

Agenda Housing York Inc. Board of Directors

November 4, 2020 9 a.m. Electronic Meeting

Quorum: 6

Page No.

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- A. Call to Order
- B. Disclosures of Interest
- C. Approval of Minutes
 - C.1. Minutes of the Housing York Inc. Board of Directors Meeting held on October 7, 2020

Recommendation: Receive

D. Presentations

D.1. Housing York Inc. Monthly Activity Update

Kathy Milsom, General Manager, Housing Services

(See Item E.1)

D.2. Building Better Together: Housing York Inc. 2021 to 2024 Strategic Plan

Kathy Milsom, General Manager, Housing Services

Jody DeGagne, Manager, Housing Strategy and Program Delivery, Housing Services

(See Item F.1)

D.3. Housing York Inc. 2021 Budget

Kathy Milsom, General Manager, Housing Services

Michelle Willson, Chief Financial Officer, Housing York Inc.

(See Item F.2)

E. Communications

E.1. Housing York Inc. Monthly Activity Update

Memorandum from Kathy Milsom, General Manager dated October 15, 2020

Recommendation: Receive

F. Reports

F.1. Building Better Together: Housing York Inc. 2021 to 2024 Strategic ¹¹ Plan

Report dated October 16, 2020 from the General Manager recommending that:

1. The Board of Directors approve the 2021 to 2024 Housing York Inc. Strategic Plan (Attachment 1).

F.2. Housing York Inc. 2021 Budget

Report dated October 15, 2020 from the General Manager and the Chief Financial Officer recommending that:

1. The Board of Directors approve Housing York Inc.'s 2021 budget as summarized in Attachment 1.

F.3. Quarterly Contract Awards - July 1, 2020 to September 30, 2020

Report dated October 14, 2020 from the General Manager recommending that:

- 1. The Housing York Inc. Board of Directors receive this report for information.
- G. Other Business

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H. Private Session

Motion to resolve into Private Session to consider the following:

- H.1. Private Minutes of the Housing York Inc. Board of Directors Meeting on October 7, 2020
- I. Adjournment

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Minutes

Housing York Inc. Board of Directors

October 7, 2020 Electronic Meeting

Directors:	J. DiPaola, W. Emmerson, V. Hackson, D. Hamilton, J. Heath, I. Lovatt, S. Pellegrini, M. Quirk, G. Rosati, J. Taylor
Staff:	D. Balneaves, L. Bigioni, P. Casey, K. Chislett, C. Clark, L. Gonsalves, C. Goodeve, K. Hobbs, C. Ibarra, B. Macgregor, K. Milsom, R. Profitt, M. Rovere, J. Scholten, K. Strueby, M. Willson

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 Mayor Hackson Seconded by Regional Councillor DiPaola

That the Board confirm the Minutes of the Housing York Inc. Board of Directors meeting on September 2, 2020.

Carried

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Minutes - Housing York Inc. - October 7, 2020

D. Presentations

D.1 Housing York Inc. Activity Update

Moved by Regional Councillor Hamilton **Seconded by** Regional Chair Emmerson

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

(See Item E.1)

Carried

E. Communications

E.1 Housing York Inc. Activity Update

Moved by Regional Councillor Hamilton **Seconded by** Regional Chair Emmerson

That the Board receive the memorandum dated September 17, 2020 from Kathy Milsom, General Manager, Housing York Inc.

Carried

F. Reports

None

G. Other Business

G.1 Conducting Board Meetings Virtually by Electronic Means

Moved by Regional Chair Emmerson Seconded by Mayor Lovatt

That the Clerk's Office have the following resolution, as amended, signed and executed by each Director of the Board:

WHEREAS Section 4.01 of the Corporation's General By-Law No. 2-18 dated June 7, 2018 (the "General By-law"), provides that if all the directors present at or participating in a meeting consent, a meeting of the board of directors (the "Board") may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director

Minutes - Housing York Inc. - October 7, 2020

participating in such a meeting by such means is deemed to be present at the meeting.

AND WHEREAS Section 4.01 of the General By-law further provides that any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board held while a director holds office.

AND WHEREAS as a result of the COVID-19 pandemic, the Board has been conducting meetings of the Board since April 2020 through the Zoom video-meeting electronic platform and until the Board decides otherwise, wishes to continue to conduct future Board meetings virtually under the Zoom or other appropriate electronic platform.

NOW THEREFORE BE IT RESOLVED THAT:

- Until the Board decides otherwise, or until January 2022, each of the directors of the Corporation hereby consent to conduct future meetings of the Board held while said director holds office, virtually, using the Zoom or any other appropriate electronic platform, to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.
- 2. All directors of the Board confirm and ratify their consent to all previous meetings of the Board that were held virtually using Zoom from April 2020 to the present date.

Carried

H. Private Session

Moved by Mayor Hackson **Seconded by** Regional Councillor Rosati

That the Board resolve into Private Session at 9:16 a.m. and consider the following:

- H.1 Presentation Redevelopment of Armitage Gardens as part of the Intensification of 194 and 200 Eagle Street in the Town of Newmarket
- H.2 Redevelopment of Armitage Gardens as part of the Intensification of 194 and 200 Eagle Street in the Town of Newmarket
- H.3 Private Minutes of the Housing York Inc. Board of Directors Meeting on September 2, 2020

Carried

Minutes - Housing York Inc. - October 7, 2020

The Board resumed in public session at 10:37 a.m.

I. Adjournment

There being no further business, the Board adjourned at 10:40 a.m.

Carol Clark for Christopher Raynor, Secretary

John Taylor Chair



Community and Health Services Department Housing York Inc.

MEMORANDUM

To: Directors of Housing York Inc. Board
From: Kathy Milsom, General Manager
Date: October 15, 2020
Re: Housing York Inc. Activity Update

Working with partners to provide flu shot clinics for seniors

Getting a flu vaccine during this flu season is more important than ever due to the COVID-19 pandemic. A flu shot can support older adults in staying healthier during the winter season. The Region has partnered with Rexall Pharmacy to host flu shot clinics at five Housing York Inc. (HYI) communities where Community Home Assistance to Seniors is currently providing assisted living services.

Resident safety is top priority and all flu shot clinics will adhere to Public Health guidelines. Precautions will include physical distancing measures, directional signage, staggered appointment times, and enhanced cleaning of high touch points.

Flu shot clinics will be open to residents at Heritage East and Armitage Gardens in the Town of Newmarket, Hadley Grange in the Town of Aurora, Keswick Gardens in the Town of Georgina, and Dunlop Pines, Evergreen Terrace and Maplewood Place in the City of Richmond Hill. Flyers have been distributed to encourage seniors in these communities sign up for a flu shot.

Housing York Inc.'s Newmarket office is moving to 17150 Yonge Street in December 2020

HYI currently has an office at 1091 Gorham Street in the Town of Newmarket. Prior to closing to the public as a COVID-19 precaution, this location was routinely visited by members of the general public and residents accessing HYI services. In response to COVID-19, HYI now offers virtual appointments in lieu of in person interactions. Residents have also been encouraged to use the drop boxes located in their communities instead of bringing documents to the Gorham office.

As Housing Services will be relocating to the new Regional building at 17150 Yonge Street in early December, HYI is working with the Region to achieve a smooth transition and continuity of

service for residents. All Housing Services offices will close Thursday, December 3, 2020 and those employees who require time in the office in addition to remote work will begin settling into the 17150 Yonge Street office on Tuesday, December 8, 2020. The Region is also assisting with a communication plan to ensure residents and vendors are informed of the new office location.

Woodbridge Lane, in the City of Vaughan, leasing is nearing completion, with only barrier free units remaining

HYI's vision is to be a leader in affordable housing, building inclusive communities that everyone would be proud to call home. Consistent with this vision, and in compliance with the Ontario Building Code, new buildings include barrier free units modified for people with physical disabilities. HYI makes best efforts to offer these units to people who will benefit from the accessibility modifications. Woodbridge Lane has 35 barrier free units. Market rent households with accessibility needs had the opportunity to select barrier free units. Units were also offered to all households on the Region's barrier free subsidized housing wait list that had requested housing at Woodbridge Lane. As of October 1st, 19 barrier free units remained available for lease. All other units at Woodbridge Lane have been rented. The remaining units will be leased through two separate processes.

Some people with disabilities need both an affordable home and supports from a community agency to live independently in the community. HYI has supportive housing partnerships with six community agencies in various family and mixed occupancy properties where HYI provides affordable rental units and the agencies provide support services. In these arrangements, the agency selects the residents who will live in the units, based on the residents' need for the agency's support services.

Agencies often have difficulty finding good quality, accessible and affordable rental housing for their clients. In the interest of fairness, HYI distributed a leasing opportunity information package to all existing supportive housing partners, Regionally funded agencies with supportive housing experience, as well as agencies who had contacted the Region to express interest in Woodbridge Lane. HYI received multiple proposals and is currently working with selected agencies to formalize leasing arrangements.

As the subsidized housing wait list for barrier free units at Woodbridge Lane has been exhausted, HYI also informed agencies of the opportunity and encouraged them to assist clients in applying through the Region's housing access centre. HYI expects that the building will be fully leased by the end of the year.

Housing York Inc. has partially resumed normal rent collection processes

HYI's normal rent collection process has multiple steps:

• Step 1: HYI sends a Form N4 – Notice to End a Tenancy Early for Non-Payment of Rent (Form N4) to all households with rent arrears unless a repayment agreement is in place.

Most households respond to a Form N4 by bringing their rental accounts into good standing or contacting HYI to discuss payment plan options and potential income supports.

- Step 2: If a household does not respond to the Form N4, HYI files an L1 Application to Evict a Tenant for Non-Payment of Rent and to Collect Rent the Tenant Owes (L1 Application). The household is notified that the application has been filed and informed of the hearing date. Households often follow-up with HYI in response to the L1 Application, enabling HYI to cancel the hearing.
- Step 3: At a hearing, the Landlord and Tenant Board can approve an enforceable payment plan or may order an eviction. HYI does not enforce an eviction if the household brings their rental account into good standing.
- Step 4: In very rare instances, HYI might enforce an eviction and require a household to move out. HYI enforced only three evictions in 2019.

Normal rent collection processes were initially suspended in response to COVID-19. HYI stopped issuing Form N4 notices in April. Beginning in June, HYI issued Form N4 notices only to households that were unresponsive to HYI's attempts to contact them to discuss their rent arrears or that were not making reasonable efforts to pay rent. From June through September, 120 households received Form N4 notices and, of those, seven have been receiving a notice every month. These seven households are struggling to pay their rent on time, but they do eventually pay and never fall more than one month behind. Most of the remaining residents have either paid their rent in full, negotiated repayment plans or are providing documentation to support rent adjustments.

The Landlord Tenant Board processes have resumed but are seriously backlogged

Eleven households have either been unresponsive to HYI's communications or have indicated they are unable or unwilling to pay their rent. The Landlord and Tenant Board reopened in August and HYI has filed L1 Applications for hearings for these 11 households to address the arrears.

In September, HYI began receiving acknowledgements from the Landlord and Tenant Board about L1 Applications submitted prior to the COVID-19 LTB closure. Some of these matters are still outstanding. As of early October, the Landlord and Tenant Board had not scheduled hearing dates for any of the pre-COVID or recent hearing applications.

The Landlord and Tenant Board is also changing the way it operates, taking a digital-first approach which means they will only conduct video, telephone and written hearings where feasible. Limited in-person proceedings are scheduled in response to accommodation requests. Very complex matters may also be scheduled for in-person proceedings on a case-by-case basis. In-person proceedings are held in Toronto, the closest of the three locations designated for York Region.

HYI's normal rent collection processes effectively balance arrears management and eviction prevention. The economic impact of COVID-19 combined with the disruption of Landlord and Tenant Board rent collection processes resulted in a significant increase in arrears. In 2019, arrears averaged less than \$90,000; in 2020, arrears have stabilized at approximately double the norm, totaling \$188,000 at the end of September. With on-going Landlord and Tenant Board delays, arrears are likely to remain at current levels for the near term.

The provincial rent freeze is expected to financially impact Housing York Inc.'s 2021 revenues

In October 2020, *Bill 204, Helping Tenants and Small Businesses Act, 2020*, received Royal Assent allowing amendments to the *Residential Tenancies Act, 2006* to freeze rents at 2020 levels for most tenancies in 2021, including households receiving rent-geared-to-income (RGI). Rent increases would be permitted under limited circumstances, such as cases where landlords and tenants agree on rent increases for specific capital expenses or provision of additional services.

Although regulations have not yet been developed, it appears this freeze will impact most private-market tenants, as well as residents of HYI and other community housing providers, including households receiving RGI. Typically, housing providers adjust rents based on changes in household income. Under the proposed rent freeze, RGI households that experience a decrease in income will have their rents decreased, but housing providers will be unable to increase rents if a household's income increases.

The rent freeze may create financial pressure for HYI as revenues will be restricted to 2020 levels. Based on information to date, it is estimated that the rent freeze will result in \$171,000 of lost revenue for HYI in 2021.

Housing Services team members are continuing to work with the Province of Ontario to understand the full impact of the rent freeze on community housing residents and housing providers. This measure will also have financial impacts for Service Managers. Additional details will be provided, as they become available.

Housing development updates

Maplewood Place, City of Richmond Hill - roof replacement

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

Kingview Court, Town of King – parking lot replacement

The existing parking lot was showing significant heaving and severe cracking, which was unexpected as it was last replaced in 2011 with the new building addition. An assessment revealed the sub-surface material was in poor condition which was causing the issues.

In 2019, there were two parking related questions on the resident survey. Of the Kingview Court residents who responded to the survey, 91% said the parking lot was well lit but only 22% said the parking lot was in good condition. As such, the replacement also responded to the resident survey, as residents identified parking lot repairs as a priority.

Construction to replace the parking lot began in June 2020 and was completed in November. The construction work was carried out in phases to minimize the impact on resident parking.

The scope of work included the removal and replacement of the subsurface materials, installation of a new weeping tile drainage system, and replacement of the asphalt, concrete curbs, and the concrete front entrance and walkway. The parking lot will have new lines painted to ensure the parking spaces comply with Accessibility for Ontarians with Disabilities Act requirements, and will be completed by end of November.

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

Martinway, the general contractor for this project, continues to progress with work on the underground parking area, including building foundations, columns, waterproofing, excavation of soil and moving of materials. The project team and the contractor have identified opportunity for enhancements to certain building components, such as triple glazed windows and a centralized heating control system, to both extend the overall lifecycle of the building and reduce operating costs. Shared site servicing and a new driveway through the Unionville Home Society area are nearly complete, with final asphalt and landscaping to be completed this fall.

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 of Whitchurch-Stouffville's planning staff. A virtual public information process was launched in September, including a short video explaining the project, design elements and project schedule. The public had the opportunity to complete an online survey to provide feedback. Approval of the planning application is anticipated before winter. Demolition of the existing commercial structures has begun and will conclude in November.

Kathy Milsom General Manager #11697812

Housing York Inc. Board of Directors Meeting November 4, 2020



Report of the General Manager

Building Better Together: Housing York Inc.'s 2021 to 2024 Strategic Plan

Recommendation

The Board of Directors approve the 2021 to 2024 Housing York Inc. Strategic Plan (Attachment 1).

Summary

This report seeks Board approval of the Housing York Inc. (HYI) 2021 to 2024 Strategic Plan. The current HYI plan, <u>Achieving New Heights through Innovation and Sustainability</u>, concludes in 2020.

Key points:

- As the Region's housing corporation, HYI has an important role in supporting York Region's housing and homelessness goals.
- The 2021 to 2024 Strategic Plan builds on HYI's successes achieved under the current plan, while seeking innovative and ambitious approaches to help address housing challenges faced by HYI and the Region, such as limited affordable housing supply.
- Partnerships with the Region's local cities, townships and towns, as well as the private and non-profit sectors, will allow HYI to increase affordable housing options beyond the normal rate of growth.

Background

Housing York Inc. provides affordable housing to over 4,500 residents

HYI owns and operates 36 housing sites with 2,762 units distributed through all nine local municipalities, and five emergency and transitional housing facilities. HYI manages building operations, ensures properties are well-maintained and financially sustainable, supports successful tenancies and promotes resident engagement with the vision of building communities that everyone would be proud to call home. Safe, secure and affordable housing is a key social determinant of health, and HYI's success is essential to ensuring the health and wellbeing of its residents.

The 2017 to 2020 Plan supported Housing York Inc. to increase the supply of affordable housing and ensure properties and finances are managed effectively

In <u>November 2016</u>, the HYI Board approved the 2017 to 2020 Plan, with five strategic directions:

- 1. Strengthen community health
- 2. Build long-term financial sustainability
- 3. Effectively manage assets
- 4. Provide good governance and strengthen organizational capacity
- 5. Inform and implement Regional housing initiatives

HYI has achieved success under each of these five strategic directions. Highlights include:

- Opened Woodbridge Lane, a 162-unit affordable rental housing development in the City of Vaughan
- Completed over 300 capital projects, including roof replacements, generators, lighting upgrades, parking lot replacements and building envelope enhancements
- Developed a portfolio management strategy to support informed decision-making regarding the future of HYI buildings
- Established HYI's new vision statement of building inclusive communities that everyone would be proud to call home as a leader in affordable housing, and HYI's new mission statement of working with residents and partners to deliver housing programs and services that are important to our communities as a responsible and caring landlord
- Completed a resident survey in 2019 to better understand and respond to residents' diverse needs
- Developed a Resident Inclusion Plan to support welcoming and inclusive communities

Housing York Inc. has an important role in helping the Region achieve its goals for the housing and homelessness system

As the Region's housing corporation and largest of 45 community housing providers, HYI has an important role in helping address the Region's increasingly complex housing challenges. In <u>October 2019</u>, Council approved an updated 10-year housing and homelessness plan, <u>Housing</u> <u>Solutions: A Place for Everyone</u>, to respond to Region-wide issues of housing supply, housing stability and sustainability of the housing system. The plan focuses on three goals:

- 1. Increasing the supply of affordable and rental housing
- 2. Helping people find and keep housing
- 3. Strengthening the housing and homelessness system

In York Region, home ownership costs continue to rise and a limited rental market impacts residents' ability to find housing that meets their needs at a price they can afford. York Region had a low vacancy rate of 1.2% in 2019, while the average resale price for all housing types rose above \$940,000.

The supply of affordable housing is not well-matched to the current and forecasted needs of York Region residents. As a result, demand for subsidized housing continues to grow. Since 2010, York Region's subsidized housing wait list more than doubled in size. By the end of 2019, the wait list had 17,457 households, an increase of 8% from 2018. Only 245 households were housed from the wait list across York Region in 2019, down from 301 in 2018. Of those housed in 2019, 125 households were housed within HYI's portfolio.

Changes in federal and provincial funding programs require new and innovative approaches to increase affordable housing options

Investment from senior levels of government is crucial to continue increasing new supply; however, current federal and provincial capital funding is either trending downward or is unknown. The Canada Mortgage Housing Corporation-Ontario Bilateral Agreement states funding to support regional needs related to social and affordable housing repair, construction and affordability supports tapers off by 2027 to 2028 in order to prioritize funding for the Canada Housing Benefit, which began in 2020. This means Service Managers may see a reduction in the types of dedicated federal/provincial capital programs that have been essential to enable HYI to expand its portfolio since the early 2000s.

On September 21, 2020, the federal government announced the \$1 billion Rapid Housing Initiative to help support Canada's economic recovery by rapidly creating new affordable housing. The initiative is intended to create up to 3,000 new affordable housing units across the country by funding the construction of modular housing, acquisition of land, and conversion of existing buildings to affordable housing. Although limited details are available about the program requirements and application process, HYI will work with the Region to assess opportunities to access this funding initiative.

While HYI welcomes new funding opportunities, stable, dedicated capital funding is needed on an ongoing basis in order to plan future developments and address York Region's housing needs. It is critical for HYI to also explore new and creative solutions to increase the supply of affordable housing options.

Analysis

The 2021 to 2024 Strategic Plan positions Housing York Inc. to innovatively respond to complex housing challenges related to limited affordable housing supply, while remaining resident-centric

As the magnitude of York Region's housing challenges continues to increase, HYI must do more to support residents in need of affordable housing options. As such, the 2021 to 2024 Strategic Plan (Attachment 1) reflects a commitment to growth, sustainability and innovation. To build on key accomplishments and respond to current needs and challenges, the plan includes new strategic priorities, goals and actions for the next four years Feedback from residents and the Board of Directors helped ensure the plan reflects the needs of local communities. The findings from a 2019 HYI resident survey informed key actions and targets around building inclusive communities, and providing supports and services to residents. The Board was engaged through three workshops held throughout 2020 to confirm HYI's mission and vision, to inform strategic priorities, actions, key performance indicators and targets, and to review the draft plan. The plan's strategic priorities are presented in Figure 2.

Figure 2 2021 to 2024 HYI Strategic Priorities



The strategic priorities guide HYI to explore new, ambitious ways of increasing the supply of affordable housing beyond the normal rate of growth, supporting residents' diverse needs and ensuring financial sustainability. Each strategic priority has specific goals for the next four years, actions to deliver results, and key performance indicators and targets to measure success. Specific goals and examples of results to be achieved over the four-years of the plan are outlined in Table 1.

Strategic Priority	Goals	Examples of Results
Priority 1: Expanded Housing	1. Portfolio expansion beyond the normal rate of growth	• Double rate of growth (480 new units)
Portfolio	2. Investment from other levels of government	 Maintain \$28.6 million in federal/provincial funding
	 HYI residents impacted by redevelopment are supported 	 Establish baseline and set improvement target from baseline
Priority 2: Inclusive Communities and Successful Tenancies	1. Communities are inclusive	 Complete accessibility inspections and implement enhancement plans in 36 buildings
	Residents are supported to have successful tenancies	 Preserve 97% of tenancies at risk for rent arrears
Priority 3: Financial Sustainability	 Improved life-cycle value for HYI buildings 	 Meet or exceed life expectancy of building components in 90% of buildings
	2. Increased operational efficiencies	 Improve resident satisfaction with elevators, outdoor green spaces and janitorial services
	 New developments are operationally self-sustaining 	 Maintain a 70/30 subsidized/market split in new developments

Table 12021 to 2024 HYI Goals and Examples of Results

Annual business plans and targets will be developed to operationalize the plan. Performance against the annual plans will be carefully managed and tracked to ensure success in delivering on the four-year commitments contained in the plan.

4

New and expanded partnerships are critical to ensuring Housing York Inc.'s continued success over the next four years

HYI cannot achieve the 2021 to 2024 goals on its own. Partnerships with the Region's cities, townships and towns, as well as the private and non-profit sectors can help support new development at an accelerated rate. This includes working with municipalities to advance the development of HYI housing in their communities through municipal fee concessions and identifying new lands available for development. HYI will also establish new public-private partnerships to raise capital and expand the housing portfolio. HYI will work with the Region to develop resources and offer support to non-profit organizations interested in affordable housing development, and continue to partner with support service organizations to help ensure HYI residents have successful tenancies.

Investments from senior levels of government are also crucial to help fund new development and ensure existing assets remain in a good state of repair now and in the future. HYI will continue to advocate to federal and provincial governments to fund new housing developments in order to reduce cost to the Region.

Financial Considerations

HYI's budget enables the corporation to implement strategic directions, manage increasing service demands, and maintain or enhance existing service levels. In order to implement commitments for the first year of the plan, HYI's 2021 Budget is presented to the Board for approval alongside the plan. Cost implications beyond 2021 will be presented to the Board for consideration as part of the annual budget process. In addition, a business case is planned in the 2021 Community and Health Services budget to support staffing resources required to implement commitments in this plan as part of the Regional budget process.

Availability of funds from senior levels of government might impact Housing York Inc.'s ability to advance development-related actions during the four years of this plan

Key actions related to expanding HYI's portfolio might be dependent on federal and provincial funding. HYI will continue to explore opportunities to leverage available funds in order to make progress under each strategic priority. This includes pursuing existing opportunities under the National Housing Strategy and new funding under the Rapid Housing Initiative to support commitments in the plan, such as the development of modular housing.

Local Impact

The plan identifies new and different ways to address demand for affordable housing options across all nine local municipalities. The plan also focuses on ensuring HYI residents have access to the right supports at the right time to support successful tenancies.

Local municipalities are critical partners in increasing the supply of affordable housing, and HYI will continue to work with the Region's cities, townships and towns to advance development at the local level so residents have access to appropriate housing at all ages and stages of their lives.

Conclusion

The Region and HYI have been successful in maintaining existing affordable housing in a good state of repair, increasing the supply of community housing and supporting the diverse needs of residents; however, more needs to be done to help address the Region's growing housing challenges. HYI's 2021 to 2024 Strategic Plan focuses on expanding the housing portfolio, promoting inclusive communities and successful tenancies, and ensuring financial sustainability.

The plan includes new, innovative and ambitious ideas to help accelerate the goals and objectives of the Board of Directors.

The plan aligns with the Region's 2019 to 2023 Corporate Strategic Plan to deliver and promote affordable housing as well as the Region's 10-year housing and homelessness plan. The strategic priorities, goals and actions will advance HYI towards achieving its vision of building communities that everyone would be proud to call home, and its mission of working with residents and partners to deliver services that are important to communities as a responsible and caring landlord.

For more information on this report, please contact Kathy Milsom, General Manager, Housing York Inc. at 1-877-464-9675 ext. 72091. 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.
October 16, 2020	

Attachment 11683888

BUILDING BETTER TOGETHER: Housing York Inc.'s 2021 to 2024 Strategic Plan



Building Strong Communities



A MESSAGE FROM THE HOUSING YORK CHIEF EXECUTIVE OFFICER AND CHAIR

Housing is the foundation of strong, caring, safe communities and a key social determinant of health. Safe, secure and affordable housing is essential for everyone. In our current environment, access to affordable housing options is especially crucial for York Region residents.

The magnitude of York Region's housing challenges continues to increase. York Region has an extremely limited rental housing supply and low vacancy rates, while the cost of home ownership continues to be out of reach for many residents. As a result, there is a growing urgency to address the unmet affordable housing demand in York Region.

As The Regional Municipality of York's housing corporation, Housing York Inc. (HYI) has an important role in creating complete communities. The HYI Board of Directors is committed to ensuring individuals and families have housing options for all ages and stages of their lives. This includes supporting a healthy supply of affordable rental housing and making sure the right supports and services are available for HYI residents.

This 2021 to 2024 strategic plan builds on HYI's successes as a leader in the housing sector, while helping to address new pressures. This plan recognizes we must do more to support residents in need of affordable housing options, and we will. It reflects a commitment to growth, sustainability and innovation, and sets aggressive and ambitious targets. Through this plan, HYI will explore new ways to help address York Region's housing challenges by:

- 1. Expanding the housing portfolio beyond the normal rate of growth
- 2. Promoting inclusive communities and successful tenancies
- 3. Ensuring financial sustainability

HYI cannot do this alone. Partnerships with the Region's nine cities and towns, as well as the private and non-profit sectors, can help support new development at an accelerated rate. Investments from senior levels of government is also critical to help fund new development and ensure existing assets remain in a good state of repair now and in the future.

Through this plan, we will *build better together* so all residents have a place to call home.

Wayne Emmerson CEO, Housing York Inc.

TOHN TAYLOR

John Taylor Chair, Housing York Inc.

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EXECUTIVE SUMMARY

The housing sector is evolving, creating challenges and opportunities for Housing York Inc. (HYI). In York Region, home ownership costs continue to rise and a limited rental market impacts residents' ability to find housing that meets their needs. For households living with low income, the high cost of private-market housing may lead to housing instability or homelessness. Many residents are struggling to find and keep adequate housing, which has contributed to a growing demand for affordable housing and limited turnover. By the end of 2019, 17,457 households were on York Region's subsidized housing wait list, an increase of 8% from 2018. Only 245 households were housed from the wait list across York Region in 2019, down from 301 in 2018.

The supply of affordable housing is not well-matched to the current and forecasted needs of the community. Investment from senior levels of government is crucial to continue increasing new supply; however, current federal and provincial capital funding is either trending downward or is unknown. This reality poses significant challenges for planning future developments and addressing York Region's critical housing needs.

As the Region's housing corporation, HYI has an important role in helping to address these challenges and contributing to Regional strategic housing priorities. Safe, secure and affordable housing is a key social determinant of health, and HYI's success is essential to promoting the health and well-being of HYI residents.

This 2021 to 2024 Strategic Plan positions HYI to respond to the changing housing landscape over the next four years, while continuing to offer residents quality homes in inclusive communities. The plan provides a framework to be innovative in expanding the housing portfolio, supporting residents' diverse needs and ensuring financial sustainability. Residents remain at the forefront of strategic planning efforts to help ensure affordable housing options and the right supports are available now and in the future.

This plan includes three strategic priorities to advance HYI towards its vision, and reflects input and feedback from residents, partners and the Board of Directors:



BACKGROUND AND LANDSCAPE

About Housing York Inc.

HYI is a community housing provider regulated by the Housing Services Act, 2011, incorporated under the *Ontario Business Corporations Act, 1990* and owned by the Region. As a leader in York Region's housing sector, HYI manages and maintains 36 housing properties with more than 4,500 residents in 2,762 units located in all nine local cities, townships and towns. HYI is the largest community housing provider in York Region.





VISION AND MISSION

In 2017, the Board of Directors approved HYI's vision and mission. The vision and mission statements guided the development of this plan and continue to inform day-to-day operational decisions. These statements also align with the Region's vision of strong, caring, safe communities, and its mission of working together to serve our thriving communities – today and tomorrow.



ORGANIZATIONAL STRUCTURE AND DECISION-MAKING

York Regional Council is the **shareholder** for HYI. The shareholder is responsible for approving the auditor, appointing the HYI Board of Directors and approving the shareholder direction that sets out the Board's authorities.

York Regional Council has additional responsibilities outside its role as shareholder to support the Region in its provincially-designated role as Service Manager for housing. As Service Manager, the Region is responsible for planning, managing and administering funding for York Region's housing and homelessness system based on local needs. This includes transforming and managing York Region's subsidized housing wait list. Council approves the Region's annual budget, which includes funding allocated to HYI. Council is also responsible for approving housing development and capital funding for new buildings that HYI receives.

The **HYI Board of Directors** has important responsibilities regarding strategic planning, housing development, budgeting and operational oversight. The Board is responsible for setting the strategic direction for HYI in alignment with Regional strategies, approving HYI's operating and capital budgets, annual reports and audited financial statements, and overseeing the operation of HYI.

41% of HYI's 2020 budget is Regional subsidies.

OF THIS, 60% is operating subsidies,

AND 40% is capital.



The decision-making roles for the Region and HYI are outlined in Figure 1 below:

Function	Regional Council	Shareholder	HYI Board
Strategic Direction and Business Planning	Approves strategic direction, such as 10-year housing and homelessness plan	Defines Board authorities	Sets HYI's strategic direction, approves business plans, oversees operations in alignment with Regional and shareholder direction
Housing Development	Approves and manages funding and development	N/A	Receives new buildings Contributes land to Regional housing redevelopments
Financial	Approves Regional funding for HYI	Appoints the auditor Receives the audited financial statements	Approves the Housing York budget and financial statements
Employees	Approves FTEs for HYI-related positions	Prescribes the Management Services Agreement	Oversees the operations of the organization

Figure 1: Decision-Making Roles and Authorities

HYI does not have its own employees. HYI relies on a Management Services Agreement with the Region for the entire team to manage strategic planning, financial services and the day-to-day operations of the corporation. Leadership is provided by the Region's Housing Services Branch, within the Community and Health Services Department. The organizational structure is illustrated in Figure 2 below.



Figure 2: Organizational Structure of the Region and HYI



STRATEGIC ALIGNMENT

The federal and provincial funding and policy environment sets the context and informs planning for the Region and HYI.

Although the Region's role as Service Manager is distinct from HYI's role as housing provider, this Strategic Plan supports key Council-approved priorities. This includes the 2019 to 2023 Corporate Strategic Plan and Housing Solutions, phase 2 of the Region's 10-year housing and homelessness plan, which was approved by Council in October 2019.

As the Region's housing corporation, HYI has an important role in helping the Region achieve its goals for the housing and homelessness system.

FEDERAL AND PROVINCIAL Funding and Policy Environment

2019 TO 2023 Corporate Strategic Plan

Delivering and promoting affordable housing

SERVICE MANAGER ROLE

10-year housing and homelessness plan



HYI contributes to the goals of the Region's 10-year housing and homelessness plan



PROGRESS FROM 2017 TO 2020

Between 2017 and 2020, HYI worked with the Region and other stakeholders to make progress on its goals and objectives, with details provided in progress reports and annual reports. Highlights include:

Sustaining and Expanding the HYI Portfolio

- Opened Woodbridge Lane, a new 162-unit apartment building that replaced two small former HYI buildings located in the City of Vaughan
- Completed over 300 capital projects, including roof replacements, generators, lighting upgrades, parking lot replacements and building envelope enhancements
- Developed an Energy and Utilities Management Plan resulting in emission reductions, and energy and cost savings
- Developed and approved a Portfolio Management Plan
- Implemented the long-term fiscal strategy

Supporting HYI Residents and Operations

- Developed a Resident Inclusion Plan to support welcoming and inclusive communities
- Engaged residents through health, safety and wellness programs, educational workshops, and community events to support and connect residents in healthy and inclusive communities
- Developed HYI's new mission and vision statements
- Completed a resident survey in 2019 to better understand and respond to residents' diverse needs



SUMMARY OF STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS ANALYSIS

To inform HYI's strategic direction going forward, it is important to understand the current environment. The following provides a summary of an analysis of HYI's strengths, weaknesses, opportunities and threats (SWOT). For additional details, please refer to Appendix 1.

Strengths

Things HYI does particularly well, or in a way that distinguishes it from other housing providers

HYI has a strong organizational capacity, manages and maintains its assets and provides high-quality support to its residents. The Board of Directors is engaged, knowledgeable and supports innovation, and HYI continues to benefit from Council's commitment to housing through significant portfolio growth. HYI's buildings are wellmaintained and well-funded with a strong fiscal strategy and portfolio management plan in place. Residents receive responsive and inclusive services from both internal and external partners that promote successful tenancies and benefit their overall well-being.

Weaknesses

Areas HYI could improve and practices to avoid

Processes and resourcing could be improved to enhance efficiency and effectiveness. Some technology remains outdated, and requires Regional support to address evolving operational demands and improve efficiency. Internal and external resources are not always available to manage the complex needs and expectations of HYI residents, such as supporting residents to age in place.

Opportunities

Circumstances that provide space for positive things to happen

Opportunities include continued leadership, supporting the rental housing supply, building partnerships and enhancing processes. HYI's leadership position in the sector supports its ability to influence policy, and continued support from the Board of Directors can help implement improvements, such as technology enhancements. HYI is the owner of assets with redevelopment potential and can support the implementation of innovative models and financing tools to increase York Region's rental housing supply. HYI also has the opportunity to build on external partnerships.

Threats

Factors that could negatively affect HYI's business

Changing demographics and resident needs, limited funding sources, evolving regulations and aging assets affect HYI's business. York Region's population is aging, people are living longer and HYI is seeing an increasing number of residents without adequate family support. With limited alternatives, HYI manages residents with higher needs. Increasing diversity in HYI communities is also causing resident conflict where discrimination and exclusion are contributing factors. In addition, HYI has a limited ability to generate revenue from market rental units and is reliant on Regional funding. Evolving legislation and/or regulations impacting HYI can also result in new, expensive compliance obligations without a funding source.

North View Court, Town of Georgina

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AN UPDATED PLAN FOR 2021 TO 2024

This document represents an updated plan for 2021 to 2024 to continue advancing towards HYI's vision of building communities that everyone would be proud to call home, as a leader in affordable housing. It reflects input and feedback from the Board of Directors, as well as the results of an environmental scan and needs assessment. The strategic priorities build on the successes and progress made between 2017 and 2020, while recognizing ongoing and new challenges impacting residents and HYI's business.

Each strategic priority has specific goals for the next four years, high-level actions to achieve them, and key performance indicators and targets to measure success. The actions, key performance indicators and targets cover the full four years of the plan. To operationalize this Strategic Plan, annual business plans and targets will be developed for each individual year of the plan. Performance against the annual plans will be carefully managed and tracked to ensure success in delivering on the four-year commitments contained in this plan.

Developing the Plan

Development of this plan considered HYI's accomplishments from 2017 to 2020, what HYI should continue striving to achieve, as well as how York Region's housing landscape and population have changed since 2017.

In 2019, an HYI resident survey was completed that identified strengths and areas HYI can improve. The findings from this survey informed key actions and targets around building inclusive communities, and providing supports and services to residents. The Board was engaged through three workshops held throughout 2020 to confirm HYI's mission and vision, to inform strategic priorities, actions, key performance indicators and targets, and to review the draft plan.

Feedback from residents and the Board helped ensure the Strategic Plan reflects the needs of local communities.

Funding the Plan

This Strategic Plan includes a number of goals and actions to help HYI advance towards achieving its vision. HYI's budget enables the corporation to implement strategic directions, manage increasing service demands, and maintain or enhance existing service levels. In order to implement the plan, cost implications will be presented to the Board for consideration as part of the annual budget process.

Key actions related to expanding HYI's portfolio might be dependent on federal and provincial funding. The availability of funds from senior levels of government might impact HYI's ability to advance development-related actions during the four years of this plan.

STRATEGIC PRIORITIES



STRATEGIC PRIORITY 1: Expanded Housing Portfolio

Why this priority is important

Safe, secure, affordable housing is an important social determinant of health, supporting positive economic, social and health outcomes. This strategic priority recognizes that a healthy supply of affordable and rental housing is needed in York Region so individuals and families have housing options for all ages and stages of their lives. HYI has the opportunity to contribute to Regional housing initiatives that increase the supply of affordable and rental housing in local communities.

What we are already doing

Over the next four years, we will continue to:

- Maintain HYI's building conditions to support good performance and resident comfort, ensuring that existing supply does not deteriorate;
- Implement universal design principles and build accessible units in new HYI developments to ensure high-quality housing for all HYI residents; and
- Work with partners to advocate for consistent and predictable funding sources for capital repairs and new development.



Regional Role and Commitments in the 10-year housing and homelessness plan

The work under this strategic priority will also be advanced through the Region's commitments as a corporation, Service Manager and shareholder. The Region's responsibilities include:

- Approving portfolio expansion beyond normal rate of growth
- Increasing funding sources for new affordable housing, including from senior levels of government, to reduce the cost to the Region
- Providing incentives to encourage the development of new affordable purpose-built rental housing

¹Social determinants of health are the interrelated social, political and economic conditions that influence how people live, learn, work and play. Social determinants of health can also be referred to as the social and economic resources needed to be healthy. Housing is necessary for preventing poor health and building healthy social and physical environments. Living conditions that are unsafe, unaffordable or insecure increases and contributes to poor health status. More information is available at https://thecanadianfacts.org/The_Canadian_Facts-2nd_ed.pdf.

How we will make progress on this strategic priority

Actions	Key Performance Indicators	Targets
Goal 1: Portfolio expansion beyond t	he normal rate of growth	
1.1 Support HYI portfolio expansion by recommending and prioritizing land for development/redevelopment, and identifying new partnerships through a working group of Regional team members in consultation with HYI Board members and industry experts	A Number of preliminary development concepts, including feasibility assessments, for priority HYI sites identified through the Portfolio Management Plan	A. 5
	B. Number of development concepts explored with partners (e.g. developers, housing providers, YRRTC, Metrolinx, school boards, LHIN, school boards, faith-based organizations, local municipalities)	B. 20
	C. Number of established partnerships for co-development on partner sites	C. 1
1.2 With Regional support, assess feasibility and initiate innovations to	A. Number of units in planning and development at a stage ready for implementation based on funding	A. Double rate of growth (480)
intensify existing HYI sites, such as:Modular home demonstration project	B. Number of modular homes project in operation	B. 1 with at least 10 units
• Low rise development(s)	C. Number of low-rise infill development units under construction on an HYI site	C.15
 Public-private partnerships Scoping of Armitage Gardens redevelopment as part of the Newmarket Health Centre Campus 	D. Number of public-private partnerships established for redevelopment of an HYI site	D. 1
	E. Increase in the number of units in the master plan over that at Armitage Gardens at present	E. Double (at least 116)
master plan	F. Amount of capital funds raised through public-private partnership (e.g. sale of land, co-development)	F. \$5 million
1.3 Partner with the Region to develop resources and offer support to non-	A. Number of feasibility analyses of development potential completed for non-profit development or re-development sites	A. 15
profit organizations interested in developing affordable housing	B. Number of non-profit units supported with development of conceptual plans and/or connection to funding streams, land lease opportunities or other resources	B. 250
Goal 2: Investment from other levels	of government	
2.1 Advocate to senior levels of government to fund new HYI housing developments	A. Maintain existing federal/provincial capital development funding	A. \$28.6 million
2.2 Work with local municipalities to advance the development of	A. Percent of development projects with municipal fee concessions	A. 100%
HYI housing in their communities (e.g. provision of land, parkland, planning fees)	B. Number of municipal sites identified as suitable for affordable housing development	B. 5
Goal 3: HYI residents impacted by re	development are supported	
3.3 Develop and implement an HYI resident consultation and engagement process to inform planning for community redevelopment	A. Percent of residents in HYI communities being redeveloped who feel through an impacted resident survey that HYI was responsive to their needs	A. Establish baseline through next HYI redevelopment; set improvement target for next redevelopment from baseline

STRATEGIC PRIORITY 2: Inclusive Communities and Successful Tenancies

Why this priority is important

Helping residents maintain stable housing is a priority for HYI and the Region. This strategic priority recognizes that residents sometimes need support in order to have successful tenancies and enhance their well-being. This means considering residents as individuals, providing the right services at the right time, and building inclusive communities so all residents feel safe, welcome and at home.

What we are already doing

Over the next four years, we will continue to:

- Ensure residents are connected to Regional social work supports and provide financial literacy supports to help residents budget and maintain financial stability
- Work with community partners to bring a range of programs and services into HYI buildings
- Focus on food security and food access programs for residents
- Support residents with better access to technology
- Provide operations and maintenance services to support safe, high-quality emergency housing



Regional Role and Commitments in the 10-year housing and homelessness plan

The work under this strategic priority will also be advanced through the Region's commitments as a corporation, Service Manager and shareholder. The Region's responsibilities include:

- Helping people find and keep housing
- Transforming and managing the subsidized housing wait list
- Implementing the Region's Inclusion Charter, which has been endorsed by HYI
How we will make progress on this strategic priority

Actions	Key Performance Indicators	Targets
Goal 1: Communities are inclusive		
1.1 Implement resident inclusion plan with consideration to:Accessibility of buildings	A. Number of properties where accessibility inspections are completed and enhancement plans implemented*	A. 36
 Inclusive communications Business processes and practices that 	B. Percentage of residents who agree to receive general HYI communications electronically; baseline 10%	B. 20%
 respect diversity Partnerships to provide programs and services that are important to HYI 	C. Residents who report that HYI treats them respectfully	C. Maintain 93%
communities	D. Participation rate for programs offered defined as the number of attendees/ program capacity	D. Year 1 establish baseline; set year 4 target based on baseline
1.2 Research and establish tools to effectively build cultural competency amongst residents, and combat	A. Percent of team members trained in anti-racism	A. 100%
behaviours of discrimination and bias that negatively impact communities	B. Percent of communities engaged in diversity and inclusion activities	B. 75%
Goal 2: Residents are supported to have	successful tenancies	
2.1 Refresh the Tenancy Management Plan to reflect the changing economic environment	A. Percent of tenancies at risk for rent arrears preserved**	A. 97%
	B. Arrears in comparison to benchmark established through large community housing provider KPI initiative	B. Year 1 establish benchmark; set year 4 equal to or better than benchmark
2.2 Continue to develop partnerships to support successful tenancies	A. Percent of program participants who feel through a survey the right programs/ services are available in their HYI community	A to C. Year 1 establish baseline; set year 4 target based on baseline
	B. Percent of tenancies that are preserved when the tenancy is at risk for behaviour- related issues	
	C. Percent of residents satisfied with referral services ***	

* Subject to scope/funding availability **Primary reason for eviction is arrears ***From those residents who agree to a referral



STRATEGIC PRIORITY 3: Financial Sustainability

Why this priority is important

HYI's long-term financial sustainability is critical so individuals, seniors and families have access to high-quality affordable housing now and in the future. This strategic priority recognizes that sustainability comes from strong life-cycle value for buildings, efficient operations and finding new ways of funding developments, as financial resources may become increasingly limited. This means protecting HYI's existing assets and managing resources in a way that can also support new initiatives.

What we are already doing

Over the next four years, we will continue to:

- Follow the principles and policies identified in the long-term fiscal strategy, including the prudent management of reserves
- Upgrade and improve HYI's property management system, including new software modules to support business needs
- Invest in capital repairs and upgrades to increase the safety, accessibility and lifespan of buildings



The work under this strategic priority will also be advanced through the Region's commitments as a corporation, Service Manager and shareholder. The Region's responsibilities include:

- Enhancing the approach to housing development that minimizes overall life-cycle cost
- Working with Service Managers across the province to develop a coordinated response to the end of mortgage opportunity for community housing providers mandated under the *Housing Services Act, 2011*
- Delivering training for community housing providers on the end of operating agreements and end of mortgages
- Implementing energy conservation and GHG reduction initiatives identified in the Corporate Energy Conservation and Demand Management Plan

How we will make progress on this strategic priority

Actions	Key Performance Indicators	Targets
Goal 1: Improved life cycle value for H	YI buildings	
1.1. Develop and implement an enhanced process to ensure capital	A. Percent of components that meet or exceed component life expectancy	A. 90%
and operational decisions are based on key criteria such as impacts to residents, operational needs, funding opportunities and life-cycle value	B. Reduction in life-cycle total cost (capital and operating and maintenance) per component	B. Year 1 implement Yardi preventative maintenance module and test process with selected component(s); Year 2 establish baseline; set year 4 improvement target for selected components
	C. Percent increase in resident satisfied with major repairs; baseline 70%	C. 78%
Goal 2: Increased operational efficien	cies	·
2.1 Evaluate and improve business processes and technology to	A. Percent of residents using PAP/online banking; baseline 90%	A. 98%
support operational efficiency and	B. Percent of invoices processed electronically within 28 days	B. 100%
effectiveness, evolving compliance obligations, continuous improvement and outcomes-measurement while	C. Average time to complete work requested through resident maintenance requests	C. 95% completed within 5 business days
remaining resident-centric	D. Percent resident satisfaction with maintenance services (rated good or very good); baseline 78%	D. 80%
	E. Maintain resident satisfaction ratings with HYI "helpfulness"	E. 87%
2.2 Strengthen vendor performance management to improve the quality and efficiency of maintenance and repair work	 A. Improved resident satisfaction from 2019 survey for each of the following baselines: elevators 55%, outdoor green spaces 51%, janitorial 83% 	A. Elevators: 70%; Outdoor green spaces: 70%; Janitorial: 85%
2.3 Continue implementing energy efficiency projects to reduce	A. Annual GHG reduction (tonnes) in communities with retrofits completed	A. 960 tonnes*
greenhouse gas (GHG) emissions, utility consumption and operating costs while	B. Annual cost savings in communities with retrofits completed	B. \$422,000*
maintaining resident comfort levels in accordance with the HYI Energy and Utilities Management Plan	C. Resident satisfaction with process and impact	C. Year 1 establish process and baseline; set year 4 target based on baseline
Goal 3: New developments are operation	tionally self-sustaining	
3.1 Develop and implement a strategy	A. Subsidized/market split	A. 70/30
to reduce the reliance on Regional subsidies while maintaining	B. Percentage above CMHC's average market rent (AMR) charged for market rental units	B. 125% AMR
subsidized/market split	C. Maximum debt as a percent of total project cost	C. 15%
	D. Minimum operating surplus as a percent of total revenue	D. 10%
	E. Agency/commercial space revenue	E. Minimum net neutral
	F. Manageable cost/unit based on incremental costs	F. \$3,800/unit

*Targets assume in-suite work can be completed within HYI communities. In-suite work may be delayed or not possible due to factors beyond HYI's control, such as restrictions surrounding COVID-19. 35

Orchard Heights Place, Town of Aurora

REPORTING ON PROGRESS

HYI will continue to track progress under each strategic priority and measure performance over the next four years.

Annual Business Plans

As the actions identified in this plan are for a four-year period, annual business plans will be developed that identify specific work for each year of the plan. These business plans will include annual targets to track progress throughout the life of this Strategic Plan.

Annual Progress Reports

Progress reports will be provided to the Board of Directors outlining the progress made towards achieving the goals under each strategic priority quarterly. For key performance indicators that require baselines to be established, progress reports will outline the baselines once identified. Progress reports will also be posted publicly on the Region's website.

CONCLUSION

HYI has been successful in maintaining its portfolio in a good state of repair, and adding new units to the portfolio to increase residents' access to affordable housing; however, more needs to be done to help address the Region's growing housing challenges.

In alignment with the Region's 2019 to 2023 Corporate Strategic Plan and 10-year housing and homelessness plan, HYI's 2021 to 2024 Strategic Plan focuses on expanding the housing portfolio, supporting residents' needs by promoting inclusive communities and successful tenancies, and ensuring financial sustainability. The goals and actions within this plan provide the opportunity for HYI to be innovative and explore new ways of business. This Strategic Plan will advance HYI towards achieving its vision of building communities that everyone would be proud to call home, and its mission of working with residents and partners to deliver services that are important to communities as a responsible and caring landlord.

APPENDIX 1: COMPREHENSIVE SWOT ANALYSIS

The following SWOT analysis was completed to understand the current environment and inform HYI's strategic direction. A number of factors in this SWOT analysis are consistent with HYI's 2017 to 2020 plan. HYI continues to benefit from strong leadership, effectively manage its assets and provide high-quality services to residents. However, HYI is experiencing increasing resident diversity and complexity of resident needs. Increasing resident diversity is causing resident conflict where discrimination and exclusion are contributing factors. HYI is also experiencing increasingly limited or unknown funding sources. While HYI continues to rely on Regional funding, the uncertainty of federal/provincial funding beyond 2022 is a growing threat to HYI.

Strengths

Things we do particularly well, or in a way that distinguishes HYI from other housing providers

1) Organizational Capacity

- HYI has the support of a strong Board of Directors that is engaged, knowledgeable and supports innovation
- Organizational capacity is further strengthened by access to the Region's professional services, such as Human Resources, Legal and Risk
- HYI benefits from Regional Council's commitment to housing, which continues to support significant growth in HYI's portfolio, including the addition of over 1,000 new and planned units from 2011-2022

2) Managing and Maintaining Assets

- HYI's buildings are well-maintained, well-funded and in a good state of repair
- Strong fiscal strategy and portfolio management plan are in place. HYI's financial sustainability is further supported by a blend of market and affordable units in 42% of HYI's communities

3) Supporting Residents

- HYI also stands out in terms of the support provided to residents. Residents receive responsive, inclusive and high-quality services from both internal and external partners
- HYI team members are a strong asset, as they are knowledgeable, responsive and caring

Weaknesses

Areas we could improve and practices that we should avoid

1) Complexity and Processes

- Managing the relationships and services with local municipalities is complex. For example, HYI manages relationships with eight different fire departments and is currently pursuing a technology solution that will increase efficiency of our fire system monitoring. To implement this change, eight separate approval processes are needed
- Procurement processes are resource-intensive and provide a limited opportunity to support value for money and life cycle financial benefits to the Corporation
- The Board of Directors continues to support efforts to modernize technology. Some of HYI's technology remains outdated and requires Regional support to implement new solutions to address evolving operational demands and improve efficiency

2) Resourcing

• Internal resources are not always available to manage the increasingly complex needs and expectations of HYI residents, such as supporting residents to age in place

Opportunities

Circumstances that provide space for positive things to happen

1) Leadership

- •HYI's leadership position in the sector supports ability to influence policy. This includes advocacy for increased capacity in the community housing sector
- Continued support from the Board of Directors regarding:
 - Implementing technology enhancements
 - The Resident Inclusion Plan, which supports HYI to address issues that emerge as communities become increasingly diverse. This sometimes results in incidents of resident discrimination and exclusion

2) Rental Housing Supply

- •HYI is the owner of assets with redevelopment potential that can enhance York Region's rental housing supply
- Support Regional Council to increase the supply of purpose-built rental housing through:
 - Redevelopment
 - Accessing Regionally- and municipally-owned lands
 - Partnerships with private sector developers
 - Leveraging new financing tools such as the Co-Investment Fund available through the federal government

3) Partnerships

• Continue building external partnerships and working with each municipality to support consistency in properties across the Region, such as bylaw, parking and fire services

4) Policy and Process Development

• Leverage HYI's structure as a distinct corporation to develop or enhance policies. This includes a procurement policy that supports more efficient and value-add procurement of services

Threats

Factors that could negatively affect our business

1) Demographic Trends and Resident Needs

- York Region's population is aging and people are living longer. Seniors are more likely to remain in their units with care requirements that in the past would have resulted in a move to long-term care. With limited alternatives, HYI manages higher risk residents
- HYI is seeing an increasing number of residents with limited or no family support
- The increasing diversity of HYI residents is causing friction in formerly homogenous communities. As a result, HYI is addressing resident conflict where discrimination and exclusion are contributing factors

2) Restrictive or Limited Funding Sources

- HYI's ability to generate revenue from market rental units is limited to 20% of HYI's total units
- HYI is reliant on Regional funding to maintain rent subsidies and invest in capital repairs. There is the potential for reduced federal/provincial funding that may place additional reliance on Regional tax levy funding. Evolving legislation and/or regulations can also result in expensive compliance obligations without a funding source

3) Aging Assets

• HYI's communities continue to age, as 78% of buildings, or 28 communities, are 23 to 52 years old. The costs to maintain communities is funded by rental revenue and subsidies provided by the Region through the tax levy

HOUSING YORK INC.

17250 Yonge Street Newmarket, Ontario, L3Y 6Z1 york.ca/<u>housing</u>_____ Housing York Inc. Board of Directors Meeting November 4, 2020



Report of the General Manager and Chief Financial Officer

Housing York Inc. 2021 Budget

Recommendation

The Board of Directors approve Housing York Inc.'s 2021 budget as summarized in Attachment 1.

Summary

This report seeks the Board's approval of Housing York Inc.'s (HYI's) 2021 budget as summarized in Attachment 1.

Background

The Board approved a new long-term fiscal plan for Housing York Inc.

In <u>November 2017</u>, the Board of Directors approved a new long-term fiscal plan for HYI. The fiscal plan was developed to ensure HYI remains fiscally responsible, safeguards its assets and is accountable for effectively managing its resources. The fiscal plan includes a reserve strategy that sets goals and objectives for HYI's reserves, a new Operating Surplus Policy that establishes a framework for the allocation of operating surpluses and an updated Investment Policy to ensure prudent management of HYI's working capital and reserves.

A new Housing York Inc. strategic plan has been developed for 2021 to 2024 based on the approach presented and approved by Housing York Inc.'s Board in January 2020

In alignment with the Region's <u>10-year housing and homelessness plan</u>, the 2021 to 2024 Strategic Plan for HYI focusses on addressing challenges in the Region's affordable rental supply and seeks innovative ways to work to meet demand and support residents. This plan will ensure HYI is well positioned to respond to increasingly complex challenges over the next four years. The plan identifies three strategic priorities and a broad range of supporting actions. The plan will be presented to HYI Board of Directors for approval in November 2020.

Regional subsidies and requests for permanent staffing in HYI's budget are included in the Community and Health Services budget, scheduled to be presented to Committee of the Whole in March 2021. The HYI budget is subject to final approval of the Region's budget.

Analysis

The 2021 budget supports the implementation of Housing York Inc.'s 2021 to 2024 Strategic Plan and additional expenditures related to COVID-19 and a designated substance survey

The 2021 operating budget includes \$448,000 to support the implementation of HYI's new strategic plan, Building Better Together. Nearly half of the funding is to support the configuration and deployment of the Yardi Advanced Maintenance Module. This module will modernize the paper and spreadsheet based maintenance tracking systems to facilitate life cycle costing and stronger asset performance reporting.

The operating budget includes \$228,000 in COVID-19 related expenses. These expenses include the purchase of additional personal protective equipment, professional cleaning services and disinfecting supplies. The budget also includes a 0% increase in rental revenue as the Ontario Government introduced *Bill 204, Helping Tenants and Small Businesses Act, 2020*, intended to freeze residential rents at 2020 levels in order to support families impacted by COVID-19. The proposed rent freeze would end December 31, 2021.

Some timelines may be impacted if it is necessary to change plans in response to COVID-19, or to provide support to other parts of York Region to assist with the COVID-19 emergency response.

Additional funding of \$200,000 is included in the 2021 operating budget for a designated substance survey required under the *Occupational Health and Safety Act*.

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HYI 2021 Operating Budget Summary						
2020 2021 Budget Variance						
	Budget	Budget	•			
	(\$000)	(\$000)	(\$000)	%		
Revenue						
Market rent	8,474	9,091	617	7.3%		
Subsidized rent	14,407	14,146	(261)	-1.8%		
Non-rental revenue	1,222	1,365	143	11.7%		
Regional subsidies	17,187	17,471	284	1.7%		
Total revenue	41,290	42,074	784	1.9%		
Expenditures						
Salaries and benefits	7,742	8,185	443	5.7%		
Administration	1,764	1,934	171	9.7%		
Facilities	5,539	5,822	283	5.1%		
Utilities	4,065	4,072	7	0.2%		
Property taxes	3,426	3,508	82	2.4%		
Mortgage/debentures	9,351	9,361	10	0.1%		
Mandatory contributions to reserve	8,545	8,812	267	3.1%		
Total expenditures	40,432	41,694	1,262	3.1%		

HYI's 2021 operating budget summary is presented in Table 1.

	2020	20 2021 Budget Varia		/ariance
	Budget	Budget		
	(\$000)	(\$000)	(\$000)	%
Operating surplus before contributions	858	380	(478)	-55.7%
Contributions to reserve	858	380	(478)	-55.7%
Net surplus/(deficit)	0	0	0	0.0%

Note: Numbers may not add due to rounding

Financial Considerations

Housing York Inc.'s revenue increases are driven by a full year of rental revenue at Woodbridge Lane in the City of Vaughan, and the implementation of the new local eligibility rules related to income and asset limits

Total revenue is projected to increase by \$784,000 or 1.9% over 2020. This increase is due to higher market and non-rental revenue and additional Regional subsidies.

- Market rent is projected to increase by \$617,000 or 7.3%. This increase is largely due to:
 - Market units being fully occupied at Woodbridge Lane, in the City of Vaughan. In 2020, two months of occupancy loss had been allocated to align with expected move-in dates.
 - The implementation of the new local eligibility rules under the *Housing Services Act, 2011* (HSA) related to income and asset limits. This change resulted in 25 residents transitioning from subsidized rent to market rent.
 - The Ontario Rent Increase Guideline for 2021 of 0%. The Ontario Government passed *Bill 204, Helping Tenants and Small Businesses Act, 2020*, freezing residential rents at 2020 levels in order to support families impacted by COVID-19. The rent freeze ends December 31, 2021. This applies to resident households paying market rents and those paying subsidized rents.
- Rent for subsidized units is projected to decrease by \$261,000 or -1.8% due to:
 - The change in the eligibility rules mentioned above regarding asset and income limits.
 - Offering subsidized rents at the Richmond Hill Hub in the City of Richmond Hill, based on 30% of the residents' income. An increase in market rents at the Richmond Hill Hub has enabled this property to transition from a tiered rent model to the rent model implemented at Woodbridge Lane. The new model is more responsive to reduction in household incomes. The building's overall revenue target will be maintained.
- HYI generates non-residential rental revenue through parking charges, coin laundry and the rental of commercial space. Non-residential rental revenue is projected to increase by \$143,000 or 11.7%. This increase is due to the change in the accounting treatment of investment income. 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 in contribution to reserves.

- Regional subsidies are projected to increase by \$284,000 or 1.7% largely due to:
 - The increase of \$79,000 in the Emergency Housing subsidy related to COVID-19 expenditures and an increase in property taxes.
 - The increase of \$57,000 in the provincial reform portfolio. This increase is based on the benchmark indices released by the Ministry of Municipal Affairs and Housing.
 - The increase of \$63,000 in rent subsidies due to lower incomes of current residents. Rent subsidy is the difference between what the resident can afford to pay and market rent.
 - An inflationary increase of \$85,000 in the public housing portfolio.

Housing York Inc.'s increase in expenditures is driven by projects to support the implementation of the new strategic plan, COVID-19 and a designated substance survey

Total expenditures are projected to increase by \$1.3 million or 3.1% over 2020. The main drivers are:

- Salaries and benefits are projected to increase by \$443,000 or 5.7%. This increase is
 related to a cost of living increase, the addition of one permanent full-time accounting
 clerk position, and two temporary positions (Maintenance Coordinator and Asset
 Management Specialist) to support the implementation of the Yardi Advance
 Maintenance Module included in the strategic plan.
- Administration expenses are expected to increase by \$171,000 or 9.7%. This increase is related to the implementation of the Yardi Advance Maintenance Module included in the strategic plan and an increase in insurance costs.
- Facility expenses are projected to increase by \$283,000 or 5.1%. This includes \$228,000 for COVID-19 related expenditures and \$200,000 for a designated substance survey required under the *Occupational Health and Safety Act*. These increases are partially offset by facility cost efficiencies.
- Utilities are projected to increase by \$7,000 or 0.2%. This increase is based on the 2020 annual forecast plus inflationary factors provided by the Region.
- Property taxes are projected to increase by \$82,000 or 2.4%. This increase is based on the 2020 annual forecast plus a 2.35% annual increase factor provided by the Region.
- Mortgage/debenture payments are projected to increase by \$10,000 or 0.1% due to increases resulting from 2020 mortgage renewals. There are no mortgage renewals scheduled in 2021.
- Budgeted contributions to capital reserves are projected to increase by \$267,000 or 3.5% due to the following:
 - A \$220,000 increase due to the change in the accounting treatment of investment income. 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.

 An inflationary increase of \$47,000 in the public housing and provincial reform portfolios.

Housing York Inc. is committed to keeping its assets in a good state of repair

HYI plans to invest \$11.5 million in capital improvements during 2021. A significant amount of the expenditures will go towards bathroom and kitchen refurbishments, sidewalks and curbs, roof system replacements, balcony slab and railing restorations, and replacement of mechanical systems. The \$11.5 million capital budget includes \$1.2 million for design for projects to be completed in 2022.

\$1 million budgeted for energy conservation initiatives including work deferred from 2020 due to COVID-19

In <u>November 2019</u>, the HYI Board of Directors approved the Energy and Utilities Management Plan. The Energy and Utilities Management Plan is a five-year plan, which includes approximately seven projects per year. The energy conservation projects will achieve reductions in energy consumption, operating costs and greenhouse gas emissions across HYI's building portfolio by installing proven technologies with a payback of eight years or less. In 2021, \$1 million is budgeted for these initiatives from the Strategic Initiatives Reserve, which was established to fund strategic priorities such as energy conservation initiatives. This budget amount represents two years of funding for the Energy and Utilities Management Plan to complete the work that was planned in 2020 but was deferred due to COVID-19. All incentives paid by third-party funders will be applied directly to the Strategic Initiatives Reserve. Any operating savings will be used to fund other operating pressures or to increase the annual surplus.

Operating surplus allocated to reserves

The projected operating surplus of \$380,000 will be allocated to the reserves according to the Operating Surplus Policy to support long-term sustainability. A breakdown of the projected reserve balances at the end of 2021 is provided in Attachment 1.

Local Impact

HYI operates 36 housing properties in all nine municipalities housing over 4,500 residents. The 2021 budget gives HYI the fiscal stability and sustainability it needs to continue to provide quality affordable housing to York Region residents.

Conclusion

Overall, the proposed 2021 budget reflects a \$380,000 operating surplus and an \$11.5 million investment in capital projects. The operating surplus, if realized, will be allocated in accordance with the Operating Surplus Policy to support HYI's reserves. The proposed budget will enable HYI to implement the first year of the new HYI strategic plan, manage increasing service demands and maintain existing service levels. HYI will continue to operate and manage its housing portfolio in a financially prudent manner throughout the period covered by the proposed budget.

For more information on this report, please contact Michelle Willson, Chief Financial Officer 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.

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

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

October 15, 2020 Attachment 11495235



2021 to 2022 HOUSING YORK INC.





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Housing York Inc. at a Glance

Housing York Inc. (HYI) is the Regional Municipality of York's housing corporation. HYI was formed in 2003 through amalgamation of the York Regional Housing Corporation and the Region of York Housing Corporation. HYI manages and maintains 36 housing properties with approximately 2,800 units and is home to more than 4,500 residents across all nine local cities, townships and towns in York Region.



Housing York Inc.'s 2021 to 2024 Strategic Plan: Building Better Together

In November 2020, Housing York's 2021 to 2024 Strategic Plan, **Building Better Together**, will be presented to the Board of Directors for approval. The 2021 to 2024 Strategic Plan positions HYI to respond to the changing housing landscape over the next four years, while continuing to offer residents quality homes in inclusive communities. The plan allows HYI to be innovative in expanding the housing portfolio while supporting residents' diverse needs and ensuring financial sustainability. Residents remain at the forefront of strategic planning efforts to help ensure affordable housing options and the right supports are available now and in the future.

The plan includes three strategic priorities to help HYI advance towards achieving its vision, and reflects input and feedback from residents, partners and the Board of Directors. Details and key results to be achieved by the end of the four-year plan are outlined below.



Strategic Priority 1: Expanded Housing Portfolio

A healthy supply of affordable and rental housing is needed in York Region so individuals and families have housing options for all ages and stages of their lives. Key results include:

- Expanding HYI's housing portfolio by 480 new units, reflecting a commitment to expand beyond the normal rate of growth;
- Supporting 250 non-profit units with conceptual plans and resources in partnership with the Region;
- Exploring 20 development concepts with partners; and
- Raising \$5 million in capital through a public-private partnership.

Some of the actions related to expanding HYI's portfolio will be dependent on federal and provincial funding, and might impact HYI's ability to advance development-related actions during the four years of this plan.

Strategic Priority 2: Inclusive Communities and Successful Tenancies

Residents sometimes need support in order to have successful tenancies and enhance their wellbeing. Key results include:

- Training 100% of team members in anti-racism;
- Completing accessibility inspections and enhancements for 36 buildings; and
- Preserving 97% of tenancies at risk for rent arrears.

Strategic Priority 3: Financial Sustainability

Sustainability comes from strong life-cycle value for buildings, efficient operations and finding new ways of funding developments, as financial resources may become increasingly limited. Key results include:

- Meeting or exceeding life expectancy of building components in 90% of buildings;
- Continuing to implement energy efficiency projects to realize annual cost savings of \$422,000 in communities with retrofits;
- Improving resident satisfaction with elevators, outdoor green spaces and janitorial services; and through strengthened vendor performance management.

Annual business plans and targets will be developed to operationalize the plan. Performance against the annual plans will be carefully managed and tracked to ensure success in delivering on the four-year commitments outlined in the plan.

HYI's Long-Term Fiscal Plan

In <u>November 2017</u>, HYI's Board of Directors approved a new long-term fiscal plan for the corporation. The fiscal plan was developed to ensure HYI remains fiscally responsible, safeguards its assets and is accountable for effectively managing its resources. The fiscal plan includes:

- A reserve strategy that sets goals and objectives for HYI reserves;
- A new operating surplus policy that establishes a framework for the allocation of operating surpluses to reserves; and
- An updated investment policy to ensure prudent management of HYI's working capital and reserves.

The reserve strategy ensures HYI can effectively and efficiently respond to capital and operating needs. A significant change in the strategy included consolidation of the capital repair and replacement reserves to fund planned capital repairs for the entire HYI portfolio. As a result, spikes in demand for capital reserves and capital funding requests needed from York Region have been eliminated.

Under the consolidated reserve fund, reserve contributions for newer buildings will be used to fund more immediate capital expenses needed for older buildings, smoothing pressures on the reserve over time while ensuring that funds are available in the future as the newer buildings age.

Capital expenditures could be higher than contributions in a specific year; however, each program will contribute enough funding to cover all of its capital needs over the long-term. The strategy is supported by a detailed analysis of each program's capital repair needs and reserve contributions over the next 40 years. <u>Appendix 1</u> provides a detailed overview of HYI's reserves, including funding sources and limits.

New Developments

Unionville Seniors Affordable Housing Development

York Region is developing an affordable rental building for seniors as part of a redevelopment of the Unionville Home Society campus located in the City of Markham. The new HYI building will have 265 apartments for seniors, as well as a ground floor hub offering seniors-focused services to the community.

Building features

- On-site underground resident and visitor parking, with some short-term surface parking
- Indoor and outdoor amenity spaces for residents
- Green/energy efficient building systems
- Ground floor hub offering seniors-focused services to the community

Construction began in December 2019 and the project is anticipated to welcome its first residents near the end of 2022, with total completion by 2023.

Whitchurch-Stouffville Affordable Housing Development

Planning applications and community consultation continued in 2020 on this two-phase affordable housing development at 5676 Main Street in the Town of Whitchurch-Stouffville. The first phase of the development includes 97 apartments that will serve seniors, families, couples and those living alone, and offer one-, two-and three-bedroom units.

Planning approvals and preliminary site work was completed in 2020. Building construction is scheduled to begin in 2021 and will be completed in 2023.

Modular Housing Demonstration Project

Modular homes are an emerging option for affordable housing. A demonstration project for the creation of approximately 10 affordable housing units will be initiated in 2021. Modular homes are prefabricated off-site and will be installed on a site owned by HYI or the Region. The benefit of modular homes is that units can be delivered faster than traditional construction, and for a lower cost than the typical per unit cost.

This project will be a first for the Region. Part of this project will include collaboration with a willing municipality, engaging with their planning and building departments to work through approvals, and potentially partnering with outside organizations.

Low-rise Infill Development

The HYI portfolio includes sites that have potential for low-rise infill development to increase density through a variety of built forms. A project for 15 units constructed on an existing HYI site will be initiated, with the goal to increase density through a different type of construction such as low-rise, wood constructed apartment buildings or townhomes.

The benefits of low-rise infill development include increased density with limited increase in operational costs, smaller overall capital investment per project and efficient use of HYI land.

COVID-19

COVID-19 continues to impact the budget. Facility costs and rent arrears have increased due to COVID-19 and the provincial government is intending to freeze residential rents at 2020 levels. It is expected that bad debt will not be affected in 2021; however, 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.

Some timelines may be impacted if it is necessary to change plans in response to COVID-19, or to provide support to other parts of York Region to assist with the COVID-19 emergency response.

2021 Operating Budget

Overview

HYI's 2021 budget reflects an operating surplus of \$380,000, which will be allocated to reserves based on the operating surplus policy. The budget allows HYI to implement strategic directions, manage increasing service demands and maintain existing service levels. HYI's 2021 budget is presented in Table 1 below.

Table 1 2021 Operating Budget						
	2020 Budget	2021 Budget	2021 B Varia			
	(\$000)	(\$000)	(\$000)	(%)		
Revenue						
Market rent	8,474	9,091	617	7.3%		
Subsidized rent	14,407	14,146	(261)	-1.8%		
Non-rental revenue	1,222	1,365	143	11.7%		
Regional subsidies	17,187	17,471	284	1.7%		
Total revenue	41,290	42,074	784	1.9%		
Expenditures						
Salaries and benefits	7,742	8,185	443	5.7%		
Administration	1,764	1,934	171	9.7%		
Facilities	5,539	5,822	283	5.1%		
Utilities	4,065	4,072	7	0.2%		
Property taxes	3,426	3,508	82	2.4%		
Mortgage/debentures	9,351	9,361	10	0.1%		
Mandatory contributions to reserve	8,545	8,812	267	3.1%		
Total expenditures	40,432	41,694	1,262	3.1%		
Operating surplus before contributions	858	380	(478)	-55.7%		
Contribution to reserves	858	380	(478)	-55.7%		
Net surplus/(deficit)	0	0	0	0.0%		

Note: Numbers may not add due to rounding

Revenue

Total revenue is projected to be \$42.1 million in 2021. Rental revenue from residents makes up more than half of total revenue, with the remainder coming from Regional subsidies and a small portion from non-rental revenue. Regional subsidies for capital have no impact on HYI's operating surplus as they are expensed as a mandatory contribution to reserves.



Total revenue is projected to increase by \$784,000 or 1.9% over 2020. This increase is due to higher market and non-rental revenue and additional Regional subsidies.

- Market rent is projected to increase by \$617,000 or 7.3%. This increase is largely due to:
 - Market units being fully occupied at Woodbridge Lane. In 2020, two months of occupancy loss had been allocated to align with expected move-in dates
 - The implementation of the new local eligibility rules under the *Housing Services Act,* 2011 (HSA) related to income and asset limits. This change resulted in 25 residents transitioning from subsidized rent to market rent
 - The Ontario Rent Increase Guideline for 2021 of 0%. The Ontario Government passed Bill 204, Helping Tenants and Small Businesses Act, 2020, freezing residential rents at 2020 levels in order to support families impacted by COVID-19. The rent freeze ends December 31, 2021. This applies to resident households paying market rents and those paying subsidized rents.
- Rent for subsidized units is projected to decrease by \$261,000 or -1.8%. This decrease is mostly related to:
 - o The change in the eligibility rules mentioned above regarding asset and income limits
 - Offering subsidized rents at the Richmond Hill Hub based on 30% of the residents' income. An increase in markets rents at the Richmond Hill Hub has enabled this property to transition from a tiered rent model to the rent model implemented at Woodbridge Lane. The new model is more responsive to reduction in household incomes. The building's overall revenue target will be maintained.
- HYI generates non-residential rental revenue through parking charges, coin laundry and the rental
 of commercial space. Non-residential rental revenue is projected to increase by \$143,000 or 11.7%.
 This increase is due to the change in the accounting treatment of investment income. 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 in contribution to reserves.
- Regional subsidies are projected to increase by \$284,000 or 1.7% largely due to:
 - The increase of \$79,000 in the Emergency Housing subsidy related to COVID-19 expenditures and an increase in property taxes

- The increase of \$57,000 in the provincial reform portfolio. This increase is based on the benchmark indices released by the Ministry of Municipal Affairs and Housing
- The increase of \$63,000 in rent subsidies due to lower incomes of current tenants. Rent subsidy is the difference between what the tenant can afford to pay and market rent
- o An inflationary increase of \$85,000 in the public housing portfolio

Expenditures

Total expenditures are projected to be \$41.7 million in 2021. This includes \$228,000 for COVID-19 related expenditures. It is expected that \$28,000 of this cost will be offset by an increase in Emergency Housing subsidy received from the Region.



2021 Expenditures = \$41.7 Million

Total expenditures are projected to increase by \$1.3 million or 3.1% over 2020. The main drivers are:

- Salaries and benefits are projected to increase by \$443,000 or 5.7%. This increase is related to a cost of living increase, the addition of one permanent full-time accounting clerk position and two temporary positions to support the implementation of the Yardi Advance Maintenance Module. This module will modernize the paper and spreadsheet based maintenance tracking systems to facilitate full life cycle costing and stronger asset performance reporting
- Administration expenses are expected to increase by \$171,000 or 9.7%. This increase is related to
 consulting services to support the implementation of the Yardi Advance Maintenance Module and
 an increase in insurance costs due to COVID-19
- Facility expenses are projected to increase by \$283,000 or 5.1%. As previously mentioned, this includes \$228,000 for COVID-19 related expenditures and \$200,000 for a designated substance survey required under the *Occupational Health and Safety Act*. These increases are offset by facility cost efficiencies
- Utilities are projected to increase by \$7,000 or 0.2%. This increase is based on the 2020 annual forecast plus inflationary factors provided by the Region
- Property taxes are projected to increase by \$82,000 or 2.4%. This increase is based on the 2020 annual forecast plus a 2.35% annual increase factor provided by the Region

- Mortgage/debenture payments are projected to increase by \$10,000 or 0.1%. There are no mortgage renewals scheduled in 2021
- Budgeted contributions to capital reserves are projected to increase by \$267,000 or 3.5% due to the following:
 - A \$220,000 increase due to the change in the accounting treatment of investment income. 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
 - An inflationary increase of \$47,000 in the public housing and provincial reform portfolios

2021 Capital Expenditures

As part of asset management practices, HYI completes building condition assessments and energy audits for all properties. These assessments identify future capital needs for HYI sites and buildings, and consider items such as the age, performance and reliability of building components. From this information, 40-year capital forecasts are created for every property to gain an in-depth understanding of capital needs and funding. For larger capital projects, total project cost is generally broken down into two budget years: Project design costs are budgeted in one year, with the remaining project costs in the following budget year when the work is performed.

The portfolio is in good condition because of solid investment in capital repairs and rehabilitation. Many of the buildings and building components are relatively new as there has been significant growth in the portfolio over the past 10 years; others are reaching the middle of their useful lives and will require renewal in the coming years.

HYI plans to invest \$11.5 million in capital design, repairs and upgrades during 2021. A significant amount of the expenditures will go towards site improvements including bathroom and kitchen refurbishments, sidewalks and curbs, roof system replacements, balcony slab and railing restorations and replacement of mechanical systems. An amount of \$1.2 million in the 2021 capital budget is dedicated towards design of projects for 2022.

Energy Conservation Initiatives

In <u>November 2019</u>, the HYI Board of Directors approved the Energy and Utilities Management Plan (EUMP). The EUMP is a five-year plan, which includes approximately seven projects per year. The energy conservation projects will achieve reductions in energy consumption, operating costs and greenhouse gas emissions across HYI's building portfolio by installing proven technologies with a payback of eight years or less.

In 2021, a request of \$1 million is budgeted for these initiatives from the Strategic Initiatives Reserve, which was established to fund strategic priorities such as energy conservation initiatives. This budget amount represents two years of funding for the EUMP to complete the work that was planned in 2020 but was deferred due to COVID-19. All incentives paid by third-party funders will be applied directly to the Strategic Initiatives Reserve. Any operating savings will be used to fund other operating pressures or to increase the annual surplus.

2021 Capital Expenditures = \$11.5 Million



Reserves

The long-term fiscal plan includes a reserve strategy that sets goals and objectives for HYI's reserves. Part of the reserve strategy includes the creation of new reserves for strategic initiatives, unplanned expenditures and revenue shortfalls. A detailed overview of HYI's reserves, including funding sources is provided in <u>Appendix 1</u>.

HYI's 2021 budget projects a net surplus, before reserve allocations, of \$380,000. It is important for HYI to continue to generate surpluses to support long-term sustainability. Table 2 shows how the projected surplus will be allocated to the reserves according to the Operating Surplus Policy. <u>Appendix 2</u> includes projected 2021 reserve ending balances.

	Surplus Allocation (\$000)
Capital Repair and Replacement Reserve	190
Working Capital Reserve	0
Insurance Reserve	0
Operations Reserve	0
Strategic Initiatives Reserve	190
Emergency Housing Reserve	0
Total	380

Table 2Allocation of 2021 Operating Surplus to Reserves

2021 to 2022 Outlook

The forecast for 2021 to 2022 is based on previously approved strategic directions along with any new initiatives approved by the HYI Board. This financial plan was developed for the operating and capital programs based on forecasted needs.

Table 3 2021 to 2022 Outlook						
2021 Budget 2022 Outloo (\$000) (\$000)						
Revenue						
Market rent	9,091	9,181				
Subsidized rent	14,146	14,279				
Non-rental revenue	1,365	1,340				
Regional subsidies	17,471	17,747				
Total revenue	42,074	42,547				
Expenditures						
Salaries and benefits	8,185	8,598				
Administration	1,934	1,868				
Facilities	5,822	5,361				
Utilities	4,072	4,198				
Property taxes	3,508	3,581				
Mortgage/debentures	9,361	9,361				
Mandatory contributions to reserve	8,812	8,878				
Total expenditures	41,694	41,845				
Operating surplus before contributions	380	702				
Contribution to reserves	380	702				
Net surplus/(deficit)	0	0				

Revenue

Revenue is projected to increase annually due to the following:

- Market rents are estimated to increase by 1% in 2022
- Regional subsidies in 2022 are assumed to continue at the current calculations/formulas and committed levels
- Rental revenue related to Unionville have not been reflected in the 2022 outlook as total completion is not expected until 2023

Expenditures

Operating expenditures are projected to increase annually due to the following:

- Annual operating expenditures and utility increases are based on the Region's economic assumptions
- Salaries and benefits will increase as five new permanent positions are expected in 2022 due to the addition of the Unionville and Whitchurch-Stouffville Affordable housing developments. Only 50% of the costs related to these positions are reflected in the 2022 outlook
- Facility expenditures related to Unionville have not been reflected in the 2022 outlook as total completion is not expected until 2023

Summary of Housing York Inc. Reserves

Reserve Name	Purpose	Funding Sources	Limit
Capital Repair and Replacement	Funds for capital repairs for all HYI properties	 Annual allocation from HYI's operating budget Regional subsidies 50% of annual operating surpluses An annual draw of \$3.6 million from the Regionally Owned Housing Reserve 	None
Working Capital	Funds for short-term cash flow requirements	Annual operating surpluses	\$3,500,000
Insurance	Funds the cost of claims and deductibles	 Annual allocation from HYI's operating budget Annual operating surpluses 	\$180,000
Operations	Funds for unplanned expenditures and revenue shortfalls	Annual operating surpluses	\$500,000
Strategic Initiatives	Funds for strategic priorities	Annual operating surpluses	\$3,500,000
Emergency Housing	Funds for emergency housing to support capital repairs and operating expenditures	 Regional subsidies 	None

Appendix 2

2021 Estimated Reserve Balances

	Capital Reserves (\$000)	Working Capital Reserve (\$000)	Insurance Reserve (\$000)	Operations Reserve (\$000)	Strategic Initiative Reserve (\$000)	Emergency Housing Reserve (\$000)
Projected 2021 opening balance	12,055	3,500	180	500	3,486	3,119
Budgeted contribution	8,176					415
Projected reserve interest	229				40	35
Projected expenditures	9,320				1,000	1,206
Contribution from operating surplus	190				190	
Projected 2021 closing balance	11,330	3,500	180	500	2,716	2,363

Housing York Inc. Board of Directors Meeting November 4, 2020



Report of the General Manager

Quarterly Contract Awards - July 1, 2020 to September 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 (the Board) of all contracts over \$100,000 awarded by the General Manager or President from July 1, 2020 to September 30, 2020, as required by <u>Purchasing Bylaw No.1-18</u>. One contract was awarded by the General Manager from July 1, 2020 to September 30, 2020. One contract was awarded by the President from July 1, 2020 to September 30, 2020.

Background

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

Purchasing Bylaw No.1-18 requires contract awards to 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

In procurements where only one bid is received, management must confirm the bid represents good value. Evidence of good value can be:

- Consistency with pre-tender scope of work and cost estimates
- Consistency with previous similar contracts
- Consistency with prices obtained by other municipalities for similar goods and services

Analysis

The General Manager has authority to award contracts up to \$500,000

Table 1 provides the contract awarded by the General Manager from July 1, 2020 to September 30, 2020. The vendor identified in the contract award in Table 1 submitted the lowest compliant bid.

Table 1General Manager Contract AwardsJuly 1, 2020 to September 30, 2020

Contract Description		
T-20-43 – Installation of Natural Gas Generator at Oxford Village, 84 Oakridge Court, Holland Landing in the Town of East Gwillimbury	Number of Bids	10
	Vendor	Duplex Electrical Ltd.
Supply all labour, materials and equipment and transportation to complete installation of a natural gas generator at Oxford Village. Term: 100 working days from Notice to Commence Work	Budget Estimate	\$275,000.00
	Bid Amount	\$217,750.00

The President has authority to award contracts up to \$1,000,000

Table 2 provides the contract awarded by the President from July 1, 2020 to September 30, 2020. The vendor identified in the contract award in Table 2 submitted the lowest compliant bid.

Table 2President Contract AwardsJuly 1, 2020 to September 30, 2020

Contract Description		
T-19-340 - Front Entrance and Patio Landscape Upgrades at Springbrook Gardens, 50 Silver Linden Drive, City of Richmond Hill	Number of Bids	10
	Vendor	Forest Ridge Landscaping Inc.
Supply all labour, materials, equipment and transportation to complete the front entrance and patio landscape upgrades at Springbrook Gardens.	Budget Estimate	\$878,490.00
Term: 130 working days from Notice to Commence Work	Bid Amount	\$719.600.00

Financial Considerations

The contracts awarded are within the approved budget. There are no other financial implications.

Local Impact

The contracted work ensures HYI properties are well maintained.

Conclusion

The General Manager has delegated authority to award tender and proposal contracts up to \$500,000 under <u>Purchasing Bylaw No.1-18</u>. The contract awards identified in Table 1 are in compliance with the Purchasing Bylaw and the authority delegated by the Board. The contracts awarded by the General Manager from July 1, 2020 to September 30, 2020, have a total value of \$217,750. The President has delegated authority to award contracts up to \$1,000,000. The contracts awarded by the President from July 1, 2020 to September 30, 2020, have a total value of \$719,600.

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

Recommended by:

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