

# **Toronto Housing Company**

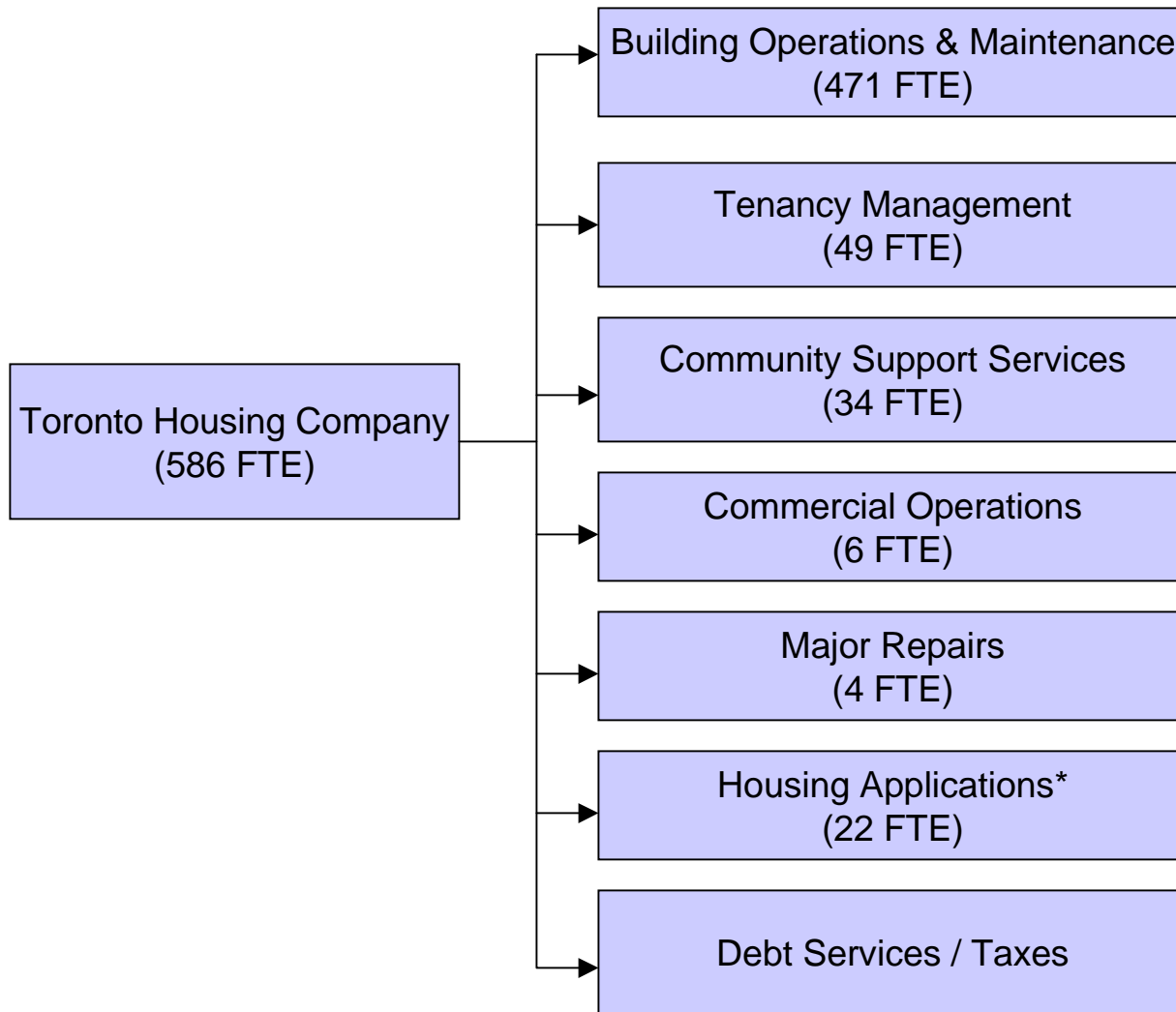
## **Budget Presentation** ***Budget Advisory Committee***

*February 2001*

# **THC - brief overview**

- **28,500 units**
  - **85% subsidized units**
  - **15% rented at market rates**
- **39,000 tenants**
  - **63% seniors**
  - **23% adults (non-seniors)**
  - **14% families with children**

# THC - Program Map



# **THC - Business Plan**

- **5 year plan 1998-2002**
  - **reduce costs to achieve comparability on property management costs**
  - **reduction and cost avoidance of \$8.4 M in subsidy costs (1998 constant dollars)**
  - **business results comparable to industry**
  - **decentralize operations / reduce overhead**
  - **improve service delivery**
  - **tenant participation in decision-making**

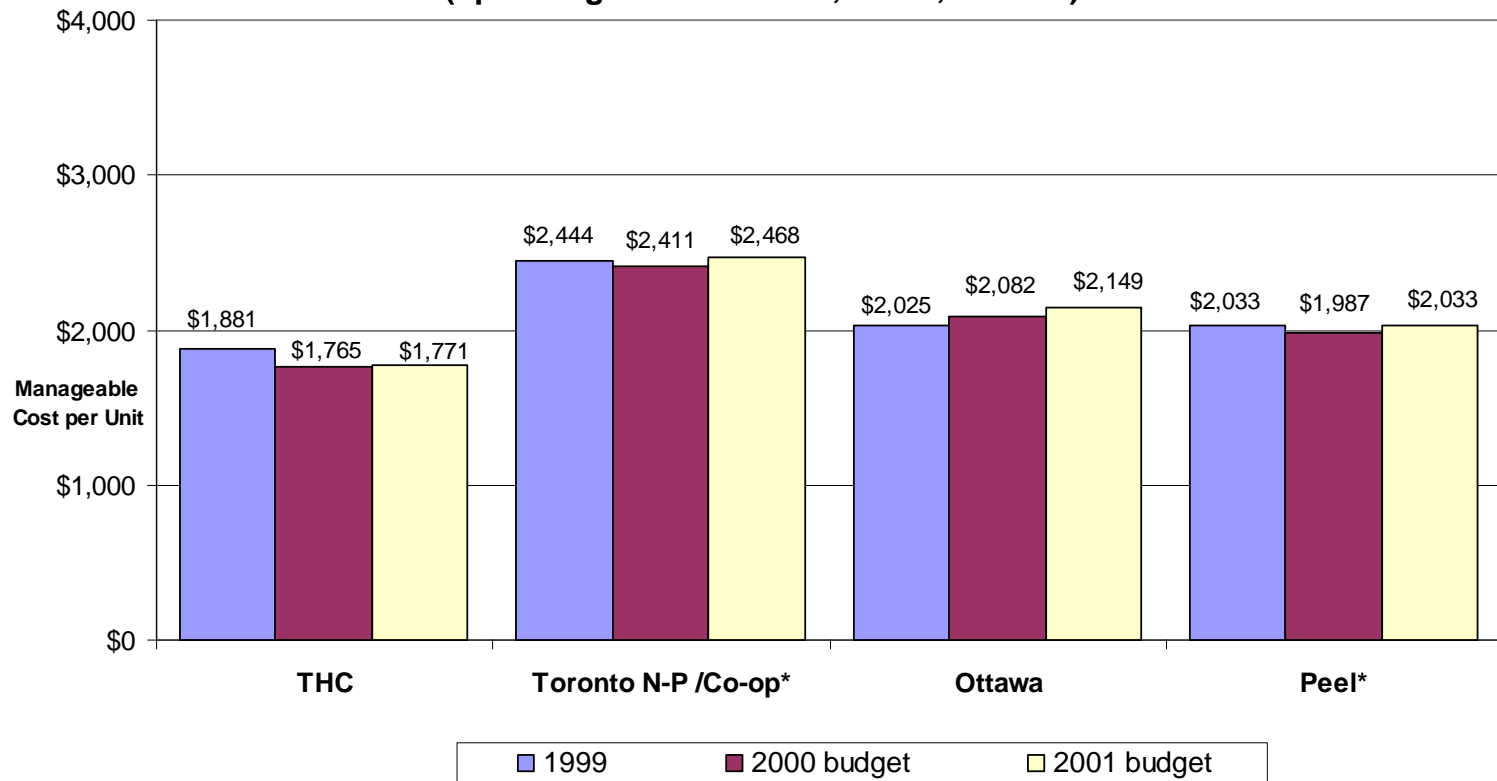
# THC - results to date

- **No budget increase past 3 years**
  - absorbed inflationary cost increases in utilities, taxes, and other non-salaries expenditure:
    - 1999 to 2000 \$2.6m
    - 2000 to 2001 \$5.8m
  - salary, cost inflation absorbed (\$1.5m 2001)
  - no reduction in spending at buildings
  - some 2000 cost reductions postponed to 2001
- **16 community operating units implemented**
  - services delivered closer to tenants
  - reduced overheads
- **Tenant participation system implemented**
  - 16 advisory Community Councils
  - input to local budget priorities



# THC - results

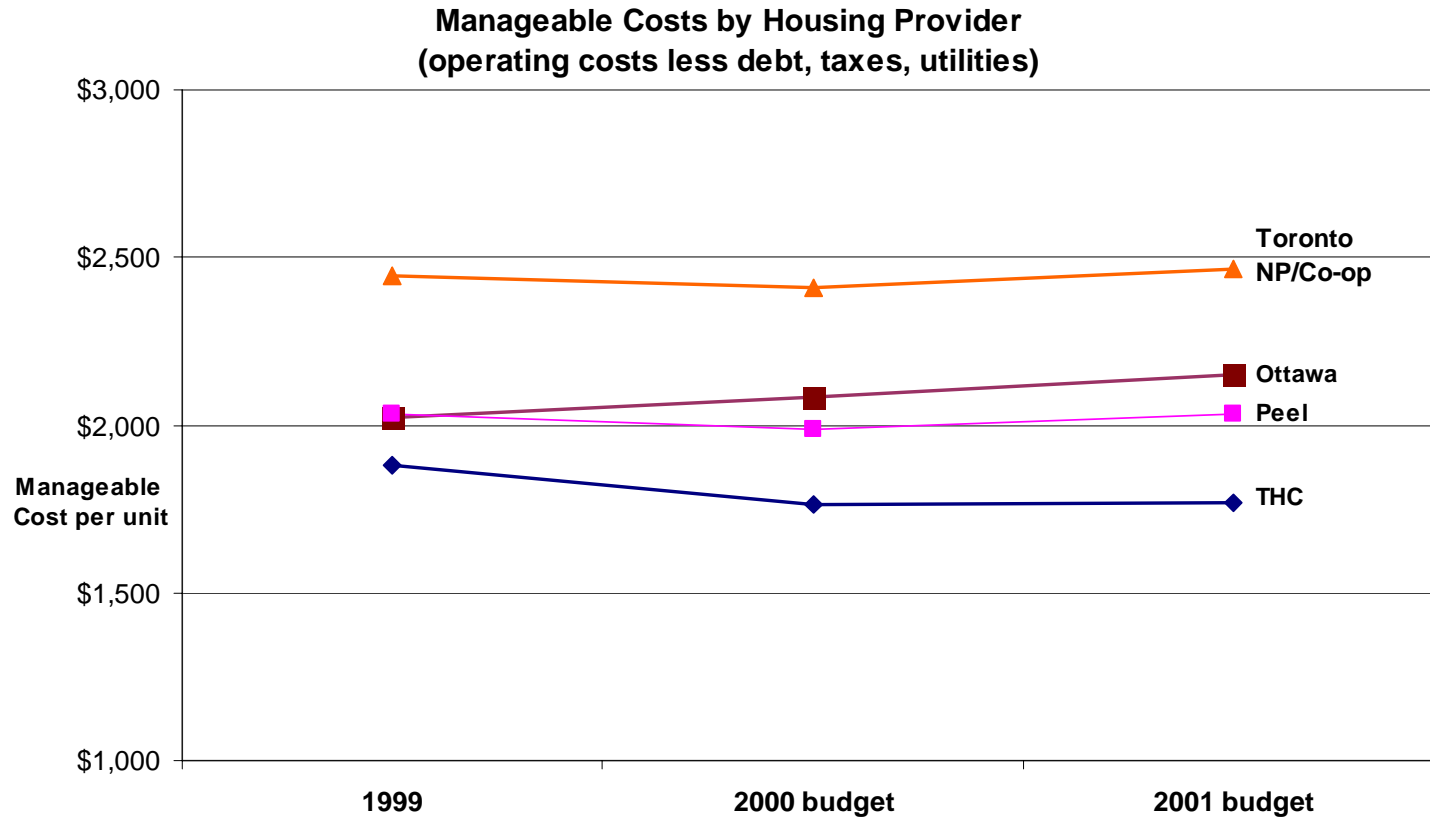
**Manageable Costs by Housing Provider  
(operating cost less debt, taxes, utilities)**



\*Toronto N-P/Co-op estimated 1999 - 2001

Peel estimated 2001 only

# THC - results



\*Toronto N-P/Co-op estimated 1999 - 2001

Peel estimated 2001 only

# THC - 2001 cost pressures

- **Cost pressures**

- utilities (overall 15%, natural gas 40%) - \$ 4.2m
- property taxes (CVA) - \$ 0.82k
- salaries and wages - \$ 1.52m

- **Revenue pressures**

- erosion of revenue with economic downturn
- federal funding withdrawal (starting 2007)

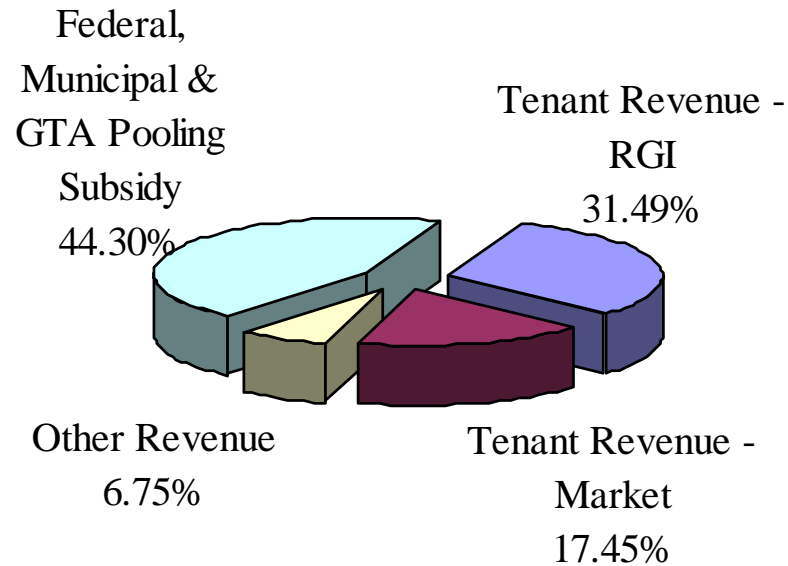
- **Longer-term pressures**

- capital requirements shortfall (\$75 M +)
- mortgage interest rates / borrowing strategy



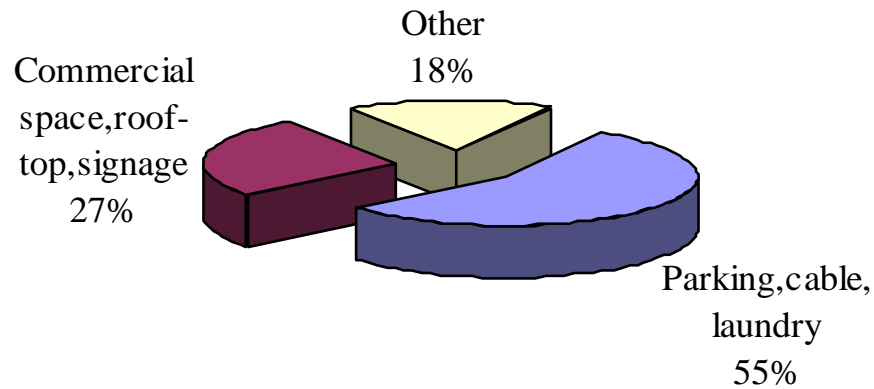
# THC - Revenues

## 2001 Gross Revenues - \$261.9m

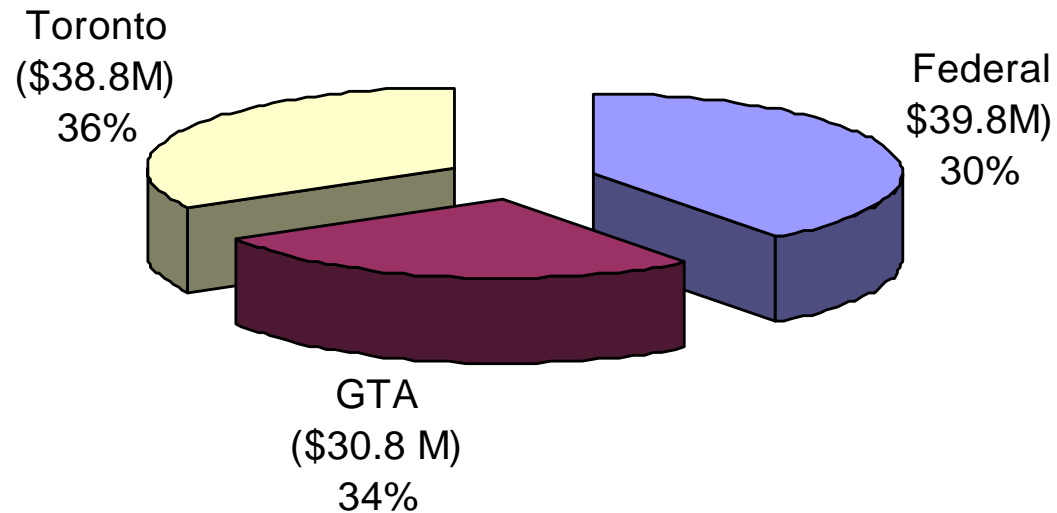


# THC - Revenues (other)

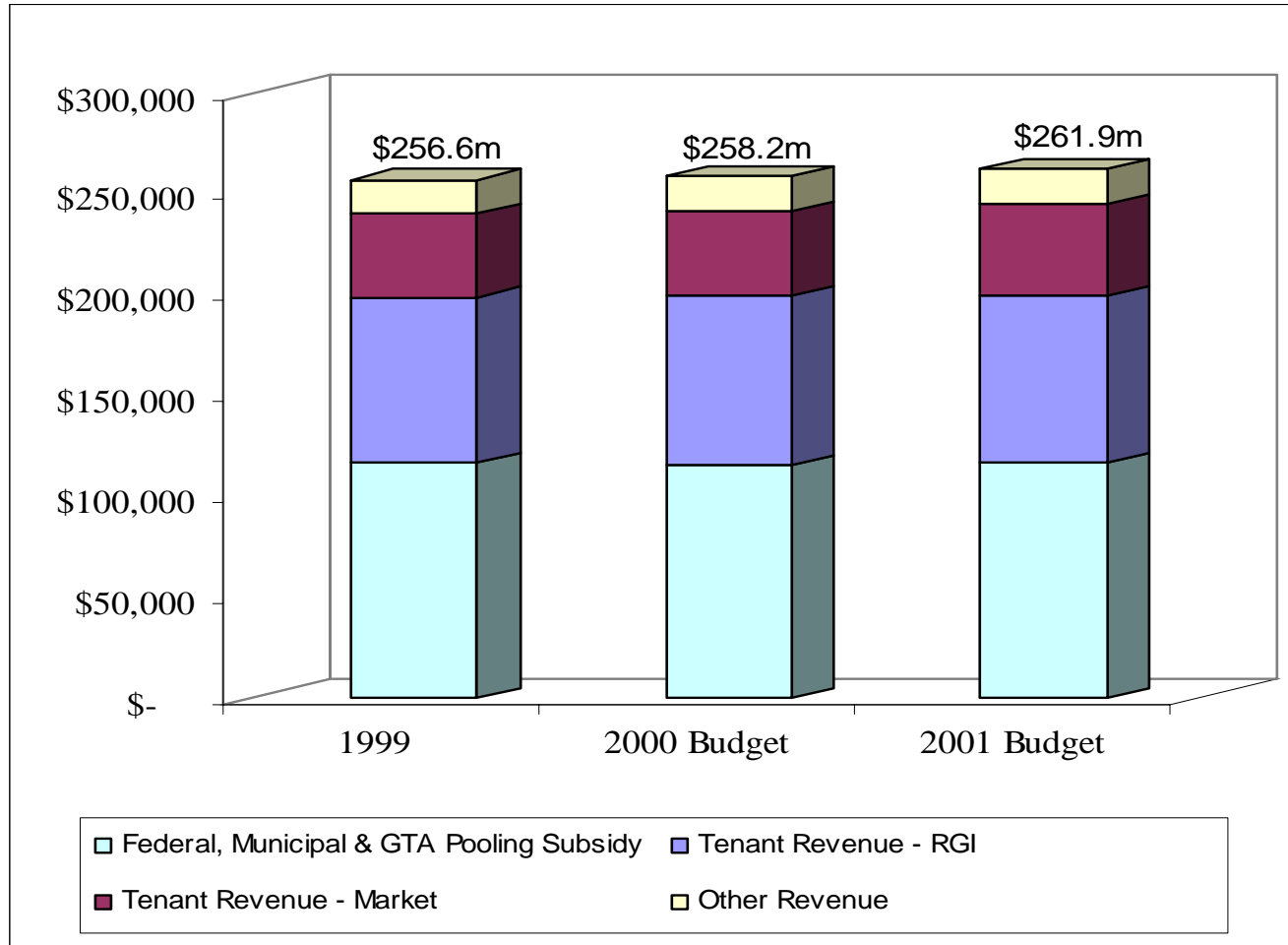
2001 Non-Rental Revenue - \$17.7m



# THC Revenues - subsidies

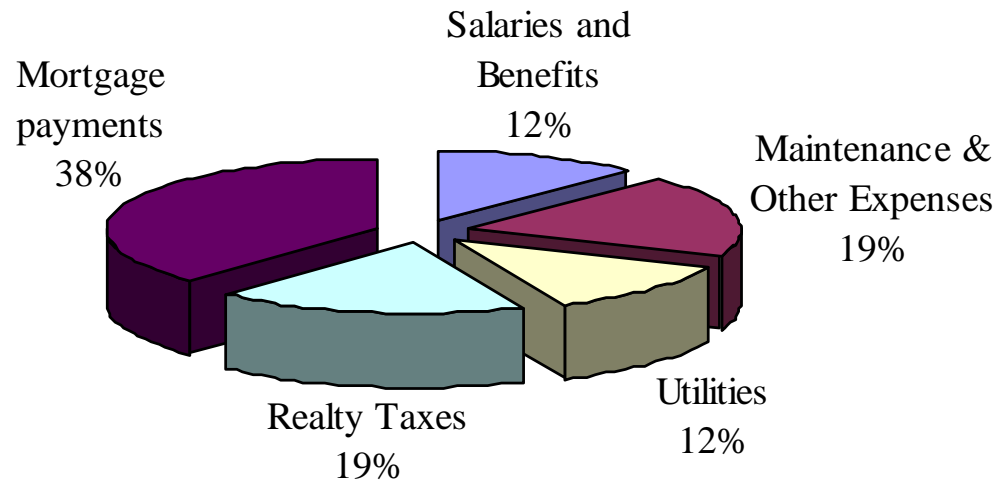


# THC - Revenues (comparative)

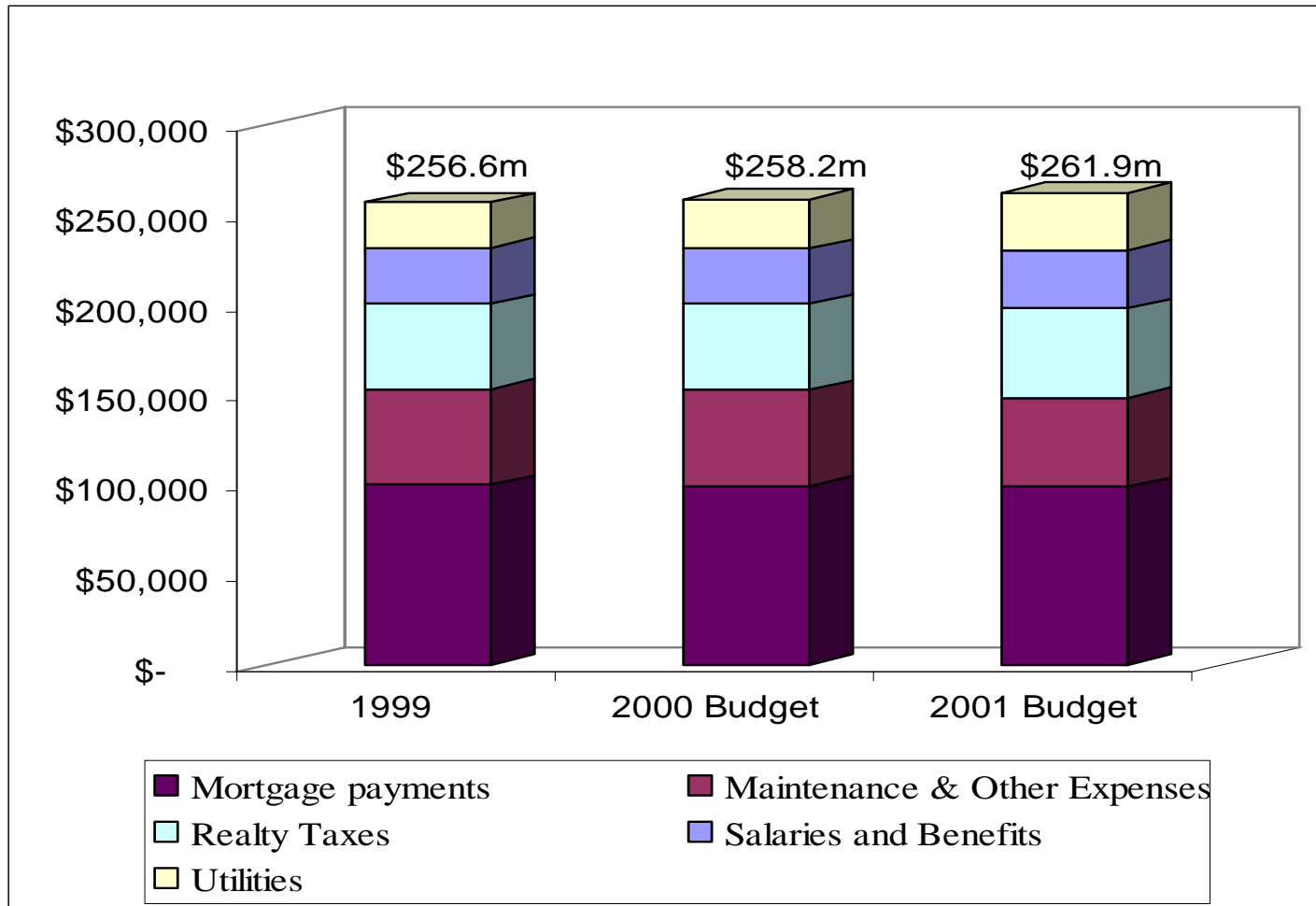


# THC - Gross Expenditures

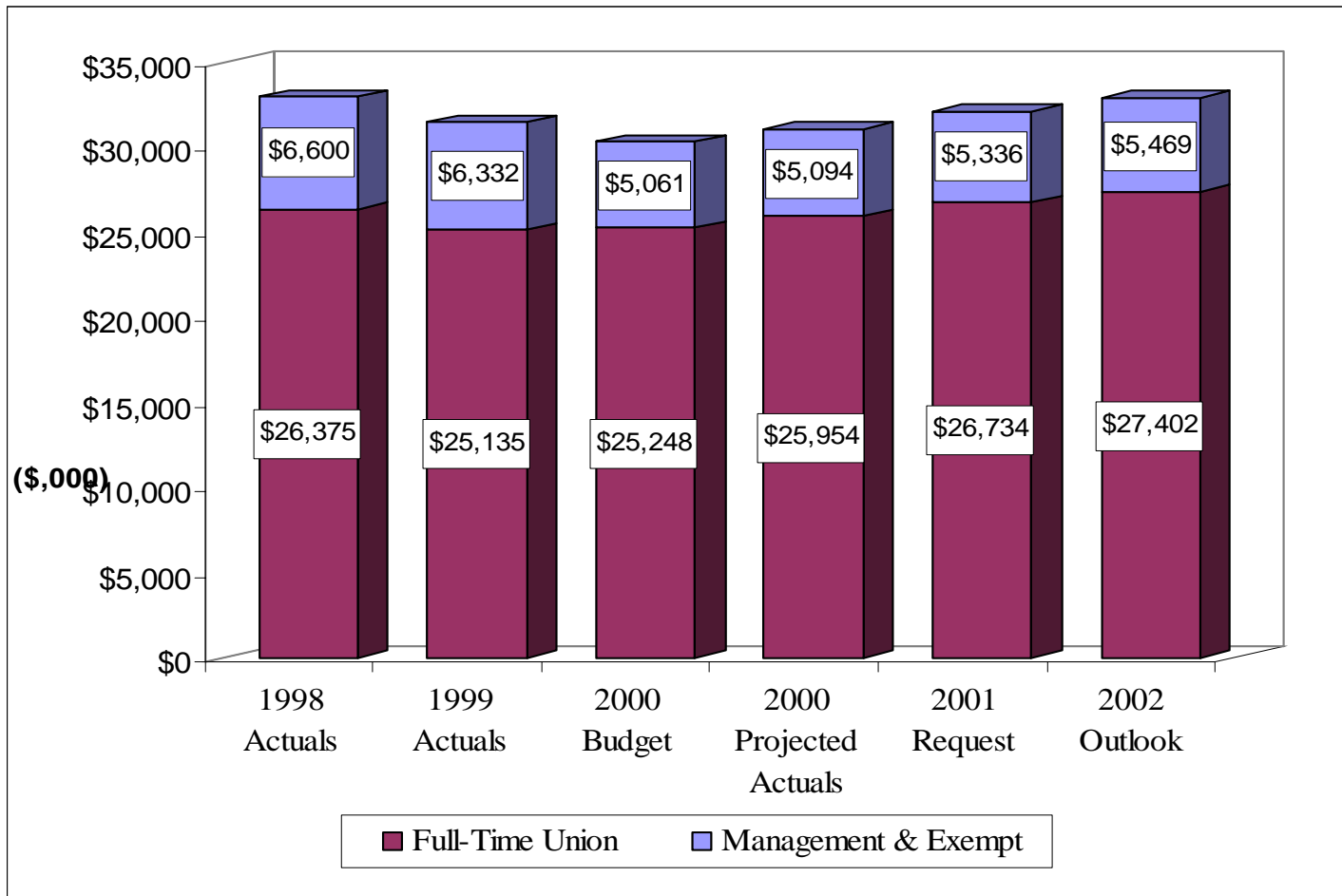
**2001 Gross Expenditure - \$261.9m**



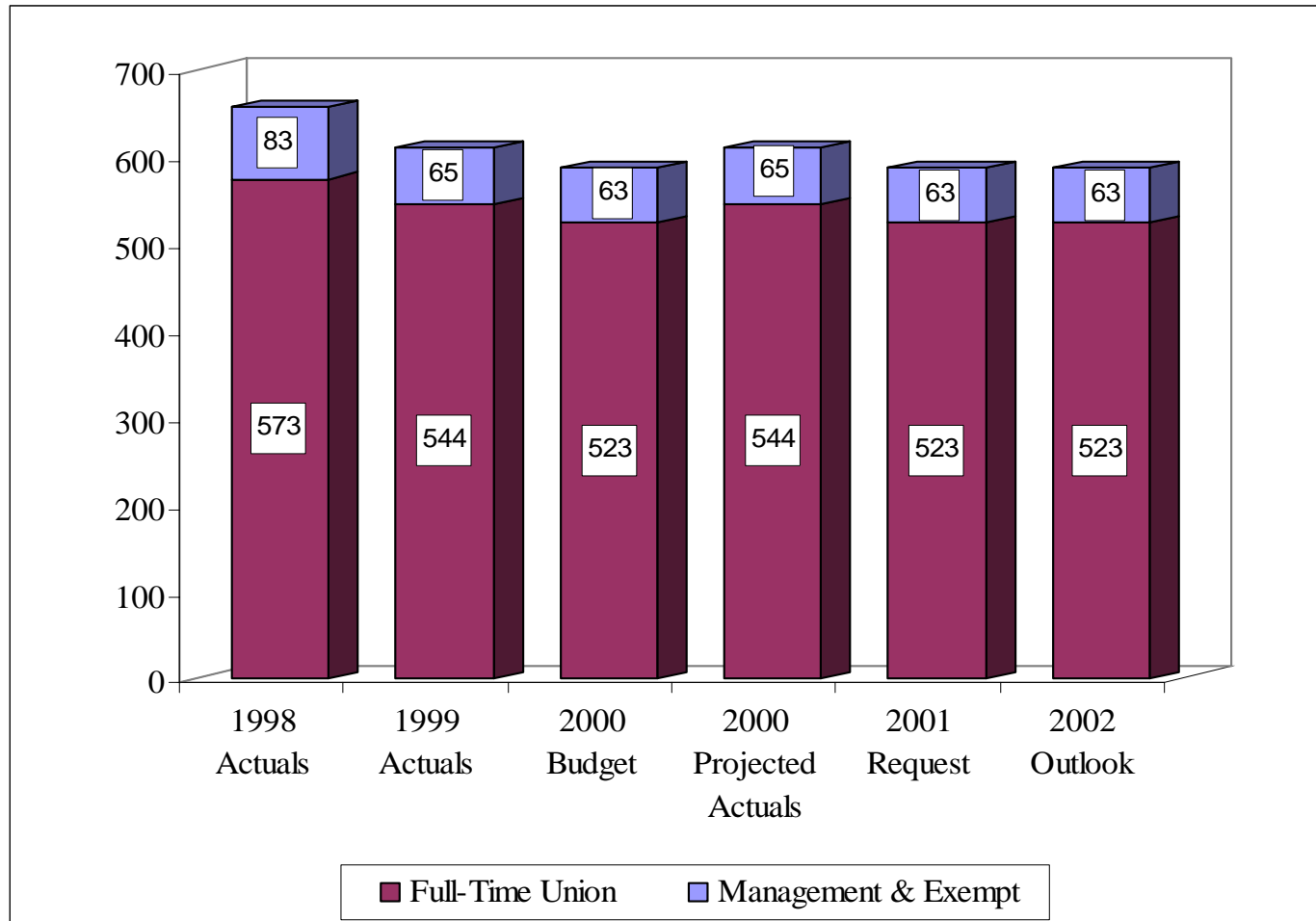
# THC - Gross Expenditures (comparative)



# THC - Expenditures (salary)



# THC - Staffing levels (comparative)





# THC - Budget changes from 2000

<b>2000 Approved Operating Budget</b>	<b>\$258,184,200</b>
Salary & Wage Increases	\$1,521,600
Increases in taxes, utilities & cable TV	\$5,723,400
Other inflation increases	\$93,000
Mortgage reductions	(\$1,923,800)
Other reductions (capital repairs & other)	(\$3,445,600)
Restructuring	(\$2,488,700)
Total Changes	<b>(\$520,100)</b>
Approved Changes to Existing Services	\$4,230,000
<b>2001 Operating Budget Request</b>	<b>\$261,894,100</b>

# THC - Changes from 2000

- **Transfer of City's property houses to THC**
- **Restructuring of 2 joint venture projects**
- **Total expenditure = \$4.23m**
  - maintenance      \$1.48m
  - mortgages        \$1.56m
  - taxes                \$0.90m
  - utilities            \$0.29m
- **All expenditure recover by rental revenue**