Toronto Community Housing: Investing in Communities

May 24, 2007

1. Toronto Community Housing
2. Asset
3. Approach to community investment
4. Outcomes
Toronto Community housing

• Created 2002
  – City of Toronto owned
• 60,000 unit portfolio
  – mixed housing
  – 95% geared-to-income
  – aged and in need of re-investment
• Home to 165,000 people
  – $18,000 average annual income
  – low neighbourhood quality

Objectives

• Create and sustain healthy communities
  – housing in good state of repair
  – support City neighbourhood strategies
  – better outcomes for low income families
  – access to opportunities and services
Financial Challenge: Age of Existing Buildings

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Financial Challenge: Capital Investment Backlog

Impact of Capital Investment on Deferred Capital
2006 Deferred Capital (Opening) = $300 million
Priority neighbourhoods
TCHC Asset Strategies:

1. Repair Buildings
2. Development
   i. Revitalization / redevelopment
   ii. New affordable housing
   iii. Multi-site Asset Regeneration

Current revitalization initiatives

- **Don Mount Court** (8 acres)
  - residential community (500 units)
  - under construction
- **Regent Park** (70 acres)
  - mixed use residential / commercial / community (5300 units)
  - under construction
- **Lawrence Heights** (90 + acres)
  - Mixed residential / commercial / educational / community (up to 5,000 units)
  - Planning (est. construction 2010)
- **Multi-site priority neighbourhood projects** (12 sites)
  - Mixed uses
  - 8,000 – 9,000 units
  - Planning (est. construction 2009)
Regent Park

Key outcomes

- **Cost-effective rental housing**
  - Reasonable capital costs
  - Low operating costs
- **Mixed income communities**
  - Tenure and built form mix
- **Sustainable community (all facilities)**
  - Target 40% - 70% below modal energy consumption
  - LEED gold target
  - Community energy system

- **Improved community outcomes**
  - *Facilities*
  - *Employment*
  - *Schools*
  - *Community agency support*
Initial approach

Process
- Sale of excess density
- Contract for rental housing construction
- RFI / RFP to select proponent
- Assessment on:
  - Price
  - Sustainability
  - Social investment
- Contracts based on drafts included in RFP

Outcome
- Low value for high perceived risk
- Limited commitment to guarantee of sustainability targets
- No commitment to social investment outcomes
- Selected proponent departed after due diligence period

Partnership structure
Shared agenda

Developer partner

- Development expertise / marketing
- Construction management
- Market credibility
- Shared risk market / commercial space
- Acquisition of additional assets

TCHC

- Land assets
- Site development
- Development approvals
- Rental housing
- Low cost financing
- Shared risk on market / commercial
- Vehicle for partnered community investment

Community outcomes

Housing

- New affordable housing
- New rental housing
- Market housing
- Community facilities

- New commercial activity
- Employment
- Reduced GHG
- Reduced infrastructure impacts
Outcomes - Housing

- New geared to income rental units
  - Lower operating costs
  - Long term financial sustainability
- New affordable rental units
  - Support for lower wage employment
  - Close to employment centre
- Market housing investment

Outcomes - Employment

- Local employment program
  - 15% jobs per construction contracts
  - Push to all sub-contractors
  - Pre-apprenticeship program (youth)
- Retail employment
  - Voluntary contracts
  - Training and development
- Job training / transition support
Outcomes – community investment

• City facilities
  – land availability
  – shared use opportunities
• Economic development opportunity
• Agency-owned franchise
  – job experience training
  – agency funding
• Small enterprise development
• Potential funding stream for neighbourhood association

Challenges / lessons learned

• Integrated business case
  – Challenge to assign cost / value
  – Value accrues outside project
• Partnership risks
  – contracts complex
  – market condition dependent
• Aggregate public interest
  – common and divergent interests
  – different policy environments