



Annual Information Return

Item 4

April 8, 2022

Building Investment, Finance and Audit Committee

Report: BIFAC:2022-54

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

From: Chief Financial Officer and Treasurer

Date: March 25, 2022

PURPOSE:

To seek the Board's approval through the Building Investment, Finance and Audit Committee ("BIFAC") approval of Toronto Community Housing's Annual Information Return ("AIR"), as required prior to May 31, 2022 per its Operating Agreement, for the year ended December 31, 2021.

RECOMMENDATIONS:

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

1. approve the Annual Information Return of Toronto Community Housing Corporation for the year ended December 31, 2021 and;
2. That this report be brought forward to the Board of Directors for approval and that two directors be authorized to sign the report as is required per the Operating Agreement, on behalf of the Board.

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.

Toronto Community Housing 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 the year. 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 MTHA building units, and the Limited Dividend and Geared to Income programs from the former 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, 2021 are as follows:

TCHC has a total inventory of 58,368 units under its Operating Agreement consisting of:

- 1) 49,053 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 51,818;
- 2) 5,945 units that housed Market tenants. A market tenant could be, a tenant who has initially signed a Market or an Affordable housing lease (4,450 market leases and 1,012 affordable leases), or a tenant whose household income was above the household income limit (HIL) (483 units) and were consequently charged Market rent. The HIL varies from \$48,000 for a bachelor unit to \$78,000 for a 4 bedroom or larger; Effective May 2020, TCHC stopped offering new Market rental leases,
- 3) 3,370 units that were vacant, of which 3,167 were RGI units, and 203 were market units.

IMPLICATIONS AND RISKS:

The statistical report, together with the audited consolidated financial statements for the year ended December 31, 2021, provides the required reporting as per the operating agreement. TCHC was below the service level requirement as stipulated in the Operating Agreement by 2,765 units as at December 31, 2021. In 2021, there was an improvement of 684 units. This was the result of TCHC's decision to stop leasing Market units, and instead only enter into new RGI leases, resulting an increase of 369 RGI units. As well, there was a reduction in the number of households over the HIL (315 units), due to household income reductions.

The approximately 2,765 units for which TCHC is under the service level is primarily due to the following:

- a) Tenants whose income is greater than the HIL, which is beyond TCHC's control, that are not included in the RGI count (483 units); this is a reduction of 315 units from 2020.
- b) Units unavailable to be leased pending demolition of the building due to revitalization activity at Lawrence Heights and Don Summerville (192 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 (427 units);
- d) Units being temporarily held for tenants who have to be relocated from their current units due to anticipated revitalization work (23 units);
- e) Uninhabitable units at Firgrove Crescent (230 units), which have been released, pending demolition.
- f) Bachelor and Rooming House units which are not in demand (377 units); including 79 units in properties expected to be sold in 2022.
- g) Units being offered but leases have not signed (517 units) ;
- h) Other vacant units, excluding units being offered and vacant bachelor units, (595 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”

Rose-Ann Lee
Chief Financial Officer and Treasurer

ATTACHMENTS:

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

STAFF CONTACT:

Rose-Ann Lee, Chief Financial Officer & Treasurer
416-981-4316
Rose-Ann.Lee@torontohousing.ca

Jeff Sharp
Director, Property Accounting
416-981-4442
Jeff.Sharp@torontohousing.ca

Identification

| | | |
|---------------------------------------|-----------------|------------------------------|
| Corporation name | I.D. No. | Year end (yyyy/mm/dd) |
| Toronto Community Housing Corporation | | 2021/12/31 |

| |
|-------------------|
| CMSM/DSSAB |
| |

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

| Program type | Y/N | # of units |
|---------------------|-----|------------|
| 1. Public housing | Y | 42,929 |
| 2. Rent supplement | Y | 6,872 |
| 3. Sect 26/27 | N | |
| 4. Sect 95 - PNP | Y | |
| 5. Sect 95 - MNP | Y | 2,985 |
| 6. Section 103 | N | |
| 7. Section 106 | N | |
| 8. Section 110 | N | |
| 9. Urban native | N | |
| Provincial Reformed | Y | 5,582 |
| | | 58,368 |

| Contact name | Position |
|--------------|--|
| Rose-Ann Lee | Chief Financial Officer & Treasurer |
| | eMail address |
| | Rose-Ann.Lee@Torontohousing.ca |

| Telephone number | Fax number |
|------------------|----------------|
| (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.

Social Housing Annual Information Return

Year End: [December 31, 2021](#)

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

Item 4 - BIFAC:2022-54 - Attachment 1

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

December 31, 2020

Combined Statistical Information

All Units Under Administration by Service Manager

I. Households assisted by program type

RGI households with incomes at or below the HILs

Households assisted by program (at end of year)

| Unit of Measure | Public Housing Program 01 | Rent Supplement Program 02 | Limited Dividend Prog 03 | Section 26 Prog 04 | Section 27 Prog 04 | Section 95 PNP Program 05 | Section 95 MNP Program 05 | Provincial Reformed Program 06 | Pre-1986 Urban Native Program 07 | Post-1985 Urban Native Program 08 |
|-----------------|---------------------------|----------------------------|--------------------------|--------------------|--------------------|---------------------------|---------------------------|--------------------------------|----------------------------------|-----------------------------------|
| 2101 Households | 38,295 | 5,007 | | | | N/A | 1,318 | 4,433 | 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 | 1,934 | 1,423 | | | | N/A | 1,594 | 994 | N/A | N/A |
|-----------------|-------|-------|--|--|--|-----|-------|-----|-----|-----|

Vacant Units

| | | | | | | | | | | |
|-----------------|--------|-------|--|--|--|-----|-------|-------|-----|-----|
| 2106 Households | 2,700 | 442 | | | | N/A | 73 | 155 | N/A | N/A |
| Total | 42,929 | 6,872 | | | | - | 2,985 | 5,582 | - | - |

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 surveyed

| | | | | | | | | | | |
|-----------------|--------|-----|--|--|--|-----|-----|-----|-----|-----|
| 2111 Households | 12,001 | 814 | | | | N/A | 426 | 646 | N/A | N/A |
|-----------------|--------|-----|--|--|--|-----|-----|-----|-----|-----|

Average annual gross household income surveyed

| | | | | | | | | | | |
|------|----------|----------|--|--|--|-----|----------|----------|-----|-----|
| 2113 | \$20,364 | \$19,970 | | | | N/A | \$21,653 | \$20,768 | N/A | N/A |
|------|----------|----------|--|--|--|-----|----------|----------|-----|-----|

Non-RGI households and RGI households with incomes above the HILs

Total number of non-targeted households surveyed

| | | | | | | | | | | |
|------|-----|-----|--|--|--|-----|-----|-----|-----|--|
| 2115 | 846 | 480 | | | | N/A | 692 | 361 | N/A | |
|------|-----|-----|--|--|--|-----|-----|-----|-----|--|

Seniors

RGI households with incomes at or below the HILs

Total number of targeted households surveyed

| | | | | | | | | | | |
|------|--------|-------|--|--|--|-----|-----|-------|-----|-----|
| 2121 | 19,532 | 2,670 | | | | N/A | 529 | 2,824 | N/A | N/A |
|------|--------|-------|--|--|--|-----|-----|-------|-----|-----|

Average annual gross household income surveyed

| | | | | | | | | | | |
|------|----------|----------|--|--|--|-----|----------|----------|-----|-----|
| 2123 | \$19,760 | \$18,544 | | | | N/A | \$20,893 | \$20,217 | N/A | N/A |
|------|----------|----------|--|--|--|-----|----------|----------|-----|-----|

Non-RGI households and RGI households with incomes above the HILs

Total number of non-targeted households surveyed

| | | | | | | | | | | |
|------|-----|-----|--|--|--|-----|-----|-----|-----|--|
| 2125 | 913 | 523 | | | | N/A | 549 | 444 | N/A | |
|------|-----|-----|--|--|--|-----|-----|-----|-----|--|

Non-elderly singles

RGI households with incomes at or below the HILs

Total number of targeted households surveyed

| | | | | | | | | | | |
|------|-------|-------|--|--|--|-----|-----|-----|-----|-----|
| 2131 | 6,338 | 1,458 | | | | N/A | 337 | 728 | N/A | N/A |
|------|-------|-------|--|--|--|-----|-----|-----|-----|-----|

Average annual gross household income surveyed

| | | | | | | | | | | |
|------|----------|----------|--|--|--|-----|----------|----------|-----|-----|
| 2133 | \$12,724 | \$12,462 | | | | N/A | \$13,996 | \$14,346 | N/A | N/A |
|------|----------|----------|--|--|--|-----|----------|----------|-----|-----|

Non-RGI households and RGI households with incomes above the HILs

Total number of non-targeted households surveyed

| | | | | | | | | | | |
|------|-----|-----|--|--|--|-----|-----|-----|-----|--|
| 2135 | 175 | 420 | | | | N/A | 353 | 189 | N/A | |
|------|-----|-----|--|--|--|-----|-----|-----|-----|--|

Special needs

RGI households with incomes at or below the HILs

Total number of targeted households surveyed

| | | | | | | | | | | |
|------|-----|----|--|--|--|-----|----|-----|-----|-----|
| 2141 | 424 | 65 | | | | N/A | 26 | 235 | N/A | N/A |
|------|-----|----|--|--|--|-----|----|-----|-----|-----|

Average annual gross household income surveyed

| | | | | | | | | | | |
|------|----------|----------|--|--|--|-----|----------|----------|-----|-----|
| 2143 | \$20,137 | \$20,940 | | | | N/A | \$23,296 | \$20,736 | N/A | N/A |
|------|----------|----------|--|--|--|-----|----------|----------|-----|-----|

Non-RGI households and RGI households with incomes above the HILs

Total number of non-targeted households surveyed

| | | | | | | | | | | |
|------|--|--|--|--|--|-----|--|--|-----|--|
| 2145 | | | | | | N/A | | | N/A | |
|------|--|--|--|--|--|-----|--|--|-----|--|

Memo

To: Board of Directors
Toronto Community Housing Corporation

From: Rose-Ann Lee
Chief Financial Officer & Treasurer

Date: March 21, 2022

Re: **Annual Information Return**

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 2021 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

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