



**Agenda**  
**Housing York Inc. Board of Directors**

September 2, 2020

9 a.m.

Electronic Meeting

Quorum: 6

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**Page No.**

**A. Call to Order**

**B. Disclosures of Interest**

**C. Approval of Minutes**

1

Minutes of the Housing York Inc. Board of Directors Meeting held on June 3, 2020.

Recommendation: Receive

**D. Presentations**

**D.1 Housing York Inc. Activity Update**

Kathy Milsom, General Manager

(See Item E.1)

**E. Communications**

**E.1 Housing York Inc. Activity Update**

7

Memorandum from Kathy Milsom, General Manager dated August 19, 2020

Recommendation: Receive

## **F. Reports**

### **F.1 Quarterly Contract Awards, Including Emergency Purchases and Purchase of Additional Deliverables – April 1, 2020 to June 30, 2020** 15

Report dated August 20, 2020 from the General Manager recommending that:

1. The Housing York Inc. Board of Directors receive this report for information.

### **F.2 2020 Mid-Year Financial Update** 19

Report dated August 20, 2020 from the General Manager and Chief Financial Officer recommending that:

1. The Board of Directors receive this report for information.

### **F.3 Consolidated Contract Extensions** 25

Report dated August 20, 2020 from the General Manager recommending that:

1. The Board authorize extensions of the agreements between Housing York Inc. and each of the vendors listed in Private Attachment 1 for the terms described in the attachment.
2. The President be authorized to renew and execute options to extend the agreements for up to the maximum term described in Private Attachment 1, provided that the vendors have performed the services to the satisfaction of the President and the renewal amount is within the approved annual budget.

## **G. Other Business**

## **H. Private Session**

Motion to resolve into Private Session to consider the following:

### **H.1 Private Memorandum - After Hours Coverage Update**

### **H.2 Private Attachment 1 to Item F.3 - Consolidated Contract Extensions**

**I. Adjournment**

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## Minutes

### Housing York Inc. Board of Directors

June 3, 2020  
Electronic Meeting

Directors: W. Emmerson, V. Hackson, D. Hamilton, J. Heath, I. Lovatt,  
T. Mrakas, M. Quirk, G. Rosati, J. Taylor, T. Vegh

Staff: D. Balneaves, L. Bigioni, P. Casey, K. Chislett, C. Clark,  
C. Goodeve, K. Hobbs, C. Ibarra, B. Macgregor, K. Milsom,  
L. Mirabella, R. Profitt, A. Reid, J. Scholten, M. Willson

Other: K. Travers (KPMG)

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#### A. Call to Order

The Housing York Inc. Board meeting was called to order at 9:02 a.m. with Mayor Taylor in the Chair.

#### B. Disclosures of Interest

None

#### C. Approval of Minutes

**Moved by** Regional Councillor Heath

**Seconded by** Mayor Hackson

That the Board confirm the Minutes of the Housing York Inc. Board of Directors meeting on May 6, 2020.

**Carried**

**D. Presentations**

**D.1 Housing York Inc. Monthly Activity Update**

**Moved by** Regional Councillor Heath

**Seconded by** Regional Chair Emmerson

That the Board receive the presentation by Kathy Milsom, General Manager, Housing York Inc.

(See Item E.1)

**Carried**

**D.2 2019 Housing York Inc. Annual Report, Property Management Highlights, Financial Statements and Annual Information Return**

**Moved by** Regional Councillor Heath

**Seconded by** Mayor Quirk

That the Board receive the presentation by Kathy Milsom, General Manager, Michelle Willson, Chief Financial Officer and Kerry Hobbs, Director, Housing Operations, Housing York Inc.

(See Item F.1)

**Carried**

**E. Communications**

**E.1 Housing York Inc. Activity Update**

**Moved by** Regional Councillor Heath

**Seconded by** Regional Chair Emmerson

That the Board receive the memorandum dated May 22, 2020 from Kathy Milsom, General Manager, Housing York Inc.

**Carried**

## **F. Reports**

### **F.1 2019 Housing York Inc. Annual Report, Property Management Highlights, Financial Statements and Annual Information Return**

**Moved by** Regional Councillor Heath

**Seconded by** Mayor Quirk

That the Board adopt the following recommendations in the report dated May 22, 2020 from the General Manager and the Chief Financial Officer:

1. The Board of Directors receive this report and approve the accompanying Housing York Inc. 2019 Highlights (Attachment 1) as part of Housing York Inc.'s Annual Report for submission to York Region, as Service Manager and sole shareholder of the Corporation.
2. The Board approve the 2019 Financial Statements and Notes for Housing York Inc. and submit them as part of Housing York Inc.'s Annual Report to York Region, as Service Manager and sole shareholder of the Corporation (Attachment 2).
3. The Board approve the 2019 Annual Information Return for the Housing York Inc. Provincial Reform Program and submit it to York Region, as the Service Manager and sole shareholder of the Corporation (Attachment 3).

**Carried**

### **F.2 2020 Mortgage Renewal - Heritage East in the Town of Newmarket**

**Moved by** Regional Councillor Vegh

**Seconded by** Mayor Lovatt

That the Board adopt the following recommendations in the report dated May 20, 2020 from the General Manager and the Chief Financial Officer:

1. The Housing York Inc. Board authorize the Ministry of Municipal Affairs and Housing to act on Housing York Inc.'s behalf to negotiate the mortgage renewal, in accordance with the provisions of the attached resolution (see Attachment 1) provided by the Ministry of Municipal Affairs and Housing, for Heritage East, located at 349/351 Crowder Boulevard, Town of Newmarket.
2. The Board pass the attached resolution recommendation.
3. The Board authorize the President to execute the necessary agreements and documents required by the lender to amend or renew the mortgage.

4. The Board authorize the Secretary to certify the attached resolution and provide copies to the Ministry of Municipal Affairs and Housing and the Lender.

**Carried**

### **F.3 Property Management System Contract Renewal**

**Moved by** Regional Councillor Rosati

**Seconded by** Mayor Hackson

That the Board adopt the following recommendations in the report dated May 21, 2020 from the General Manager and the Chief Financial Officer:

1. The Board authorize Housing York Inc. to renew the agreement between Housing York Inc. and the vendor listed in Private Attachment 1 for an additional term of up to five years.
2. The President be authorized to renew and execute the agreement annually with the vendor as set out in Private Attachment 1, provided that the vendor has performed the services to the satisfaction of the President and the renewal amount is within the approved annual budget.

**Carried**

### **G. Other Business**

None

### **H. Private Session**

The Board did not resolve into Private Session.

Motion to resolve into Private Session to consider the following:

#### **H.1 Private Attachment 1 to Item F.3 - Property Management System Contract Renewal**

That the Board received the private attachment.

**Moved by** Regional Councillor Rosati

**Seconded by** Mayor Hackson

**Carried**



**I. Adjournment**

There being no further business, the Board adjourned at 10:16 a.m.

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Carol Clark  
for Christopher Raynor, Secretary

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John Taylor  
Chair



## MEMORANDUM

To: Directors of Housing York Inc. Board  
From: Kathy Milsom, General Manager  
Date: August 19, 2020  
Re: Housing York Inc. Activity Update

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### **Wearing face masks in all Housing York Inc. residential common areas is now mandatory**

At a special York Regional Council meeting held on [July 30, 2020](#), Council endorsed the Medical Officer of Health issuing an instruction requiring the use of non-medical face coverings in common areas of condominium buildings, apartment buildings and other multi-residential buildings. The requirement came into effect on August 7, 2020. Residents and visitors must now wear masks or face coverings in enclosed public spaces at all Housing York Inc. (HYI) apartment buildings or townhouse sites, including laundry rooms, common rooms, elevators, hallways and lobbies. Previously, HYI had already directed employees and contractors to wear face coverings while working in the buildings.

Prior to the face mask requirement coming into effect, HYI delivered a door-to-door letter to every unit including instructions on how to properly wear a face mask. Additionally, residents were informed on how to obtain a face mask from York Region, reminded face masks and coverings are not a replacement for physical distancing and the importance of hand washing and monitoring their health. Residents were asked to show kindness to those not wearing masks, as some individuals may be exempt, such as children under the age of five, individuals with certain medical conditions and those who require accommodation under the Ontario Human Rights Code.

Notices have been posted in all common areas informing residents, guests and visitors that face masks or face coverings are required in all enclosed public spaces.

### **Arrears during COVID-19 remain higher than normal but have stabilized**

As of July 31, 2020, residents owed \$181,176 in rent arrears, more than double the average amount owed in 2019. Rent arrears increased beginning in March but have stabilized at approximately 8% of monthly rental revenue.

The average number of HYI households with rental arrears increased from an average of 137 in 2019, to a high of just over 200 throughout the second quarter of 2020. With the partial resumption of the use of Landlord and Tenant Board notices beginning in June, the total number of households with arrears in July dropped below 200 for the first time since April to 178 households. Management continues to work with residents with arrears to arrange workable payment plans to help preserve tenancies.

### **Market tenancies are a key driver of the increase in arrears**

COVID-19 has primarily impacted market rent arrears in HYI's working-age households. Seniors with stable pension income and subsidized households eligible for income-loss related rent reductions have largely continued to pay their rent. As shown in Table 1, the current number of market residents with rental arrears is more than 150% higher than it was this time last year. The number of subsidized households with rental arrears has increased by 30%. As of July 31, 2020, 13.3% of market tenancies and 4.5% of subsidized tenancies were in arrears.

**Table 1**  
**Year-over-year Comparison of Residents in Arrears in July**

Number of residents in arrears	Market		Subsidized		Combined	
	July 2019	July 2020	July 2019	July 2020	July 2019	July 2020
Less than 30 days rent	21	28	22	10	43	38
More than 30 days rent	6	28	23	41	29	69
More than 60 days rent	1	13	8	16	9	29
More than 90 days rent	1	4	8	10	9	14
More than 90 days rent	2	5	16	23	18	28
Total residents in arrears	31	78	77	100	108	178

### **Most market rent households in arrears continue to work with Housing York Inc. to manage outstanding rent**

HYI has engaged with most residents who have arrears to discuss their financial situations and establish repayment plans. Of the 78 market residents currently in arrears, most owe less than two months' rent and have worked with HYI to make payments as money becomes available. There are currently 26 market tenancies that either owe more than two months' rent, have not honoured their payment plans, expressed an inability or unwillingness to pay, or who have not communicated with HYI staff.

## Housing York Inc. continues to work with residents to address their arrears

With the Province of Ontario's March 16 closure of the Landlord and Tenant Board, HYI suspended the normal practice of issuing a "Form N4-Notice to End a Tenancy Early for Non-payment of Rent" (N4 Notice) to all households who had not paid their rent as required. Most households bring their rental accounts into good standing after receiving an N4 Notice. The N4 Notice is the first of many steps in the eviction process. The household can stop the eviction process at any time by paying their arrears. Most households work with HYI to establish a payment plan immediately after receiving an N4 Notice. If they do not voluntarily establish a payment plan, HYI is often successful in obtaining an enforceable payment plan through a hearing at the Landlord and Tenant Board. Prompt implementation of payment plans helps households bring their rental accounts up to date in a timely way. As HYI works with residents to ensure that payment plans are manageable, in today's environment, longer repayment terms are expected for many of the households currently in arrears.

As noted in the Activity Update received by the Board on [June 3, 2020](#), HYI began sending N4 Notices in June to households that failed to communicate with HYI, defaulted on payment plans or that made no rent payments on high rental arrears. In June and July, HYI sent N4 Notices to 64 households.

Table 2 shows the 2020 monthly rent arrears, number of households in arrears and N4 Notices issued. Also included is the year-over-year, seven month averages for comparison.

**Table 2**  
**Monthly Rent Arrears Comparison**

Period	Arrears as a Percentage of Rent Revenues	Households with Rental Arrears	N4* Forms Issued Monthly
2020 - January actuals	4.70%	137	87
2020 - February actuals	5.90%	154	76
2020 - March actuals	5.60%	161	38
2020 - April actuals	7.90%	201	0
2020 - May actuals	8.00%	207	0
2020 - June actuals	8.20%	200	20
2020 - July actuals	8.00%	178	44
2020 - January to July Average	6.90%	176	37
2019 - January to July Average	4.20%	137	71

\* N4 Notices were suspended from mid-March until early June, reducing the monthly average of N4 Notices issued. HYI continues to work with residents to connect them to income supports and related resources to implement manageable payment plans.

## **Housing York Inc. will begin scheduling Landlord Tenant Board hearings to reduce the numbers further**

Subsidized and market tenants will continue to be supported if their ability to pay rent is negatively impacted by COVID-19, and if they are willing to work and engage with HYI. This month, HYI will continue resumption of the pre-COVID-19 [Tenancy Management Policy](#). N4 Notices will be issued to all residents in arrears and applications will be filed for hearings at the Landlord and Tenant Board. In mid-August, hearings for non-urgent evictions began for those residents who can pay their rent but refused to do so, and residents who have entered into payment agreements but breached the agreement.

## **Bill 184 complements Housing York Inc.'s current tenancy management practices**

Bill 184, the *Protecting Tenants and Strengthening Community Housing Act, 2020* amends several pieces of legislation including the *Residential Tenancies Act, 2006*. At its meeting in September, Regional Council will be provided with an overview of the Bill's amendments to several pieces of legislation and its impact on Housing Services.

Highlights of the changes to the *Residential Tenancies Act, 2006* include:

- At Landlord and Tenant Board eviction hearings, tenants must provide advance written notice of any new issues, such as unresolved maintenance issues, or explain why advance notice could not be provided
- Landlords and tenants are able to reach agreements, unmediated, prior to a Landlord and Tenant Board hearing and file the agreement at the Landlord and Tenant Board for enforcement. If the tenant does not meet the terms of the agreement (that is, repayment plan or change to behaviour issue), the landlord could apply for an eviction order without notice to the tenant
- The Landlord and Tenant Board will consider whether a landlord attempted to negotiate a repayment agreement between March 17, 2020, and a date to be set out in the regulation, before deciding on an eviction for non-payment of rent to mitigate the number of COVID-19 rent arrears evictions
- Landlords may now apply to the Landlord and Tenant Board for compensation for rental arrears, unit damage, and utility costs from tenants who have moved out within one year of the date the tenant left the unit. Previously, compensation from former tenants had to be pursued through Small Claims Court after a tenant moved out

As a responsible and caring landlord, HYI will continue to work with residents to prevent evictions and connect them to supports early in the process, as outlined in HYI's [Tenancy Management Policy](#). These efforts are generally successful. There were only three HYI evictions in 2019, in comparison to more than 850 N4 Notices issued. Throughout COVID-19, HYI continues to support residents by providing market and subsidized households information

on income support programs and help with completing associated applications. HYI continues to contact households with rent arrears to establish a sustainable payment plan and to emphasize the importance of paying before it become too difficult to catch up. The legislative amendments provides HYI with greater enforcement tools when breaches to agreements occur, and streamlines lengthy Landlord and Tenant Board processes which leaves tenants with increased arrears and at greater risk of eviction.

As permitted under the new legislation, through the Landlord and Tenant Board process, HYI will review internal procedures over the next few months and amend as necessary. These changes provide an opportunity to reduce bad debt write-offs. In 2019, bad debt right-offs totaled \$16,449.

### **Unit inspections support resident and unit safety**

HYI continues to undertake a number of measures to contain the spread of COVID-19. Non-essential in-suite repairs continue to be deferred. When essential suite work is required, team members and contractors are screened, and wear personal protective equipment, as established by the Region's Employee Health and Public Health experts.

Each year, HYI enters each unit to conduct annual inspections to check on the operating condition of appliances, heating, plumbing, safety devices including window restrictors and smoke alarms, and to assess the general condition of unit. This year, due to the COVID-19 pandemic, HYI suspended annual unit inspections. HYI is now resuming the annual unit inspections; however, they are being conducted differently to ensure maintenance and safety standards are maintained, while limiting the amount of contact between team members and residents. Approximately two weeks before the inspection, residents receive a notice describing the inspection along with a COVID-19 screening questionnaire outlining the steps to take if a resident has symptoms or has been in contact with someone with COVID-19. A second notice provides a legal notice of entry and reminds residents of the screening requirements.

These measures allow HYI to fulfill the mandatory requirements ensuring residents' safety in their units during COVID-19, while still protecting residents, employees and vendors.

### **360°kids Program – Every Bite Matters**

At the Richmond Hill Hub, 360°kids provides many programs for their clients including Every Bite Matters, a 16-week paid employment program for youth who face barriers to employment and have interest in culinary skill development. Participants are provided with certification opportunities for Smart Serve, Workplace Hazardous Materials Information System, Food Handlers and First Aid/CPR, as well as pre-employment workshops focused on job readiness and life skill development.

Every Bite Matters is a meal program where senior residents can gather and eat together. Pre-COVID-19, the program was held at the Richmond Hill Hub and Rose Town, both located in the City of Richmond Hill. Unfortunately these gatherings had to be suspended due to the

COVID-19 pandemic and, as a result, senior residents may be experiencing increased social isolation through their efforts to stay safe at home.

In response to COVID-19, program participants are delivering treat bags to senior residents, as a way of letting them know they are not forgotten by HYI and 360°kids' team members. In July, Every Bite Matters team members put together "Thinking of You" treat bags, filled with homemade cookies, jam and puzzles, which were delivered to residents' doorsteps.

### **Woodbridge Lane, in the City of Vaughan, continuing rent up process**

After a slower than anticipated start to the rental process, leasing activities are progressing well. As of July 31, 2020, occupancy was 87% with 90 (82%) of the 110 subsidized apartments and 51 (98%) of the 52 market apartments leased. Most of the remaining subsidized apartments are modified for people with physical disabilities. Leasing these specialized units can take some time, as the number of units required under the Ontario Building Code, exceeds the number of eligible households on the Region's subsidized housing waiting list. Once the waiting list is exhausted, HYI works with community agencies who provide support services to lease the units to households who need the modifications.

The projected revenue shortfall for the current fiscal year for the Woodbridge Lane property is \$487,000. The shortfall is expected to be offset by higher rental revenue generated in the other portfolios. Rental revenues needed to sustain the building will be achieved over the long term.

### **Housing development updates**

#### **Oxford Village, Town of East Gwillimbury – gas emergency generator installation**

Oxford Village consists of 36 seniors apartments and is located in Holland Landing. In September, installation of a new back-up generator will begin. The generator will provide power to the facility during power interruptions. Once complete, the new generator will provide power to the entire building including all resident units. Exterior work will continue until late fall 2020, weather permitting. Interior mechanical and electrical work will continue, with remaining exterior work to resume in the spring of 2021, including commissioning and testing of the new generator. Safety fencing will be installed to prevent unauthorized persons from entering the construction area. Resident meetings were held to provide an overview of the project and advance notice will be provided prior to any power interruptions at the time the final generator connections and commissioning are completed.

#### **Maplewood Place, City of Richmond Hill – roof replacement and make-up air unit replacement**

Construction to replace the flat roof system at Maplewood Place began in August 2020, and is scheduled to be completed in October 2020. The existing modified bitumen roof was installed in 2000. With a life expectancy of 20 years, replacement is required. The work includes removal of the existing roof system consisting of insulation boards, membrane, flashing and roof drains.



The new installation is a two-ply modified bitumen roof system which will include new membrane, insulation, flashing and roof drains.

Construction to replace the makeup air units at Maplewood Place will begin in September 2020 and is scheduled to be completed in November 2020. The existing units were installed in 1997. With a life expectancy of 20 years, they are in need of replacement. The new make-up air units will include both heating and cooling, and service all of the common areas.

There will be minimal impact to the residents. Notices providing project information and schedules for the work will be delivered to residents and posted in advance of the construction activity.

### **Springbrook Gardens, City of Richmond Hill – front entrance, rear patio and landscape upgrades**

Springbrook Gardens is a family complex with a total of 93 townhouses. The work will include new porches, stairs, and a back patio area and new privacy fences at each townhouse. Construction will be completed in two phases. The first phase of construction of rear patio and privacy fencing work will start in the fall of 2020. The second phase of construction of front porch and stair concrete work will start in the spring of 2021. A notice has been sent to all residents to provide project information and schedules.

### **Fairy Lake Gardens, Town of Newmarket – exterior building enhancements**

Fairy Lake Gardens is a thirteen storey building, consisting of 97 seniors' apartments, located at 468 Eagle Street in the heart of the Town of Newmarket, overlooking Fairy Lake. Construction of the building was completed in 1971.

Construction work to enhance the exterior of the building began in July 2019 and has been progressing towards planned construction completion by the end of November, with final landscaping to be completed next spring.

The status of the project includes:

#### **Balcony repairs**

- Railing and concrete removal, where necessary, has been completed
- Concrete repairs and weatherproof coatings are complete
- Installation of new railings and glass partitions are underway and are scheduled to be completed by September 30, 2020

#### **Cladding enhancements**

- New colour coating of the exterior insulation and finish system is underway and is scheduled to be completed in September

## Window and door replacement

- Work has started and is scheduled to be completed by November 30, 2020

## Landscaping

- New patio, planters and plantings are targeted to be completed this year; however, depending on the weather, might be completed in the spring of 2021

Resident notices are provided in advance of construction activities to ensure residents are aware of impacts and schedules. Overall, feedback from residents had indicated that they are looking forward to enjoying the improvements at their building.

## **Unionville Seniors Affordable Housing Development, City of Markham – ongoing construction work**

Martinway, the general contractor for this project, continues work on the underground parking area, including building foundation work, excavation of soil, and moving of building materials with the main crane now erected on site. COVID-19 precautions remain in place. Shared site servicing through the Unionville Home Society is mostly finished, with minor works being completed by the contractor this fall.

In late July, the Ministry of Housing formally announced the approximately \$12 million in Social Infrastructure Fund dollars committed to this project. Several dignitaries at the provincial, regional and city level attended the event. The event highlighted the significance of collaboration between the three levels of government, as well as the commitment from the Region's various project partners, including Unionville Home Society, Martinway and Minto.

## **Stouffville Affordable Housing Development, Town of Whitchurch-Stouffville – site plan application work continues**

The site plan application approval process is nearing completion with the town's planning staff. A virtual Community Liaison meeting was held in July, and a virtual Public Information Centre will be hosted in September. Approval of the application is anticipated in the fall. Demolition of the existing commercial structures and corresponding site works are continuing throughout the summer, and will conclude in early fall.

Kathy Milsom  
General Manager  
11426004



## Report of the General Manager

### **Quarterly Contract Awards, Including Emergency Purchases and Purchase of Additional Deliverables – April 1, 2020 to June 30, 2020**

#### **Recommendation**

The Housing York Inc. Board of Directors receive this report for information.

#### **Summary**

This report advises the Housing York Inc. (HYI) Board of Directors of all contracts over \$100,000 awarded by the General Manager or President, all emergency purchases authorized by the President, and the purchase of additional deliverables authorized by the Chair and the President from April 1, 2020 to June 30, 2020, as required by HYI's [Purchasing Bylaw No.1-18](#).

For the period April 1, 2020 to June 30, 2020:

- There were no contracts over \$100,000 awarded by the General Manager or the President
- One COVID-19 related purchase was completed pursuant to the Bylaw's emergency procurement provisions
- Additional deliverables to a contract were authorized jointly by the Chair and the President

#### **Background**

##### **The Purchasing Bylaw requires quarterly reporting to the Board on contract awards over \$100,000**

The Purchasing Bylaw requires contract awards be reported quarterly to the Board. The Purchasing Bylaw also requires goods and services exceeding \$100,000 to be purchased through a request for proposal or request for tender.

The General Manager has the authority to award contracts provided that:

- The request for tender award is made to the lowest successful compliant bidder and the total cost does not exceed \$500,000
- The request for proposal award total cost does not exceed \$500,000

The President has the authority to award contracts provided that:

- The request for tender award is made to the lowest successful compliant bidder and the total cost does not exceed \$1,000,000
- The request for proposal award total cost does not exceed \$1,000,000

### **The Bylaw requires reporting of emergency purchases and the purchase of additional goods jointly awarded by the Chair and President**

Under section 9.3 of the Purchasing Bylaw, the President may authorize the purchase of an emergency good or service without issuing a call for bids. Section 12.5(a) permits the President and the Chair to jointly authorize the purchase of additional deliverables required to prevent interruption in service delivery. Purchases made under the noted provisions of the Bylaw require a report to the Board.

## **Analysis**

No contracts over \$100,000 were awarded by the General Manager or the President during the second quarter of the year.

### **The President awarded an emergency purchase to support York Region's response to COVID-19**

As part of York Region's proactive approach to prevent the transmission of COVID-19, a self-isolation shelter for individuals experiencing homelessness was opened in collaboration with local hospitals and community partners. HYI provides property management services for the Region's emergency and transitional housing program. The emergency purchase secured daily building operator services. The Purchasing Bylaw authorizes the President to award emergency purchases without issuing a formal call for bids. Table 1 provides an overview of the emergency purchase. Very few companies were willing to provide services for the COVID-19 isolation centre; therefore, the building operator services came at a premium. This cost has been reimbursed by the Region.

### **The President and Board Chair awarded additional security services at Woodbridge Lane**

The HYI Board Chair and the President are authorized to award purchases which exceed the permitted scope increases in the Purchasing Bylaw, to prevent the interruption of service delivery. The extension of security services were required to support an initial slower than anticipated rent-up process for the new building and to address building security needs. Table 1 provides vendor and contract details. Based on bids received by HYI through other security bid calls, the vendor's pricing for security services at Woodbridge Lane is competitive.

**Table 1**  
**2020 Second Quarter Emergency Purchases and Purchase of Additional Deliverables**  
**April 1, 2020 to June 30, 2020**

Contract Description		
<b>Daily Building Operator Service for COVID-19 Self-Isolation Centre</b>  Term: March 27 to August 31, 2020	Emergency	Emergency purchase of building operator services for self-isolating homeless individuals
	Vendor	Direct Construction Company Limited
	Amount	\$83,600.00
<b>Security Services for Woodbridge Lane Rent-up</b>  Term: November 8, 2019 extended to mid-March, 2020	Purchase of Additional Deliverables	Purchase of additional deliverables to prevent an interruption in security service delivery
	Vendor	Defender Security Group
	Original Approval	\$63,082.80
	Additional Award Amount	\$24,037.20

## Financial Considerations

In [March 2020](#), the Board endorsed the decision to follow HYI's Purchasing Bylaw reporting provisions, regardless of funding source, to ensure greater transparency.

The emergency purchase relating to the COVID-19 self-isolation centre was procured and originally paid for by HYI and later reimbursed by the Region. The additional security services are funded through the approved 2020 HYI operating budget. There are sufficient funds in the operating budget to support the unanticipated security costs.

## Local Impact

There is no local municipal impact associated with this report.

## Conclusion

[Purchasing By-law No. 1-18](#) outlines when purchasing activities require reporting to the Board. Over the April 1, 2020 to June 30, 2020 period, there were no contracts over \$100,000 meeting this threshold requirement. The President awarded one emergency procurement to support the Region's COVID-19 efforts. In addition, additional security services were authorized for Woodbridge Lane jointly by the Board Chair and President.

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For more information on this report, please contact Joshua Scholten, Director at 1-877-464-9675 ext. 72004. Accessible formats or communication supports are available upon request.

Recommended by: Kathy Milsom  
General Manager, Housing York Inc.

Approved for Submission: Katherine Chislett  
President, Housing York Inc.

August 20, 2020

#11382707



## Report of the General Manager and Chief Financial Officer

### 2020 Mid-Year Financial Update

#### Recommendation

The Board of Directors receive this report for information.

#### Summary

This report provides an overview of Housing York Inc.'s (HYI's) revenue, expenditures and surplus position as of June 30, 2020 compared to the 2020 approved Budget. This report also includes a 2020 year-end forecast for both operating and capital budgets.

#### Background

The Board of Directors (Board) approved HYI's 2020 Budget in [January 2020](#). The mid-year report is presented to inform the Board of any year-to-date budget variances and anticipated year-end financial outcomes. The year-end forecast incorporates year-to-date trends as well as known emerging issues for the remainder of the year. Regular performance monitoring helps ensure HYI's operating and capital funding is delivered in a cost efficient and effective manner.

#### Analysis

##### Facility costs and resident arrears have increased due to COVID-19

The annual COVID-19 costs are projected to be \$386,000. Approximately \$186,000 of this increase is related to the conversion of Leeder Place to an isolation centre. Costs include facility modifications to support conversion to isolation centre use and contracted services for daily facility system monitoring and maintenance. The remaining costs are mostly related to the purchase of personal protective equipment, and an increase in professional cleaning services and disinfecting supplies. The cost to convert Leeder Place to an isolation centre is expected to be offset by the Social Services Relief Fund. The remaining costs will be offset in savings from hiring delays and the cancelation of the summer student positions due to COVID-19. Overall, it is expected the impact of COVID-19 will result in a net neutral position.

As of June 30, 2020, arrears for market residents were \$93,000 and subsidized resident arrears were \$83,000, totalling \$176,000. This is an increase of \$92,000 compared to the 2019 average. The number of tenants in arrears also increased, from 121, on average, to 200 as of June 30, 2020. Although arrears have been relatively stable for the past few months, the impact of federal support programs coming to an end could result in higher arrears for an extended period of time and potentially bad debt in the future.

HYI continues to work with residents who report income losses, adjusting subsidized rents where appropriate, and assisting market residents with referrals to income support programs and manageable rent payment plans. As of September, HYI will reinstate the Tenant Management Policy that was suspended due to COVID-19 and begin reissuing N4 Notices, required to start the formal rent collection process. HYI will also begin filing applications for hearings at the Landlord and Tenant Board for those tenants who can pay their rent, but refuse to do so or who have entered into a payment plan but breached the agreement. The Board will be updated on any eviction orders in the monthly Housing York Inc. Activity Update.

### **The majority of units at Woodbridge Lane are leased**

After a slower than anticipated start to the rental process, leasing activities are progressing well. As of July 29, 2020, 87% of units were leased (90 of the 110 subsidized apartments and 51 of the 52 market apartments).

The projected shortfall for the current fiscal year for the Woodbridge Lane property is \$487,000. The shortfall is expected to be offset by higher rental revenue generated in the other portfolios. Rental revenues needed to sustain the building will be achieved over the long term.

### **Mid-year results are favourable with a surplus of \$358,000**

HYI's 2020 approved budget projected a mid-year surplus of \$9,000. The actual mid-year surplus is \$358,000, which is \$349,000 above budget. Table 1 provides a summary of HYI's consolidated year-to-date operating results.

**Table 1**  
**Consolidated Operating Results for the Period Ending June 30, 2020**

	Mid-Year Budget (\$000s)	Mid-Year Actuals (\$000s)	Variance (\$000s)
Rental revenue	11,284	11,280	(4)
Non-rental revenue	598	712	114
Government subsidies	10,394	11,015	621
Total revenue	22,275	23,007	731
Operating expenditures	22,266	22,649	383
Operating surplus before reserve contributions	9	358	349
Contribution to/(from) reserves	9	358	349
Net surplus/(deficit)	0	0	0

Mid-year total revenues are \$731,000 higher than expected due to:

- The change in the accounting treatment of investment income and capital projects funded by the Region's reserves.



- Investment income generated from HYI's reserves was previously attributed to the reserves. The investment income now appears on the Statement of Revenue and Expenses as an increase in non-rental revenue and an increase to contribution to reserves.
- Similarly, funding from the Region's reserves for capital projects was directly attributed into HYI's Capital Repair and Replacement Reserve. The funding from the Region now appears on the Statement of Revenue and Expenses as an increase in government subsidies and an increase to contribution to reserves.
- The overall net impact of these changes is zero but they improve the transparency of the financial statements.

Mid-year operating expenditures are \$383,000 higher than projected primarily due to:

- Contributions to reserves being higher due to the change in accounting treatment of investment income and capital projects funded by the Region's reserves noted above

This increase is partially offset by the following:

- Salaries and benefits are \$307,000 below budget due to COVID-19 pandemic related hiring delays and cancelation of summer student positions
- Administration is under budget by \$68,000 due to savings related to consulting services and COVID-19 related deferral of resident engagement costs
- Utilities are \$130,000 below budget. This is mostly related to gas charges being lower than anticipated

### **HYI is projecting an annual surplus of \$1.1 million in 2020**

The surplus projection for year-end is \$1.1 million compared to the budgeted surplus of \$858,000. Similar to mid-year results, the major contributors to the positive variance in operating surplus are labour, administration and utility savings.

Table 2 provides a summary of the year-end operating forecast.

**Table 2**  
**Consolidated Operating Forecast for the Period Ending December 31, 2020**

	2020 Annual Budget (\$000s)	2020 Year-end Forecast (\$000s)	Variance (\$000s)
Rental revenue	22,881	22,861	(19)
Non-rental revenue	1,222	1,409	187
Government subsidies	17,187	19,072	1,885
Total revenue	41,290	43,342	2,053
Operating expenditures	40,431	42,256	1,825
Operating surplus before reserve contributions	858	1,086	228
Contribution to/(from) reserves	858	1,086	228
Net surplus/(deficit)	0	0	0

## Capital expenditures are expected to be below budget

HYI is forecasting \$6.7 million in capital expenditures at year-end which is 70 per cent of the budget. Due to the COVID-19 pandemic, many 2020 projects have been delayed to the 2021 fiscal year. Table 3 lists the 2020 capital spending by category.

**Table 3**  
**2020 Major Repairs and Replacement Forecast Compared to Budget**

Category	2020 Annual Budget (\$000s)	2020 Year-end Forecast (\$000s)	Variance (\$000s)	% of Completion
Exterior building repairs	2,793	2,688	-105	96%
Site upgrades and grounds	2,500	1,465	-1,035	59%
HVAC, mechanical, electrical	2,115	1,560	-555	74%
Interior building repairs	1,346	826	-520	61%
Energy and Utilities Management Plan initiative	475	0	-475	(100)%
Flooring	288	150	-138	(52)%
Security	96	0	-96	(100)%
Total approved capital budget spending and forecast	9,614	6,689	-2,925	70%

Capital work completed during the first half of 2020:

- Roof replacement (Mapleglen Residences, City of Vaughan)
- Stand by generator replacement (Tom Taylor Place, Town of Newmarket)

Capital work to be completed during the second half of 2020:

- Balcony repairs and railing replacement (Fairy Lake Gardens, Town of Newmarket; Rose Town, City of Richmond Hill)
- Make-up air handling unit replacement (Kingview Court, Township of King; Nobleview Pines, City of Vaughan; Mackenzie Green, City of Richmond Hill; Maplewood Place, Town of Newmarket)
- Roof replacement (Maplewood Place, City of Richmond Hill)
- Window and door replacement (Fairy Lake Gardens, Town of Newmarket)
- Exterior finish insulation system and colour change upgrade (Fairy Lake Gardens, Town of Newmarket)

## Financial Considerations

HYI is anticipating a surplus of \$1.1 million in 2020. The operating surplus will be allocated to reserves in accordance with the Operating Surplus Policy outlined in HYI's Fiscal Plan.

## Local Impact

HYI provides safe, affordable and sustainable housing for 2,762 York Region households through prudent financial stewardship, efficient operations, an extensive capital repair program, and strategic investments in energy conservation, in all nine municipalities.

## Conclusion

HYI is in good financial health with a forecasted operating surplus of \$1.1 million in 2020.

For more information on this report, please contact Michelle Willson, Chief Financial Officer, HYI at 1-877-464-9675 ext. 76064. Accessible formats or communication supports are available upon request.

Recommended by: Michelle Willson  
Chief Financial Officer, Housing York Inc.

Kathy Milsom  
General Manager, Housing York Inc.

Approved for Submission: Katherine Chislett  
President, Housing York Inc.

August 20, 2020

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## Report of the General Manager

### Consolidated Contract Extensions

#### Recommendations

1. The Board authorize extensions of the agreements between Housing York Inc. and each of the vendors listed in Private Attachment 1 for the terms described in the attachment.
2. The President be authorized to renew and execute options to extend the agreements for up to the maximum term described in Private Attachment 1, provided that the vendors have performed the services to the satisfaction of the President and the renewal amount is within the approved annual budget.

#### Summary

This consolidated report seeks Housing York Inc. (HYI) Board approval of contract extensions and renewals that would result in aggregate terms of greater than five years, and award direct purchase with a total cost that exceeds \$100,000.

Attachment 1 is being considered in private as it relates to financial information supplied in confidence to HYI, which, if disclosed, could reasonably be expected to interfere significantly with the contractual or other negotiations of the vendors.

Key points:

- Board approval of these contract extensions is required under the provisions of Section 18.1 and Section 10.2 of the HYI [Purchasing Bylaw 1-18](#), as applicable to each contract.
- Six contracts require extensions to continue providing property management activities including preventative maintenance, regulatory compliance and optimal building performance.

#### Background

##### **Housing York Inc.'s Purchasing Bylaw 1-18 specifies procurement activities that require Board approval**

Pursuant to Section 18.1 and Section 10.2 of [Purchasing Bylaw 1-18](#), a report shall be submitted to the Board seeking approval of contract extensions and renewals that would result

in aggregate terms of greater than five years, and of the award of a direct purchase with a total cost that exceeds \$100,000.

This report consolidates several property management service contracts requiring Board approval in an effort to reduce the number of ad hoc reports. As part of the Region's procurement modernization efforts, staff will continue to seek ways to consolidate and streamline procurement matters requiring Board approval.

## Analysis

### Contract extensions are required to support operational continuity

HYI purchases a number of goods and services from external vendors to fulfill its mandate to deliver the Region's community housing. The contracts support HYI in meeting safety regulatory requirements and assist in providing reliable building services for residents. A renewal to the existing agreements is required to support continued service delivery. Vendor and service contract information is provided in Private Attachment 1.

## Financial Considerations

The estimated cost to extend six contracts is provided in Table 1 below.

<b>Table 1</b>		
<b>Summary of Contract Extension Terms and Estimated Costs</b>		
Vendor	Extension Term	Estimated Total Cost (\$)
1	Five years (2020-2025)	240,000
2	Five years (2020-2025)	220,000
3	Five years (2020-2025)	150,000
4	Five years (2020-2025)	180,000
5	Five years (2020-2025)	180,000
6	Five years (2020-2025)	65,000

Estimated cost calculations factor in annual cost adjustments and forecasted changes in user, business and operational requirements.

The required funding is included in HYI's 2020 budget and the approved 2021 to 2022 operating outlook, and will be included in future operating budgets.

## Local Impact

There are no direct local municipal impacts as a result of this report.

## Conclusion

Management is seeking Board authorization to extend six contracts for terms of up to five years, as specified. These contracts support the delivery of services used to meet business requirements, and contribute towards a consistent, compliant and stable delivery of building services for HYI residents.

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For more information on this report, please contact Kerry Hobbs at 1-877-464-9675 ext. 72071. Accessible formats or communication supports are available upon request.

Recommended by: Kathy Milsom  
General Manager, Housing York Inc.

Approved for Submission: Katherine Chislett  
President, Housing York Inc.

August 20, 2020  
Private Attachment (1)  
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