Housing York Inc.

York Region
ATTACHMENT 1

Services We Provide

The Regional Municipality of York is responsible for the management of Housing York Inc. The Region is the sole shareholder of the corporation. Governance is fulfilled by a Board of Directors comprised of elected municipal officials. Officers of the corporation are represented by senior Regional staff.

Housing York Inc. is the eleventh largest non-profit housing provider in the province. The current value assessment of the 27 properties in the portfolio is estimated at $135,154,000 at the end of 2003 and retained earnings for the Municipal Non-Profit program is estimated at $2,917,254.

Housing York Inc. offers many types of affordable housing options, including townhouses, low-rise and high-rise apartments. Within these buildings are a range of accommodations, including accessible units for disabled residents. Out of the 1,753 total units located in eight of the nine area municipalities there are 1,311seniors units and 442 family/singles units. At the end of 2003, these comprise a mix of 1443 or 85% RGI units and 252 or 15% market units in the portfolio.

Housing York Inc. works co-operatively with local community and supportive housing agencies to expand and enhance existing programs in our communities i.e.: CHATS, ACL, March of Dimes, summer student programs, child and adolescent camps, boys and girls club, etc.

Building on Our 2003 Successes

- ✓ Maintained co-operative relationships with local community and supportive housing agencies to expand and enhance existing programs i.e. Community Housing Assistance to Seniors (CHATS), Alternative Community living (ACL), March of Dimes, LOFT.
- ✓ Strengthened ongoing partnership initiatives with the Canadian Mental Health Association to build stronger communities by offering programs to our families that will foster “pride of ownership” through community participation, effective problem solving and open communication.
- ✓ Completed a 10-year major repairs/replacement plan for each of the 27 properties to ensure a strategic and planned approach to major repairs.
- ✓ Implemented several successful community program initiatives including: child and adolescence camp, boys and girls club, early learning program, garden competition, spring site cleaning days.
- ✓ Developed a pro-active energy management strategy.
- ✓ Introduced the Region’s pesticide reduction program effectively eliminating the non-essential use of pesticides on our properties.

- ✓ Launched a Preventative Maintenance Program that standardizes maintenance practices to maximize life expectancies of various building components.
- ✓ Consolidated property and personal liability insurance policies under the Social Housing Services Corporation program with considerable savings.

2004 Objectives and Key Work Initiatives

2004 Objectives

Objective: Develop a long-term strategy to extend the life expectancy and enhance the performance of the Housing York Inc. properties.

Workplan

- Implement a 10-year major repairs/replacement improvement plan for Housing York Inc.
- Develop strategies to increase the physical accessibility of our communities over time to better serve the needs of those with disabilities.
- Ensure a strategic and planned approach to major repairs.
- Identify capital reserve funding requirements for newly developed housing.
- Continue a tenant consultation process regarding major repairs/replacement improvements and other significant changes to secure tenant input.
- Standardize major repairs/replacement definitions and approaches between Municipal Non-Profit and Public Housing.
- Evaluate and prioritize the recommendations of a pro-active energy management study.

Objective: Develop a delivery service that meets the varying needs of our residents

Workplan

- Present a set of Principles to guide the management of Housing York Inc. for the Board's consideration.
- Create a tenant recognition program to recognize tenants in our communities who contribute to Building Strong Communities.
- Continue to foster a homelessness prevention focus in our property management practices.

- Ensure that program information is available in a variety of languages reflecting the varied cultures within our housing community.

Objective: Complete a Business Review of the operations of Housing York, Inc.

Workplan

- Review roles and responsibilities of staff across functional areas and work towards improved workflow, new efficiencies, strong accountabilities and positioning for future growth.
- Seek opportunities to maximize the use of technology, both in property management systems, financial reporting and for building management.
- Review purchasing practices to determine opportunities for savings and improve service delivery.
- Develop relevant performance measurement targets for measuring successes and identifying potential improvement opportunities.
- Participate in the Social Housing Services Corporation initiative to formulate industry benchmarks in service delivery.

Key Performance Indicators

As a new Corporation, 2003 becomes the foundation year on which to build. Several targets relating to 2004 objectives are under development to enhance reporting of key performance indicators. As a launching point, the following areas are of notable interest.

Material and Services Average Annual Operating Cost Per Unit

The 27 properties comprising Housing York Inc. belong to one of three programs, Municipal Non Profit, Public Housing, or New Housing Projects. The financial framework surrounding the funding formulas, financing, equity, and treatment of major repairs/replacement expenditures are unique within each program. As a result, this efficiency indicator is normalized using direct building operating costs. For presentation and comparative purposes, material and services operating costs are defined as building expenses related to the upkeep and maintenance of the buildings. Labour, utilities, taxes and financing costs are excluded.

Average Annual Operating Cost per Unit

	2003 Actual	2003 Budget	2004 Budget
Municipal Non Profit	$ 907	$ 854	$ 934
Public Housing	$ 778	$ 713	$ 808
New Housing Projects	n/a	n/a	$ 836
HYI Average	$ 843	$ 784	$ 859

The proposed increase per unit in 2004 is reflective of maintenance programs to maximize life expectancies of various building components and cost increases associated with various maintenance contracts, both of which are expected to continue throughout the business planning period.

It should be noted that there are significant differences amongst service providers with respect to defining costs per unit. It is expected that the Province will introduce a consistent target sometime during 2004 that will facilitate the comparison of manageable cost per unit on a benchmark basis and that this will be adopted as a standard performance indicator in Housing York Inc.

Unit Turn-over

As a service level indicator, unit turn over identifies the number of units where a new tenant has taken occupancy during the year versus the total number of units in the portfolio. A target turnover rate of 223 units, or 13.1%, was established for 2003 and the year-end forecast is estimated at 207 units or 12.2%. The target number of move-in tenants for 2004 increases to 263 or 15.0% as a result of the move-in activity associated with the new tenant occupancies at Armitage Gardens.

Tenant Arrears

Every dollar of uncollected rent revenue inhibits spending in other budget areas such as building maintenance and services. Housing York Inc. places considerable emphasis on the collection of current and former tenant accounts in order to mitigate the impact of bad debts expense.

Collection practices from current tenants are administered by Property Managers and follow legislative requirements from the *Tenant Protection Act* (TPA) and the *Social Housing Reform Act, 2000*. Efforts are ongoing to improve internal collection strategy through consistent processes and tenant education.

Current Tenants – Rent Arrears > 30 days

	2003 Actual	2004 Goal
Percentage of Current Tenant Arrears > 30 days / Rent Revenue	4.0%	4.0%
Number of Current Tenant Accounts > $2,500 at year end	5	4

Through a partnership with the Quality Assurance Unit in the Community Services and Housing Department, former tenant arrears are collected by York Region Eligibility Review Officers. Expanded collection opportunities are expected to improve the ratio of uncollected former tenant accounts against the total number of move-out accounts in 2004 by 1.5.

Former Tenants – Bad Debts Accounts as a Ratio of Total Move-Out Accounts

	2003 Actual	2004 Goal
Number of Bad Debt Accounts	35	33
Number of Move-Outs	210	216
Ratio of Uncollected Accounts against total Move-Out Accounts	16.7	15.2

Outlook for 2005/2006

- As Housing York Inc. matures, the implementation of the organizational review and the review of the business practices will allow for the streamlining and consolidation of business processes and the enhancement of management key performance indicators.
- Further review of performance against provincial benchmark standards will provide Housing York Inc. with the opportunity to target key areas for gap analysis and the development of strategies for program improvement.
- Expected implementation of the new Provincial Funding Model may present fiscal challenges combined with rising labour and utility costs.
- Expected increasing demands on existing replacement reserves for Municipal non-profit properties as buildings age.

Operating Financial Summary

$000's	2003 Actual	2003 Budget	2004 Budget	2005 Outlook	2006 Outlook
Revenue:					
Operating	9,983	10,063	10,397	10,709	11,030
Subsidy - York Region	3,770	4,429	4,766	5,254	5,191
Subisdy - Federal	1,319	1,319	1,319	1,319	1,319
Total Revenue	**15,072**	**15,811**	**16,482**	**17,281**	**17,540**
Operating Expenditures:					
Operating	14,267	14,781	15,397	15,858	16,334
Public Housing Major Repair/ Replacement	805	1,030	1,073	1,411	1,193
Total Expenditures	**15,072**	**15,811**	**16,470**	**17,269**	**17,527**
Operating Surplus/(Deficit)	**0**	**0**	**12**	**12**	**13**
Major Repairs/Replacement:					
Municipal Non-Profit	344	321	781	945	788
Revenue from Capital Reserve	-344	-321	-781	-945	-788
Impact on MNP Reserve	**0**	**0**	**0**	**0**	**0**
Surplus/(Deficit)	0	0	12	12	13
Transfer to Capital Reserve:					
New Housing Projects	0	0	12	12	13

Public Housing major repair/replacement is funded from operating.

Major Repairs/Replacement Strategy Summary

In 2003 a 10-year major repairs/replacement plan for each of the 27 properties was developed to promote a strategic and planned approach to major repairs. This plan will be implemented in 2004 and is focussed exclusively on equipment replacement and rehabilitation of the buildings.

Major repairs/replacement planning requires an in-depth knowledge of the buildings and the ability to skilfully balance the timing of the expenditures in order to maximize the utilization of existing assets while avoiding major costly breakdowns. Tenant inconvenience is another variable that is factored into planning where unit upgrades such as kitchen or bathroom improvements are involved. Additionally some jobs, like roofing or parking lot upgrades, are seasonal activities while other projects such as elevator refurbishment have long lead times that span a year or more. As a result, the major repairs/replacement plan is a sophisticated blend of planning estimates versus resource and financial capacity.

Major Repairs/Replacement Planning Expenditures

$000's	**2003 Actual**	**2003 Budget**	**2004 Budget**	**2005 Outlook**	**2006 Outlook**
Planned Expenditures:					
Roofing	285	279	77	232	31
Building	502	536	708	1,355	1,231
Energy Conservation	-	-	50	-	-
Elevator	5	288	439	62	302
Electrical	11	-	19	31	32
Equipment	51	-	34	37	35
Grounds	118	130	423	377	157
Life Safety Systems	70	-	6	-	-
Heating & Ventilation	96	49	18	171	171
Capital	11	28	68	55	21
Painting	-	41	12	36	-
Total Major Repairs/ Replacement Plan	**1,149**	**1,351**	**1,854**	**2,356**	**1,980**

While the majority of major repairs/replacement projects are relatively small in nature, some are larger and more complex.

The following table identifies major repairs/replacement projects greater than $50,000 during the period 2004-2006 by municipality and property.

2004-2006 Major Repairs/Replacement Projects > $50,000

$000's

Municipality	Property	Description	2004	2005	2006
Aurora	Hadley Grange	Driveway/parking lot repairs	52		
	Hadley Grange	Air conditioning replacement		52	
	55 Orchard Heights	Parking lot expansion		52	
	57 Orchard Heights	Elevator upgrade	233		
Georgina	Glenwood Mews	Phase 2 roof replacement	52		
	Glenwood Mews	Phase 3 roof replacement		52	
	Glenwood Mews	Window replacement			103
	Glenwood Mews	Siding upgrade			52
King	90 Dew Street	Kitchen upgrade		118	
	48 Wilsen	Kitchen upgrade		88	
Newmarket	468 Eagle	Bathroom upgrade	309		
	474 Eagle	Roof replacement		77	
	540 Timothy	Elevator upgrade			216
Richmond Hill	Rosetown	Elevator upgrade	206		
	Rosetown	Roofing (machine room)		52	
	Rosetown	Masonry repairs		52	
	Rosetown	Balcony repairs		77	
	71 Dunlop	Parking lot expansion	103		
	71 Dunlop	Baseboard heater replacement		52	
	71 Dunlop	Bathroom upgrade			247
	75 Dunlop	Roof replacement			77
	76 Dunlop	Bathroom upgrade		206	
	76 Dunlop	Baseboard heater replacement			52
	78 Dunlop	Bathroom upgrade		206	
Stouffville	325 Elm	Parking lot resurfacing		72	
	325 Elm	Bathroom upgrade			160

Capital Replacement Reserve Fund Summary

As buildings age an increase in major repairs/replacement spending is anticipated. Many of buildings in the portfolio are approaching the life cycle where higher major repairs/replacement expenditures are required. The increased major repairs/replacement investment will create significant pressure on the capital reserve fund as annual contributions to the reserve are not expected to keep pace with the expenditures.

The Municipal Non-Profit capital replacement reserve fund is currently invested under the Social Housing Service Corporation new program rules introduced in 2003. While a variable rate of return is expected, an investment yield of three percent is assumed for the budget and outlook years.

$000's	**2003 Actual**	**2003 Budget**	**2004 Budget**	**2005 Outlook**	**2006 Outlook**
Municipal Non-Profit and New Housing Programs					
Balance, Beginning of Year	5,593	5,593	5,837	5,673	5,341
Transfer In from Operating-MNP	418	321	432	443	456
Transfer In from Operating-New	0	0	12	12	13
Annual Investment Income	170	154	175	170	160
Additional Subsidy Funding	0	0	0	0	0
Annual Capital Expenditures	(344)	(321)	(781)	(945)	(788)
Net Activity for the Year	244	154	(174)	(332)	(171)
Balance, End of Year	5,837	5,747	5,663	5,341	5,170

Capital expenses for the Public Housing Program are funded from operating.