



## **Annual Information Return**

Item 2F

April 11, 2019

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2019-20

**To:** Building Investment, Finance and Audit Committee (“BIFAC”)

**From:** Chief Financial Officer and Treasurer

**Date:** March 18, 2019

### **PURPOSE:**

The purpose of this report is to seek approval from BIFAC and the Board of Directors for Toronto Community Housing Corporation’s Annual Information Return, as required prior to May 31, 2019 per its Operating Agreement, for the year ended December 31, 2018.

### **RECOMMENDATIONS:**

It is recommended that BIFAC approve and recommend to the Board of Directors the following:

- (1) Approve the Annual Information Return of Toronto Community Housing Corporation for the year ended December 31, 2018 and;
- (2) Authorize the appropriate staff to take the necessary actions and execute all documents as may be necessary to give effect to the above recommendation.

## REASONS FOR RECOMMENDATIONS:

Toronto Community Housing Corporation (“TCHC”) is required to file the following items as part of its Annual Information Return (“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 units that are rented by households whose income is below the specified “household income limit”, and the number that are over that limit or at market rent, and the number that are vacant. This is a “snapshot” report taken at the end of 2018. The report is divided by programs, and also details the units by type (Family, Seniors, and Non-elderly singles) and the units for those with special needs.

The programs are:

- Public Housing – all former Metropolitan Toronto Housing Authority building units, and the Limited Dividend and Geared to Income programs from the former Toronto Housing Corporation;
- 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, 2018 are as follows:

TCHC has a total inventory of 58,376 units under its Operating Agreement consisting of:

- 1) 48,402 units that housed rent geared to income (RGI) tenants. The service level agreement calls for TCHC to have 52,533 rented RGI units, which is adjusted when we are redeveloping a property for demolished (and to be demolished) units that have not yet been replaced – to the current target of 52,015;
- 2) 6,476 units that housed Market tenants. A market tenant could be a tenant who has initially signed a Market or an Affordable housing lease (5,603 units) or a tenant whose household income was above the household income limit (“HIL”) (873 units) and were consequently charged Market rent. The HIL varies from \$39,000 for a bachelor unit to \$73,000 for a 4 bedroom or larger; and
- 3) 3,498 units that were vacant, of which 3,321 were RGI units, and 177 were market units.

### **IMPLICATIONS AND RISKS:**

The statistical report, together with the audited consolidated financial statements for the year ended December 31, 2018, provides the required reporting compliance in the operating agreement. TCHC was below the occupied RGI unit service level requirement as stipulated in the Operating Agreement by 3,613 units as at December 31, 2018.

The approximately 3,600 units for which TCHC is under the required target is primarily due to the following:

- a) Tenants whose income is greater than the HIL, which is beyond TCHC's control, and we cannot include these in the RGI count (873 units);
- b) Units being temporarily held for new medical transfer process (531 units);
- c) Units unavailable due to revitalization activity at Lawrence Heights', Allenbury Gardens, and Leslie Nymark (299 units). TCHC anticipates replacing these units as we continue with our revitalization initiatives.
- d) Units being temporarily held for capital repairs and accessibility modifications (278 units);
- e) Units held at 389 Church (275 units), where renovations commenced in September 2018 and are planned to be completed for the Summer of 2020.
- f) Held temporarily for relocations (167 units);
- g) Uninhabitable units at Firgrove Crescent (134 units);
- h) Bachelor and Rooming House units which are not in demand (231 units);
- i) Units being offered but leases have not signed (282 units);
- j) Other vacant units excluding units being offered and vacant bachelors units (335 units) which includes units in hard to rent buildings.

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

**SIGNATURE:**

*“Rose-Ann Lee”*

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Rose-Ann Lee  
Chief Financial Officer and Treasurer

**ATTACHMENT(S):**

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

**STAFF CONTACT(S):**

Rose-Ann Lee, Chief Financial Officer and Treasurer  
416-981-4316  
rose-ann.lee@torontohousing.ca

Jeff Sharp, Director, Property Accounting  
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jeff.sharp@torontohousing.ca



## Memo

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To: Board of Directors  
Toronto Community Housing Corporation

From: Rose-Ann Lee  
Chief Financial Officer & Treasurer

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Date: April 18, 2019

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Re: **Annual Information Return**

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I, Rose-Ann Lee, in my capacity as Chief Financial Officer & Treasurer of Toronto Community Housing Corporation and not in my personal capacity, hereby certify that to the best of my knowledge:

1. For the 2018 fiscal year, attached is the Annual Information Return required to be submitted to the Service Manager in compliance with the Operating Agreement between Toronto Community Housing Corporation and the City of Toronto (Service Manager).
2. I have reviewed, or caused to review, such files, books, and records of Toronto Community Housing Corporation and have made, or caused to be made, such enquiries of Toronto Community Housing Corporation employees under my direct supervision as I have determined necessary for the purpose of this certificate.
3. The report has been developed from a download of the TCHC rent system listing the following information for each unit: rental status (occupied or vacant), unit size, family type, household income, whether it is rent geared to income (RGI) or market rent, the program for the building unit, and any special needs.
4. The total number of units are reconciled to the previous year, adjusting for additions and disposals. The units are then summarized by the program types, with breakdowns into the number of units that are RGI and whose incomes are at or below the household income limit thresholds set by the province, the number above that or at market rent, and the number that are vacant. The RGI is further broken down by family type, noting their average household income, and also the number of units housing tenants with special needs and their average household income.

Regards,

Rose-Ann Lee  
Chief Financial Officer & Treasurer  
Toronto Community Housing Corporation

# Social Housing Annual Information Return

**Identification**

|                                       |
|---------------------------------------|
| <b>Corporation name</b>               |
| Toronto Community Housing Corporation |
| <b>CMSM/DSSAB</b>                     |
|                                       |

|                 |                              |
|-----------------|------------------------------|
| <b>I.D. No.</b> | <b>Year end (yyyy/mm/dd)</b> |
|                 | 2018/12/31                   |

|   |                        |
|---|------------------------|
| <b>Corporation address</b>                      | <b>Mailing address</b> |
| 931 Yonge Street<br>Toronto, Ontario<br>M4W 2H2 | <same>                 |

| Program type        | Y/N | # of units |
|---------------------|-----|------------|
| 1. Public housing   | Y   | 42,883     |
| 2. Rent supplement  | Y   | 6,912      |
| 3. Sect 26/27       | N   |            |
| 4. Sect 95 - PNP    | Y   |            |
| 5. Sect 95 - MNP    | Y   | 2,999      |
| 6. Section 103      | N   |            |
| 7. Section 106      | N   |            |
| 8. Section 110      | N   |            |
| 9. Urban native     | N   |            |
| Provincial Reformed | Y   | 5,582      |
|                     |     | 58,376     |

|                     |  |
|---------------------|--|
| <b>Contact name</b> | <b>Position</b>  |
| Rose-Ann Lee        | Chief Financial Officer & Treasurer  |
|                     | <b>eMail address</b>   |
|                     | <a href="mailto:Rose-Ann.Lee@torontohousing.ca">Rose-Ann.Lee@torontohousing.ca</a> |

|                         |                   |
|-------------------------|-------------------|
| <b>Telephone number</b> | <b>Fax number</b> |
| (416) 981-4316          | (416) 981-4808    |

**Board of Directors DECLARATION (Must be signed by two members of the Board.)**

We declare that, to the best of our knowledge and belief, the information provided in this Annual Information Return and the representations on Page 2 is true and correct.

| Signature | Name | Position | Date |
|-----------|------|----------|------|
|           |      |          |      |
| Signature | Name | Position | Date |
|           |      |          |      |

**Note to auditors:**

Auditors are required to complete/approve the reports on Financial Information contained in the Annual Information Return (this is now provided in the Financial Statements)

**Instructions**

This form to be used by all Private Non-Profit Housing Corporations, Municipal Non-Profit Housing Corporations, and Co-operative Housing Corporations. It may be used by Local Housing Corporations.

Year End: December 31, 2018

Corporation: Toronto Community Housing Corporation

## Management Representation Report

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**Note 1: The Housing Services Act, 2011 and its regulations are referred to as HSA throughout these representations.**

**Note 2: If the answer to any question, other than number 5, is "No", please provide explanatory details.**

**Note 3: All questions are to be answered as of the end of the fiscal year. Question 11 to 13 should cover the fiscal year as well as the months preceding the filing of this report.**

**The following questions relate to both formerly federal and formerly provincial projects. The questions should be answered with respect to the provisions of the HSA and/or any formerly federal operating agreement that your corporation may be governed by.**

### GOVERNANCE

1) Does the corporation follow the required conflict of interest provisions?  Y  N  NA

### RESIDENT RELATIONS

2) Did the corporation select applicants as required?  Y  N

3) Were all RGI households charged the rent required?  Y  N  NA

4) Did the corporation comply with its mandate and targeting plan in housing applicants, if applicable?  Y  N  NA

### FINANCIAL MANAGEMENT

5) Did the corporation receive a management letter from its auditors reporting serious deficiencies in internal controls or operations? (If yes, attach a copy of the letter.)  Y  N

6) Were expenses allocated to any non-shelter component as required?  Y  N  NA

7) Was the shelter component of the corporation's revenue used only for shelter purposes?  Y  N  NA

8) Did the corporation invest its Capital Reserve Fund as required?  Y  N  NA

9) Did the corporation make all transfers to and expenditures from the Capital Reserve Fund as required?  Y  N  NA

10) Did the corporation comply with the requirement in the HSA to participate in a system for group insurance of housing providers?  Y  N  NA

### MORTGAGE

11) Is the corporation in compliance with its obligation not to mortgage or encumber, replace or amend the mortgage?  Y  N

12) Are all other mortgages the corporation may have in good standing?  Y  N

13) Is the corporation free and clear of material contingent liabilities and legal disputes?  Y  N

SHB 01/02



**Social Housing:**  
**Service Manager Annual Information Return**  
 City of Toronto

December 31, 2018

**Combined Statistical Information**

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| All Units Under Administration by Service Manager                    |      | Unit of Measure | Public Housing | Rent Supplement | Limited Dividend | Section 26 | Section 27 | Section 95 PNP | Section 95 MNP | Provincial Reformed | Pre-1986 Urban Native | Post-1985 Urban Native |
|--|------|-----------------|----------------|-----------------|------------------|------------|------------|----------------|----------------|---------------------|-----------------------|------------------------|
| I. Households assisted by program type                               |      |                 | Program 01     | Program 02      | Prog 03          | Prog 04    | Prog 04    | Program 05     | Program 05     | Program 06          | Program 07            | Program 08             |
| RGI households with incomes at or below the HILs                     |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Households assisted by program (at end of year)                      | 2101 | Households      | 37,995         | 4,914           |                  |            |            | N/A            | 1,122          | 4,349               | N/A                   | N/A                    |
| Non-RGI households and RGI households with incomes above the HILs    |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Households assisted by program (at end of year)                      | 2105 | Households      | 1,965          | 1,631           |                  |            |            | N/A            | 1,813          | 1,089               | N/A                   | N/A                    |
| Vacant Units   |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
|  | 2106 | Households      | 2,923          | 367             |                  |            |            | N/A            | 64             | 144                 | N/A                   | N/A                    |
| <b>Total</b>   |      |                 | <b>42,883</b>  | <b>6,912</b>    |                  |            |            |                | <b>2,999</b>   | <b>5,582</b>        |                       |                        |
| II. Household types assisted and average gross incomes (at year end) |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Families   |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| RGI households with incomes at or below the HILs                     |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Total number of targeted households                                  | 2111 | Households      | 14,523         | 972             |                  |            |            | N/A            | 468            | 782                 | N/A                   | N/A                    |
| Average annual gross household income                                | 2113 |                 | \$20,580       | \$21,327        |                  |            |            | N/A            | \$20,579       | \$21,318            | N/A                   | N/A                    |
| Non-RGI households and RGI households with incomes above the HILs    |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Total number of non-targeted households                              | 2115 |                 | 1,171          | 760             |                  |            |            | N/A            | 1,059          | 582                 | N/A                   |                        |
| Seniors  |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| RGI households with incomes at or below the HILs                     |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Total number of targeted households                                  | 2121 |                 | 13,678         | 1,798           |                  |            |            | N/A            | 222            | 2,223               | N/A                   | N/A                    |
| Average annual gross household income                                | 2123 |                 | \$19,742       | \$19,607        |                  |            |            | N/A            | \$21,479       | \$20,766            | N/A                   | N/A                    |
| Non-RGI households and RGI households with incomes above the HILs    |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Total number of non-targeted households                              | 2125 |                 | 517            | 259             |                  |            |            | N/A            | 221            | 201                 | N/A                   |                        |
| Non-elderly singles  |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| RGI households with incomes at or below the HILs                     |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Total number of targeted households                                  | 2131 |                 | 9,547          | 2,101           |                  |            |            | N/A            | 411            | 1,133               | N/A                   | N/A                    |
| Average annual gross household income                                | 2133 | \$              | \$12,096       | \$11,988        |                  |            |            | N/A            | \$13,866       | \$13,864            | N/A                   | N/A                    |
| Non-RGI households and RGI households with incomes above the HILs    |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Total number of non-targeted households                              | 2135 | Households      | 277            | 612             |                  |            |            | N/A            | 533            | 306                 | N/A                   |                        |
| Special needs  |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| RGI households with incomes at or below the HILs                     |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Total number of targeted households                                  | 2141 | Households      | 247            | 43              |                  |            |            | N/A            | 21             | 211                 | N/A                   | N/A                    |
| Average annual gross household income                                | 2143 | \$              | \$20,326       | \$21,147        |                  |            |            | N/A            | \$20,132       | \$20,574            | N/A                   | N/A                    |
| Non-RGI households and RGI households with incomes above the HILs    |      |                 |                |                 |                  |            |            |                |                |                     |                       |                        |
| Total number of non-targeted households                              | 2145 | Households      |                |                 |                  |            |            | N/A            |                |                     | N/A                   |                        |