



Report of the General Manager

2018 Housing York Inc. Highlights

Recommendations

The Board of Directors approve the 2018 Housing York Inc. Highlights report and accompanying publication (Attachment 1) for submission as part of the Housing York Inc. (HYI) Annual Report to the Region as sole Shareholder of the Corporation.

Summary

This report highlights HYI's key 2018 property management activities and the accompanying publication, *Housing York Inc. 2018 Highlights (Attachment 1)* is the corresponding communication to HYI residents

Key points:

- This report highlights HYI's 2018 property management activities and fulfills the requirement for annual reporting of tenancy management activity in accordance with the [Tenancy Management Policy](#) approved by the Board in December 2017.
- The Amended and Restated Shareholder Direction, approved by the Region in [June 2018](#), requires the HYI Board to approve an annual report and audited financial statements for submission to the Region as sole Shareholder of the Corporation. Attachment 1 to this report is the annual publication communicating 2018 highlights and is proposed for submission to the Shareholder as part of the 2018 HYI Annual Report.

Background

Property management activities include building operations, tenancy management and resident engagement

- Building operations include preventative maintenance and repair activities as well as work done in response to resident requests. Major repair and retrofit initiatives are completed as part of the capital repair program, as reported in the 2018 Financial Statements and Annual Information Return report provided separately.
- Tenancy management encompasses all aspects of HYI's relationships with individual resident households. As a responsible and caring landlord, HYI holds residents accountable to fulfill their tenancy obligations, working with residents to connect them to support services and leveraging the enforcement provisions of the *Residential Tenancies Act, 2006* as needed.

- HYI's ongoing resident engagement activities build inclusive communities and deliver programs and services that are important to residents. HYI communicates regularly with residents in a variety of ways, including the annual highlights report provided as Attachment 1.

Analysis

2018 was another successful year for HYI

Throughout 2018, HYI effectively operated the housing portfolio, providing responsive customer service and undertaking a number of initiatives to enhance our buildings, business practices and resident services. HYI was also successful in maximizing rent collection while minimizing evictions.

HYI operates 2,600 rental units, located in more than 35 properties across the Region as well as the Region's five emergency and transitional housing facilities

The rental portfolio includes 28 apartment buildings, 23 of which are dedicated to seniors, seven family townhouse properties and five condominium units acquired through agreements with the City of Richmond Hill under Section 37 of the *Planning Act, 1990*. HYI's maintenance programs ensure that all buildings are in a good state of repair. In addition to planned maintenance work, HYI responds to resident requests for maintenance services. During business hours, residents can call to request service or submit a written maintenance request. After hours, residents can call HYI's emergency maintenance telephone line for assistance with urgent matters. The after-hours service is provided through a partnership with the Region's road services team. Road services staff answers the phone and notifies on-call HYI management of urgent matters. HYI responds by dispatching staff or service providers as needed.

Selected 2018 building operations highlights are listed below.

- HYI implemented an enhanced property management software module that enables electronic tracking of maintenance requests through a work order system. In 2018, HYI processed more than 12,000 work orders through this system. Work order data will support management decisions to inform future capital repairs, product standardization, operating budget controls, and workflow optimization. Planned future software enhancements will enable similar tracking of preventative maintenance activity.
- The after-hours emergency maintenance service responded to over 1,300 calls. Resident calls are typically for urgent in-suite repairs. Calls from the buildings' many safety monitoring systems, such as fire safety, are also handled through the after-hours service.
- Managed restoration of Mackenzie Green, a 140 unit apartment building in Richmond Hill that sustained more than \$800,000 in damage as a result of a cooking fire in a resident's unit.
- Implemented a number of property improvements, including continued planned replacement of conventional stove top burners with fire resistant burners, access system and lighting enhancements, accessibility upgrades, and refresh of resident common areas.
- Prepared vacated units to welcome 200 new resident households, 37 at market rent and the remainder with a subsidized rent.
- All units were inspected to ensure compliance with applicable safety requirements.

HYI also owns and provides maintenance services to the Region's emergency and transitional housing facilities

In 2018, with ownership of the Sutton youth facility transferred from the Region to HYI, there was an opportunity to streamline administrative and operational practices. In partnership with the Region, HYI established a consolidated emergency housing framework, with simplified financial processes and clarified roles and responsibilities.

87 per cent of HYI residents have tenancies in good standing, and the *Tenancy Management Policy* guides HYI's engagement with the remaining 13 per cent

The *Tenancy Management Policy*, approved by the Board in [December 2017](#), guides HYI when a resident is not fulfilling their tenancy obligations. Briefly stated, HYI takes action promptly to hold residents accountable to pay their rent and to ensure their behaviours don't substantially interfere with the rights of the neighbours or HYI. HYI recognizes that some residents need support to maintain their tenancies, connecting residents to appropriate Regional and community services as needed.

In Ontario, landlord and tenant relationships are governed by the *Residential Tenancies Act, 2006* and adjudicated by the Landlord and Tenant Board (LTB). When a resident's rental account is in arrears, or when a resident's actions are seriously impacting their neighbours, HYI uses the LTB process to resolve the issue. If the issue cannot be resolved, the LTB can grant an eviction order terminating the tenancy. If an evicted tenant does not leave the unit, HYI can request that the Sherriff enforce the eviction order. The LTB process gives tenants many opportunities to preserve their tenancies. For example, if the issue is rent arrears, the tenant can stop the process at any time by paying what they owe.

In 2018:

- Eighty-seven per cent of HYI resident households paid their rent and related charges on time and in full. HYI pursued rent collection for 13 per cent of resident households.
- HYI issued more than 1,000 "N4-Notice to End your Tenancy for Non-payment of Rent" forms to 351 households. The N4-Notice is the first step in the LTB rent collection process. If the tenant pays the rent, the process ends. Most households bring their account back into good standing fairly quickly after receiving an N4-Notice. Residents can receive multiple N4-Notices over the course of the year. A relatively small group of residents consistently struggle with timely rent payments and in 2018, just 38 tenancies accounted for almost a third of all N4-Notices issued.
- If a tenant does not pay the rent after receiving the N4-Notice, HYI applies for a hearing at the LTB. HYI scheduled 60 LTB hearings. Of these, 20 hearings were cancelled because the tenant paid the rent or negotiated a repayment plan. Of the 40 applications that continued through the LTB process, four resulted in mediated payment plans and 36 resulted in eviction orders.
- Throughout the LTB process HYI continues to work with residents to preserve their tenancies, referring them to support services and other resources as needed. Sometimes an eviction order is the catalyst needed for the resident to accept supports. Although 36 eviction orders were granted, HYI was able to work with 26 of those households to restore their tenancies before the eviction was enforced.

- In 2018, through active, ongoing follow up and with referrals to appropriate supports, 341 tenancies that were at risk due to non-payment of rent were preserved. Ten of HYI's 2,600 tenancies were terminated through eviction orders in 2018. Of these, nine of the tenancies had factors other than non-payment of rent that contributed to the decision to terminate the tenancy.

HYI regularly engages residents

Throughout the year, HYI hosts events and meetings to share information with residents and to provide opportunities for residents to connect with their neighbours and HYI; including fire safety presentations, community clean-up days, resident appreciation barbecues, ice cream socials, general resident meetings and dedicated meetings to discuss building specific matters, like upcoming capital repair projects. HYI publishes Community Newsletters and the annual highlights report provided as Attachment 1. HYI also partners with the Region and non-profit agencies to deliver a broad range of programs that are important to our communities.

HYI's 2018 resident engagement activities included:

- Hosting the YOUTHink event, celebrating children and youth in our communities with a movie event to screen videos they created
- Partnering with the Region to deliver information sessions about transit services and programs like Nature's Classroom, which took seniors to tour the Regional forest
- Hosting summer activity programs for children and youth
- Partnering with local municipalities, the York Catholic District School Board School Board and more than 25 community agencies to deliver a broad range of programs, including fitness and art classes, English as a Second Language classes, income tax clinics, seniors' safety programs, and youth basketball
- Delivering an employment program for high school aged HYI youth, supporting them with resume writing and interview training. Youth worked with HYI to encourage residents to enroll in HYI Alerts, a new notification service that enables HYI to provide important building information to a specific building or to the entire portfolio at the click of a button
- Consulting residents to inform development of the *Resident Inclusion Plan*, approved by the Board in May 2019

Financial Considerations

All property management activities, including building operations and resident engagement, are included in the HYI operating budget and the results are reported in the 2018 Financial Statements and Annual Information Return report, provided separately.

In implementing the Tenancy Management Policy, HYI moves quickly to hold residents accountable to pay their rent in full and on time. This approach reduces the risk that a resident will fall so far behind that they are unable to preserve their tenancy. It also positively impacts HYI's receivables. In all but a few instances, HYI has been able to work with tenants to bring their rental accounts into good standing and preserve their tenancies while holding current tenant arrears to less than half of a per cent of total annual revenue.

HYI's rent collection activities are reflected in the 2018 financial results.

HYI's rent receivables include overpayments of subsidy and rents owed by both current and former residents

The 2018 audited financial statements show total rent receivables of \$243,977, comprised of overpayments of subsidy and rents owed by both current and former residents as described below:

- A subsidy overpayment occurs when a resident has failed to report an increase in household income and as a result benefitted from more Regional rent subsidy than they were entitled to receive. HYI recovers these subsidy overpayments from current residents on behalf of the Region. Recoveries tend to occur over months, or in some cases years, as provincial legislation restricts the rate at which residents can be required to make payments. As of December 31, 2018, residents owed \$91,943 in subsidy overpayments.
- As of December 31, 2018, 195 current HYI resident households collectively owed a total of \$96,369 in unpaid rent and related charges. HYI continues to work with residents to recover these funds through repayment plans. Current resident accounts are not eligible to be written off.
- The rent receivables also include \$55,565 owed by 29 former residents. Most residents continue to pay their rent as required until the end of their tenancy. However, residents who expect to be evicted typically stop paying their rent. In a small number of cases, tenants who are moving voluntarily also stop paying rent after giving notice. These former tenant accounts are routinely sent to an outside agency for collections and reported to the Region's subsidized housing waiting list. People who owe money to a social housing landlord must pay what they owe or enter into a payment plan before they can apply to go back on a waiting list for subsidized housing. If the arrears remain uncollected by the end of 2019, they will be addressed as part of the annual bad debt write-off process.

In 2018, Bad Debt Write-Offs totaled \$30,282

Although the collection activity can continue indefinitely, former resident accounts with no repayment after one year in collections are written off at year-end. Outstanding accounts resulting from the death of a resident and accounts with a total outstanding balance of less than the minimum value required for acceptance by the collection agency (currently \$100) are written off in the year in which the tenancy ended. In 2018, HYI collected \$7,123 from former residents and wrote off \$30,282 in bad debt.

Local Impact

HYI's buildings are located in all of the Region's cities and towns. Effective property management activities position HYI to be a good neighbour and positive member of the local community.

Conclusion

This report provides an overview of HYI's 2018 property management activities, including details regarding the implementation of the Tenancy Management Policy approved by the Board in [December 2017](#). Attachment 1 to this report is the 2018 highlights publication that will be posted on the HYI web page and distributed to residents.

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

Recommended by: Rick Farrell
General Manager, Housing York Inc.

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

May 29, 2019
Attachment
9364905