2012 Business Plan and Budget

HOUSING YORK INC.
Building Strong Communities

York Region

Housing York Inc. Portfolio as of December 31, 2011

Social Housing Reform Act, 2000 / Housing Services Act 2011

Residential Tenancies Act, 2006

Provincial Reform
- 12 buildings – average age 21.5 years
- Retained Earnings and Capital Reserve
- Eligible for approximately $6.6M subsidy

Public Housing
- 17 buildings – average age 38 years
- No Retained Earnings and no Capital Reserve
- Capital funded from Operating budget.
- Eligible for approximately $2.2M subsidy

Regional Housing
- 4 buildings – average age 3.5 years
- 2 additional buildings in 2012
- Capital Reserve and Retained Earnings funded from surplus operating funds
- Not eligible for subsidy

Blue Door Shelters
- 3 shelter buildings, one of which is closed
- Capital Reserve funded by eligible subsidy
- Eligible for minor subsidy shared on-site agency operator

Statement of Principles

Business Drivers

Regional Housing Strategy

- Growth mandate and strategic planning

Shareholder Standards

- Assets maintained in marketable condition
- Safe, secure, clean environment for tenants
- High level of accountability (more than a landlord)

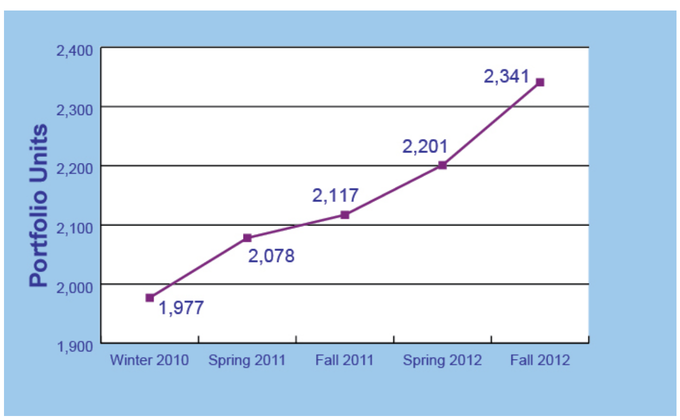
Tenant Population

- Diverse mix of people with complex living experiences

General Economy and Legislative Impact

- Housing Services Act, 2011

Portfolio Growth 2011-2012



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Business Plan Strategic Focus

Growing Communities

- Commission two new developments and house new tenants.

Asset Management/Sustainability

- Retrofit five more buildings for energy efficiency.

Changing Housing Legislation

- Assess the operational impact of the new legislative framework.

Accountability and Performance

- Complete comprehensive strategic planning exercise.

2011 In Review

- Delivered the economic stimulus program (SHRRP).
- Completed implementation of new software system providing administrative efficiency, improved reporting capability and positioned the corporation for growth.
- Opened Kingview Court expansion (King City) for 39 seniors.
- Piloted organic waste diversion program for multi-residential setting in partnership with the Town of Richmond Hill.

2012 Business Plan and Budget
HOUSING YORK INC. Building Strong Communities

2011 Estimated Results

$000's	2011 BUDGET	2011 ESTIMATE
Revenue		
Tenant Rents	$15,695	$15,194
York Subsidy	7,484	7,359
Federal Subsidy	1,319	1,319
Total Operating Revenue	**$24,498**	**$23,872**
Operating Expenses	23,301	22,682
Public Housing Capital	1,123	1,123
Total Operating Expenses	**$24,424**	**$23,805**
Budgeted Operating Surplus	74	66
Special Projects/Restricted Funds*	50	2
Operating Surplus to Retained Earnings	**$ 24**	**$ 64**
Capital funded from Reserves	**$ 1,859**	**$ 1,749**

*The strategic project started in 2011 will be completed in 2012.

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Building Strong Communities

2012 Business Plan and Budget

Estimated Reserve Balances December 31, 2011

Capital Reserves	$4,386,817
Energy Management Reserve	314,885
Emergency Power Reserve	519,541
Insurance Reserve	162,630
Technology Upgrade Reserve	82,903
Fairy Lake Pond Reserve	574,848
	$6,041,624
Retained Earnings (approx.)	$1,636,000

2012 Business Plan and Budget

2012 Base Budget Summary

$000's	2011 BASE BUDGET	2012 BASE BUDGET	INCREASE/ -DECREASE
Revenue			
Tenant Rents	$15,695	$16,066	
York Subsidy	7,484	7,659	
Federal Subsidy	1,319	1,319	
Total Operating Revenue	**$24,498**	**$25,044**	**2.2%**
Operating Expenses	23,301	23,518	
Public Housing Capital	1,123	1,195	
Total Operating Expenses	**$24,424**	**$24,713**	**1.2%**
Budgeted Operating Surplus	**$ 74**	**$ 331**	
Strategic Projects Related to Growth	$ 50	$ 48	
Operating Surplus after Strategic Projects	**$ 24**	**$ 283**	
Capital funded from Reserves	**$ 1,859**	**$ 3,191**	

2012 Business Plan and Budget

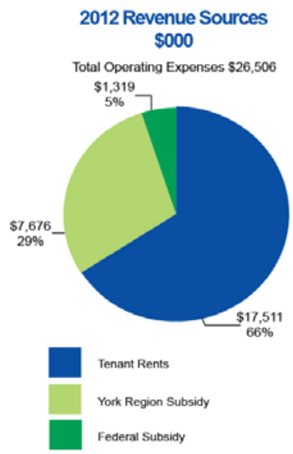
HOUSING YORK INC.

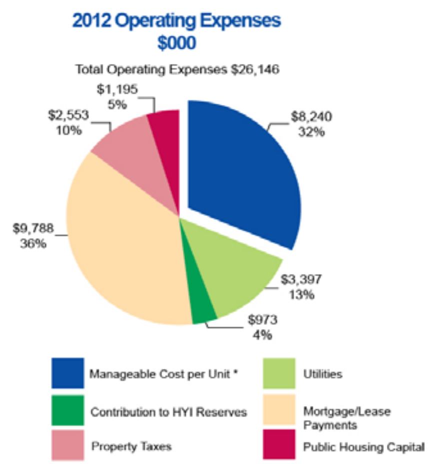
2012 Total Budget Summary

$000's	2012 BASE BUDGET	2012 ADJUSTMENT	2012 TOTAL BUDGET	INCREASE
Revenue				
Tenant Rents	$16,066	$1,445	$17,511	
York Subsidy	7,659	17	7,676	
Federal Subsidy	1,319		1,319	
Total Operating Revenue	**$25,044**	**$1,462**	**$26,506**	**5.8%**
Operating Expenses	23,518	$1,433	24,951	
Public Housing Capital	1,195		1,195	
Total Operating Expenses	**$24,713**	**$1,433**	**$26,146**	**5.8%**
Budgeted Operating Surplus	**$ 331**	**$ 29**	**$ 360**	
Strategic Projects Related to Growth	$ 48		$ 48	
Operating Surplus After Strategic Projects	**$ 283**	**$ 29**	**$ 312**	
Capital Funded from Reserves	**$ 3,191**	**$ 266**	**$ 3,457**	

2012 Business Plan and Budget

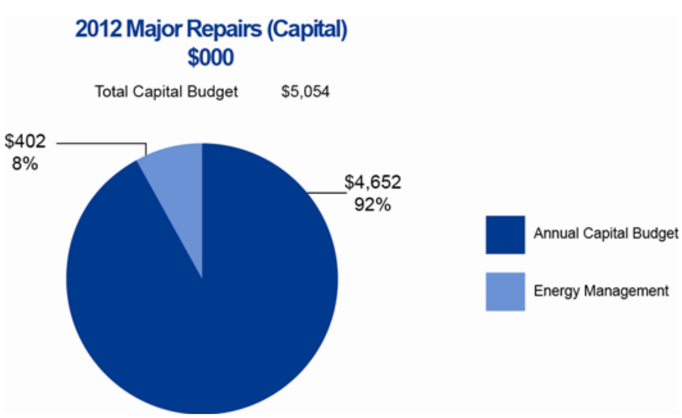
2012 Operating Budget





* Manageable Cost Per Unit equals Maintenance & Administration, Insurance and Bad Debts

2012 Major Repairs/Replacement



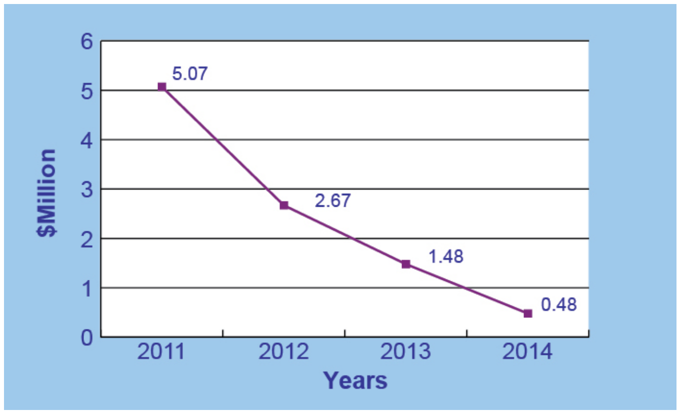
2012 Major Jobs > $100,000

- Eight large jobs on eight properties - total $3,345,000.
- There is a mix of funding for the large jobs this year:
  - 6 jobs funded from the annual capital reserves
  - 1 job funded by emergency power reserve
  - 1 job funded through the Fairy Lake Pond remediation reserve

2012 KPIs

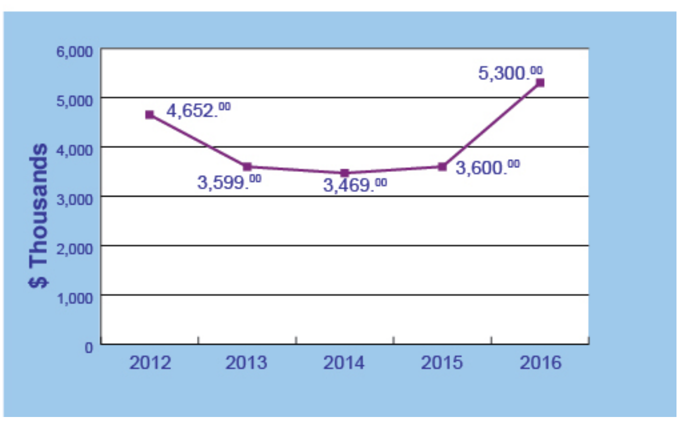
	2011 Goal	2012 Goal
Manageable Cost/Unit	$3,584	$3,647
Vacancies	11.2%	10.5%
Rent Arrears	7.8%	6.5%

Capital Reserve Outlook



Years 1 to 5 of the 10-Year Capital Plan

2012 - 2016 Major Repairs / Replacements



Thornhill Green
Phase I and II - Work Completed

- Roof replacement
- Caulking of windows and doors
- Exterior wall repairs
- Mould remediation
- Interior finish repairs (such as flooring, ceilings, etc.)
- Asbestos abatement
- Exhaust fan replacements
- Termite chemical treatment

Thornhill Green
Phase III - $1.5 Million

- Site drainage
- Foundation wall repairs
- Termite extermination
- Removal and repair of exterior wood landscaping elements
- Underground parking repair
- Repairs funded by capital reserve

Thornhill Green
Future Major Repairs/Replacements

- Furnaces (2013)
- Appliances (phased each year)
- Flooring (phased each year)

Thornhill Green
Emerging Challenges

March 1, 2011, property transferred to Housing York and we found:

- Ongoing waste management challenges
  - Working with the Town of Markham
- Trees and shrubs needed considerable attention
- Customized work within rental units
- Insufficient parking and poorly organized
- Lack of a key control system

Business Plan Summary

- Modest surplus projected for 2012
- Focus is on growth and strategic planning
- Integrate two new developments into portfolio
- Wind down the Energy Management Program
- Continue monitoring financial impacts on the operating budget