

Date: December 10, 2019

Report to: Board of Directors
CityHousing Hamilton Corporation

Submitted by: Tom Hunter
Chief Executive
Officer/Secretary

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Manager
Asset Renewal

Subject: **CityHousing Hamilton Corporation Proposed 2020
Replacement and Reserve Budget (Report #19035)**

RECOMMENDATION:

That the Board adopt and approve the CityHousing Hamilton Corporation 2020 Replacement and Reserve Budget totalling ~~\$7,282,000~~ Amended Feb. 25, 2020, to amount of \$8,894,296.



Tom Hunter
Chief Executive Officer/Secretary

EXECUTIVE SUMMARY:

The Asset Renewal Section of CityHousing Hamilton (CHH) manages and maintains corporate physical assets. Annual replacement and reserve allocations are calculated on a per unit basis benchmarked by the Ministry of Municipal Affairs and Housing as per the Housing Services Act, 2011. Housing providers must transfer the annual allocation to a Replacement and Reserve Fund but are not obligated to use these funds on an annual basis.

Replacement Reserve Studies prepared from the information gathered through Building Condition Assessments and Staff are used to create annual budgets and plans for approval by the CHH Board of Directors.

DISCUSSION:

The Asset Renewal (AR) section has prepared the 2020 CHH Replacement Reserve budget after reviewing the Building Condition Assessments completed in 2018, input from the Operations, Maintenance and Energy Teams. Staff reviewed the 2020 project list and assigned a ranking to prioritize required work into the following categories:

- Health and Safety
- Code Compliance
- Structural
- Mechanical/Electrical
- Energy Conservation
- Interior Upgrade

Through the process of developing these categories the team was able to define the project list into a priority sequence. Highest need projects and those that limited CHH’s liability were chosen. The priority 1 project breakdown was heavily weighted on Health & Safety, Code Compliance, Structural and Mechanical/Electrical items.

The Replacement Reserve budget continues to include items such as; Health and Safety, Heating Ventilation Air Condition (HVAC), Mechanical, Balconies, Windows, Roofs, etc.

Funding source is shown in the chart below:

	Value
Funding Source: 2020 Annual Replacement Reserve allocation	\$7,282,000 <i>Amended Feb. 25, 2020</i> \$8,800,000
Expenditure: 2020 Replacement and Reserve Budget (Appendix A)	\$7,282,000 <i>Amended Feb. 25, 2020</i> \$8,800,000

With any budget approved prior to implementation there is always the probability of revisions being made to address emergencies. Over the course of a year there are building components which may fail prematurely, thus requiring

precedence as deferring the work may not be an option. Examples include safety systems, water penetration and heating issues. The Asset Renewal Section will complete the emergency project and re-evaluate the Replacement Reserve Budget or seek additional approval to address the issues.

(Appendix A, 2020 Budget Requests and Area Rated Funds / Amended Feb. 25, 2020 to amount \$8,894,296).

ALIGNMENT TO THE 2017-2021 STRATEGIC PLAN:

This report implements:

Healthy and Strong Communities

CityHousing Hamilton believes that housing is a key influential determinant of health and is strongly tied to the quality of life as it impacts the physical, social, emotional and mental health of all persons.

Clean and Green

CityHousing Hamilton strives to be an environmental steward by minimizing our environmental footprint through implementing sustainable water and energy efficiencies in our housing stock.

Built Environment and Social Infrastructure

CityHousing Hamilton is committed to finding new ways to be innovative that will contribute a dynamic City characterized by unique infrastructure, buildings, and public spaces. The maintenance, renewal and new development of our housing stock will ensure that the quality of life, well-being and enjoyment of our residents', influences the design and planning of our homes.

TH/bl

Mission: We provide affordable housing that is safe, well maintained and cost effective and that supports the diverse needs of our many communities.