



2022 ANNUAL REPORT

KINGSTON & FRONTENAC HOUSING CORPORATION

TABLE OF CONTENTS

1. ABOUT KFHC.....	3
2. BOARD OF DIRECTORS.....	4
3. MESSAGE FROM THE BOARD CHAIR.....	5
4. MESSAGE FROM THE CEO.....	6
5. PROPERTY MANAGEMENT HIGHLIGHTS.....	9
6. SUPPORT SERVICES HIGHLIGHTS.....	12
7. DIRECTOR OF ASSETS & DEVELOPMENT.....	25
8. DIRECTOR OF FINANCE & OPERATIONS HIGHLIGHTS.....	27
9. AUDITED FINANCIAL STATEMENTS.....	30

ABOUT KFHC

Mission

We will provide quality affordable housing, advocate for strong communities and demonstrate respect for all.

Vision

Kingston & Frontenac Housing Corporation will be an active leader in housing by fostering informed, engaged tenants and communities.

Our Board



KFHC's Board of Directors is comprised of two members of Council, six community leaders. Our Board of Directors ensures clear mission and purpose, effective strategic planning, evaluation of the CEO, ensures sound financial and legal practices (fiduciary), financial resources, delivers mission and used effectively, engages stakeholders, ensures effective governance.

Our Staff



KFHC staff work within the framework of our Mission Statement and Strategic Plan to provide and maintain our building in a safe and supportive environment for our tenants. Twenty-seven full time office/maintenance staff and nine Building Monitors make up the current staffing compliment.

Our Tenants



KFHC works with tenants to develop a Tenant Advisory Committee (TAC) to provide leadership and recommendations to staff on tenant concerns, ideas, and improvements within the KFHC portfolio.

Our Community



KFHC serves the community by providing 2122 homes and offering housing programs for the City of Kingston.

KFHC BOARD OF DIRECTORS



Ms. Dennis Cumming, Chair



Ms. Liz Schell, Vice



**Councillor Simon Chapelle
Director**



**Mr. Mohammed Youssef
Director**



**Ms. Catharine Gibson
Director**



**Councillor Gary Oosterhof
Director**



**Mr. Sam Kapoor
Director**



**Ms. Phuong MacNeil
Director**

MESSAGE FROM THE BOARD CHAIR



As our region and our country face unprecedented challenges with homelessness and an inadequate supply of housing, Kingston & Frontenac Housing Corporation (KFHC) has continued to play a leadership role in developing new properties and providing excellent management of our housing inventory of more than 1544 rental units.

Early in the year, work began on the “infill units”, being constructed on the site of our existing properties on Curtis Crescent under the Rapid Housing Initiative program in partnership with the City of Kingston. These nine new units have been developed as housing for vulnerable youth, addressing an important need in our community, and were occupied by year-end. This year, we also saw a major redevelopment project of our Curtis Street neighbourhood with the addition of insulation and new energy-efficient cladding.

The resulting improvements have greatly added to the curb appeal of these units, which are some of the oldest in KFHC’s housing portfolio. The second phase of this project will be completed in 2023.

In April, we held a ribbon cutting for our new 40-unit building at 27 Wright Crescent. This facility, which was completed on time and on budget and was fully occupied weeks after completion, has had excellent reviews from both tenants and neighbouring homeowners.

The easing of the many constraints put into place for the pandemic allowed us to reinstate our Tenant Advisory board in April and to see these volunteer advisors resume their regular meetings. Our Board of Directors has appreciated being able to hear directly from the tenants through a representative of the Advisory Board giving periodic presentations at board meetings.

Our enhanced support program, which provides direct support and community referrals to tenants, continued to address important needs within our neighbourhoods. In 2022, staff provided assistance to 141 people whose tenancy would otherwise have been at risk through the Support Program. We are grateful that the City of Kingston extended funding for this program for another year.

In July we held a ground-breaking for the 92-unit building being constructed at 1316 Princess Street. Construction is moving along quickly, and we anticipate that tenants will be able to move in by the summer of 2024. We look forward to celebrating the opening of this beautiful new space.

Our board is grateful to the leadership and staff of the Kingston & Frontenac Housing Corporation, as well as to our partners in the municipal, provincial, and federal governments, who have advocated for and supported projects that will help ease the shortage of affordable housing in our region.

MESSAGE FROM THE CEO

Mary Lynn Cousins Brame, BA, MBA
Chief Executive Officer

I am excited to share with you the Annual Report which highlights Kingston & Frontenac Housing Corporation (KFHC) performance for the year 2022. KFHC was remarkably busy over the year with the commencement and completion of several major projects while maintaining sound operations in a growing corporation.

KFHC continued to focus on the Corporation's strategic priorities of providing and maintaining affordable, quality homes that build tenant engagement and pride; creating new housing solutions that meet emerging community needs; and strengthening organizational resilience and capacity to ensure long-term sustainability.

I am excited to share with you the Annual Report which highlights Kingston & Frontenac Housing Corporation (KFHC) performance for the year 2022. KFHC was remarkably busy over the year with the commencement and completion of several major projects while maintaining sound operations in a growing corporation.

KFHC continued to focus on the Corporation's strategic priorities of providing and maintaining affordable, quality homes that build tenant engagement and pride; creating new housing solutions that meet emerging community needs; and strengthening organizational resilience and capacity to ensure long-term sustainability.

With the completion of 27 Wright, the focus was on the second phase at Curtis Crescent, the building of nine affordable housing units for vulnerable youth in partnership with the City of Kingston with funding through the Rapid Housing Initiative.

KFHC continued to work on the plan and applicable applications and approvals in which to develop the 92-unit mixed-income building at 1316 Princess St. in partnership with the City of Kingston and Canada Mortgage Housing Corporation taking advantage of the Federal Co-Investment in Affordable Housing Fund. KFHC was successful in obtaining funding and approvals from the Board, Shareholder, and Council with the onsite development commencing mid-spring.

On a very rainy day in July, the official groundbreaking took place with Denise Cumming, Board Chair, Mayor Paterson, MP Mark Gerresten- Kingston & the Islands, and MPP Ric Bresee- Hastings & Lennox Addington each commenting on the new development and how it would assist in meeting the growing need in the community. The dignitaries put the official shovel in the ground and marked the occasion of the newest and largest development by KFHC.

During the groundbreaking the Development Team took the opportunity to acknowledge their efforts and involvement in this project and to thank all levels of government, the Shareholder, and the Board for working collaboratively to bring the project to fruition as several times during the funding process the Team didn't think it was attainable.



Over the course of the year, KFHC has maintained “business as usual” by focusing on our landlord responsibilities of maintaining and turnover units to house applicants as quickly as possible, collecting rent, and ensuring tenants adhered to their lease and addressing their requests as quickly as possible.

Challenges of growing rent arrears, limited access to the Landlord Tenant Board, increased tenant aggression to staff along with increased requests for maintenance service remained during 2022. KFHC was grateful for the city providing the second year of funding for the expanded Support Services to assist tenants with their housing needs.

The Executive Team’s close monitoring of operating expenditures and trends allowed for quick actions and interventions resulting in a financial surplus during an economically challenging year of inflated costs and labour shortages.

KFHC ended the year on a positive note with the CEO joining Mayor Paterson, MP Mark Gerresten, and Kimberley Mansay-Walker from Kingston Co-Operative Homes in welcoming the Honorable Ahmed Hussen, Minister of Housing, Diversity, and Inclusion to City Hall. Minister Hussen came to Kingston to provide the official announcement of the National Housing Co-Investment Funding of \$28.9 million for the two projects located on Princess Street for the development of 130 affordable housing units.



I encourage you to read the attached reports from the Directors and Managers of the four departments detailing the performance and outcome of the work achieved in maintaining our units, working together with our tenants, and increasing housing units.

I would like to acknowledge and thank the dedication of our tenants, staff, Board of Directors, and Stakeholders in expanding the corporation’s offering of more affordable housing while ensuring organizational strength and sustainability.

Mary Lynn Cousins Brame
B.A., M.B.A., CIH CM
Chief Executive Officer



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

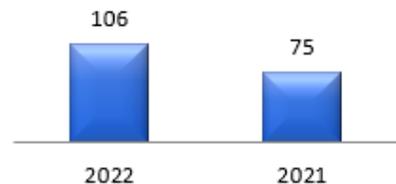
Property Management Highlights

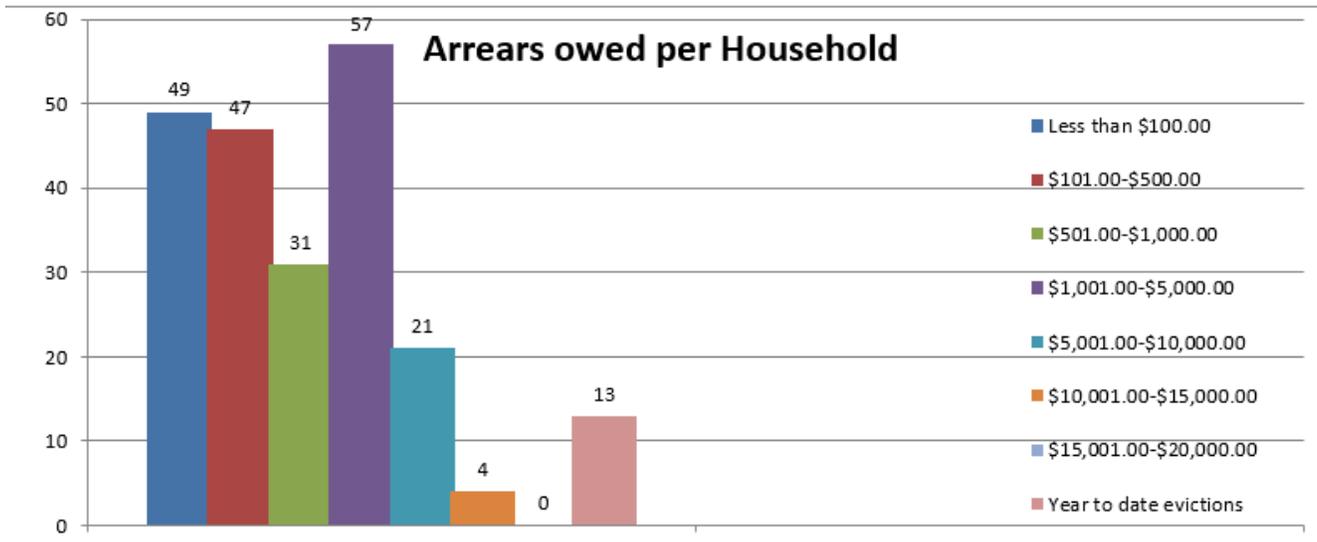


Kelly Vallier
Property Manager
CertCIH, Licensed

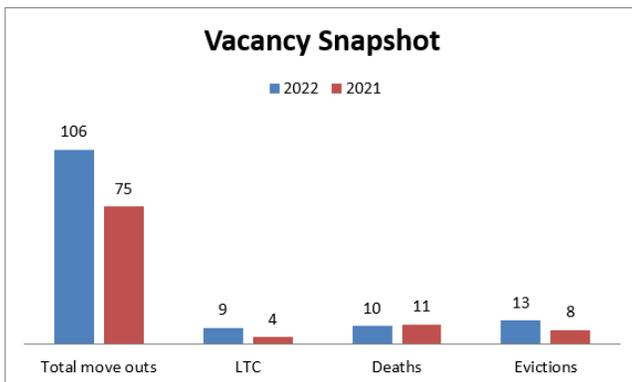
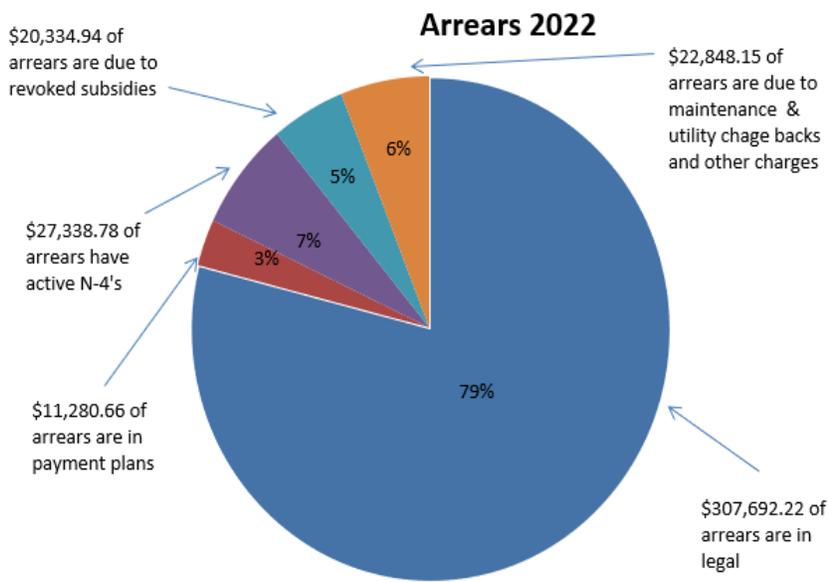
- We welcomed a new Applicant Tenant Services Coordinator to the department the primary focus of this position is to coordinate all pest management issues across the portfolio.
- Our newest 40-unit building located at 27 Wright Cres was completed with full rent up in March. The building consists of 13 Affordable units, 17 Market units, and 10 Rent Geared to Income Units (RGI).
- Also completed in 2022 were 9 affordable units, 8 units for young adults, and 1 unit for people with physical disabilities. The composition of units is composed of youth who are or otherwise would be in severe housing need, experiencing homelessness, or at high risk of homelessness.
- Challenges with rent arrears and tenant behaviours continued into 2022. There is a direct correlation between these behaviours and the long delays at the Landlord and Tenant Board (LTB) for hearings. Due to the backlog at the LTB as well as minimum payments for arrears as directed by LTB, arrears grew exponentially.
- Referrals to Support Services increased due to behaviours and the backlog at the LTB which is having a negative impact on our most vulnerable population.
- As we started to come out of the Pandemic and the stay-at-home orders were lifted, we began to see an increase in the number of move-outs compared to 2021.

Total Move Outs





December 31, 2022 Arrears \$389,494.70





Fiona Drake, M.Ed.
Support Services
Manager

Supports continue to be a main crisis response service, triaging issues, offering brief interventions, and case management to try and connect tenants with services in the community. Our goal is to prevent housing loss, assisting tenants who struggle with mental health issues, addictions, independent living skills, and physical health issues that impact their tenancies. With two full-time staff, Supports moved into 2022 with 169 open files from 2021. We received 141 referrals in 2022, supporting a total of 310 files throughout the year. Having closed a total of 194 files during the year, we enter 2023 with 116 open files.

SUPPORT SERVICES HIGHLIGHTS

- Assisted with filling the 10 new Rent-Geared to-Income units at 27 Wright Crescent as well as the 9 Affordable Youth Housing Units at Curtis Crescent.
- Reconvened the Tenant Advisory Committee after COVID restrictions were lifted.
- Welcomed the return to in-person delivery of The Oasis program at 111 Van Order, supporting seniors aging in place.
- Partnerships with Queen's Nursing, Occupational Therapy, and St. Lawrence/ Laurentian Nursing gave us 22 students during the year. As pandemic gathering limits shifted, we offered more group programming focusing on health and wellness initiatives at our buildings, increasing community, social engagement, safety, and connections.
- Extremely thankful for the Kingston Kinsmen Club whose support allowed 48 Kingston & Frontenac Housing Corporation (KFHC) children to attend Camp Maple Leaf for a week.
- Continued to partner with and support KFLA Public Health with their mobile health/vaccine clinics, particularly the bivalent vaccine, at several of our common rooms, throughout the portfolio.
- Our research project with Dr. Carrie Marshall, COVID-19 Social Housing Study, and Beyond was able to be completed, having been delayed throughout the pandemic with shutdowns.
- A new venture with Queen's researcher, Dr. Rosemary Lysaght, began, creating a Framework for Social Enterprise as a Bridge to Employment and Self Sufficiency for Kingstonians Living in Social Housing.

Issues/ Themes

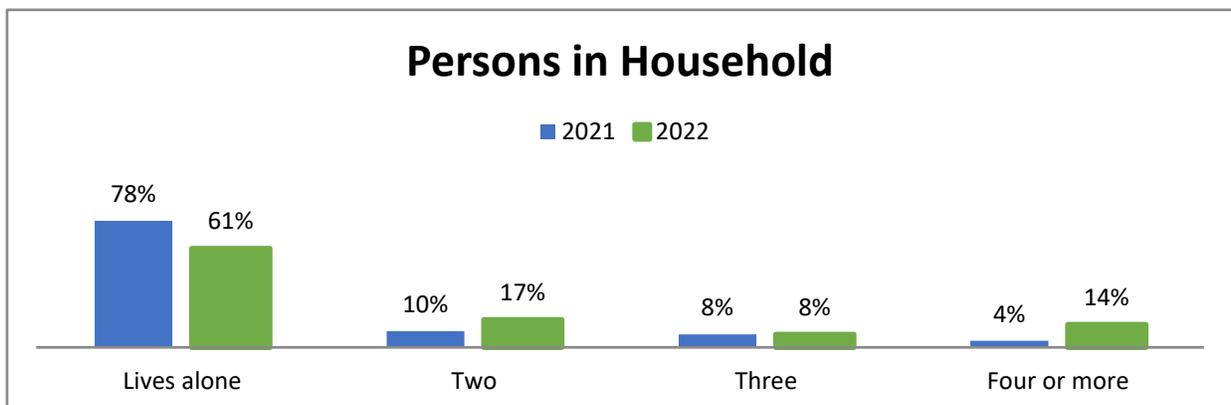
- Tenants struggling to cope with issues in their buildings/neighbourhoods related to the behavior of other tenants or their guests, as well as a steady increase in homeless individuals.
- Tenants struggling to meet the conditions of their lease.
- Increased support for tenants who have not completed their annual subsidy review. Gathering and handing in the required documentation can be difficult and assistance prevents them from losing their subsidy, paying market rent, having arrears, and facing housing loss.
- Tenants who are unwell with limited supports available. The right to be unwell is often a barrier to accessing treatment and contributes to escalations in behaviours due to mental health distress.

Referrals 2022

	Total	Male	Female	Single	Senior	Family
KFHC	133	45	88	53	33	47
Rent Sup	8	0	8	3	3	2
TOTAL	141	45	96	56	36	49
	Referrals	Male	Female	Single	Senior	Family

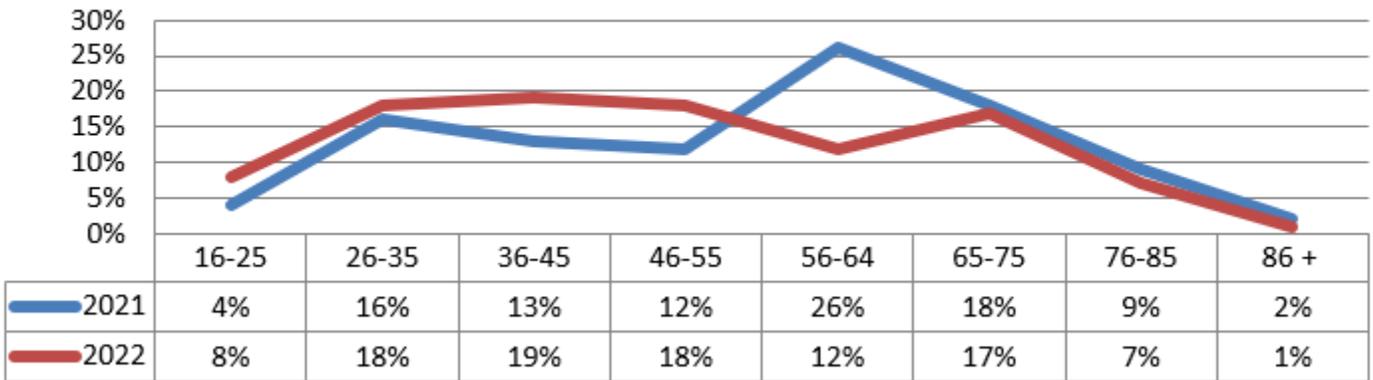
Percentage	2021	2022
Female	74%	68%
Male	26%	32%
Single adults	52%	40%
Seniors	29%	25%
Families (2 or more in a unit)	19%	35%

In 2022, Supports served more families than in 2021. The percentage of seniors was similar, and the number of single adults was less than those seen in 2021.



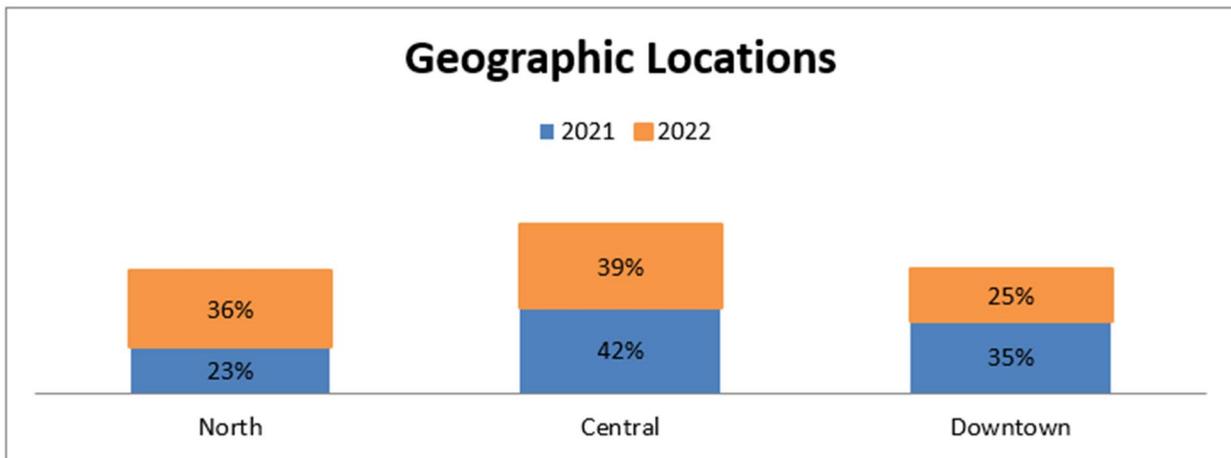
Given the increase in family units, there is a reasonable decrease in the number of individuals living alone and a rise in households with two and four or more in the unit.

Age Groups



Only 12% of the files we opened in 2022 were in the 56-64 years age group compared to 26% last year. The variation in age groups reflects the increase in family households.

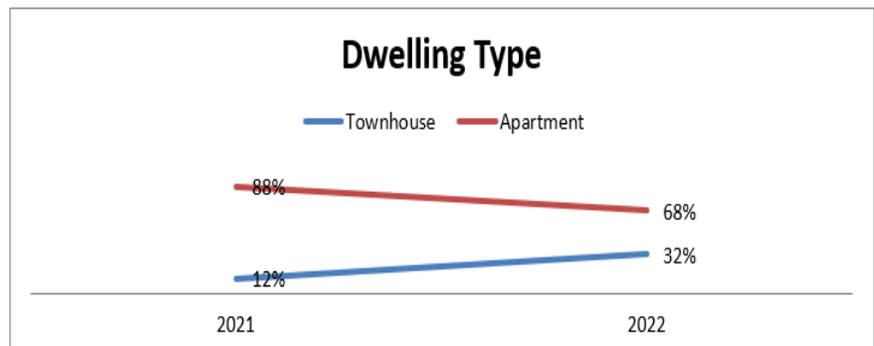
Geographic Locations

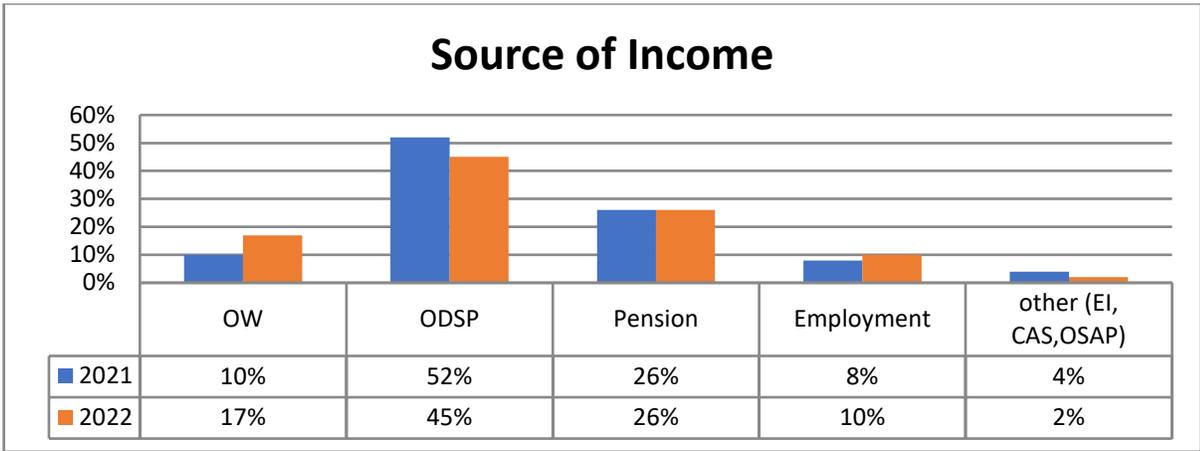


More tenants from the North were seen in 2022 where there is a higher concentration of family units.

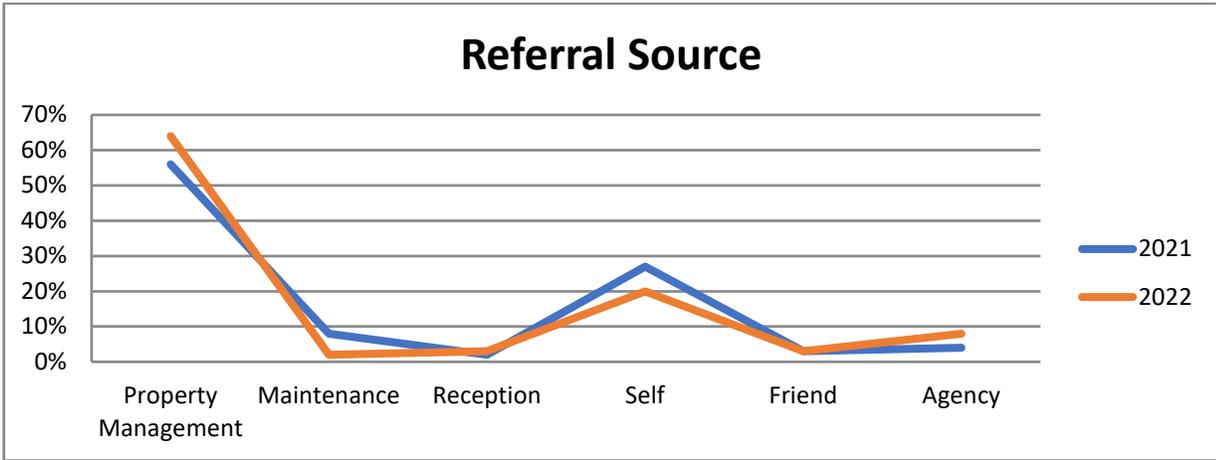
A 20% decrease in people referred from apartments supports the increase in people living in townhouses.

Dwelling Type

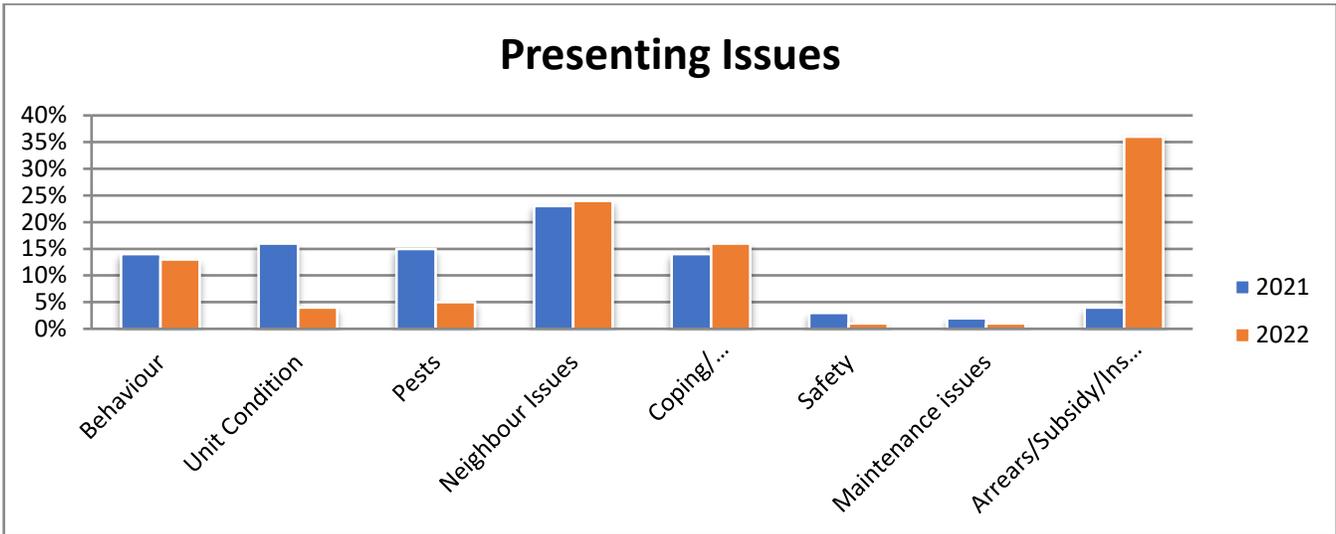




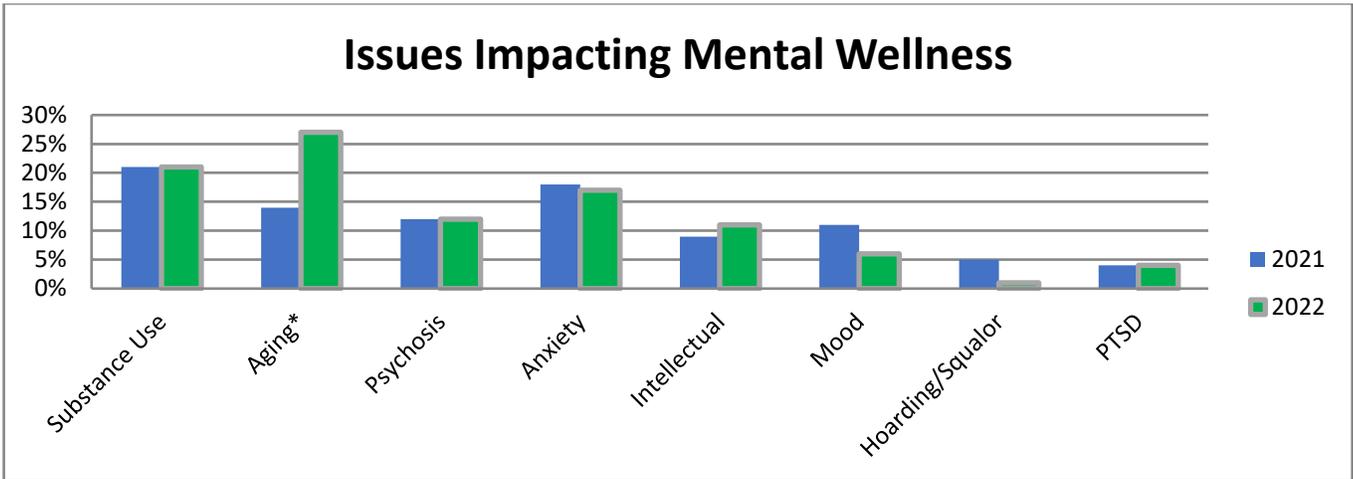
Overall, we support tenants whose income is benefit based.



The majority of referrals come from property management who use Supports to assist with a multitude of issues that may be impacting the tenancy.



There was an increased focus on assisting with annual subsidies to ensure that tenants with any barriers and limited means could get their paperwork in and avoid their subsidies being revoked.

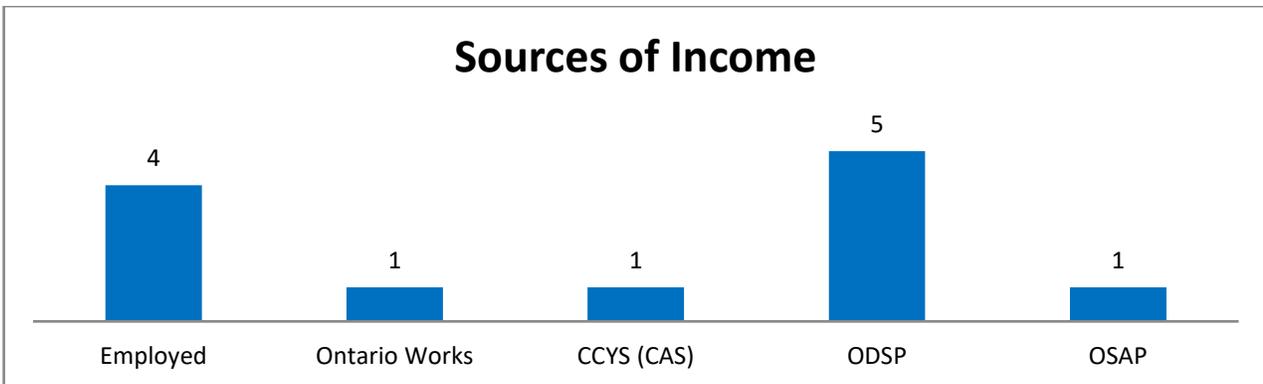


Issues seen this year were very similar to last year, except the increase in aging issues. Aging* relates to individuals over 65, experiencing mental distress due to issues with memory, personal care, care of the unit, finances, inappropriate mood/ behavior, etc. These are new experiences/ changes from the baseline.

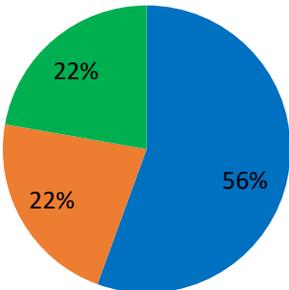
Youth Housing Initiative

Under the Rapid Housing Initiative, KFHC built 9 one-bedroom units at Curtis Crescent for vulnerable youth in severe housing need or experiencing or at high risk of homelessness. Housing Support Worker Sarah Reynolds was given the lead on renting these units, so information and applications were sent to community organizations throughout the city. Approximately 30 applications were received for the 9 units, 1 of which is a modified unit. All were housed by December 2022.

		18 yrs.	19 yrs.	20 yrs.	21 yrs.	22 yrs.	23 yrs.	25 yrs.
Male	5			1	1	2		1
Female	4	1	1				2	



Housing Situation



- Precariously Housed
- Imminent risk of homelessness
- Unhoused



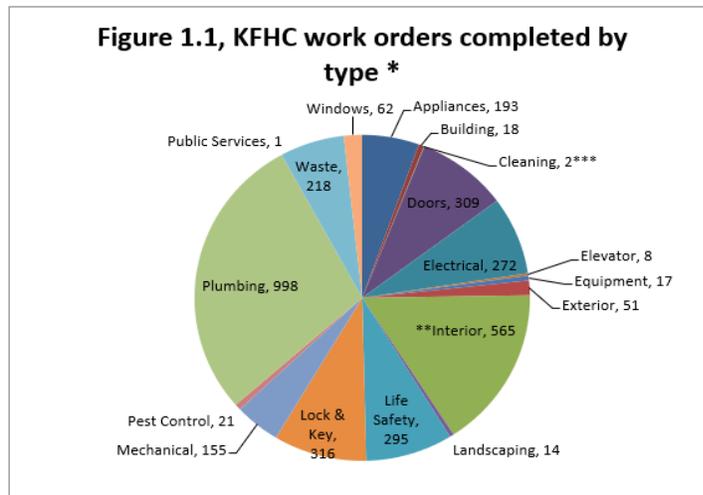
Scott VanderSchoor,
Director of Assets & Development

Director of Assets & Development Highlights

1. Maintenance work orders

3,515 work orders were completed by Kingston & Frontenac Housing Corporation (KFHC) in 2022, which appears to represent a 21% increase in work orders completed in the previous year, however, this is accounted for by the increase in units transferred over to KFHC from Town Homes Kingston (THK). The staff that was assigned to the former THK buildings came over as well. The overall work order completion and the distribution of those work orders are shown below in Figure 1.1. 1650 PO's were sent to contractors throughout the year for those items that are not normally completed internally by staff.

2022 has seen a considerable increase in many areas with respect to work required and work completed but in line with normal levels when you consider the additional properties. Some areas of work did see a disproportional increase, including Plumbing, appliances, and Interior work, to name a few. As our buildings age, these areas tend to consume the majority of our time which is to be expected. It is important to note that the numbers below if compared to the 2021 numbers, did not include these THK buildings, but do now.



*Based on 3,515 work orders completed by staff in 2022

**Interior work orders include cabinets, flooring, drywall repairs, etc.

***Cleaning of our buildings is done under a separate contract and not generally accounted for by work orders to our maintenance staff

1. Capital Improvements

The 2022 KFHC RGI Capital program included:

- Curtis, Phase 1 of the recladding and additional insulation of three of the buildings and 24 townhouse units. (Picture #1 & #2)
- The full modernization of both elevators at 381 Bagot.
- The complete replacement of the exterior stairs to access our scattered units.
- The new retaining wall and grading at 205 Bagot. (Picture #3)
- Cladding replacement at 381 Bagot Street.
- New sliding door in the common area on the 2nd floor of 176 Wilson.
- 2022 also saw the completion of Radon testing and remediation in all our applicable units. This City funded Initiative had KFHC test all units that were either at or below grade for Radon. In all, 985 units (KFHC and THK) units were tested, and 18 of those were found to have Radon levels above what is recommended. Those 18 units received mitigation measures and then were retested to ensure the Radon mitigation measures were effective.

There has been an overall reduction in the total amount of work able to be completed in a year due to the large increase in costs to complete the work.

2. New Construction

The Rapid Housing Initiative was announced during 2021 and KFHC was able to secure a portion of that for 9 new apartments to be located on Curtis Crescent. Construction started early in 2022 and was completed on time and on budget. All 9 of the new apartments are allocated for vulnerable youth and were occupied in accordance with program deadlines. (Picture #4)

KFHC's newest building started construction in May of 2022. (Picture #5 & #6) This is a 6-story, 92-unit apartment building constructed at 1316 Princess Street. Funding from multiple levels of government including the City of Kingston has made this building possible and it will eventually see the majority of apartments with various levels of affordability and will include some at market rent. This building will have multiple rooftop patios and indoor bike storage as some of its many amenities. Construction is expected to continue through all of 2023 and be completed in late summer of 2024.

Scott VanderSchoor, Director of Assets & Development

Pictures

BEFORE view. (Picture #1)



AFTER view of the new front view of Curtis with additional insulation. (Picture #2)



View of new retaining wall and grading at 205 Bagot. (Picture #3)



3 new stacked apartments located at Curtis were constructed under Rapid Housing Initiative. (Picture #4)



Concept drawing of 1316 Princess Street. (Picture 5)



1316 Princess Street under construction (picture 6)





DIRECTOR OF FINANCE & OPERATIONS

Dan Song, AIHM, CPA, CGA
Director of Finance & Operations

Operating Results 2022

At Kingston & Frontenac Housing Corporation (KFHC), we believe that expanding affordable housing stock is not only one of our important goals, but it also pushes us to build stronger structures within our organization to fulfill our commitment to our shareholder City of Kingston, and taxpayers.

As of Dec 31, 2022, this is a year like no other. It marked the milestone of the first year of operation after the \$47 million asset acquisition of Town Homes Kingston. With the ongoing COVID-19 pandemic impacts on our business partners and our tenants, operating under a new budget umbrella, made the year both incredibly tough and exciting.

Following are some highlights of the year.

Kingston & Frontenac Housing operates five core programs:

- Rent Geared to Income.
- Rent Supplement.
- Portable Housing Benefit.
- Affordable Housing.
- Ongoing new construction

The total of all source revenues including the construction grants for December 31st, 2022, was \$27.29 million (2021: \$17.63 million).

Total expenses including amortization were \$17.75 million (2021: \$14.34 million).

RGI program accumulated Equity increased to \$36.82 million (2021: \$35.66 million).

Restricted fund: RGI capital reserve fund is at \$1.40 million (2021: \$1.97 million)

Affordable Program Equity increased to \$27.98 million (2021: \$19.60 million).

\$3.83 million municipal rent supplement subsidy and portable housing benefit subsidy delivered to eligible families (2021: \$3.76 million).

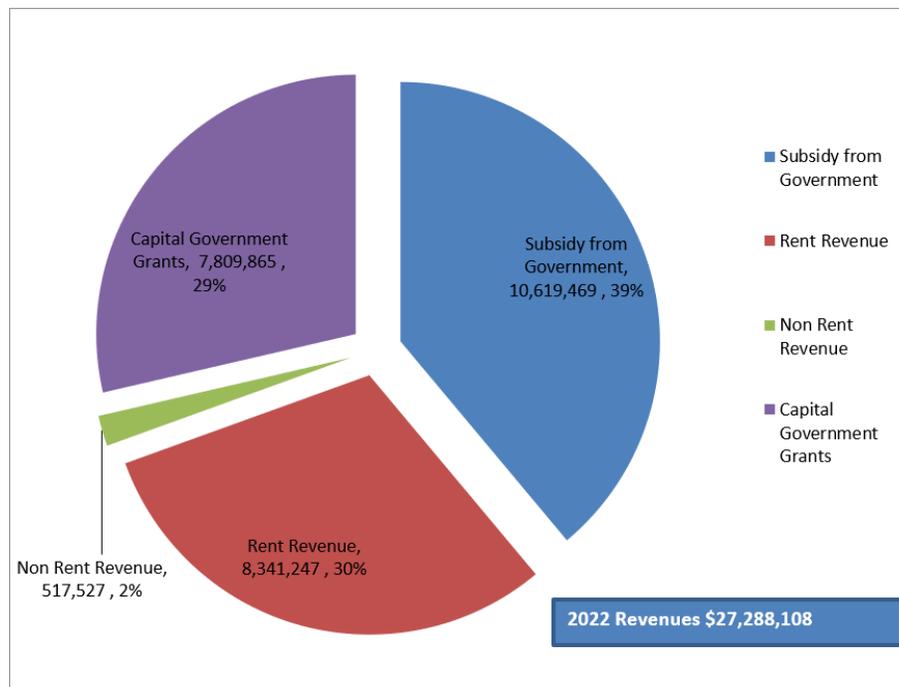
Financial Position

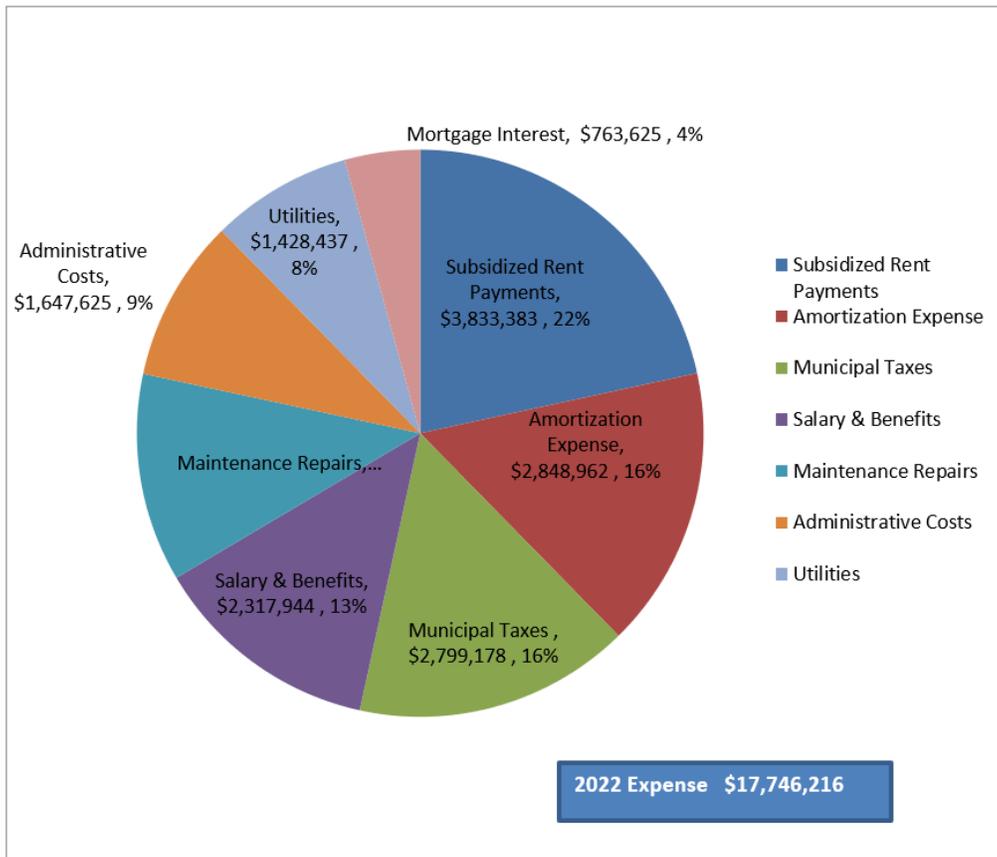
After the acquisition of Town Homes Kingston (Kingston municipal non-profit housing corporation), KFHC total assets grew to \$95.97 million from 2021: \$81.58 million, then from 2020: \$64.88 million.

KFHC Working capital = its current assets – its current liabilities. KFHC working capital is at \$4.96 million (2021: -138k). The increased working capital says we have sufficient liquid funds to meet our short-term obligations. The high working capital signals KFHC is shrewdly managed and suggests that KFHC harbors the potential for strong growth.

Accountability and oversight

The audited financial statements of KFHC have been prepared under General Canadian accounting principles. The Finance & Audit Committee of the Board reviews operating income statements from all programs and meets monthly with management, to monitor financial performance and internal control environment. The sub-committee members are composed of experts in finance and other senior operating personnel. At the time of this report, the 2022 audited financial statement is finalized as of March 27, 2023.





Ms. Dan Song, AIHM, CPA
 Director of Finance & Operations
 March 28, 2023