



KINGSTON &
FRONTENAC
HOUSING
CORPORATION

2018

ANNUAL REPORT



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www.kfhc.ca





**Message from the Chair
Ms. Denise Cumming**

2018 was an exciting and productive year at Kingston Frontenac Housing Corporation.

Early in the year, we launched our first tenant advisory committee. The community has benefited greatly from the contributions of tenant groups through this committee.

In 2018, we launched and completed a number of projects which added to the inventory of affordable housing in our community.

The largest and most visible of these was our beautiful new building at 645 Brook Street, with 29 units.

We were also able to complete a number of infill projects, adding 12 units to our Cliff Crescent location. This project marked the first time the corporation served as its own general contractor. The first tenants moved into the building in December and we are looking forward to an official opening in 2019.

Another highlight for the year was the opportunity to work with Townhomes Kingston and in a unique and successful arrangement, providing property maintenance services for this partner agency.

The board is grateful for the leadership provided through the year by chair Liz Schell. We thank Liz for her many contributions to the corporation in the years she served on our board.

We have appreciated support and confidence shown to KFHC by the City of Kingston and our provincial and federal partners, as well as the collaborative work we've done with other social service and housing providers in our region.

We thank all of our stakeholders for their efforts to support our mission in 2018 and look forward to another successful year in 2019.

BOARD OF DIRECTORS



Councillor Liz Schell
Chair



Denise Cumming
Vice Chair



Gerard Hunt, CAO
City of Kingston
Director



Catharine Gibson
Director



Bob Godkin
Director



Gary Amos
Director



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Director



Councillor Gary Oosterhof
Director



Kalam Mir
Director



**Message from the Chief Executive Officer
Mary Lynn Cousins Brame**

I have the privilege to share with you the Annual Report for 2018. Together with the tenants, Board of Directors, staff, and partners of Kingston & Frontenac Housing Corporation (KFHC) we have focused on tenant engagement, the delivery of well-maintained housing units and the nurturing of healthy, safe and inclusive communities.

In 2018 KFHC invested in new housing stock through the 645 Brock Street project and the 28 Cliff Crescent infill project totaling 41 new units consisting of affordable, rent-geared-to-income and market units which were made possible by the Provincial Investment in Affordable Housing and the Municipal Capital Investment Affordable Housing. The continued strong partnership with the Province of Ontario and the City of Kingston has advanced the growth of the corporation and increased affordable housing for the area.

To assist and support Town Homes Kingston (THK) and the City of Kingston, KFHC signed a service agreement to provide maintenance services to the THK housing portfolio through the provision of daily maintenance services and capital improvements. KFHC was able to take over the maintenance service without any disruption to tenants at KFHC and THK by the increase in personnel, the well-established processes and systems already in place at KFHC.

To promote successful tenancies and responsive customer service KFHC continued to work collaboratively with the Tenant Advisory Committee and tenant groups to deliver programs and supports needed by our tenants. The Tenant Engagement Strategy's second phase was implemented along with a follow up tenant survey to evaluate from the tenants' perspective the services operated by KFHC with the goal of constant performance improvements.

Having successfully achieved the Strategic Plan 2016 -2018, the Board of Directors turned its attention to setting the future strategic direction and the establishment of a new plan. The strategic vision set for 2019 through to 2023 is for the Corporation to be a leader in housing and property management, a champion in the creation of new housing, a supporter of tenant engagement and an organization that is high performing, resilient and sustainable. The following three key strategic priorities were established: provide and maintain affordable, quality homes that build tenant engagement, and pride, create new housing solutions that meet emerging community needs and strengthen organizational resilience and capacity to ensure long-term sustainability.

The past year has been highly successful for KFHC and I look forward to expanding and strengthening our position and role as a leader and innovator in the housing sector with the support and collaboration of the tenants, staff, Board of Directors, partners and the City of Kingston.



Scott VanderSchoor CCA, CIHCM
Technical Service Manger



2018 was a very productive year for the KFHC maintenance department. For the first time we took on the General Contractor role to build 12 new apartments on the 28 Cliff property. It was an infill project adding eight new affordable apartments and four new market rent apartments to the existing 50 town house units. Construction was finished near the end of December, a full 3 months ahead of schedule.

In addition, KFHC started to take on the maintenance and capital works for Town Homes Kingston (THK) effective November 1st, 2018. For the first time, KFHC effectively contracted out our services to the second largest social housing provider in Kingston. Our existing mobile work order database was essential to keeping the additional tasks in order.

2018 also saw the continued construction of KFHC's newest apartment building located at 645 Brock Street. This will be a mixed income building with ten Rent Geared to Income (RGI) units, ten affordable units, and nine market rent units, and is scheduled to be completed early in 2019.

Some statistics for 2018:

- On average we completed (with THK properties included) 437 work orders per month.
- An average of roughly 4-5 work orders per person, per business day.
- In 2018, for KFHC properties alone, more than 3,000 work orders were completed by our staff.
- More than 500 work orders were completed with respect to Pest Control.
- Approximately 80 units were renovated for new, incoming tenants, and eight of those were turned over in less than 24hrs.
- Just over 1,000 work orders were issued to outside contractors, a reduction of more than 300 from 2017.
- Staff look for new ways to complete work ourselves instead of contracting out in order to help reduce costs.
- Internally KFHC tracks all work orders to look for efficiencies and to identify areas of concern.
- Those completed in 2018 are shown in Figure 1.

- Additionally, work orders are categorized by urgency (for our workers to respond to.) Those with a high priority are targeted for completion in four hours or less. General work orders with no ill effect to the tenant or the asset are set for completion within 7-14 days. Those completed in 2018 are shown in figure 2.

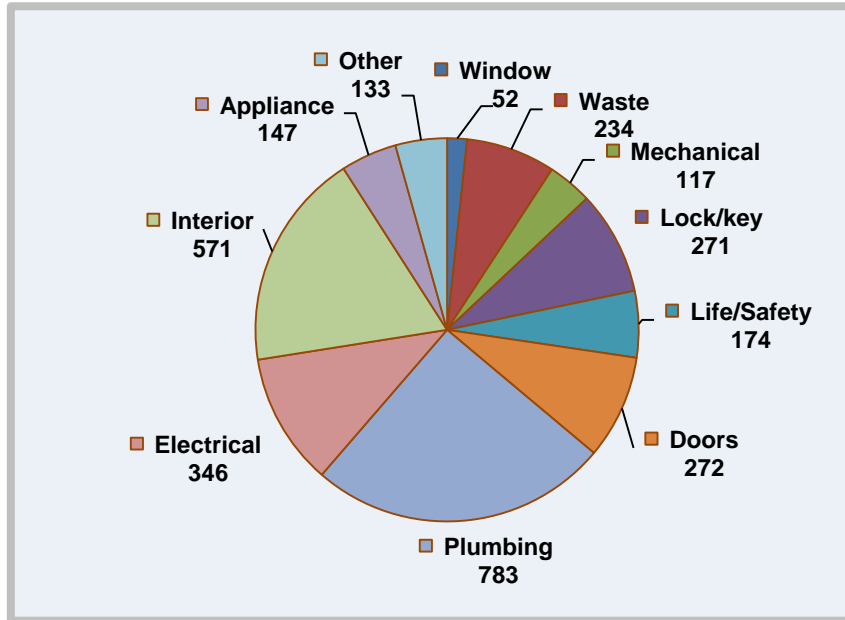


Figure 1: Total Completed KFHC Work Orders by Activity

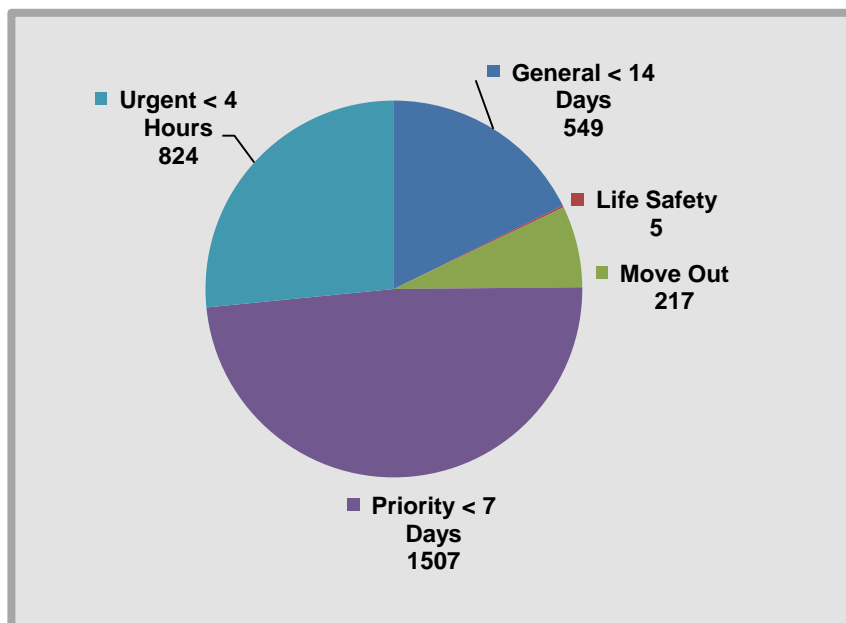


Figure 2: Total Completed KFHC Work Orders by

The department is growing...

- From 2007 until October 31, 2018 our unit count grew from 937 units to 1,054. (KFHC built 117 new units).
 - An increase of 12%
- In that same time, our budget grew from \$907,086 in 2007 to \$931,852 in 2018.
 - An increase of 2%
- In 2018, the maintenance department finished the year with a healthy surplus, demonstrating the effectiveness of our efficiencies.
- The addition of the Town Homes Kingston (THK) properties on November 1st of 2018 (another 397 units) would represent a growth of 35% in the last 12 years.
- In 2019 we will see the completion of 645 Brock Street, adding another 29 units, and are building an additional 24 units on a newly severed piece of property located at 20 Cliff Crescent as well as the existing Curtis and Nickle property.

The 2018 KFHC Capital Program Included:

- Bathrooms replaced at 176 Wilson and 36 Cliff at a cost of \$410,000 and benefiting 83 tenants.
- New high efficient boilers installed at 1130 Montreal Street at a cost of \$71,000 and benefiting 43 households.
- New interior finishes at 123 Van Order Drive, 125 Van Order Drive, and 381 Bagot Street at a cost of \$170,000 and benefiting 164 tenants.
- New roofs at Weller/Wilson/Compton at a cost of \$169,000 and benefiting 106 households.
- New baseboard heaters and thermostats at Verona at a cost of \$21,000 and benefiting 28 tenants.



**Ms. Dan Song, AIHM, CGA, CPA
Finance & Administration Manager**

Affordable Housing Project highlights

Since the start of 2018, KFHC has begun a strategic plan for potential housing developments in various locations in Kingston. Starting at high-level project forecasting to see if our available capital lies within our plan, this approach enhances our strategic position in order to serve our shareholder (City of Kingston) to create more affordable housing in Kingston.

In part, due to this strategy, we completed 12 infill housing units on 28 Cliff Crescent. This resulted in 8 affordable housing units being added to Kingston's affordable housing market, 4 units into market rent units, being distributed into the central Kingston area in accordance with the Rideau Heights Regeneration Project.

The completion of affordable housing projects is viewed better as federal, provincial and municipal government's collective efforts. Three levels of government contributions helped create these beautiful housing units in the City of Kingston. Without the federal government's seed funding, we would not have been able to start future projects and without the City of Kingston's complete trust, our request for proposal would not be. More importantly, without the provincial funding provider's open-minded attitude towards KFHC's innovative approach, the construction would not have been sustainable.

Operating Performance

From the KFHC core business (Rent Geared to Income) RGI activity perspective, we successfully operated under the (allowable) municipal subsidy. As the result of the Annual Information Return calculation, we return the \$282,138 subsidy cash to the City, KFHC RGI year to date surplus reached over one-million-dollars as of Dec 31, 2018, which can be redirected for future development by the City of Kingston.

With RGI units remaining the same, residential service requests are the same each year, our overall RGI program costs decreased 3% from 2017 level.

Our affordable housing portfolio continues to grow stronger as we build and manage affordable units. KFHC remains at a one day of turnaround time for our vacant units. The turnaround time not only minimizes the vacancy loss but also reflects our plan to have our units ready as soon as possible from the moment the tenant leaves, to reduce the amount of money lost. The annual program surplus which includes the new construction grant has reached \$1,801,213 from \$1,763,669 in 2017.

Balance sheet and capital

At the end of December 2018, the net tangible capital assets on our balance sheet stood at \$51,982,050, an increase of \$4,400,354 from the level recorded on December 31st, 2017. The increased capital expenditure is evidentially supported by our strategic objectives and several affordable construction projects committed during 2018. Consequently, the accumulated surplus of \$46,778,582 at the end of December 2018 increased by \$1,917,830 compared to the year-end of 2017.

Capital and liquidity

We took advantage of the healthy operating cash balance and financed the cash needs for two construction projects in 2018.

During the recent seven years, KFHC's mortgage was executed with the 20 or 30 year fixed interest rates which are all under 4%.

Outlook

Looking to the upcoming year, we expect 645 Brock Street mortgage interest rate is to be landed at the same range, the same optimistic expectation for the next few years' financial borrowing rates from our partner Infrastructure Ontario.

Cost management is one of the highest priorities for any project. All projects have gone through several phases of review from an original estimate, to reverse-engineering of the budget to assess its viability. Once all members of the development team are in agreement, the project is put out to tender.

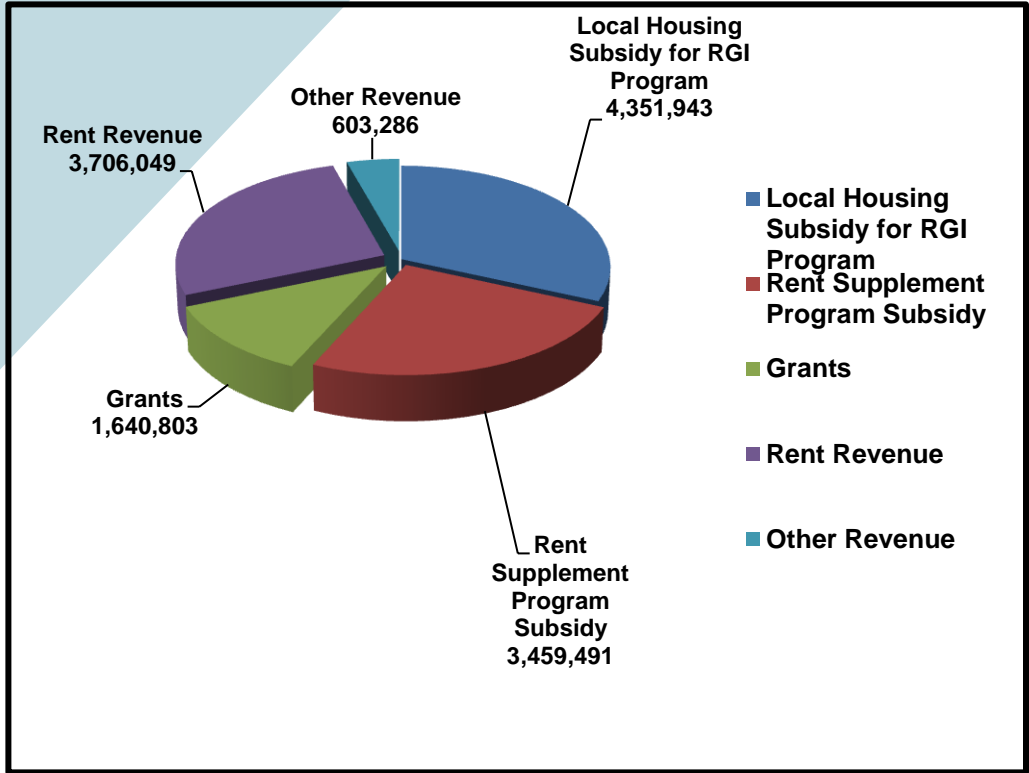
Over the past several years, we have significantly increased our level of equity and financial strength, such that we now hold capital resources well above Infrastructure Ontario regulatory minimum levels required. Delivery of an appropriate debt service coverage ratio has been a critical measure of our project financing performance; in addition, we keep the capital reserve fund above the minimum required level, we feel it is appropriate for the future financial strength in terms of project sustainability.

Conclusion

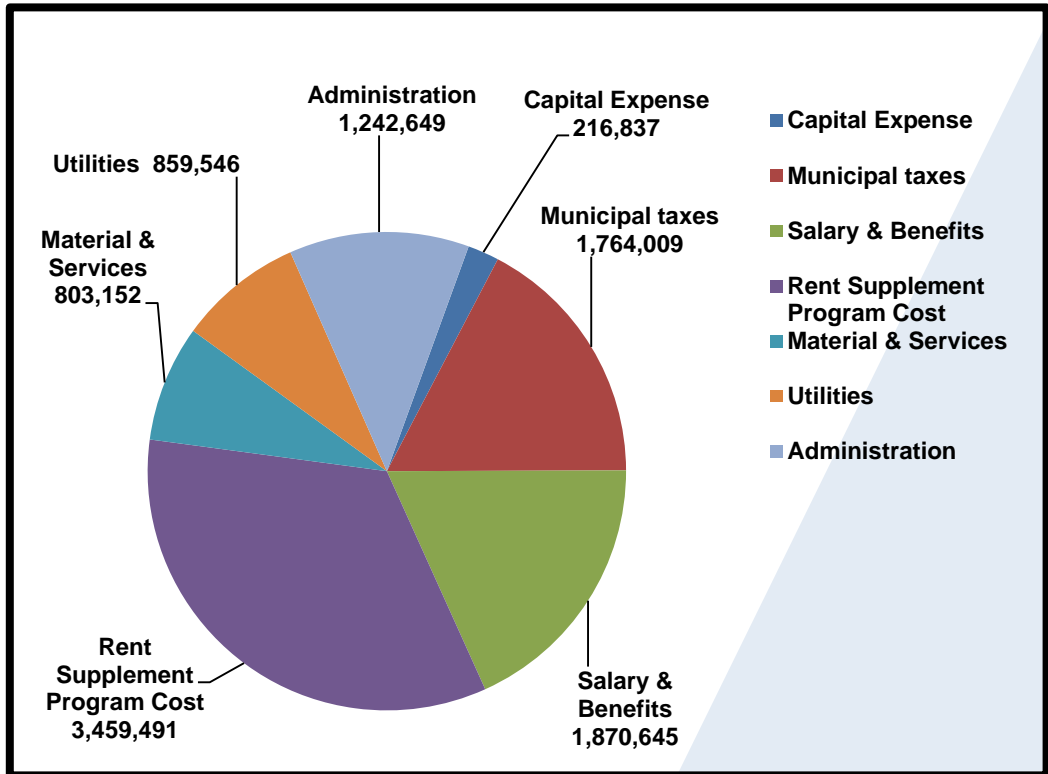
KFHC continues to maintain a robust financial position with a focus on operational efficiency, to providing a 24/7 housing service to all KFHC residents who are living in the Kingston area; this continuous effort has been extended to Kingston Municipal Non-Profit Housing Corporation (Town Homes Kingston) in 2018. We hold the highest trust in our staff members and continue our mission to serve the people in need.

KFHC 2018 Audited Financials

2018 Revenue



2018 Expenses





Patricia Price, A.I.H.M
Licensed Paralegal
Property Manager

The Property Management Department underwent a re-organization in 2018. This model is now in line with the corporate culture of one Manager having oversight of each department. As a result of the re-organization a new position was created in order to administer the more complex programs for which KFHC is responsible.

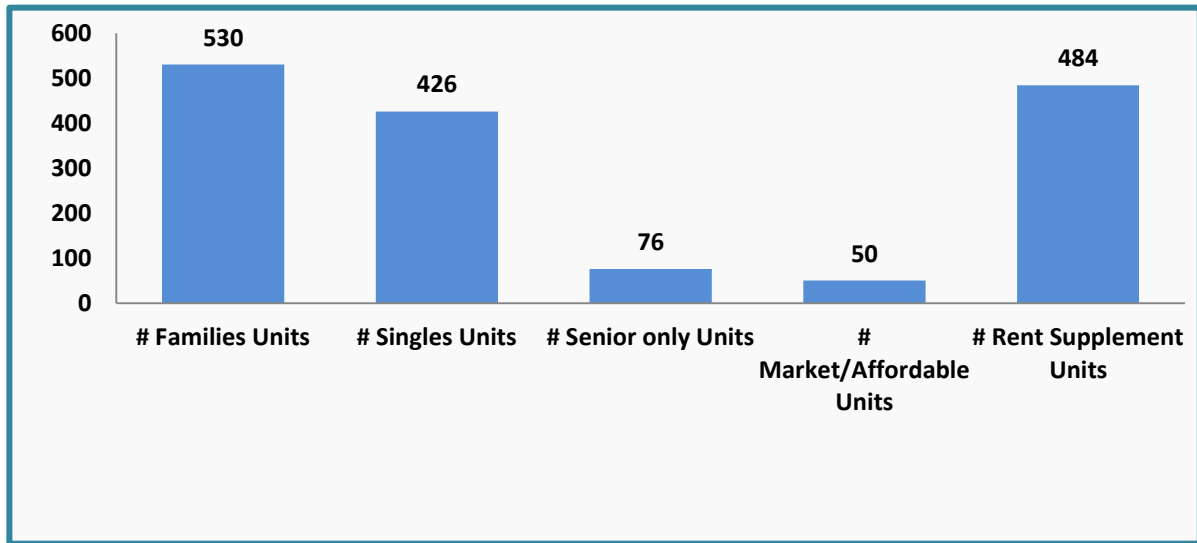
The new position, Tenant Services Programs Administrator work in collaboration with the Rent Supplement Program, Affordable Housing Program, and upcoming programs. This position also consults with the Property Manager on legal matters and legislation.

2018 Tenant Advisory Committee

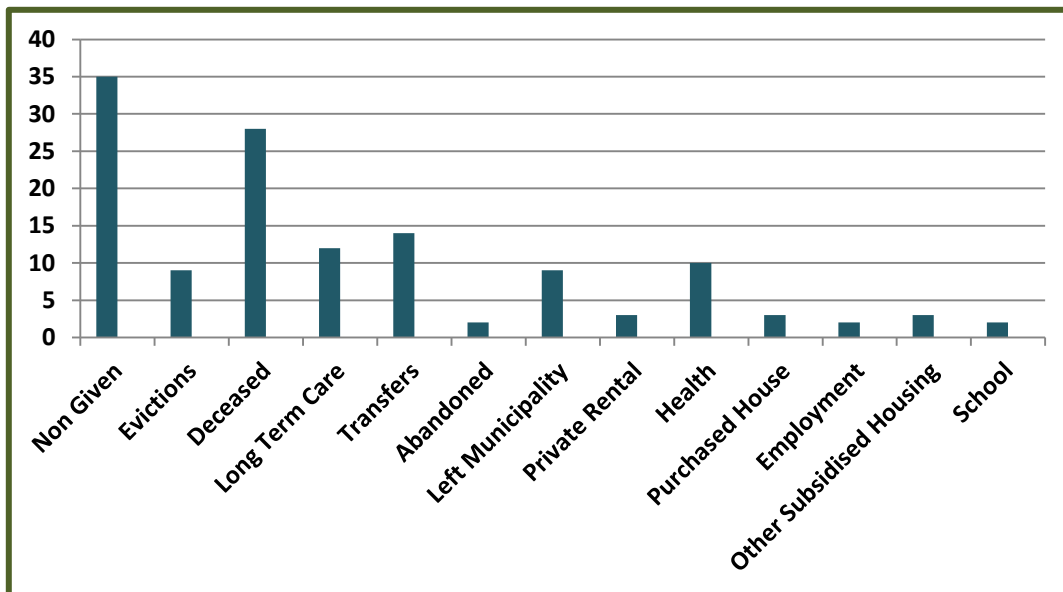


The Tenant Advisory Group continued to provide leadership and recommendations to staff on tenant concerns, ideas and improvements within the KFHC portfolio. The tenant advisory group is still divided into two areas to ensure the unique populations of the two areas are represented. However, joint ventures were initiated this year culminating in a joint family fun day. The TAG members were provided with t-shirts in order to identify themselves as leaders in the community. Meetings are held monthly, items discussed include topics for the quarterly newsletter, issues, concerns and upcoming events.

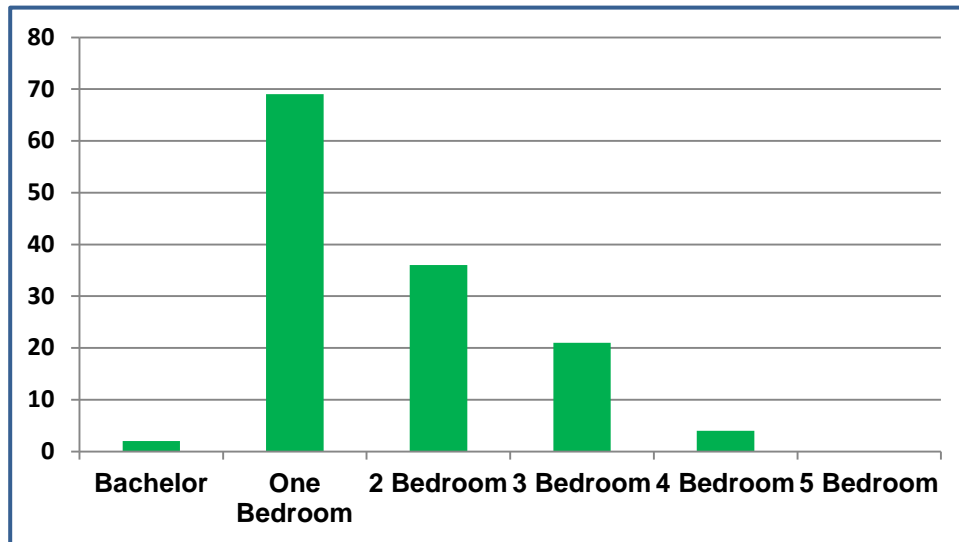
OUR DEMOGRAPHICS



REASONS FOR VACANCY



VACANCY BY BEDROOM SIZE



Kingston & Frontenac Housing Newest Build 645 Brock Street

We look forward to the opening of our newest building to be opened at 645 Brock Street. This will be our second true mixed income building, consisting of Market, Affordable and Rent Geared to Income Units.



KFHC TENANT ACTIVITIES

KFHC sponsored a family fun day at Lake Ontario Park. A number of other activities occurred across the portfolio including a boat cruise, Camp Maple Leaf, fire and crime seminars, strawberry socials, pot lucks, BBQ's etc.



Thank you to the Kinsmen Club Kingston for their continued sponsorship sending 50 children to Camp Maple Leaf.



FOOD RESCUE PROGRAM

Food insecurity continues to be a major issue for our tenants. A new partnership with Food Rescue.ca assists us with meeting this need by rescuing nutritious food directly from local donors. This also helps to reduce the environmental impact by distributing good, edible food instead of it ending up in a landfill site.



Kingston & Frontenac Housing Corporation, we thank you for making a real difference in your community. Here are a few current stats about your rescues:



VOLUME OF FOOD RESCUES

We calculate rescued food at a 1:1 ratio. This means that 1 pound of food rescued is the equivalent of 1 meal provided in your community. Meals are easier for people to imagine than volume, so it's a great way to share the amount of food you've rescued.

SHARE GOOD NEWS

Rescuing food is a great story for both you and the donors! Take photos – share these stats – describe the impact. (Always asking permission!) Spread good messages about where you live.

DONATION DETAILS

At the time of this report, your organization have claimed:

95 RESCUES from 16 Donors

Thank you so much for going above and beyond for your community. This program could not work with out you!

WE'RE IN THIS TOGETHER.

Got questions?

Reach out: Geoff.Hendry@foodrescue.ca

REPORT CREATED March, 8 2019 BY SECOND HARVEST & LOVING SPOONFUL



How to Start a Food Rescue Program



Fiona Drake, BA., M.Ed.
Manager Support Services

We had another busy year supporting and engaging tenants. Approximately 14% of households were connected with Support Services. So much of what we can provide is due to the commitment of our students. Twenty one students from four different programs worked with our tenants individually and in various groups run throughout the portfolio. Our partnerships with Queen's University Nursing, Queen's University Occupational Therapy, and St. Lawrence College/ Laurentian University Nursing assisted us with meeting our tenants' needs.

One project implemented by our Community Development students saw the creation of a Needs Capacity assessment. The results obtained from a pilot provide unique insight into the lived experience of tenants living in social housing within the Rideau Heights community. Many of the concerns community members expressed were situated around community safety, access to services, and child or youth opportunities for engagement in local structured recreation and sports programs. We look forward, to using this information to help structure and guide stakeholders in connecting, designing and implementing services and programs to ensure that the areas being addressed are a true reflection of the needs of the tenants.



All of our building monitors have now been trained in Mental Health First Aid. This has provided them with a framework to understand and offer assistance to some of our tenants when they may be experiencing a mental health problem or crisis. The training also helps to decrease stigma. We have begun to participate in research projects looking at met and unmet needs of people living in social housing. Dr. Carrie Marshall of Western University has been a great supporter of KFHC and we look forward to any future opportunities to raise awareness for people living in poverty.

EARLYON CHILD & FAMILY SERVICES

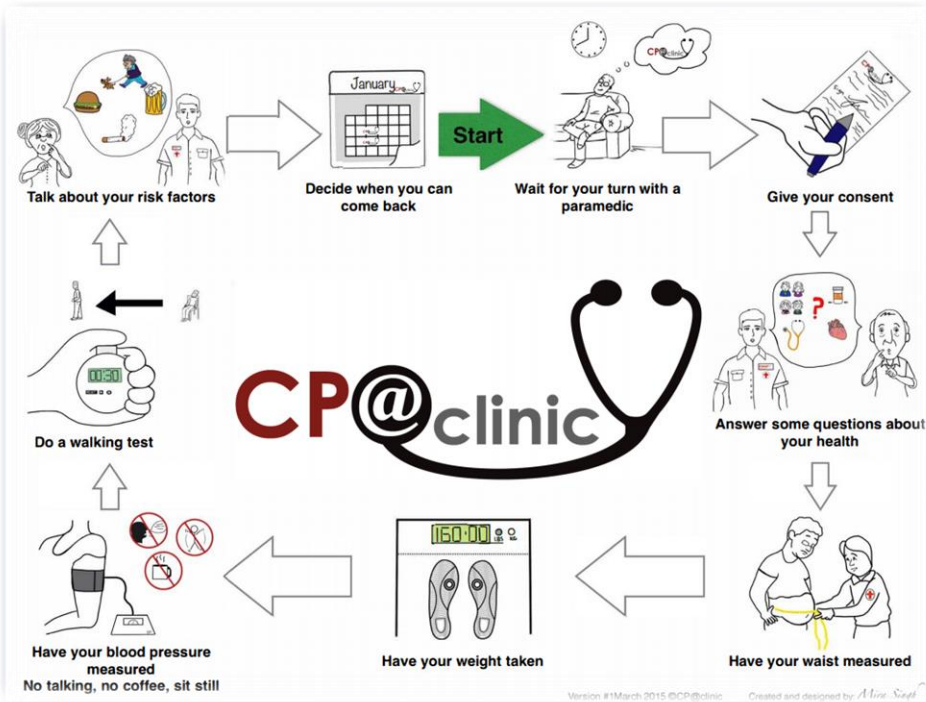
In 2018, we welcomed the opening of an EarlyON Child and Family Centre at 300 Conacher. This free drop-in offers programs for parents and caregivers with children from birth to 6 years old. It provides a place to learn and play, meet other people and get advice.



CP@CLINIC!!!



The CP@Clinic was launched in May at 129 Van Order Dr. and is a partnership between McMaster Community Paramedicine Research Team, Frontenac Paramedic Services and ourselves. Tenants at all Van Order locations can access this weekly clinic where they can receive free health checkups, personalized health advice and links to other resources. We are so pleased to have Jason Kervin supporting our tenants!

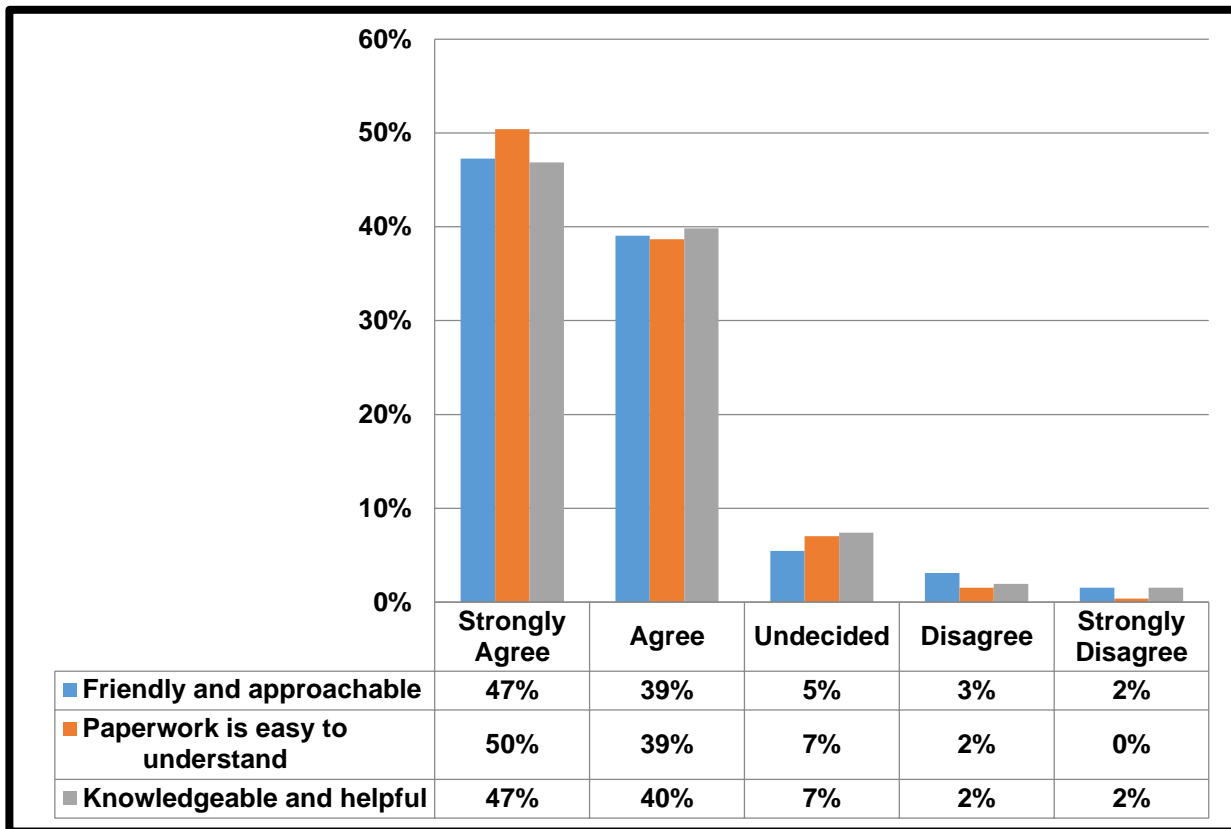


2018 TENANT SURVEY!!!

Our 2018 Tenant Survey gave us some helpful information. In the customer service categories of friendliness, paperwork, as well as knowledge and helpfulness, the large majority of participants “Strongly agree” or “Agree” with the positive customer service statements.



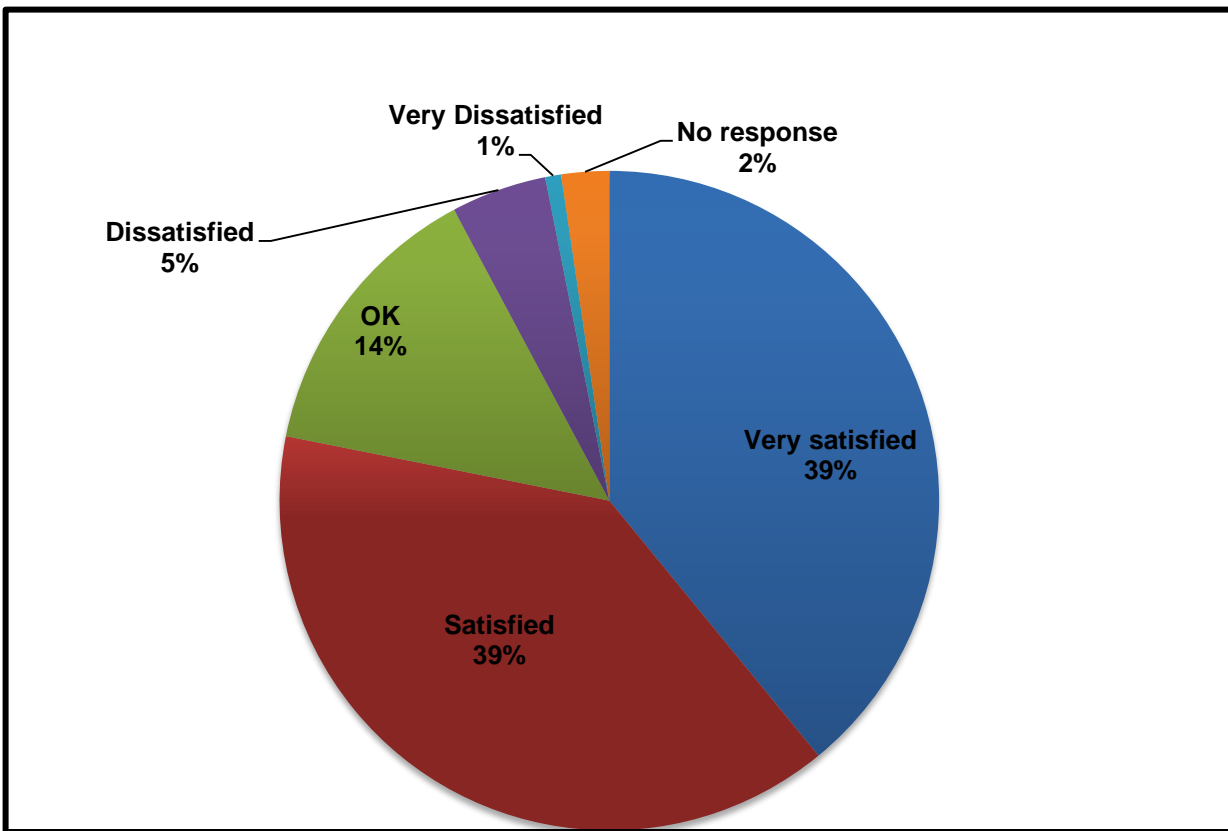
CUSTOMER SERVICE



In terms of how satisfied tenants were overall with KFHC, 78% of respondents were “**Very Satisfied**” or “**Satisfied**” with KFHC, compared to 64% from the previous year.



OVERALL SATISFACTION WITH KFHC



We remained committed to receiving feedback and look for ways to continue to foster positive relationships.