



Building and Investment Committee

931 Yonge Street
Toronto M4W 2H2

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The Building and Investment Committee of Toronto Community Housing Corporation met on September 30, 2011, in the Main Floor Conference Room, 931 Yonge Street, commencing at 12:15 p.m.

Committee Directors present: Ms. Audrey Wubbenhorst, Chair
Councillor Norm Kelly
Norman (Bud) Purves, Chair of the Board of Directors

Regrets: Mr. Zahir Bhaidani

Additional Directors present: Ms. Catherine Wilkinson

Also present: Marta Asturi, Assistant Corporate Secretary and Legal Counsel
Heather Grey-Wolf, Housing Development Manager
Hugh Lawson, Director - Strategic Planning & Stakeholder Relations
Michelle Haney-Kileeg, General Manager
Mitzie Hunter, Chief Administrative Officer
Len Koroneos, Chief Executive Officer (Interim)
Bronwyn Krog, Vice President and Chief Development Officer
Deborah Simon, Chief Operating Officer
Howie Wong, Corporate Secretary and General Counsel
Lizette Zuniga, Director, Development and Real Estate

Ms. Audrey Wubbenhorst, the Chair, called the meeting to order and Ms. Mirela Bolentiru served as recording secretary.

DECLARATION OF CONFLICT OF INTEREST

The Chair requested members of the Building and Investment Committee to indicate any agenda item in which they had a conflict of interest, together with the nature of the interest. None were declared.

CONFIRMATION OF AGENDA

Motion carried **ON MOTION DULY MADE** by Mr. Norman (Bud) Purves, seconded by Ms. Audrey Wubbenhorst, the Building and Investment Committee unanimously approved the agenda.

MINUTES	RECEIPT OF BUILDING AND INVESTMENT COMMITTEE MINUTES – FEBRUARY 14, 2011 AND NOVEMBER 15, 2010 (AMENDED)
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Motion carried **ON MOTION DULY MADE** by Mr. Norman (Bud) Purves, seconded by Councillor Norm Kelly, the Building and Investment Committee received the above-captioned minutes and recommended that:

- the Building and Investment Committee revisit the recommendations respecting the establishment of a Toronto Community Housing Development Advisory Committee (DAC) at its November 28, 2011 meeting (page 2 of the February 14, 2011 Public Minutes, Item 1 “Toronto Community Housing Development Advisory Board Proposal – BIC:2011-01”); and
- the above-captioned minutes be forwarded to the Board of Directors for information.

ITEM 1	Q2 2011 QUARTERLY PERFORMANCE AND PROGRESS REPORT
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BIC:2011-12

Motion carried The Building and Investment Committee had before it the above-captioned report (BIC:2011-12) from the Interim Chief Executive Officer.

Ms. Bronwyn Krog presented the Committee with a summary of the report, including the following highlights:

- The goal of the report is to show the progress made in delivering the desired changes in alignment with the outcomes specified in the Community Management Plan 2010-2012, approved by the Board of Directors in April 2010.
- A new system of quantifiable performance metrics was implemented to assess progress in delivering the results required to meet the specified outcomes:
 - Well maintained buildings (strengthening places);
 - Sound investments in real estate assets (strengthening places);
 - Improved financial discipline (strengthening our foundation);
- The new system evaluates key performance measures against established targets and shows results in a summary scorecard;
- Municipal Licensing and Standards (MLS) orders are posted publicly, therefore, outstanding deficiencies may be perceived as negatively by the public causing reputational risks;
- Internally, there are financial impacts for not completing work outlined

Motion carried as deficiencies; during MLS re-inspections any deficiencies that are found outstanding could lead to Toronto Community housing facing fines regardless of the repair cost associated with deficiencies.

Mr. Norman (Bud) Purves expressed his concerns with respect to spending money on fines due to the increased number of deficiencies. In response, Ms. Deborah Simon informed the Committee that the deficiencies are being dealt with immediately. The Chief Executive Officer (Interim) and the Chief Operating Officer are meeting with the City MLS senior staff to understand the classification of orders. One goal will be to isolate life safety orders for priority intervention over minor repairs / infringements.

In response to a question raised with respect to the outcome of the meetings with MLS, Ms. Deborah Simon informed the Committee that MLS wants to see that staff makes progress on minor deficiencies. Life safety has never been an issue for staff as it is dealt with immediately.

The Committee requested clarification with respect to small and large deficiencies. In response, Ms. Deborah Simon informed the Committee that staff will be explaining to the City MLS senior staff our existing Capital Plan and determining how the City and Toronto Community Housing can work together to ensure capital funds are used most efficiently and to clarify the classification of orders.

In response to a question raised, Ms. Deborah Simon confirmed that staff breaks down deficiencies in categories and time to respond to them in terms of cost. The large deficiencies are included in the budget. Ms. Deborah Simon informed the Committee that large deficiencies / repairs take longer to be addressed as the staff have to go back to MLS and present them the Capital Plan.

In response to a question raised, Mr. Len Koroneos informed the Committee that there is a shortfall of \$100 million and staff cannot address all the issues due to lack of resources.

In response to a question raised, Ms. Bronwyn Krog explained that page 25 of the material presented utility usage (hydro, gas, water) in red for Q1 2011 and in green for Q2 2011. Some of the Corporation's buildings are old, equipped with obsolete isolation systems that combined with a seasonal influence, do not allow for much savings in the utility usage.

In response to a question raised, Mr. Len Koroneos confirmed that utility usage in Q2 2011 shows 5% overall reduction for all utilities (reductions of 1.39% for electricity, 2.04% for natural gas and 11.93% for water). He also confirmed that the 5% utility usage savings will be included entirely into the repairs budget. Mr. Koroneos informed the Committee that the utility usage reductions were also due to the implementation of the green program into the buildings, which saved 11% of the utility costs.

Ms. Catherine Wilkinson suggested that staff should look for other funding sources and explore the avenue of a partnership with the City. In response, Councillor Norm Kelly informed the Committee that the City has already on its list nine projects considered as priorities.

Motion carried **ON MOTION DULY MADE** by Councillor Norm Kelly, seconded by Mr. Norman (Bud) Purves, the Building and Investment Committee received the report for information and recommended that the report be forwarded, with performance measures that are below target, to the Board of Directors.

ITEM 2 DON MOUNT COURT DEVELOPMENT CORPORATION RE: APPOINTMENT OF DIRECTOR

BIC:2011-14

The Building and Investment Committee had before it the above-captioned report (BIC:2011-14) from the Interim Chief Executive Officer.

In response to a question raised, Mr. Len Koroneos informed the Committee that the Board of Directors of Don Mount Court Development Corporation meets regularly, usually after hours.

Ms. Catherine Wilkinson informed the Committee that she has never met the members of the Don Mount Court Board of Directors, and requested background information on Board members who sit on Don Mount Court Committee.

Councillor Norm Kelly volunteered to sit on the Don Mount Court Board of Directors as the representative of the Corporation and Committee.

Motion carried **ON MOTION DULY MADE** by Mrs. Audrey Wubbenhorst, seconded by Mr. Norman Purves, the Building and Investment Committee approved that:

1. Councillor Norm Kelly be appointed to the Board of Don Mount Court Development Corporation; and
2. the CEO or Corporate Secretary be authorized to execute all documents and to do all things necessary to implement the above resolution.

**ITEM 3 BUILDING AND INVESTMENT COMMITTEE
TERMS OF REFERENCE**

BIC:2011-16

The Building and Investment Committee had before it the above-captioned report (BIC:2011-16) from the Interim Chief Executive Officer.

In response to a question from the Committee with respect to an ongoing development activity, Ms. Bronwyn Krog answered that the development activity is reported to the Committee as part of the regular reporting process on all the projects. According to the Committee's mandate, revitalizations fall under the Committee's responsibilities. The Committee suggested that community revitalizations should be formulated in a more clear way in the terms of reference.

Concerns of meeting quorum were raised by the Committee. As well, there was a request that the activity of all the development subsidiaries be reported to this Committee.

Mrs. Audrey Wubbenhorst will discuss the Building and Investment Committee Terms of Reference with Mr. Christian Buhagiar, Chair of the Corporate Governance Committee and will report back at the November 28, 2011 Building and Investment Committee meeting.

Motion carried **ON MOTION DULY MADE** by Mrs. Audrey Wubbenhorst, seconded by Mr. Norman (Bud) Purves, the Building and Investment Committee received this report for information.

ITEM 4 OVERVIEW OF SCATTERED UNITS PORTFOLIO BIC:2011-17

Motion carried The Building and Investment Committee had before it the above-captioned report (BIC:2011-17) from the Interim Chief Executive Officer.

Ms. Bronwyn Krog informed the Committee that according to the previous Board of Directors' request, initially, 7 houses were proposed for sale, and then the number increased to 22 houses.

Mr. Hugh Lawson presented the Committee with an overview of the scattered units portfolio with the following highlights:

- There are just under 870 scattered houses, their vast majority being three bedroom units;
- Most of the scattered houses were built in the 50's and 70's;
- There are singles, duplexes and fourplexes;
- There are constraints in using the houses, as follows:
 - City Council's approval is needed in order to sell or long-term lease the units, with the consent of the Minister of Municipal Affairs and Housing (Property Houses are excepted); this process may take up to 8 months;
 - There are planning and heritage constraints as some of the scattered units are listed or designated as heritage properties; this limits what can be done with the properties and the limit applies to any purchaser;
 - There are provisions in the City by-laws and the Official Plan that protect rental housing, which limits the Corporation's ability to achieve the best value from the scattered units;
- The City requires that each one of the 1,389 rent-geared-to-income units be replaced; the cost of constructing a new unit in a multi-residential building is approximately \$250,000 as of 2011, and greater for larger family units.

In response to a question raised with respect to the criteria of selection of those houses and whether there are any internally policy constraints, Mr. Hugh Lawson provided the Committee with the rationale of selecting the scattered houses, including the following points:

- the houses proposed for sale were selected by the former Board of Directors and Managing Director, Mr. Case Ootes;
- The townhouses and houses that are part of a bigger complex were excluded;
- The 870 houses are scattered all over the city;
- They are older than other properties; and

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- The houses need capital repairs.

Mr. Hugh Lawson explained that while the scattered units portfolio has significant capital value, it generates far less revenue than its direct costs to operate. Once scattered units become vacant, they are costly to repair and stay vacant.

Ms. Catherine Wilkinson expressed some concerns with respect to the number of over-housed units, recommending that the Committee review the Shareholder Direction to ensure compliance with respect to the repair work that has to be done to those units. Ms. Catherine Wilkinson requested that the Committee inform the tenants in due time with respect to the status of what has been done and how projects are accomplished on this matter. She also requested that the Committee be informed in due time with respect to the Board of Directors' approach of this topic: whether there will be a new approach, or the former Board of Directors' principles are to be applied. Ms. Wilkinson further requested a chart illustrating the houses selected to the strategy, including the number of houses with or without ministerial consent, the number of over-housed households, and the number of vacant houses versus occupied houses.

Mrs. Audrey Wubbenhorst informed the Committee that this topic will be on the Agenda of the Board of Directors at its October 21, 2011 meeting.

Mr. Norman (Bud) Purves requested that a presentation on the scattered units portfolio, including pictures be brought in front of the Board of Directors at that meeting outlining what has and will be done, the risks, and policy constraints.

Motion carried **ON MOTION DULY MADE** by Ms. Audrey Wubbenhorst, seconded by Mr. Norman (Bud) Purves, the Building and Investment Committee received this report for information.

**ITEM 5 TCHC NEW BUILDINGS ACCESSIBILITY
DESIGN STANDARDS AND OBC**

BIC:2011-18

Motion carried The Building and Investment Committee had before it the above-captioned report (BIC:2011-18) from the Interim Chief Executive Officer.

Ms. Lizette Zuniga presented the Committee with an overview of the report on the Ontario Building Code (OBC) requirements for new residential buildings with respect to automatic door openers and Toronto Community Housing's new construction accessibility design standards

for residential buildings.

In response to a question raised with respect to the Corporation meeting and going beyond the OBC requirements, while there are not enough repair funds, Ms. Lizette Zuniga explained that staff completed an analysis of the costs associated with the automatic door openers. The cost analysis shows that the rough-in conduit / wiring cost at the design/construction stage of a new building is estimated at \$2,000 – 2,500/door, versus the cost for retrofit in new or old buildings that ranges \$3,500 – 5,000/door.

Ms. Bronwyn Krog informed the Committee that there is a high percentage of disabled tenants and therefore, the Corporation has a traditional policy to build retrofit units.

Mr. Norman (Bud) Purves expressed concerns with respect to the consequences of non-accessible garbage doors that cannot be used by the disabled tenants due to lack of access. He also expressed his concerns with respect to not being consistent in having accessible garbage doors in all buildings belonging to the Corporation. The Committee has been informed that under the new Accessibility Policy all the new buildings will be barrier free.

The Committee requested that staff complete and bring back to the Committee a comprehensive cost / benefit analysis with respect to the costs associated with modifying an existing building to become barrier free, versus the costs of planning it from the design / construction stage.

Motion carried **ON MOTION DULY MADE** by Ms. Audrey Wubbenhorst, seconded by Councillor Norm Kelly, the Building and Investment Committee received this report for information.

ITEM 6 FINANCIAL PERFORMANCE REPORT - Q1 AND Q2 2011

BIC:2011-13

The Building and Investment Committee had before it the above-captioned report (BIC:2011-13) from the Interim Chief Executive Officer.

Motion carried **ON MOTION DULY MADE** by Ms. Audrey Wubbenhorst, seconded by Mr. Norman (Bud) Purves, the Building and Investment Committee received this report for information.

IN CAMERA PROCEEDINGS

Motion carried **ON MOTION DULY MADE** by Ms. Audrey Wubbenhorst, seconded by Mr. Norman (Bud) Purves, the Building and Investment Committee resolved to meet *in camera* to consider items A, B, C, D, E, F, G and H.

PUBLIC PROCEEDINGS

Motion carried At 3:16 p.m. the Chair announced the resumption of the public proceedings and the public meeting reconvened at that time.

ON MOTION DULY MADE by Ms. Audrey Wubbenhorst, seconded by Mr. Norman (Bud) Purves, the Building and Investment Committee ratified the actions authorized during the *in camera* meeting.

ADJOURNMENT

The meeting of the Building and Investment Committee was adjourned at 3:16 p.m.

Secretary

Chair, Building and Investment Committee