy System (“CES”) owned and operated by Regent Park Energy Inc. (“RPEI”) at 252 Sackville Street, Toronto based on the outcome of Request for Proposal (“RFP”) 23197 as follows:
 - a. up to \$25,107,780.86 for the operating and maintenance costs (operations and maintenance base free, incremental heating and colling) for the full 10-year term including a maximum of 5% for

- consumer price index (“CPI”) year over year;
- b. \$250,000.00 for transitional costs in final year (year 10) of the agreement. This amount is to remain static, and CPI will not be included;
 - c. up to \$4,336,668.25 for project management fees based on a submission of 14% for year 1 through year 6. This amount is to remain static, and CPI will not be included;
 - d. up to \$1,045,000.00 for strategic business advice (approx. \$100,000.00 for year 1 and \$105,000.00 for year 2 through 10) for the 10-year term including a maximum of 5% for CPI year over year;
 - e. up to \$6,192,850.00 for the operation of combined heat and power unit for the full 10-year term including 5% CPI year over year; and

2. Authorize the appropriate staff to take all other necessary actions to give effect to the above recommendations.

Q3 2023 FACILITIES MANAGEMENT

ITEM 9B

QUARTERLY CAPITAL BUDGET UPDATE

BIFAC:2024-11

The above-captioned report was circulated to BIFAC members prior to the meeting.

Mr. Murray was available to answer questions of the BIFAC. Highlights of the discussion include:

- This report seeks the BIFAC and Board’s approval to ensure compliance with TCHC’s Financial Control By-law #3, which requires that budget reallocations above \$5M be brought forward for approval.
- This report seeks approval to reallocate \$36M from the planned to the demand capital budget.
- Management from Finance, Facilities Management and Operations are working together to identify ways to decrease the demand capital spend to ensure there are more funds available to address the capital repair backlog and lower TCHC’s Facilities Condition Index (“FCI”).
- The 2024 budget more accurately represents the more recent demand capital spend, which will help to prevent reallocations of this size.

**Building Investment, Finance and Audit Committee
Public Minutes
February 9, 2024**

- The reallocations approved in Q1 and Q2 2023 are comparable to the reallocation for Q3 2023. The 2023 budget for demand repairs was ~\$31M and it has now increased to ~\$120M. Demand repairs were underbudgeted in 2023, however this has been revised in the 2024 budget.
- A significant number of demand repairs fall within the \$1,500 to \$5,000 range. The current threshold for capitalizing expenses is \$1,500, which is low, so management have been working with the City of Toronto (the “City”) to potentially increase the threshold as part of the 2025 budgeting process.
- In increasing the capital threshold, this will place added financial pressures on the operating budget.
- Some measures underway to control the demand repairs spend include triaging and prioritizing work orders, establishing a budget for each Region, providing Operations management with weekly reporting to ensure they are aware of their spend against budget, and continuing efforts with the City to increase the capital threshold.
- The Committee recommended that if the amount of demand repair work cannot be reduced, exploring if there are ways to reduce the costs associated with the program (e.g. through the modernized procurement process).
- The Committee noted that if more operational funding is required, this needs to be recognized and addressed rather than continuing to rely on the capital budget to fund work that should be funded through the operating budget.
- The Q4 2023 iteration of this report will go directly to the Board of Directors’ meeting of February 15, 2024 rather than being reviewed by the BIFAC first.

Motion carried

ON MOTION DULY MADE by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC unanimously approved, and recommended that the Board of Directors approve, the reallocation of funds within the capital repair budget as follows:

Envelope Name	Reallocation Amount
COXX - Demand Capital	\$36,071,154

**Forecast for Q3 includes reallocations of various budgets*

inclusive of contingency.

**Q3 2023 RECONCILIATION OF PREVENTIVE
MAINTENANCE AND DEMAND REPAIR
PROGRAMS AND ELEVATOR CONTRACTS** BIFAC:2024-12
ITEM 9C

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Mansour, the BIFAC received Report BIFAC:2024-12, being the Q3 2023 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts, for its information.

**VENDOR AWARD: BACKFILL DAY-TO-DAY
JANITORIAL SERVICES** BIFAC:2024-13
ITEM 10

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC unanimously approved and recommended that the Board of Directors:

1. Approve the award of work up to \$12,779,815.00 (excluding HST) for backfill day-to-day janitorial services at the rates established from the outcome of Request for Proposal (“RFP”) 23091 for a term of up to five years as follows:
 - a. up to \$7.5M for the first three (3) years of the initial contract; and
 - b. up to \$5.3M for two (2) additional one-year terms at TCHC management’s discretion;
2. Approve the award of the work to the following eight (8) vendors based on the outcome of RFP 23091 as follows:
 - a. Green Maples Environment Inc
 - b. Universal Cleaning and Painting Ltd.

- c. Alpha Resources Ltd.
- d. Evergreen Maintenance & Janitorial Services Ltd.
- e. Bi-Views Building Service Ltd.
- f. SQM Janitorial Services Inc.
- g. The Grandmother's Touch Inc.
- h. Michael Manalo o/a Entrust the Care; and

3. Authorize the appropriate staff to take all other necessary actions to give effect to the above recommendations.

INTERNAL AUDIT WORK PLAN UPDATE:

ITEM 11A Q4 2023

BIFAC:2024-14

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC received Report BIFAC:2024-14, being the Internal Audit Work Plan Update for the fourth quarter of 2023, for its information.

ITEM 11B INTERNAL AUDIT WORK PLAN FOR 2024

BIFAC:2024-15

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC unanimously approved the Internal Audit Work Plan for 2024 as set out in Attachment 1 to Report BIFAC:2024-15.

**STRATEGIC PROCUREMENT UPDATE:
ENABLING MID-SIZED VENDORS TO BID**

ITEM 12 ON WORK AT TCHC

BIFAC:2024-02

The above-captioned report was circulated to BIFAC members prior to the meeting.

Building Investment, Finance and Audit Committee
Public Minutes
February 9, 2024

Ms. Chen and Ms. Barakat were available to answer questions of the BIFAC. Highlights of the discussion include:

- This report outlines opportunities to attract small and mid-sized vendors to bid on work at TCHC.
- The Committee asked that as this work is implemented, that metrics be established to determine whether the new measures are effective and successful. It was noted that once the new contract management software is in place, it will assist with monitoring and reporting.
- A report will come back in Q3 2024 that outlines the anticipated key performance indicators in relation to this work to help the Committee understand progress in this area.
- Some possible metrics include defining small and mid-sized vendors as a percentage of the total vendor population, identifying social procurement opportunities, and any financial benefits arising out of these initiatives.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC received Report BIFAC:2024-02, being the Strategic Procurement Update regarding Enabling Mid-Sized Vendors to Bid on Work at TCHC, for its information.

TERMINATION

A motion to adjourn the meeting was moved by Mr. Campbell and seconded by Mr. Mansour. The BIFAC resolved to terminate the public meeting at 10:14 a.m.

Secretary

Chair, Building Investment,
Finance and Audit Committee