



President & CEO's Report — April 2018

Item 3A

June 12, 2018

Board of Directors

Report: TCHC:2018-22
To: Board of Directors
From: Kathy Milsom, President and Chief Executive Officer
Date: May 30, 2018

PURPOSE:

This report provides an update on the implementation of corporate goals and objectives against the 2018 plan, and other relevant matters that occurred during April 2018.

RECOMMENDATION:

It is recommended that this report be received for information.

OVERVIEW:

For this reporting period, 20 of the 21 project statuses are meeting or exceeding their milestone targets.

Action 1.7, Implement the Integrated Housing Management System (IHMS), was previously identified as 'at risk' and remains as such. We have developed a project work plan which establishes, on a preliminary basis, clear parameters of scope, budget and schedule, and will allow for regular monitoring of tasks against these parameters. Once approved by the Board, we will reset expectations and work to deliver against those parameters.



IMPLICATIONS AND RISKS:

Not executing effectively against planned initiatives or established performance metrics could compromise efforts to become more tenant-centric and responsive, and provide tenants with clean, safe, well-maintained homes.

SIGNATURE:

“Kathy Milsom”

Kathy Milsom
President and Chief Executive Officer

ATTACHMENT:

1. April Project Status Update
2. April Performance Measures
3. April Financials
4. Fire Life Safety: Program Implementation Plan

STAFF CONTACT:

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Quality Homes

Capital Renewal

We are continuing delivery of our ambitious 2018 capital renewal program. As of April, we have delivered \$91.65 million in capital renewal projects to improve building conditions for tenants and, by extension, improve tenant satisfaction.

Technology Modernization

As we reported in the February/March report, the implementation of the Integrated Housing Management System (IHMS) continues to be identified as 'at risk'. A fulltime project manager came on board in April and a work plan has now been developed, establishing high-level parameters of scope, budget and schedule. This plan, once approved by the Board, will guide project implementation, and will allow for regular monitoring of tasks against these parameters. The plan will be presented to the Building, Investment, Finance and Audit Committee at its next meeting.

Vibrant Communities

Tenant Safety

We met with the Ontario Police Technology Information Cooperative (OPTIC) and will be submitting an application to become a member of the organization. OPTIC provides access to state of the art information technology (IT) and data management systems, including records management and computer aided dispatch systems. Implementing enhanced IT systems will support Community Safety Unit (CSU) officers to respond more effectively and allow for more accurate incident tracking.

We are revising the *Response to Violent Incidents Policy and Procedures* to broaden its scope to better capture response to critical incidents. The revised policy will identify a clear role for the Community Safety Advisor and allow for better internal response to critical incidents, creating a more consistent approach and improving our coordination with the City.

Attachment 1. April Project Status Update

As reported last month, we are developing a one-year pilot project for the broader Dan Harrison community, which has been identified as a priority community for safety concerns. In September 2018, CSU will provide enhanced 24/7 presence in this community, conduct regular patrols and respond to security issues at surrounding buildings. For this coverage, eight Special Constables will be required. This will increase our ability to better address anti-social behavior and improve documentation to support evictions for cause. Prior to the launch, we will be implementing a summer safety strategy, where a bike patrol team will engage the community on safety awareness, crime prevention and enforcement. Toronto Police Services provided training to CSU bike patrol officers in May.

We are also continuing to work with Toronto Fire Services in preparation for the upcoming Fire Safety Awareness Week which will be taking place in June. Reporting on the established fire life safety metrics began last month and will continue on a quarterly basis. The status update on the implementation of the fire life safety program is included as Attachment 4.

Priority Transfer Process

Work is continuing on updating our priority transfer process. Tenant consultations took place in May to get feedback on the proposed Crisis Priority category definition, the process for transfer applications, and options for how to address the existing medical and safety at risk priority transfer waiting list.

We have met with the Ombudsman's office to review our progress to date. We are also consulting with stakeholders from the City, law enforcement, the community health sector and legal clinics to obtain feedback on the new transfer process.

Tenant Engagement

As part of the tenant engagement system refresh, we have been presenting the recommendations of the City-Wide Tenant-Staff Engagement Advisory Committee at Tenant Council Meetings to facilitate discussions on next steps for designing the new system. A consultation framework has been

Attachment 1. April Project Status Update

developed and community consultations on local priorities and engagement methods began at the end of May. We are also working with the Responsible Personal Accessibility in Toronto Housing Committee to develop an accessibility consultation plan for input into the design of a refreshed engagement system.

As part of our response to Tenants First we are continuing to collaborate with the City on the implementation of the local action plan pilot. A community information session was held in April to introduce the project to tenants and issue a formal call-out for participants to form a community advisory group. With support from TCHC and the City, the group will design a priority setting framework for the Mornelle Court community and lead the implementation of the local action plan.














For the youth services pilot, 40 youth volunteers were identified to lead a local needs identification and priority setting process. In April, twelve of these youth leaders participated in an Asset-Based Community Development training session hosted by the Tamarack Institute. To put into practice the skills they learned, they will be helping to facilitate workshops at a youth pilot conference in May. This conference will provide training to the 40 youth volunteers to provide them the skills to lead the community needs identification process. Outreach to community agencies also took place in April to seek support for the implementation of the local youth action plan.

Service Excellence









Recruitment Process

Since January, we have continued to achieve our target of filling vacant position within an average of ten weeks. This has allowed us to meet milestones in other projects and keep their implementation on track. Having the resources we need to deliver services improves tenant experience. We are continuing to identify internal roadblocks that impact the time to fill, and are developing strategies to address them

April Project Status

2018 Actions	Status	% of 2018 Achievement
1.1 Deliver on clean building standards		33.3%
1.2 Deliver the \$300 million 2018 capital renewal program		33.3%
1.3 Improve vendor management program, including roster refresh		N/A
1.4 Seek out new revitalization and renewal initiatives, including moving ahead on securing private investment in revitalization and renewal projects		N/A
1.5 Implement corporate standard operating procedures for work done by Toronto Community Housing in all divisions		N/A
1.6 Develop and implement a new service request process and a holistic refresh of complaints management at Toronto Community Housing		N/A
1.7 Implement the Integrated Housing Management System (IHMS)		N/A
1.8 Implement the decentralization pilot and assess outcomes		N/A
2.1 Implement the enhanced fire life safety program		N/A
2.2 Develop and implement an enhanced Community Safety Program in partnership with Toronto Police Service		N/A
3.1 Implement the Tenant Transfer Policy action plan		N/A
3.2 Develop a proactive tenant needs identification process		N/A
4.1 Develop and implement the youth services and local engagement strategies pilots and assess outcomes		N/A







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Attachment 1. April Project Status Update

2018 Actions	Status	% of 2018 Achievement
4.2 Develop the collaboration strategy for TCHC's work with agencies, governments, donors and the private sector		N/A
5.1 Implement a proactive tenant communications protocol		N/A
5.2 Complete implementation of the tenant engagement system refresh		N/A
6.1 Implement the employee engagement action plan		N/A
6.2 Implement corporate change management program		N/A
6.3 Implement improvements to the recruitment process		N/A
7.1 Complete implementation of recommended best practices in procurement		N/A
7.2 Complete the corporate policy framework refresh and implement a review of the policies planned for 2018		N/A

 **Not Meeting Target**  **At risk**  **Meeting/ Exceeding Target**


April Performance Measure

Key Indicators	Target	April 2018	March 2018	% Variance From Previous Month	April 2017	% Variance From Previous Year
Quality homes						
YTD Building renewal capital spending (in \$ millions)	Q1: 106M Annual: 300M	● \$91.65	\$76.64	↑ 19.6%	\$53.22	↑ 72.2%
Service level for routine maintenance requests completed within established timelines (5 days)	72%	● 73.14%	74.58%	↓ -1.9%	N/A	N/A
Vibrant communities						
Number of tenants participating in decision-making	3,234 (annual)	701	378	↑ 85.4%	150	↑ 367%
Service excellence						
Voluntary staff turnover (%)	N/A	0.37%	0.56%	↓ 33.96%	N/A	N/A
Involuntary staff turnover (%)	N/A	0.06%	0.00%	N/A	N/A	N/A

 Not Meeting Target
 At risk
 Meeting/ Exceeding Target
 Favourable Increase/ Decrease
 Unfavourable Increase/ Decrease
 Remained Constant

Attachment 2. April Performance Measures

Key Indicators	Target	April 2018	March 2018	% Variance From Previous Month	April 2017	% Variance From Previous Year
Average number of weeks from requisition to position being filled (weeks)	10	● 7.69	6.33	↑ 21.48%	N/A	N/A
Business foundations						
Rent-Geared-to-Income vacancy rate (%)	2.00%	⊘ 2.30%	2.36%	↓ -2.53%	2.52%	↓ -8.71%
RGI leasing ratio	1.00	● 1.10	0.99	↑ 11.1%	1.27	↓ -13.40%
Market vacancy rate (%)	2.00%	● 1.59%	1.80%	↓ -11.64%	2.17%	↓ -26.71%
Market leasing ratio	1.00	● 1.55	0.72	↑ 115.89%	1.28	↑ 21.09%
Rent and parking arrears (\$ in thousands)	-	\$8,377	\$8,685	↓ -3.55%	\$8,302	↑ 0.90%
Arrears under repayment (\$ in thousands)	-	\$3,186	\$3,196	↓ -0.31%	\$3,103	↑ 2.67%
Arrears under management (\$ in thousands)	-	\$7,382	\$7,707	↓ -4.22%	\$7,067	↑ 4.46%

 Not Meeting Target
 At risk
 Meeting/Exceeding Target
 Favourable Increase/Decrease
 Unfavourable Increase/Decrease
 Remained Constant

Closing the Loop- Wave 1 Results

Closing the Loop surveys tenants who have recently requested a repair to assesses the consistency and quality of repair services with respect to tenant satisfaction. Wave 1 of Closing the Loop ran from mid-March to the end of April 2018. The results are summarized in the following table.

% Tenant Satisfaction	Wave 1¹	% Variance From Previous Wave	2017 Tenant Survey Results¹
Keeping up cleanliness of the building	77%	N/A	66%
Keeping up the condition of the building	66%	N/A	62%
Quality of the repair	93%	N/A	67% ²
Keeping buildings safe and secure	68%	N/A	58%
Keeping tenants informed of changes	75%	N/A	73%

¹ Closing the Loop is a much smaller point-in-time sample than the general tenant survey. As a result, comparisons of the satisfaction scores are not as strong as they would be if we were comparing two surveys conducted using the same sample size.

² It should be noted that the sampling methodology used in Closing the Loop to survey tenants on the quality of repairs differs from the methodology used in the 2017 tenant survey. Because of the differences, these ‘Quality of repair’ results are not directly comparable.

Attachment 3. April Financials

April Financial Performance

(Amounts in '\$000s)

	April 18	YTD 2018			April17	YoY	YoY	2018
		Variance			Variance			Annual
	YTD Actual	Budget	Fav(Unfav)		YTD Actual	Fav(Unfav)		Budget
	\$	\$	\$	%	\$	\$	%	\$
Results of Operations								
Revenue	246,130	213,381	32,749	15%	229,893	16,236	7%	667,234
Expenses	219,624	234,748	15,124	6%	224,957	5,333	2%	691,648
Net Income (Loss)	26,506	(21,367)	47,873	224%	4,936	21,570	-437%	(24,414)

Explanation of Variances Actual vs. Budget (Favourable / (Unfavourable))

YTD actual net income is \$26.5M compared to the budgeted net loss of \$21.3M; favourable variance of \$47.8M is mainly due to:

- \$31.2M one time gain on land transfer of 250 Davenport included in the budget for 2017; \$1.3M gain on sale of 215 Crawford Street that was not budgeted;
- \$7.5M lower utility cost primarily from favourable hydro rates;
- \$4.4M favourable residential revenue on higher monthly rate;
- \$4.2M lower salary and benefit resulting from vacancies, lower staff expenses combined with other administrative costs, partially offset by higher overtime and contract costs;

Attachment 3. April Financials

- \$1.6M interest expenses lower than budget due to delay of Infrastructure Ontario loan; and
- (\$3.3M) lower subsidies due to the timing of revenue recognition.

Explanation of Variances Actual vs. Prior Year (Favourable / (Unfavourable))

YTD actual net income is \$26.5M compared to prior year net income of \$4.9M; the favourable variance of \$21.6M is mainly due to:

- \$19.6M as a result of 2018 one time gain on 250 Davenport land transfer of \$31.2M, compared to 2017 one time gain on sale of Regent Park Block 26 of \$11.6M;
- \$9.6M lower utility cost primarily from favorable hydro rates;
- \$4.9M favourable residential revenue on higher monthly rate;
- \$0.3M favorable interest income and parking/laundry revenue;
- \$0.5M gain on sale of 215 Crawford Street sold in January 2018 vs. 11 Edgewood Grove sold in February 2017;
- (\$4.1M) higher amortization on assets;
- (\$3M) higher salaries and benefits cost due to onboarding of planned resources, higher staff expenses combined with other administrative costs;
- (\$2.5M) higher primarily due to mag-lock work at TCHC buildings; and
- (\$1.5M) interest expense due to line of credit usage.

Attachment 3. April Financials

(Amounts in '\$000s)

	April 18	April 17	Variance	2018	April 18
	YTD Actual	YTD Actual	YTD 18 Vs. YTD 17	Annual Budget	Prorated Annual Budget
	\$	\$		\$	\$
Capital Expenditure					
Building Renewal Capital	72,159	52,010	20,149	296,934	98,978
RPEI Plant Capital	290	1,205	(915)	3,066	1,022
Improvements to Housing Projects	224	2,736	(2,512)	883	294
Corporate & IT Capital	698	2,513	(1,815)	16,873	5,624
Net Development Capital (Net of funding source)	620	14,553	(13,933)	56,643	18,881
Total Capital Expenditure	73,992	73,017	974	374,399	62,400

Explanation of Variances Actual vs. Prior Year:

- Higher spending for 2018 of \$20.1M due to the increase of planned capital jobs and demand jobs of \$9.9M, energy repair capital \$8.8M (budgeted in Q4 2017) and capitalized labour costs \$0.9M as a result of the increase in capital jobs; and
- Lower net development capital due to higher cash inflow as the result of land sale from Regent Park and 250 Davenport.

(Amounts in '\$000s)

Other Key Balance Sheet Items

Cash on hand
MAM investment
Investments held by Infrastructure Ontario
Investments related to development projects
Total cash on hand and investments
Line of credit usage
Net Cash and Investments

April 18	April 17	YoY	YoY
YTD Actual	YTD Actual	YTD 18 Vs. YTD 17	
\$	\$	\$	%
63,041	55,508	7,534	14%
2,321	2,306	15	1%
117,875	51,755	66,119	128%
219,713	217,927	1,786	1%
402,950	327,496	75,454	23%
(67,444)	(5,401)	(62,043)	1149%
335,506	322,095	13,411	4%

Attachment 3. April Financials

Statement of Operations

Month-to-month, comparison amounts in \$000s

	March	April	2018 YTD	YTD Budget	Budget 2018
Revenue					
Subsidies - TCHC	19,369	19,287	77,083	79,871	239,620
Subsidies - AHCI					
Subsidies for task force initiatives	218	170	875	1,392	4,175
	19,587	19,457	77,958	81,262	243,795
Residential			-		
RGI Rent	19,773	19,888	79,274	75,840	227,868
Market Rent	6,805	6,885	27,189	26,178	79,761
Commercial rent	1,203	1,254	4,893	4,913	14,947
Amortization of deferred capital contributions	3,655	3,653	14,730	14,012	42,036
Parking, laundry and cable fees	1,533	1,505	6,049	6,002	18,079
Investment income	850	645	2,386	2,111	6,463
Joint venture income (loss)	-	(21)	(21)	1,291	11,761
Gain on sale of housing projects	-	-	1,337	-	-
Gain on sale of land			-	-	17,162
Gain on sale of capital assets	2	(0)	(0)	-	-
Gain on easement	31,166	-	31,166		-
Plant	138	120	563	1,194	3,632
Other	127	140	606	576	1,729
	65,251	34,068	168,172	132,118	423,440
	84,838	53,525	246,130	213,381	667,234




Attachment 3. April Financials

Statement of Operations

Month-to-month, comparison amounts in \$000s




	March	April	2018 YTD	YTD Budget	Budget 2018
Expenses					
Operating & maintenance	11,998	15,361	57,300	59,050	177,755
Utilities	9,877	9,112	44,836	52,370	140,594
Municipal taxes	1,451	1,147	5,706	5,876	17,628
Depreciation expense	14,008	14,002	56,013	56,447	169,341
Interest	6,438	6,515	25,842	27,467	81,238
Rent supplement program	(0)	(0)	(0)	-	-
Community safety services	1,981	2,586	8,078	5,607	18,030
Residential services	858	337	2,841	4,262	15,715
Tenancy management			-	-	
Corporate services	3,056	2,386	10,386	12,911	38,787
Human resources	675	1,432	3,436	4,390	12,244
Information technology	1,098	832	3,312	4,169	12,870
Plant	187	238	892	922	2,767
Loss from guaranteed equity housing projects	37	29	100	132	398
Task force initiatives	220	172	882	1,146	4,282
	51,882	54,149	219,624	234,748	691,648
Net Income (Loss)	32,956	(624)	26,506	(21,367)	(24,414)

Attachment 4. Fire Life Safety: Program Implementation Plan

Deliverable	Scheduled Completion Date/Status	Comments (If Status is Yellow or Red, Reason and Remediation)
Consultation with impacted stakeholders /partners such as Toronto Fire Services, bargaining units and tenants	Ongoing 	Consultations with key stakeholders and partners are ongoing, specifically to reinforce existing collaboration and support on-going initiatives, such as partnering with Toronto Fire Services (TFS) on the use of data analytics to enhance fire prevention and response. This deliverable is now working effectively.
Tenant fire safety awareness campaign, including ongoing tenant engagement strategy	Ongoing 	Development of a multi-tiered education plan, which includes tenant-awareness raising activities: <ul style="list-style-type: none"> • In March 2018, the monthly fire safety education and communication plan was initiated, which focused on a fire safety topic each month to enhance fire safety preparedness and response; and • In April 2018, TFS and TCHC worked together to prepare for the upcoming Fire Safety Awareness Week in June 2018.
Bi-annual risk-based fire safety inspection program initiated according to results of the risk assessment	February 1, 2018 	Risks exposures previously identified with rooming houses have been mitigated. There is some remedial work still outstanding, which is more significant in scope and includes work such as enclosing corridors and/or interior stairs. On track for work to be completed in December 2018





Note: Rows for completed items are shaded in gray and will be deleted from the next report

Attachment 4. Fire Life Safety: Program Implementation Plan

Deliverable	Scheduled Completion Date/Status	Comments (If Status is Yellow or Red, Reason and Remediation)
Annual staff training program established	March 1, 2018 	Completed: Development of a multi-tiered education plan has been completed, which includes a phased approach to staff awareness raising activities: <ul style="list-style-type: none"> • Phase 1: On-boarding training for new staff; • Phase 2: Refresher training for existing staff; and • Phase 3: Site-specific training for existing staff transferring to new sites. The implementation of the education plan will occur through the year and annually thereafter.
Fire safety database (building stock inventory, fire loss statistical analysis and reporting)	April 30, 2018 	Completed: Leveraged data analytics to inform development of fire life safety reports and establish regular reporting process.
All program-related standard operating procedures reviewed/ revised as necessary, in place and training delivered to impacted staff	June 2018 	Thirteen standard operating procedures have been identified for updating or development. They are on track for completion by the end of June 2018.

Note: Rows for completed items are shaded in gray and will be deleted from the next report

Attachment 4. Fire Life Safety: Program Implementation Plan

Deliverable	Scheduled Completion Date/Status	Comments (If Status is Yellow or Red, Reason and Remediation)
Performance measures and benchmarks developed	December 31, 2017 	Completed: Development of performance measures to enable enhanced analysis and trending of fire life safety data/incidents that will be used in dashboard reports moving forward.
Annual internal audit program initiated	June 30, 2018 	Completed: Two fire prevention inspectors have been hired as of May 2018. The inspectors' responsibilities mirror those of the TFS fire prevention inspectors (other than enforcement capabilities) and will adopt a risk-based work plan to conduct regular and cyclical audits of TCHC buildings.
2018 (annual) audit program completed	September 31, 2018 	To commence August 1, 2018.
Address any findings of the annual audit, including updating fire safety	November 30, 2018 	To commence once the program audit is completed.

Note: Rows for completed items are shaded in gray and will be deleted from the next report