

TCHC Funding Challenges

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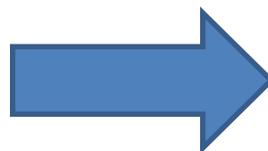
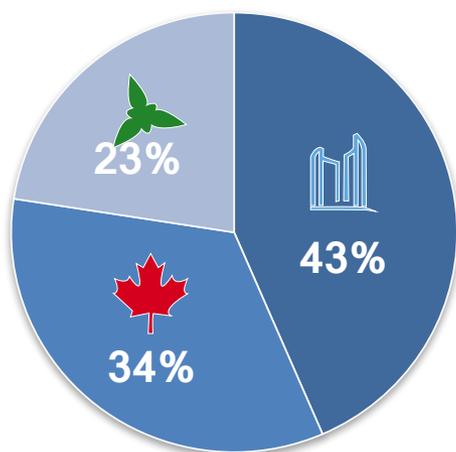
Social Housing Download

- Ontario download social housing funding and administration responsibilities to the City of Toronto in 2001.
- The enacting legislation, *the Housing Services Act (HSA)*, is prescriptive with limited flexibility for local government
- Thirteen years after download, there are over 91,000 households on the waiting list and TCHC requires \$2.6 billion in critical capital investment over the next ten years just to keep its buildings in 'Fair' condition.

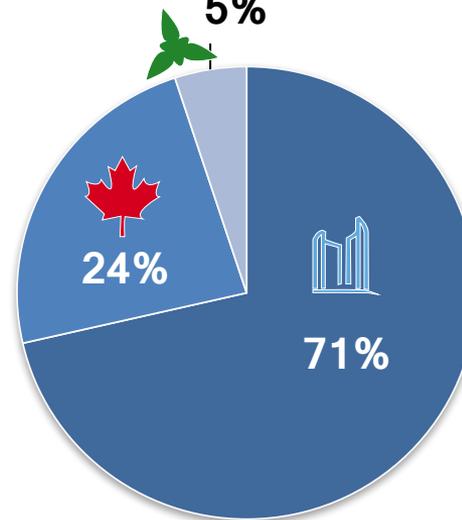
Effects of Download

- The City's share of social housing funding will increase from 43% in 2014 to 71% in 2018 while the provincial funding will reduce from 23% to just 5% over the same period.

2014
% of Social Housing Funding



2018
% of Social Housing Funding



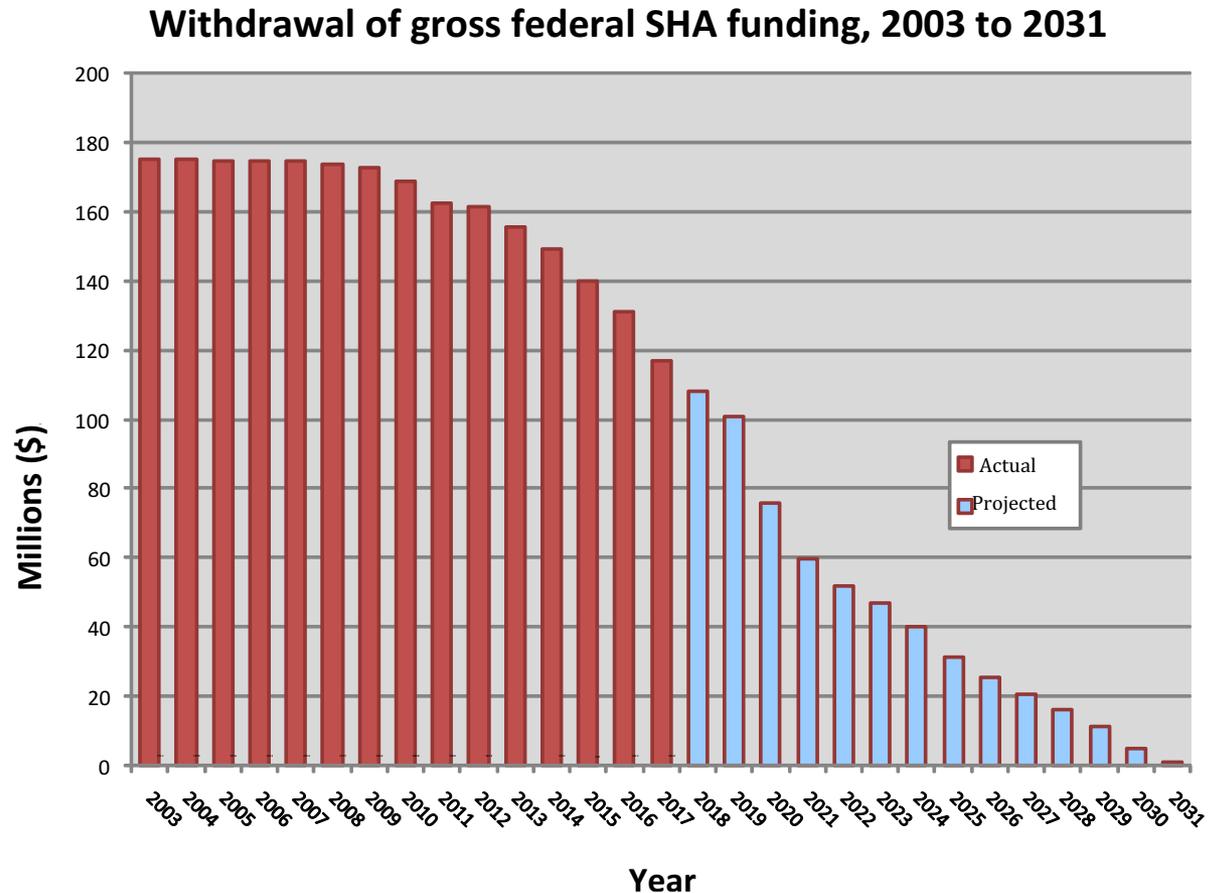
Toronto Pooling Compensation

	Toronto	GTA	Ontario	Toronto %	
				GTA	Ontario
Population (2011)	2,615,060	6,054,191	12,851,191	43.2%	20.3%
Public Housing	43,869	48,434	99,331	90.6%	44.2%
Other (Non-Profits / Co-ops)	51,797	77,842	157,429	66.5%	32.9%
TOTAL	95,666	126,276	256,760	75.8%	37.3%

- In June of 2013, the Province announced a phase-out of Social Housing operating funding (Toronto Pooling Compensation), equaling a loss of **\$114 million** in revenue for Social Housing over three years (2014 to 2016)

Expiry of Operating Agreements

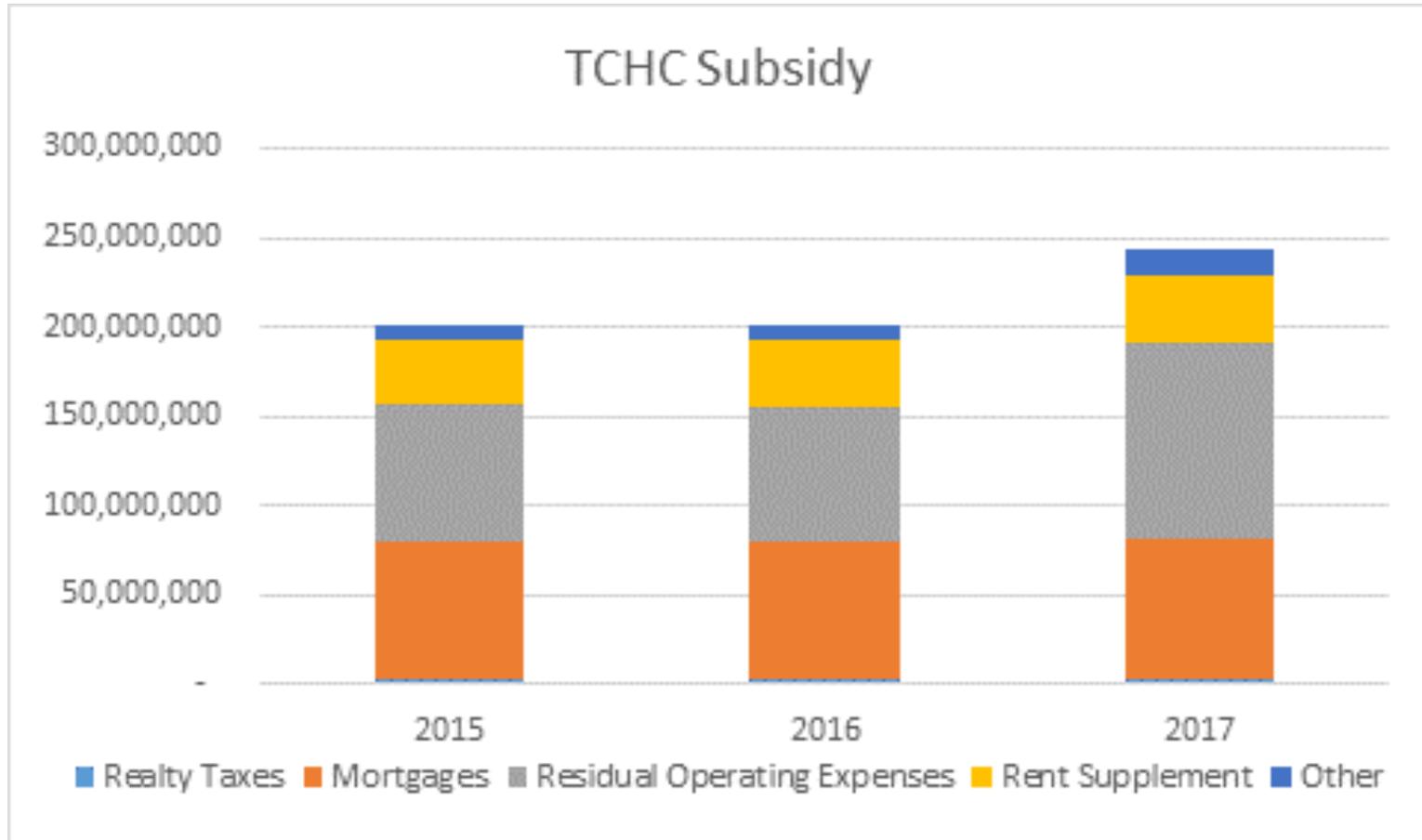
- City Council has requested that the federal government to stop the withdrawal and reinvest funds back into housing.



Key Implications

- The cumulative impact from loss of the Provincial Pooling and Federal Funding is equivalent to a **10% property tax increase**.
- The **current loss of funding is unaffordable** and cannot be absorbed through increases to City of Toronto property taxes.
- Without additional funding the sustainability of housing for thousands of residents will be threatened.
- The loss of the social housing units and a reduction to RGI service levels in Toronto will jeopardize the Province's ability to achieve the goals set out in its Long-term Affordable Housing Strategy and Poverty Reduction Strategy.

City Funding of TCHC



TCHC Funding Challenges

- Two main sources of funds:
 - 1) Residential rent \$300M/yr
 - 2) City operating subsidy \$237M/2017
- No increase to Rent Revenue due to static incomes of TCHC tenants.
- Maintenance and utility costs are growing: Hydro has increased 43%, water increased 39% since 2012
- Insufficient Capital funding to meet demand

How did this happen?

Flat
Revenue

Relatively
Flat
Subsidy

Increasing
OpEx

Aging
Buildings

Minimal
capital
funding

Options

Inter-governmental asks

Province

- Upload social housing responsibility
- Reinstate Provincial Pooling
- Revise rent scales
- Contribute to capital backlog

Federal

- Reinstate federal funding
- Contribute to capital backlog

Social Assistance Rent Scales for RGI Households

Comparison of Shelter Benefit to RGI Rent Scales

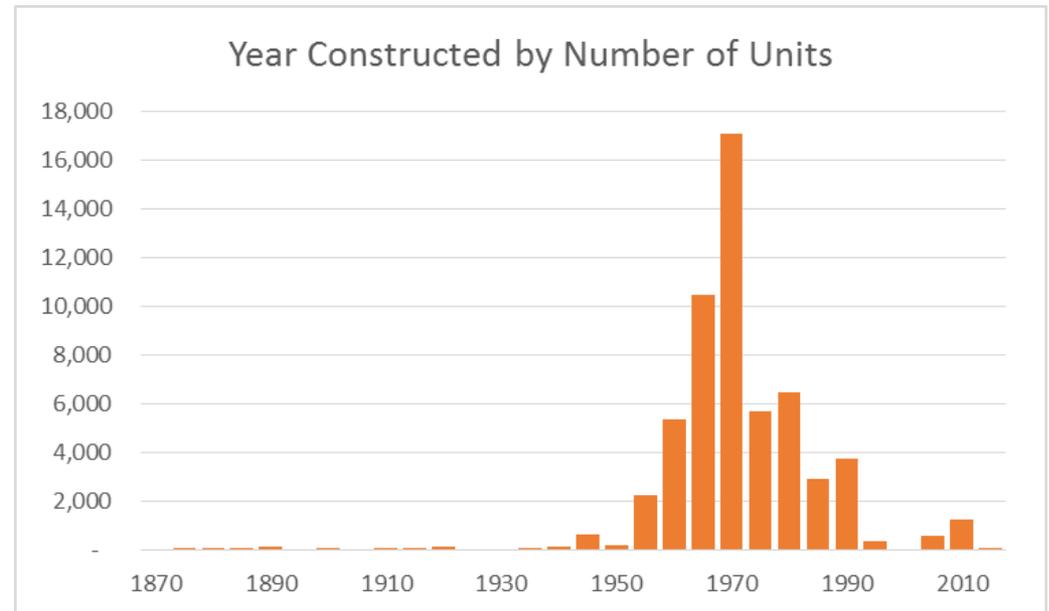
Household Size	OW Maximum Monthly Shelter Allowance (\$)	RGI Rent Scale Amount for OW Recipients (\$)	Cost to City (Differential) (\$)
1	376	85	291
2	619	175	444
3	672	212	460
4	729	254	475
5	786	296	490

Harmonizing Rent Scales would provide Toronto \$81 M annually and would total \$200M annually across Ontario.

Capital Repair Needs

Current State

- TCHC has an aging housing stock
- Council approved the closure of 134 units at Firgrove Crescent due to state of disrepair
- Current estimate if no capital investment is that up to 5000 units could be closed by 2022



Assistance to Date: Capital

Federal Government

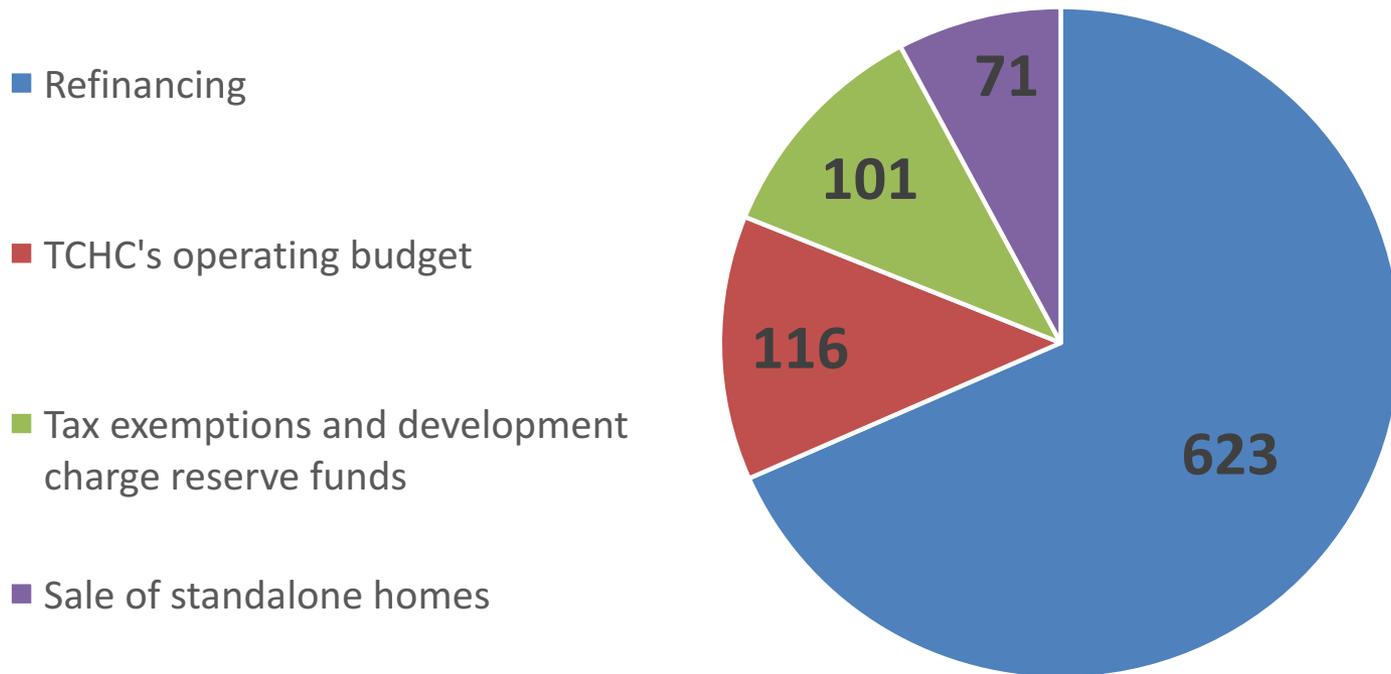
- CMHC penalty free refinancing program
- Repair program (SHIP)
- Budget announced 11.2B over 11 years and maintaining baseline funding

Provincial Government

- Energy retrofit program (SHARP)

City contributions to date

TCHC Capital Repairs Sources of Funds
2013 - 2016 (\$ millions)



Thank you!