

### **NOTICE OF MEETING**

The next regular meeting of the CCOC/CCHC Board of Directors is:  
**7:00 pm Wednesday, April 29, 2020**

<https://global.gotomeeting.com/join/983346917>

You can also dial in using your phone.

tel:+16474979391,,983346917#

Access Code: 983-346-917

### **AGENDA FOR THE CCHC BOARD OF DIRECTORS MEETING**

1. Call to order & Anti-Oppression Statement
2. Adoption of agenda
3. Declaration of conflict of interest
4. Adoption of the Board minutes of March 25, 2020
5. Business arising from the previous minutes
6. Rental Committee Report
7. Facilities Management Committee Report
8. Finance Committee Report
  - a. Draft Audited Statements
9. Other Business
10. Adjournment

You can view all CCOC/CCHC policies, job descriptions, bylaws, past minutes and a veritable treasure trove of information on this website:

[ccochohousing.org/book](http://ccochohousing.org/book)

**Password: board**

(it's case-sensitive)

- \* The committee didn't meet before the Board packages were sent.
- \*\* The committee report wasn't ready when the Board packages were sent
- \*\*\* The committee did not meet this month.

## **AGENDA FOR THE CCOC BOARD OF DIRECTORS MEETING**

- 1.** Call to order & Anti-Oppression Statement
- 2.** Adoption of agenda:
- 3.** Adoption of March 25, 2020 minutes
- 4.** Declaration of conflict of interest
- 5.** Business arising from the previous minutes
  - a)** Pandemic reaction
  - b)** Nominations and Appointments Subcommittee
  - c)** AGM Planning
  - d)** Board self-evaluation
- 6.** Executive Committee Report
  - a)** *In Camera Minutes*
- 7.** Personnel Committee Report
- 8.** Finance Committee Report
  - a)** Bad Debt
  - b)** Draft Audited Statements
- 9.** Facilities Management
- 10.** Development Committee Report
  - a)** Forward Avenue
  - b)** COVID impact
  - c)** Aging in Place
- 11.** Tenant and Community Engagement Committee Report
- 12.** Rental Committee Report
  - a)** Mixed Income Policy
- 13.** Corporate Business
- 14.** Conference / Associations' Report
  - a)** CHRA AGM
- 15.** Other Business
- 16.** Adjournment

**Next Regular Meeting: May 27, 2020**

## MINUTES FOR THE CCHC BOARD OF DIRECTORS MEETING

Wednesday, March 25, 2020

Present: Dallas Alderson (President/ Chair), Josh Bueckert (Treasurer), Ana Lori Smith (Vice-President), Shelley Robinson (Secretary), Abra Adamo, Sarah Button, James Clark, Penny McCann, Andrew McNeil, Jesse Steinberg, , Chris Yordy, , ,  
*Staff:* Ray Sullivan, Fran Childs (guest), Andrée-Ann Cousineau (recorder).

Regrets: Bill Rooney, Sinda Garziz, Kerry Beckett

### MINUTES FOR THE CCHC BOARD OF DIRECTORS MEETING

1. Call to order & Anti-Oppression Statement  
The meeting was called to order at 7:08 p.m. and a board member read the anti- oppression statement.
  2. Adoption of agenda  
The agenda was adopted as presented.  
(M/S/C, Andrew McNeill/Penny McCann)
  3. Declaration of conflict of interest  
No conflicts to report.
  4. Adoption of the Board minutes of February 26, 2020  
The minutes were adopted as presented.  
(M/S/C, Josh Bueckert/Penny McCann)
  5. Business arising from the previous minutes – none
  6. Rental Committee Report – none
  7. Facilities Management Committee Report – none
  8. Finance Committee Report – none
  9. Other Business
    - a. Long term projections and plan (Guest: Fran Childs)  
Background information was presented discussing three (3) scenarios. Staff provided financial projections for each.
      - 1- Status quo (not actually possible, but included as a comparison)
      - 2- Allow RGI to expire with operating agreement in 2023
      - 3- Extend RGI to 2028 under new federal program
- Considerations:
- Whether in 2023 or 2028, when federal rent subsidies expire, CCHC would only have the capacity to subsidize 1-2 tenants (5%)

- Extending to 2028 gives us time to transition existing RGI tenants
  - In both scenarios 2 and 3, CCHC's debt to CCOC is projected to be repaid by 2030
  - Administration of a Co-op is more difficult compared to regular non-profit housing: different regulations and processes, different terminology and templates, and that adds layers of time and costs.
- One board members asked if having a greater proportion of market rents would be economically viable for the co-op. Market rents are very affordable, and when City-wide vacancy rates a low, we do not have difficulty renting apartments.
  - It was noted that the member composition was a mix of long-term members/tenants and newer members/tenants.

The key decision for the Board is whether or not to take advantage of new RGI subsidies under phase 2 of the Federal Community Housing Initiative.

- Possibility of subsidies extending beyond 2028 is unknown.
- Scenario 3 does allow 5 years for incremental step planning for deep subsidies.

Motion: CCHC will pursue new RGI subsidies to 2028 under the Federal Community Housing Initiative, Phase 2

(M/S/C, Josh Bueckert/ Sarah Button)

10. Adjournment: 7:51 p.m. (M/C, Josh Bueckert)

**MINUTES FOR THE CCOC BOARD OF DIRECTORS MEETING  
Wednesday, March 25, 2020**

- Present:** Dallas Alderson (President/ Chair), Josh Bueckert (Treasurer), Ana Lori Smith (Vice-President), Shelley Robinson (Secretary), Abra Adamo, Sarah Button, James Clark, Penny McCann, Andrew McNeil, Jesse Steinberg, Chris Yordy
- Staff:** Ray Sullivan, Fran Childs (guest), Andrée-Ann Cousineau (recorder).
- Regrets:** Bill Rooney, Sinda Garziz, Kerry Beckett

**1. Call to order & Anti-Oppression Statement**

The meeting was called to order at 7:52 p.m. and a board member read the anti-oppression statement.

**2. Adoption of agenda:**

The Board recommends moving 17.a to item 5 a) (to be presented by guest staff member, Fran Childs). The Board self-evaluation was deferred to May.

(M/S/C, Chris Yordy, James Clark)

**3. Adoption of February 26, 2020 minutes**

The Board moved to adopt the regular and *in camera* February 2020 minutes, as amended with Abra and Penny's changes.

(M/S/C, Josh Bueckert/ Sarah Button)

**4. Declaration of conflict of interest – none.**

**5. Other Business**

**a) Internal Subsidies briefing (Guest: Fran Childs)**

Internal Subsidies mean that CCOC does not receive any external funding to pay for the difference between the rent the tenant pays and the full market rent

As of December 31 2019, we had 161 internal subsidies (about 10% of CCOC's rentable apartments)

There are three types:

- 1) Expired Programs that CCOC has continued such as the old Section 95 program. 90 households.

- 2) Below Market Rent that is part of some new Affordable Housing Programs. 50 households.
- 3) Discretionary subsidies allocated where there is a need, but no funded subsidy available and the property's budget allows. 21 households.

Total internal cost of approximately \$850,000 to CCOC annually.

## 6. Pandemic Reaction:

Ray updated the Board:

- Maintenance in apartments is limited to emergency and urgent work only
- Cleaning focused on disinfecting: 2 rounds daily, including weekends.
- Rent collections working on providing flexible arrangements such as e-transfers, payment plans, demonstrating amazing adaptability.
- Weekly email updates to tenants, printed notices when needed for changes in service levels
- Rental Department is working on telephone check-ins with vulnerable tenants.
- Received clear directives from the City last Tuesday; freeze RGI calculations, and emergency maintenance calls only.
- There is a general city-wide "rent strike" campaign with posters suggesting tenants withhold April rents, posing some confusion. CCOC continues to encourage tenants to engage with us directly.
- Cash flow management: property taxes have been deferred for one month, but we are still dependent on tenants paying rent in April and May to restore our bank account.
- Field staff protection: training videos were shared with front line staff in both English and French regarding the proper use of PPE equipment and disinfecting practices.
- The office is closed, office staff are teleworking, VPN accesses and videoconferencing accounts have been setup to ensure sufficient access.

Staff recommended a special provision in recognition of the challenges front line field staff (Cleaners, Generals, and Seniors) are facing during this pandemic: a half day of paid break each week while working during the pandemic . The administration and timing of the half-day paid break would be at management discretion to ensure sufficient staffing/proper business operations. The board wanted to add a specific timeline to give staff some predictability and stability.

The Board agreed to allocate one half-day paid break weekly for all field staff working during the pandemic (Cleaners, Generals, and Seniors) for the next 4 weeks, Personnel Committee will review of the half day paid break monthly.

(M/S/C, Andrew McNeill/Penny McCann)

## 7. Business arising from the previous minutes

### a) Cahdco-CCOC MOU

The CCOC Board amended the agreement in February and the CADHO Board adopted the amended version. It is now ready to be signed.

**b) Nominations and Appointments Subcommittee**  
Shelley reported that the subcommittee met virtually, and will be reaching out to Volunteer Ottawa's Diversity in Leadership program

**c) Board self-evaluation - deferred to April.**

**8. Executive Committee Report**

**a) *In Camera* Minutes**

The Board reviewed *in camera* minutes from the March Executive Committee meeting regarding collaboration with another non-profit, and legal matters.

**9. Personnel Committee**

**a) Service Desk Hours and staffing**

Personnel Committee recommends:

1. Changing opening hours to 11:30-5:30 Wednesdays (effective when office re-opens for business).
2. Investigating adjusting business hours to accommodate late closings (6pm) multiple evenings each week.
3. Investigating hiring a part-time Tenant Services Representative

Later Wednesday openings will allow TSRs to participate in staff meetings and have a mid-week time to catch up on work.

The Board approved the Wednesday late opening condition that Personnel Committee investigate and report back on the possibility of keeping the office open to 6pm a few nights each week, this could be facilitated by rotation of TSR staff and/or by hiring new part-time staff.

(M/S/C, AnaLori Smith/Andrew McNeill)

**10. Finance Committee Report: none**

**11. Facilities Management**

**a) 258 Lisgar Co-Investment**

We received a letter of intent from CMHC to loan us \$3,825,536 and grant \$133,984. We need to fill the gap to the full project cost of 5.2m.

**b) Building Standards Group**

Staff and FMC are recommending to rearrange some positions in Facilities Management, with no net change in FTEs, and possibly a small incremental increase in wages for one position. Personnel Committee will have to approve a job description, which will then have to be scored in our job equity evaluation framework. The changes would create a new Building Standards Group within the department, responsible for inspections, pest control,

fire safety and curb appeal.

The Board approved the restructuring to create a Building Standards Group.  
(M/S/C, James Clark/Penny McCann)

## **12. Development Committee Report**

### **a) 157 Forward Avenue**

Penny reported that design work continues.

### **b) LeBreton Community Benefits Agreement Coalition**

A coalition has been lobbying the NCC to create a Community Benefits Agreement for LeBreton Flats. It would include commitments for affordable housing, among other things. Development Committee recommends that CCOC join the Coalition.

The Board moved to join the LeBreton Flats Community Benefits Agreement Coalition .

(M/S/C, Penny McCann/Sarah Button)

### **c) Forward Ave Financing**

We need a decision on how to finance the project. There are two (2) CMHC options: Rental Construction Financing Initiative (RCFI) or Co-Investment Fund. Both have plusses and minuses.

#### **RCFI:**

- Geared towards private sector
- Pre-approved for underwriting in April.
- Likely can receive funds in 6 months
- CCOC would have to cover underwriting costs (approximately 50k to 70k).
- Only viable with interest rate 1% or lower
- Very low interest for first 10yrs, then market rate with another lender.

#### **Co-Investment:**

- Geared towards public non-profit
- More bureaucratic structure (longer delays).
- Likely to receive funds in 12 months
- CCOC could benefit from grant, which represents 5% of total loan (to be shared with City 50/50).
- More borrowing room (we qualify for more financing than we need)
- Viable even if interest rates climb
- Very low interest for first 10yrs, option to renew for another 10 years, then market rate with another lender.

#### **Other considerations:**

- We can proceed with both streams (not ideal for CMHC) but bear in mind underwriting costs.



- Timeline is important for cash flow, interests rate going above 1% before first draw would have great implications for RCFI.
- Pandemic presents unknown challenges for future of interest rates and construction.
- If no decision today, then we can defer to next month to get Class C estimate, cash-flow estimate, and news from builder.

The Board decided to have the decision reviewed at Executive Committee. The outcome of that review will be presented at the next Board meeting or by e-mail for a decision.

**13. Tenant and Community Engagement Committee Report (no meeting)**

**a) Charitable Foundation**

Staff are asking the board to endorse exploring creation of a CCOC charitable foundation.

CCOC has three options:

- 1) Charitable Status for CCOC
- 2) Separate Charitable Foundation
- 3) Flow through Community Foundation

After consultations with lawyers and professional experts, staff are leaning towards option 2, a separate foundation.

The Board moved to explore option 2. Full decision details will be determined and brought to the Board once finalized.

(M/S/C, Penny McCann/Sarah Button)

**14. Rental Committee Report – no meeting**

**15. Policy Research and Advocacy Committee – no meeting**

**16. Corporate Business**

**a) AGM planning**

Due to the COVID-19 physical distancing directives, CCOC cannot hold a live AGM meeting in May. Hosting an online meeting is doable, and the CCOC bylaws arguably don't prohibit it. The AGM quorum is 20 members. One challenge is the secret ballot election. This democratic element is very important. Staff are to explore tech solutions for election and selling/renewing memberships via e-transfer and report back to the Board in April.

**17. Conference / Associations' Report: none.**

Adjournment: 10:09 p.m. (M/S/C, Josh Bueckert)

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ONTARIO NONPROFIT NETWORK

## BREAKING NEWS

MARCH 31, 2020

### **New Annual General Meeting regulations (Ontario)**

The Government of Ontario announced today support for business corporations, not-for-profit corporations, insurers, and share capital social clubs by implementing an Emergency Order to provide flexibility for corporate meetings. Cabinet approved an emergency order that would temporarily suspend certain legislative provisions and set out replacement provisions (related to the Corporations Act (CA) and Business Corporations Act (OBCA)).

**This emergency order applies to not-for-profit corporations incorporated under the Ontario Corporations Act (CA) and gives them the ability to hold virtual meetings; as well as extends the timeframe for AGMs to be held.**

This Emergency Order will enable organizations to:

- Hold meetings of directors, shareholders and members electronically or over the phone even if legislation (like Ontario's Corporations Act) or your bylaws say you can't. The electronic or phone system has to allow people to communicate with each other simultaneously and instantaneously. So, for example, an email chain over a few days likely would not qualify as a meeting.

The deadlines for nonprofits to hold their AGMs are now extended to:

1. 90 days after the state of emergency is ended by the Ontario government.
2. If the government ends the state of emergency within 30 days before your current deadline, then you have until 120 days after the state of emergency ends.

The Emergency Order is in effect province-wide and is retroactive to **March 17, 2020**, the day the Declaration of Emergency came into effect.

Read more [here](#)

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## Nonprofit Annual Forms - Canada Revenue Agency

Incorporated nonprofit organizations are required to file an annual form, the T2, with the Canada Revenue Agency (CRA). In addition, many nonprofit organizations are also required to complete the T1044.

These forms are due six months from the end of an organization's fiscal year (for example, a fiscal year end of December 31 would have a filing due date of June 30 for these forms). CRA has announced extensions to these forms. If your forms were due (your "filing due date") between March 18 and before June 1, 2020, they are now due June 1, 2020.

For organizations that have a December 31 year end, your filing due date remains June 30.

For organizations that have a March 31 year end, your filing due date remains September 30.

Read more [here](#)

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ONN is pleased with these announcements and encouraged that the Ontario government and the Canadian government recognize the importance of the nonprofit sector and are providing flexibility during this crisis. ONN has been advocating to the provincial government for AGM flexibility.

**Coming soon: Watch for ONN's new toolkit on how to run virtual AGMs.**



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CCOC/CCHC EXECUTIVE COMMITTEE

**Minutes**

7:30 PM, Monday, April 6, 2020

**Video Conference**

**Present:** Dallas Alderson (Chair), Kerry Beckett, Josh Bueckert, James Clark, Shelley Robinson, AnaLori Smith, Ray Sullivan (staff)

**Regrets:** Bill Rooney (until April)

1. **Call to order & anti-oppression statement:** 7:38
2. **Approval of the agenda:** (moved/seconded/carried, Kerry/Shelley)
3. **Past Minutes**
  - a) Approval of regular minutes from March 9, 2020: (m/s/c, Kerry/Shelley)
  - b) Approval of *in camera* minutes from March 9, 2020: (m/s/c, Kerry/AnaLori)
4. **Reviewing Department Directors' meeting:** On March 19, 2020 department directors met to discuss: CCOC pandemic response, CMHC co-investment applications, 2020 cash flow, and co-op scenarios for the upcoming board meeting.
5. **Business Arising:**
  - a) **Collaboration with other Non-profits:** The committee moved *in camera* for an update from staff (m/s/c, James/Kerry)
  - b) **Legal matters:** The committee remained ***in camera*** to review two items. The committee moved *ex camera* to resume the agenda (m/s/c, James/Josh)
6. **New Business:**
  - a) **Pandemic Response:** the committee reviewed the April 6 update to the pandemic plan.

**Motion:** the committee approved the revised pandemic plan.

(m/s/c, Kerry/Josh).

One committee member asked about face masks. Current public health messages are changing and are now starting to recommend face masks where physical distancing is difficult, to avoid transmitting COVID-19 to others. Ray reported that CCOC's supply of masks is low and they are difficult to find right

now. CCOC's response will have to take new public health messages into account and staff will attempt to buy more facemasks.

Ray briefed the committee on the City's decision to suspend all RGI calculations. They expect to lift this suspension in May, for June rents, and new RGI calculations will be retroactive. They have offered two reasons: 1) respecting physical distancing and not requiring tenants to bring in documents, and 2) tenants with lost income must apply to new federal benefits before their rent is recalculated. Many CCOC tenants are capable of submitting documents electronically and most RGI tenants have not seen a loss in income. Ray asked the committee for approval to resume normal lease renewals and RGI revaluations earlier than the City's request to avoid a big backlog in the summer.

**Motion:** The committee authorized the Executive Director and Director of the Rental Department to use discretion to continue lease renewals and RGI calculations for tenants with fixed income, as needed.

**(m/s/c, Josh/Kerry)**

The committee also acknowledged that RGI calculations and lease renewals for all internally-funded RGI should continue as usual.

Ray reported that some non-profit and for-profit landlords have announced a suspension of annual rent increases and waiving NSF fees. In CCOC's case, lease renewal letters with annual rent increases are sent four months in advance. Tenants whose rent is going up during the pandemic (typically 2.2% in 2020) received those letters early in the year. Letters going out now for summer renewals will include a message about contacting CCOC if tenants have difficulty paying due to the pandemic.

NSF charges for the month of April are in line with normal months (4-6 total) and staff are aware that several are not COVID related.

The committee agreed not to take specific action on annual rent increases or NSF charges.

The committee discussed the pandemic impact on staff. Some office staff working from home with young children are finding it difficult. Staff working in the field do not have the same options for social distancing and some are understandably anxious. CCOC has issued essential worker letters for staff who live in Quebec so they can cross the border.

The committee also discussed the impact on CCOC. Cash would already have been tight in 2020, and especially from March to June when property taxes are due. Staff are investigating municipal and federal programs to defer and offset

costs. Staff are preparing a revised and pared down 2020 capital budget for Finance and Facilities Management committees.

The last provincial emergency order prohibited new residential construction projects from starting. That will delay abatement and demolition at 159 Forward Ave. Construction may also be delayed if the emergency order extends late into the summer. Capital repair projects can continue (or start) if they are “strictly necessary to manage and maintain the safety, security, sanitation and essential operation of ... residential properties and buildings.” We anticipate a big backlog of maintenance and repairs when the pandemic is over.

**b) AGM Planning and CCOC recovery**

The Government of Ontario issued an emergency order allowing provincially incorporated corporations to hold an AGM electronically, even if not specified as allowable in their bylaws, or to defer their AGM beyond the normal timeline.

The committee discussed options. Staff have identified online platforms that will allow an AGM, including President and Board elections. Some members thought it will be unlikely we can hold a large group meeting even in the Fall. Others were concerned that many people who would normally participate in our AGM won't have internet access, and felt it was important to hold on to as much of our open democratic principles as we can. The committee agreed to recommend a balanced option to the board, and that it should be a decision of the full board.

**Motion:** Executive Committee recommends that the CCHC/CCOC AGM be delayed to September, and held in person if possible, and online or some combination of the two if necessary.

**(m/s/c, Shelley/Kerry)**

**c) Forward Avenue Financing**

The Board discussed two financing options at the March meeting: CMHC Co-Investment Fund and CMHC Rental Construction Financing Initiative (RCFI). The board concluded that we didn't yet know enough about the construction cash flow and timing and any impact from COVID, and we still don't have the more accurate Class C construction cost estimate to make a decision.

Ray explained that we won't get a Class C for some time because the design isn't yet finalized, but we have prepared a cash flow analysis based on construction starting in the Fall. CMHC is holding a spot for us in their April underwriting workload, but if we don't give them direction soon (RCFI vs Co-Invest) we will lose another month to the timeline.

RCFI: Less loan available  
 Quicker (estimate 6 months)  
 Low interest for 10 years  
 Only viable with ultra-low interest rates

Co-Invest: More loan available (more than we need)  
 Slower (estimate 12 months)  
 Requires up to \$800k bridge financing  
 Low interest for 10 +10 years  
 Possibility of a grant  
 Viable at higher interest rates

The risk with RCFI is that we won't see ultra low interest rates when the rate is set in approximately six months. The risk with co-investment fund is the longer timeline in getting the money and the requirement for bridge financing from another source. The possibility that COVID will delay construction start to spring 2021 mitigates some of that risk.

The committee concluded that:

- The 20 year period at low interest is worth a lot
- We can't be confident that interest rates will remain ultra low in 6 or 12 months

**Motion:** Executive Committee recommends that the Board direct staff to pursue CMHC Co-Investment Fund to finance the Forward Ave development.

**(m/s/c, Josh/James)**

The Board of Directors voted on the recommendation by e-mail from April 6 to April 8. Eleven Board members voted and the motion passed:

**Motion:** That CCOC pursue financing from the CMHC Co-investment Fund for the Forward Avenue Development.

**(Moved/Seconded/Carried, Josh Bueckert/James Clark)**

**d) Infrastructure Ontario (IO) Certificate of Incumbency**

IO requires us to update certain forms annually, including a Certificate of Incumbency (our other lenders don't have the same requirements). When we originally borrowed from IO, the board passed a resolution authorizing the President, Vice-President, Treasurer, Secretary, Executive Director and Finance Director as authorized agents to execute documents related to the loans. The



committee confirmed that no new motion is required to update the names of people currently holding those offices on a new Certificate of Incumbency.

**e) Alliance to End Homelessness Advocacy letter**

The Alliance to End Homelessness has asked CCOC to sign on to an open letter requesting that the City purchase hotels/motels to shelter homeless people during the pandemic and later make them available to increase the supply of long-term affordable housing. One committee member pointed out that this is being considered in other jurisdictions for other vulnerable populations, like people released from detention.

**Motion:** The committee endorsed adding CCOC to the Alliance to End Homelessness open letter. **(m/s/c, Josh/James)**

**7. Programs/Policy:**

**a) Expiry of Provincial Mortgages (EOM)**

Ray shared follow-up notes from a March 12 meeting with the City. The City is open to receiving a proposal, potentially along the lines of what was discussed at the November 2019 Board Retreat. Ray will work on that.

**8. Residential Tenancies Act (RTA) Proceedings:**

The Provincial Government has suspended evictions. There are no new recommendations from staff.

The suspension is creating some challenges. We have two difficult cases where, pre-pandemic, tenants signed N11 agreements (notice to move out) as an alternative to eviction. The first, with an April 1 move-out date, is still in their apartment, even though their support agency has found them a new home and already paid their April 1 rent at the new apartment. The second has a move out date of May 1 and has already declared they will no longer pay rent and not move out either. Their neighbours are very distressed about disturbances and suspected illegal activity. Staff are arranging to give police authority to enter the property when necessary and enforce the no-trespass act against the tenants' guests.

**9. Strategic Plan:** no update

**10. Cahdco Update:**

**a) Cahdco AGM & Board nominations**

The Cahdco AGM will likely take place on May 19. All eight Cahdco board members have expressed their interest in remaining on the Board.

**Motion:** On behalf of the CCOC Board, the Executive Committee nominated Catherine Boucher, Sarah Button, James Clark, Pierre Dufesne, Josh Kardish,

Susan Murphy, Ray Sullivan and Stan Wilder for election to the 2020-2021 Cahdco Board.

**(m/s/c, Shelley/AnaLori, James Clark abstained)**

**11. Other business:**

**a) CHRA Executive Officers.**

**Motion:** The committee supports Ray Sullivan standing for election as Vice-President of the Canadian Housing and Renewal Association.

**(m/s/c, Kerry/Josh)**

**b) Upcoming Board schedule**

April: Audit,  
May: (maybe Aging in Place)  
(maybe New board members orientation)  
June: Cahdco deep dive  
Upcoming: Establishing a charitable foundation

**12. Adjournment: 9:16 (m/c, Josh)**

**From:** [Ray Sullivan](#)  
**To:** [Goodfellow, Lisa](#)  
**Cc:** [Maryse Martin](#)  
**Subject:** EOM follow-up  
**Date:** March 13, 2020 2:48:06 PM

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Hi Lisa,

Thanks for spending the time to meet with us yesterday, I think it was very productive.

As we discussed, both the City and CCOC are facing some pressures and challenges, and we hope to come up with a solution that makes positive contributions to each of us.

We will do some work over the next couple of weeks to develop some proposals for your consideration. Can we schedule a follow up meeting in April to review these together?

Based on our conversation, our proposal will take into account:

- The specific issue of accessing co-investment fund and will not necessarily apply to our whole provincial reform portfolio, just the 10 properties within our co-investment bundle
- New co-investment borrowing shouldn't overlap with existing HSA mortgages, on a property-by-property basis
- The City agrees that CCOC must retain sufficient debt service capacity to take on co-investment loans
- The City does not have the capacity to cover the full gap of current negative operating subsidies
- The proposal can not cost the City more than the current system, and ideally costs a bit less
- A rent subsidy model will have to include appropriate reporting and transparency to give the City sufficient oversight and accountability, something along the lines of CCOC's current L01G might be a starting point.
- An eventual agreement might need Council, and maybe Ministerial approval
- The City may be able to provide a letter of assurance to CMHC in support of CCOC's application, confirming the City's intention to continue a relationship after EOM

I hope to review the revisions to the HSA soon to see if they can provide us some guidance.

We were also encouraged of the prospect for continuation of the MMAH mortgage pool, but recognize that co-investment fund is the only current opportunity for CCOC right now and we have to act within the next six months to make significant progress with CMHC. I really appreciated your offer to help get clear answers from CMHC on what they need and what they will accept to keep us moving forward through to the underwriting stage. Sometimes that government-to-government communication can be more straightforward than government-to-client.

Please suggest some appropriate dates in April when we can follow up. I realize we might all be focusing on pandemic response in April, but let's be optimistic and get something into our calendars anyway.

Thanks,

Ray



**Raymond Sullivan**  
Executive Director  
Centretown Citizens Ottawa Corporation  
613-234-4065 extension 233  
[www.ccohousing.org](http://www.ccohousing.org)

CCOC PERSONNEL COMMITTEE

**Minutes**

**5:30pm, Monday, April 6, 2020**

Virtual Meeting <https://global.gotomeeting.com/join/424996501>

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**Present:** Kerry Beckett, Sue Lott, Pascal St-Amour, Zak Spelay, AnaLori Smith

**Staff:** Tessa Trueman (recorder), Ray Sullivan, Andree-Ann Cousineau-Lalonde

**Guest speaker:** Kathy Bedard (from McConnell HR Consulting)

1. **Call to order:** 5:35pm
2. **Approval of the agenda:** (M/S/C, K. Beckett/S. Lott)
3. **Approval of the March 9, 2020 minutes:** (M/S/C, Z. Spelay/K. Beckett)
4. **Business Arising:**
  - a) **Pandemic Preparedness – 30 minutes**  
Ray walked the committee through the most up-to-date version of CCOC pandemic plan (attached with most recent changes outlined).
5. **New Business:**
  - a) **Job scoring training – 60 minutes (Guest: Kathy Bedard)**  
Kathy Bedard joined the meeting at 5:50pm in order to train members on the job evaluation tool. Members also had the opportunity to practice on the existing General Maintenance Worker job description.
6. **Adjournment:** 7:05pm (M/C, K. Beckett)

**Next meeting: 5:30pm, May 11, 2020**

## **Pandemic Plan** (version 2)

**April 5, 2020**

### **1. Assumptions**

- 1) We can expect COVID-19 disruption for 12-18 months, with intermittent periods of physical distancing and government imposed emergency measures and closures
- 2) At any point, ½ our staff may be away from work, due to illness or precautionary quarantine or family care
- 3) Urgent and emergency services to tenants will remain a priority
- 4) We can contribute to the public health effort to slow contagion by promoting good hygiene among tenants and staff, and preventing our properties from becoming significant sources of infection.
- 5) CCOC's operations will assume that all tenants and all staff are potential carriers of COVID-19.
- 6) This plan can not anticipate every scenario and response. CCOC will take direction from Ottawa Public Health (OPH) and Public Health Ontario (PHO) and remain innovative, creative and dynamic in how we do our work.

### **2. Decision Making**

CCOC will establish a Pandemic Coordinating Group, made up of the ED, each Department Director, plus one additional staff from the department (two additional staff from Facilities Management). These additional staff from each department will be the backups and designates of each Dept Director. The Group will meet at least weekly to coordinate CCOC's action around the pandemic and to advise the Executive Director on service levels.

The Pandemic Coordinating Group is:

ED:	Ray Sullivan
HR&CS:	Andree-Anne Cousineau, Tessa Trueman
Rentals:	Fran Childs, Allison Hockin
Development:	Graeme Hussey, Mark Sider
TCE:	Laine Johnson, Hannah Vlaar
Finance:	Maryse Martin, Dawn Chambers
Facilities:	Norm Turner, Jack Killeen, Al Shadid

If, during the period the Pandemic Plan is in effect, the Executive Director is physically unable to appoint a designate, the Executive Committee of the Board shall appoint someone. For the purposes of appointing a designate for the Executive Director, the Executive Committee may meet by email or conference call with the consent of a majority of members.

### 3. Staff Sick Leave and Quarantine

All staff who have any cold or flu symptoms (fever, cough, runny nose, sneezing) will be told by their supervisor to work from home if their job is possible to do at home. If their job is not possible to do at home, they will be required to take sick leave. Supervisors have the authority to issue these directives.

Any staff who are quarantined, through their own caution or by request of a public health official, will be required to work from home or take sick leave. To avoid using up all their sick days, they may access EI medical benefits.

Based on travel advisories and advice from Ottawa Public Health, staff who have travelled outside Canada must self-quarantine for a period of time.

CCOC will:

- 1) Waive the requirement for a doctor's note during the pandemic period
- 2) Waive our one-year waiting period for new staff to access EI Medical top-up to 95% of salary
- 3) Allow access to the Sick Leave Bank for staff who have exhausted their sick days because they were asked to quarantine
- 4) Increase the number of remote access points to the shared server so that it is equal the number of office staff
- 5) Subscribe to a video-conferencing service to allow staff to meet online

Some staff may have compromised immune systems or reduced lung capacity. Some staff may experience stress and anxiety at some time over the course of the pandemic. CCOC recognizes this and will accommodate individual needs as we can.

### 4. Service Level Guide

CCOC will adapt service levels based on:

- a) Staffing levels
- b) Requests from Ottawa Public Health or Public Health Ontario

Individual functions may adapt differently, and we may reduce service levels in some areas earlier than in others.

Decisions on reducing service levels will be made by the **Executive Director** (or their designate) in consultation with Department Directors. Service levels will be reviewed at the start of every week, or more frequently if needed.

All staff could be asked to do other duties not normally in their job description, as required to maintain service.

Training on disinfection and personal protection will be organized immediately and continuously maintained by the **Director of Facilities Management**, working with Operations Managers.

#### 4.1 Service Desk

We anticipate three service levels:

- A) Normal Operation: with attention to social distancing and disinfecting. No cash accepted (even small amounts).
- B) By Appointment Only: only one client/guest in the office at a time.
- C) Closed to Walk-In Traffic: service by phone and email only. Cheques and money-orders can be left in drop-box in air-lock.

Voicemail, e-mail and web-form requests for service can be handled from any site, including working from home if we reach level C.

We can rely on the On-Call call centre for periods where we do not have the resources to serve tenants ourselves

#### 4.2 On-site Maintenance and Repair

Based on staff availability, CCOC will progressively defer all on-site maintenance and repair from “Other” to “Priority” until staffing levels resume and public health precautions have been lifted.

Normal Standards	Response	Repair	Adjusted Levels
Emergency	4 hrs	24 hrs	E (Extreme reduction: only Emergency)
Urgent	1 business day	1 business day	D (Priority deferred) only Emergency and Urgent service
Priority	2 business days	7 days	C (Low priority deferred)
Low priority	2 business days	14 days	B (“Other” deferred)
Other	2 business days	21 days	A (Business as usual)

#### 4.3 Pest Control

Pest control is an essential service, and will continue as long as licensed exterminators and supplies are available.

#### 4.4 Cleaning

Based on staff and contractor availability, CCOC will adjust cleaning standards. General and Senior Maintenance Workers may be required to assist with basic disinfection of high-touch surfaces in common areas (elevator buttons, door handles, keypads), and basic minimal cleaning if we are short staffed. **Operations Managers** will have authority to make these reassignments as needed.

We anticipate three levels of service:

- A) Normal cleaning with emphasis on disinfecting high-touch surfaces (elevator buttons, door handles, keypads indoors and outside), maybe slight reduction in some other common area cleaning.



- B) Reduced cleaning: emphasis on lobbies and disinfecting high-touch surfaces. Some daily tasks become weekly tasks, some weekly tasks become monthly tasks etc. Operations Managers have delegate authority to make these decisions once we have decided to go to this level.
- C) Basic minimal cleaning: Clean garbage rooms to prevent insect infestation, pick up litter, clean lobbies and disinfect high-touch surfaces

#### **4.5 Emergency On-Call**

CCOC has an obligation to maintain emergency services under all circumstances. General Maintenance Workers may be required to assist during normal working hours. **Operations Managers** will have authority to make these reassignments as needed.

#### **4.6 Office Staff**

Staff can not do all office functions remotely, however most office staff can do much of their work from home. When some office staff work from home, that reduces risk for the remaining staff at the office. Refer to section 2 for quarantine protocol.

We anticipate three levels of service:

- A) Normal office work: staff who are able to work from home can make requests to their supervisor. Office staff should bring their tablets and any other required equipment home daily.
- B) Work from Home: Department Directors will request all staff who are able to work from home to work from home.
- C) Limited Office: When requested by public health officials, the Executive Director will close the office and it will only accessible for urgent functions that can not be done elsewhere. Office staff who are unable to work from home full time will be on partial paid leave.

## **5. Communication**

Extra communication provides reassurance, confidence and social connection.

### **5.1 Staff and Internal**

The **Executive Director** (or designate) will communicate changes to Service Levels to staff and the Board, at least weekly.

The **Director of HR & Corporate Services** (or designate) will communicate regularly with staff on good workplace hygiene and wellness through e-mails posters and other means.

### **5.2 Tenants and External**

The **Director of HR & Corporate Services** (or designate) will ensure the out-going messages on the main phone system properly reflect current levels of service.

The **Director of HR & Corporate Services** (or designate) will coordinate automatic e-mail away messages and auto-responders to direct people to the right person, or set expectations matching our service levels.

The **Director of Tenant & Community Engagement** (or designate) will organize minimum weekly communications to tenants:

- By e-mail blast to tenants
- On the front page of the website
- Through social media

When service levels change, all tenants must be notified. In addition to the above communication channels, TCE will inform residential and commercial tenants of service level changes through:

- Posters/flyers in affected properties (for changes in cleaning, for example, this will only be in properties that normally receive cleaning services)

## 6. Response to Illness

The measures outlined in this plan will reduce the probability of infection for staff and tenants, but that risk will not be eliminated.

Community-level transmission will inevitably lead to staff and tenants testing positive for COVID-19.

### 6.1 Staff with COVID-19

Staff must report to their supervisor if they have symptoms consistent with COVID-19 (cough, fever, difficulty breathing). Supervisors must report all such cases to the **ED** and **Director of HR & Corporate Services** (alternate: **HR Administrator**).

The **Director of HR & Corporate Services** (alternate: **HR Administrator**) will arrange immediate additional disinfecting CCOC workplaces where that staff person has been present.

Staff must report on the results of any testing related to COVID-19 (positive or negative) to the Director of HR & Corporate Services (alternate: HR Administrator).

CCOC will work with Ottawa Public Health to complete contact tracing and will take direction from OPH on notifying anyone who has had direct contact on exposure with that staff.

### 6.2 Tenants with COVID-19

Staff (over the telephone) will screen tenants requesting service in their homes (see Appendix 1: on-site protocols). Confirmed cases of COVID-19 are reported by health workers directly to OPH. Ottawa Public Health does not require CCOC to also report known cases.

OPH will only notify CCOC if that is necessary for contact tracing. It is possible that CCOC may not be informed, for example, for tenants in townhomes or properties with no common areas.

CCOC will work with Ottawa Public Health to complete contact tracing and will take direction from OPH on notifying anyone who has had direct contact on exposure with that tenant.

If CCOC is informed of a COVID-positive tenant, the **Director of Facilities Management** (alternate: **Operations Managers**) will arrange immediate additional disinfecting all common areas at the property where that tenant lives.

## 7. Business Continuity

All crucial functions must have designated backups, with more than one staff trained on each key function.

Function	Primary	Secondary, Tertiary	Decision Authority
Emergency On-Call	Senior Maintenance Workers, in rotation	General Maintenance in working hours, Operations Managers	Director Facilities Management
Service Desk	Tenant Services Representatives	Operations Coordinators, Rent Collections officers	Director HR & Corporate Services
Pest Control	Pest Control Coordinator	Inspections Technician	Director Facilities Management
Rent Deposits	Accounting Clerk (Rachel)	Staff Accountant (Dawn) Financial Analyst (Joan) Chris	Finance Director
Accounts Payable	Accounting Clerk (Rachel)	Staff Accountant (Dawn) Financial Analyst (Joan)	Finance Director
Payroll	HR Administrator (Tessa)	Director HR & Corporate Services, Finance Director	Director HR & Corporate Services
Social Media and Web updates	Communications Officer	Director TCE	Director TCE
Phone system changes	HR Administrator (Tessa)	Erica Joynt, Andrée-Ann Cousineau	Director HR & Corporate Services
Mail and drop Box	Tenant Services Representatives	Rental staff	Director, Rentals

## 8. Governance

CCOC is governed by tenants, members are volunteers. Standing committees and the Board meet monthly. Governance functions can not be fully suspended for long periods.

Committee meetings will be cancelled if there are no time-sensitive items on their agendas, or no decisions/recommendations to make. Committee members will instead receive written updates from staff. These written updates will be supplied to the Board instead of committee minutes. We anticipate two levels of operation:

- A) Web-based video conferencing will be used to supplement in-person meetings, for any committee/board members unable to join in-person, and to reduce the number of people gathering face-to-face
- B) When OPH or PHO requests restrictions for smaller gatherings (less than 50), web-based video conferencing will be used instead of in-person meetings for all committee/board members.

CCOC ByLaws require an AGM before June 30 every year, with at least 20 members in attendance. The bylaws make no mention of teleconference or web conference capability. On April 6, Executive Committee will make a decision on whether to plan for a virtual AGM.

## Appendix 1: Protocols for work in tenants' homes

### Covid 19 - Protocols to be Used by Contractors

Generally in-suite repairs will only be attended to if they are of an urgent or emergency nature.

Routine calls to occupied units will only be requested in exceptional circumstances.

In order to be assigned a work order from CCOC, contractors must inform their workers about, and agree to practice, the following precautions:

- Workers assigned to the job have been screened, on the day of work, using the Public Health Department criteria to confirm that they pass the screener and are able to work.

### **DO NOT PROCEED WITH WORK - DO NOT ENTER**

if you have:

- **A fever, new-onset cough, or difficulty breathing**  
**OR**
- **Have travelled outside Canada in the past 14 days**  
**OR**
- **You have been in close contact with a confirmed or probable case of COVID-19**  
**OR**
- **You have been in close contact with a person with acute respiratory illness who has been to a COVID-19 impacted area**

**Contact Telehealth 1 -866-797-0000**

**Ottawa Public Health: [www.ottawapublichealth.ca](http://www.ottawapublichealth.ca)**

**In a medical emergency: call 911**

- Workers come to the work site equipped with disinfectant wipes and hand sanitizer.
- Workers practice physical distancing once inside the building – including avoiding other people in common areas and only using elevators that are empty.
- Workers sanitize their hands just before entering the unit.

- If the tenant(s) is on-site in unit, workers wait until tenant(s) has removed themselves at least 6 feet from the door way before entering the unit.
- Workers practice physical distancing for the duration of their work within the unit, distancing themselves at least 6 feet from the tenant(s), pets and from any other worker(s) that may be in the unit.
- If the tenant(s) is unable to comply with the expectations for physical distancing, then the contractor will leave the worksite and report the situation to CCOC.
- Upon completion of the work, workers will sanitize their hands and disinfect the areas they have touched – including the door handles as they exit the unit.

CCOC will:

- Assess the tenant(s) using the Public Health screening questions and will only schedule work for those with negative screens.
- Inform the tenant(s) about the requirements for physical distancing in order for the work to proceed and coach them on how to practice while the work is being performed. If tenant has pets, the physical distancing of pets must also be planned.
- Encourage tenants to leave the unit if that is safe and appropriate.

### **Covid 19 - Protocols to be Used by CCOC Maintenance Staff**

**Maintenance requests (in-suite)** should be for emergency/urgent issues only and communication to tenants will highlight that non-emergency issues will be deferred.

Critical pest control continues and given the closure of most public spaces. Work orders to common areas will continue subject to availability of staff and the ability to maintain a healthy environment.

#### **If you have any of the following:**

- **A fever, new-onset cough, or difficulty breathing**  
**OR**
- **Have travelled outside Canada in the past 14 days**  
**OR**
- **You have been in close contact with a confirmed or probable case of COVID-19**  
**OR**
- **You have been in close contact with a person with acute respiratory illness who has been to a COVID-19 impacted area**

**DO NOT ATTEND THE BUILDING / UNIT OR THE CCOC OFFICE. Contact your Manager immediately for direction**

- Field Staff come to the worksite equipped with disinfectant wipes and hand sanitizer. CCOC will supply disinfectant and soap. Hand sanitizer will be supplied if available.
- Field Staff practice physical distancing once inside the building – including avoiding other people in common areas and only using elevators that are empty.
- Field Staff sanitize their hands just before entering the unit.
- If the tenant(s) is on-site in unit, workers wait until tenant(s) has removed themselves at least 6 feet from the door way before entering the unit.
- Field Staff practice physical distancing for the duration of their work within the unit, distancing themselves at least 6 feet from the tenant(s), pets and from any other worker(s) that may be in the unit.
- If the tenant(s) is unable to comply with the expectations for physical distancing, then the staff member will leave the worksite and report the situation to their manager for further direction
- Upon completion of the work, workers will sanitize their hands and disinfect the areas that have been touched – including the door handles as they exit the unit.

## Covid 19 Protocols for Office Staff

The CCOC Office is closed to the general public. Staff will work from home and will only visit the office when absolutely essential under the direction of management.

Facilities Management staff will, as an essential service maintain an office presence to preserve the service to the tenants, however a minimum number of staff will attend at any time and maintain appropriate precautions and social distancing.

Staff will refer to the most recent version of CCOC pandemic plan found at the link below

<G:\CORPORATE SERVICES\Staff Information\Pandemic 2020\CCOC Pandemic Plan.docx>

**Tenant Screening:** Staff involved in dispatching staff or carrying out building visits to specific tenants should screen the tenants for potential concerns

- **A fever, new-onset cough, or difficulty breathing**  
**OR**
- **Have travelled outside Canada in the past 14 days**  
**OR**
- **You have been in close contact with a confirmed or probable case of COVID-19**  
**OR**
- **You have been in close contact with a person with acute respiratory illness who has been to a COVID-19 impacted area**

If a tenant answers yes to one or more of those questions contact one of the operations managers who will determine the best course of action.



**Finance Committee  
Minutes  
April 16, 2020**

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**Finance committee:** Josh Bueckert (chair), Rod Manchee, Mary Huang, Linda Camilleri, Nicole Rogers, David Boushey, Court Miller, Andrew McNeill, Michael Holmes

**Regrets:** Alannah Bird, Vladimir Gorodkov

**Staff:** Ray Sullivan, Maryse Martin, Dawn Chambers

**Guest:** Hedra Saparno (Auditor for Baker Tilly)

<b>Motions for Board Approval</b>
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**CCOC Motions for Board Approval**

**MOTION:** That \$247,133 be transferred from the internally restricted Arlington re-development project fund to the EOA capital replacement reserve.

(M/S/C, David Boushey/Michael Holmes)

**MOTION:** That an additional \$600,000 be transferred from EOA operating income to the EOA capital replacement reserve.

(M/S/C, Court Miller/David Boushey)

**MOTION:** That \$100,000 be transferred from unrestricted net assets to the Other capital replacement reserve.

(M/S/C, Rod Manchee/ Nicole Rogers)

**MOTION:** That \$520,052 be transferred from the Re-Generation Fund within the Internally Restricted Fund, to the EOA capital replacement reserve.

(M/S/C, David Boushey/Court Miller)

**MOTION:** That \$9,000 be transferred from the Top-Up Replacement Reserve Fund within the Internally Restricted Fund to the EOA capital replacement reserve.

(M/S/C, Linda Camilleri/ David Boushey)

**MOTION:** That the Amortization Period for Leasehold Improvements change to 15 years from 5 years.

(M/S/C, Court Miller/ David Boushey)

**MOTION:** That the CCOC 2019 Year-end Financial Statements presented herewith, incorporating the recommended adjustments, and with any required minor amendments, be received and forwarded to the Board of Directors for approval.

(M/S/C, Rod Manchee/ David Boushey)

**MOTION:** That \$18,241.98 (i.e. \$15,251.00 + \$2,990.98) in Bad Debts be written off for **CCOC (February and March 2020)**

(M/S/C, Rod Manchee/ David Boushey)

#### CCHC Motions for Board Approval

**MOTION:** That \$10,000 of the surplus be allocated to pay down the principal owing to CCOC.

(M/S/C, David Boushey/ Nicole Rogers)

**MOTION:** That the CCHC 2019 Year-end Financial Statements presented herewith, incorporating the recommended adjustments, and with any required minor amendments, be received and forwarded to the Board of Directors for approval.

(M/S/C, Michael Holmes /David Boushey)

1. **Call to Order and Anti-Oppression Statement** – Read and acknowledged
2. **Declaration of Conflict of Interest** - NONE
3. **Adoption of the Agenda – Removed Section 8**  
(M/S/C, David Boushey/Michael Holmes)
4. **Approval of meeting minutes**
  - Finance Meeting February 20, 2020  
(M/S/C, Court Miller/ Linda Camilleri)
5. **Notices/Announcements**
  - May meeting – current date conflicting with AGM date  
AGM may possibly be re-scheduled due to COVID-19 to September 2020 upon approval of Board. If AGM does go ahead on 21 May 2020, Finance Committee will move our meeting to 14 May 2020. Consensus reached.

**6. CCOC 2019 Audit – Presentation by Baker Tilly LLP**

- Hedra Saparno from Baker Tilly LLP presented the Draft Audited Financial Statements for CCOC. He assured the committee they were satisfied with the results of their work when completing the audit of our finances. He explained there were a few more adjustments to make in order to complete the audit process.

**MOTION:** That \$247,133 be transferred from the internally restricted Arlington re-development project fund to the EOA capital replacement reserve.

(M/S/C, David Boushey/Michael Holmes)

**MOTION:** That an additional \$600,000 be transferred from EOA operating income to the EOA capital replacement reserve.

(M/S/C, Court Miller/David Boushey)

**MOTION:** That \$100,000 be transferred from unrestricted net assets to the Other capital replacement reserve.

(M/S/C, Rod Manchee/ Nicole Rogers)

- Hedra advised of the benefits of updating the amortization period for leasehold improvements to an extended period of more than 5 years but less than 25 years. The committee agreed and decided 15 years would be a reasonable amortization period for leasehold improvements.

**MOTION:** That the Amortization Period for Leasehold Improvements change to 15 years from 5 years.

(M/S/C, Court Miller/ David Boushey)

- Ray suggested a transfer of the Re-Generation Fund (\$520,052) and the Top-Up Fund (\$9000) within the Internally Restricted Funds to offset the EOA Portfolio to offset the loss in the Capital Reserves for EOA Portfolio. Committee discussed and recommended a motion to the board for the approval of this transfer.

**MOTION:** That \$520,052 be transferred from the Re-Generation Fund within the Internally Restricted Fund, to the EOA capital replacement reserve.

(M/S/C, David Boushey/Court Miller)

**MOTION:** That \$9,000 be transferred from the Top-Up Replacement Reserve Fund within the Internally Restricted Fund to the EOA capital replacement reserve.

(M/S/C, Linda Camilleri/ David Boushey)

**MOTION:** That the CCOC 2019 Year-end Financial Statements presented herewith, incorporating the recommended adjustments, and with any required minor amendments, be received and forwarded to the Board of Directors for approval.

(M/S/C, Rod Manchee/ David Boushey)

**7. CCHC 2019 Audit – Presentation by Baker Tilly LLP**

- Hedra Saparno from Baker Tilly LLP presented the Draft Audited Financial Statements for CCHC. He assured the committee they were satisfied with the results of their work when completing the audit of our finances. He explained there were a few more adjustments to make in order to complete the audit process.
- Ray noted that the Co-op will become mortgage free in 2021, and thus enabling the Co-op to pay down the amount due to CCOC and to build up its reserves. As well, the Board approved extending CMHC-funded rent supplements from 2023 to 2028.

**MOTION:** That \$10,000 of the surplus be allocated to pay down the principal owing to CCOC.

(M/S/C, David Boushey/ Nicole Rogers)

**MOTION:** That the CCHC 2019 Year-end Financial Statements presented herewith, incorporating the recommended adjustments, and with any required minor amendments, be received and forwarded to the Board of Directors for approval.

(M/S/C, Michael Holmes /David Boushey)

The committee extended gratitude to the Finance Team for the hard work during the past few months for audit preparation and maintaining operations during the COVID-19 pandemic.

**8. Business Arising:**

- **COVID-19 related impacts**
  - **Update on April rent collection** - Collected over 90% of rent due for April, which amounts to approx. \$1M collected and payments continue to trickle in, we allowed e-transfers to ease the collection of rent for tenants.

Rod asked about the rent collection rate of commercial rents – Linda had 2 commercial tenants reach out for a deferral on rent as they are new small businesses and they have been provided an extension to get the

rent paid. As well, the Canada Emergency Commercial Rent assistance program for small businesses was announced today. More details will be available soon.

- **Ongoing review of government initiatives and impacts on cash flows** - We are monitoring very closely, took advantage of the property tax deferral by City, we paid \$725K in property taxes down from \$1.3M normally due for this period and the remainder is deferred to Oct 2020. Wage Subsidies, given the pace of the rent collection we likely will not qualify for the 75% wage subsidy program, we did take advantage of the 10% wage subsidy which was offered initially.
- **Requested increase in Line of Credit from RBC** – before the pandemic we were looking into increasing the line of credit from \$150K to \$500K. We are waiting on approval. Due to COVID-19 it keeps getting delayed.
- Andrew asked about our Reserve Fund Investments, Maryse advised the gains made in 2019 have been lost due COVID-19 downturn of economy.
- **2020 Revised Capital budget** - Had to revisit due to pandemic. Not as much work will be able to be completed due to essential work/business priorities during COVID-19. Therefore we won't be able to spend the \$2M previously budgeted for Capital work in 2020. We prioritized most impactful projects and lowered budget to approximately \$1.3M. We are confirming with the City whether we can proceed with COCHI funded work if we are able to find contractors and respect all the emergency pandemic provisions.
- **Forward Development:**
  - The Board approved CCOC pursuing financing from the CMHC Co-investment fund; rates were better over the first 20 years and the rent supplement income qualifies us for a bigger loan. Application could take 8-12 months and we will require bridge financing. Plans are to start construction in fall however plans still need to be confirmed. Site plan will be submitted by the end of next week.
  - Cahdco invoices for managing projects are applied against intercompany loan due to CCOC, which facilitates the re-payment of the amount due to CCOC.

- **CCHC:** Coop agreement to be extended from 2023 to 2028. See update in section 7 herein.

**9. Bad Debt Write Off and Accounts Receivable Statistics**

**MOTION:** That \$18,241.98 (i.e. \$15,251.00 + \$2,990.98) in Bad Debts be written off for **CCOC (February and March 2020)**

(M/S/C, Rod Manchee/ David Boushey)

**10. New Business - NONE**

**11. Next meeting/Deferrals**

- Policy Expiration Updates - sunset dates extended by board for procurement policies
- Arlington Development Statements and Debriefing – next meeting
- CAHDCO/CCOC Legal Liability Review – Point closed as per committee, with advice to be careful of risk exposure (Rod), Josh would like the committee to get regular updates and notified if scope of their business changes.
- Long Term Plan for CAHDCO – Point closed – CAHDCO will be creating a strategic plan over the next 18 months, along with CCOC strategic plan. The plan will be shared with the committee when available.

**12. Motion to Adjourn: 8:45pm**

(M/S/C, Andrew McNeill)

**Centretown Citizens Ottawa Corporation**  
**Financial Statements**  
For the year ended December 31, 2019

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# Independent Auditor's Report

## To the Members of the Centretown Citizens Ottawa Corporation

### Opinion

We have audited the financial statements of Centretown Citizens Ottawa Corporation (the "Corporation") which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions of the operating agreement dated January 1, 1990 between Centretown Citizens Ottawa Corporation and Canada Mortgage and Housing Corporation (the operating agreement) and the City of Ottawa as administrator of the Ontario Housing Services Act..

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting and Restriction on Use and Distribution

Without modifying our opinion, we draw attention to the summary of significant accounting policies accompanying the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Centretown Citizens Ottawa Corporation to comply with the reporting provisions of the operating agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Directors of Centretown Citizens Ottawa Corporation and Canada Mortgage and Housing Corporation and should not be used by parties other than the Directors of Centretown Citizens Ottawa Corporation or Canada Mortgage and Housing Corporation or the City of Ottawa.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the operating agreement dated January 1, 1990 between Centretown Citizens Ottawa Corporation and Canada Mortgage and Housing Corporation (the operating agreement) and the City of Ottawa as administrator of the Ontario Housing Services Act., and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.



Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

As required by the Ontario Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario

## Centretown Citizens Ottawa Corporation Statement of Financial Position

**December 31** 2019 2018

### Assets

#### Current

Cash (Note 1)	\$ 1,619,843	\$ 1,618,629
Short-term investments (Note 1)	238,500	238,500
Accounts receivable (Note 2)	1,487,879	627,691
Prepaid expenses	763,514	783,578
Due from related corporations (Note 3)	1,059,679	763,853

#### Long-term investments (Note 1)

#### Properties under construction

#### Capital assets (Note 4)

#### Prepaid land rent (Note 5)

	5,169,415	4,032,251
	8,283,708	7,651,414
	28,750	5,351,619
	89,467,327	87,421,642
	1,361,801	1,387,158
	\$ 104,311,001	\$ 105,844,084

### Liabilities, Capital Replacement Reserve and Net Assets

#### Current

Accounts payable and accrued liabilities (Note 6)	\$ 2,249,069	\$ 3,159,232
Accrued mortgage interest	243,718	213,218
Deferred revenue and tenant deposits	350,311	233,082
Current portion of mortgages payable (Note 7)	4,210,676	3,815,982
Renewable balance of mortgages payable	1,168,350	2,155,679

#### Mortgages payable (Note 7)

#### Deferred contributions related to capital assets (Note 8)

#### Deferred incentives (Note 9)

	8,222,124	9,577,193
	65,800,477	64,367,306
	10,679,981	11,495,653
	61,740	72,030
	84,764,322	85,512,182

#### Capital replacement reserve (Schedule 1)

#### NHA 27 operating reserve (Note 10)

	8,902,201	8,997,591
	15,065	14,924
	8,917,266	9,012,515

#### Contingencies (Note 12)

#### Net assets

NHA 27 Program	506,320	515,698
NHA 95 Program	(188,637)	(85,557)
EOA Properties	1,152,210	467,668
Provincial Reform Program - shelter	791,143	626,089
Provincial Reform Program - non-shelter	67,983	60,639
Non-Program Properties	(331,524)	(308,452)
Beaver Barracks Properties	(2,395,081)	(1,884,277)
Internally restricted funds (Note 11)	-	776,185
Invested in capital assets (Note 13)	8,969,644	9,015,053
Unrestricted	2,057,355	2,136,341

	10,629,413	11,319,387
	\$ 104,311,001	\$ 105,844,084

On behalf of the Board:

\_\_\_\_\_ President \_\_\_\_\_ Treasurer

**Centretown Citizens Ottawa Corporation**  
**Statement of Changes in Net Assets**

**For the year ended December 31**

	NHA 27 Program	NHA 95 Program	EOA Properties	Provincial Reformed Program- Shelter	Provincial Reformed Program- Non-Shelter	Non- Program Properties	Beaver Barracks Properties	Internally Restricted Funds (Note 11)	Invested in Capital Assets (Note 13)	Unrestricted	2019 Total	2018 Total
<b>Balance, beginning of year</b>	\$ 515,698	\$ (85,557)	\$ 467,668	\$ 626,089	\$ 60,639	\$ (308,452)	\$ (1,884,277)	\$ 776,185	\$ 9,015,053	\$ 2,136,341	\$ 11,319,387	\$ 11,937,288
<b>Net income (loss) for the year</b>	(14,128)	(103,080)	684,542	172,398	-	(23,072)	(510,804)	-	-	(24,395)	181,461	1,547
<b>Investment in capital assets</b>	-	-	-	-	-	-	-	-	(45,409)	45,409	-	-
<b>Interest</b>	4,750	-	-	-	-	-	-	-	-	-	4,750	4,344
<b>Interfund transfers (Note 14)</b>	-	-	-	-	-	-	-	(776,185)	-	(100,000)	(876,185)	(623,792)
<b>Interfund transfer for net non-shelter results</b>	-	-	-	(7,344)	7,344	-	-	-	-	-	-	-
<b>Balance, end of year</b>	\$ 506,320	\$ (188,637)	\$ 1,152,210	\$ 791,143	\$ 67,983	\$ (331,524)	\$ (2,395,081)	\$ -	\$ 8,969,644	\$ 2,057,355	\$ 10,629,413	\$ 11,319,387

## Centretown Citizens Ottawa Corporation

### Statement of Combined Operations - All Programs and Properties

**For the year ended December 31** 2019 2018

	Budget	Actual	Actual
<b>Revenue</b>			
Market rent	\$ 19,104,931	\$ 19,114,678	\$ 18,609,602
Less: Subsidies to tenants	6,951,565	6,761,956	6,683,504
Rent before vacancy cost	12,153,366	12,352,722	11,926,098
Less: Vacancy cost	296,996	237,971	212,490
Rent received from tenants	11,856,370	12,114,751	11,713,608
Interest rate reduction subsidy	19,290	19,300	27,148
Alternative HP Subsidy	76,617	76,617	74,916
Canadian Mental Health Association rent supplement	-	-	22,678
Rent geared-to-income supplement	2,144,922	2,069,784	2,039,384
Provincial reformed subsidy	4,991,175	4,991,175	4,750,010
Provincial affordability payment	667,744	667,744	667,744
Geothermal fees	212,315	218,029	211,157
Electricity fees	92,510	78,923	78,638
Commercial rent	193,856	204,319	195,645
Amortization of deferred contributions (Note 8)	815,675	815,672	815,672
Transfer from NHA 95 subsidy reserve (Note 10)	-	-	70,704
Parking	548,400	528,945	526,676
Laundry	289,704	298,664	291,189
Interest	96,950	83,959	83,455
Lawsuit settlement	-	-	216,983
Administration fees and sundry	67,437	69,078	55,766
	<b>22,072,965</b>	<b>22,236,960</b>	<b>21,841,373</b>
<b>Expenses</b>			
Administration (Schedule 2)	2,265,523	2,342,937	2,332,964
Alternative HP subsidy distributed	99,775	91,617	97,875
Amortization of rental property			
Externally financed	5,025,404	4,942,024	4,802,174
Internally financed	95,152	95,152	93,010
Mortgage interest			
Externally financed	2,519,545	2,529,501	2,590,530
Internally financed	89,476	87,342	91,441
Bad debts	56,160	23,604	82,903
Geoexchange fees	253,125	251,625	246,691
Heat	504,209	393,552	396,944
Hydro	812,920	695,078	695,556
Insurance	302,691	309,090	287,309
Land rent	33,739	25,357	25,358
Maintenance and repairs	4,143,424	4,368,840	4,151,467
Miscellaneous	86,076	75,888	37,382
Municipal taxes	3,321,878	3,123,340	3,092,018
Provision for capital replacements	1,193,831	1,962,227	2,138,285
Sales taxes (GST/HST)	85,400	70,160	110,988
Water	703,728	643,770	653,734
	<b>21,592,056</b>	<b>22,031,104</b>	<b>21,926,629</b>
<b>Project operations income (loss)</b>	<b>480,909</b>	<b>205,856</b>	<b>(85,256)</b>

**Centretown Citizens Ottawa Corporation**  
**Statement of Combined Operations - All Programs and Properties**  
(continued)

<b>For the year ended December 31</b>	<b>2019</b>	<b>2018</b>
<b>Other revenue (expenses)</b>		
Development costs (Schedule 2)	-	(120,973)
Maintenance contracts		(34,013)
- Revenue	-	451,323
- Expenses	-	(354,745)
Membership fees and other	-	6,020
	-	86,803
<b>Net income for the year</b>	<b>\$ 480,909</b>	<b>\$ 181,461</b>
	<b>\$</b>	<b>\$ 1,547</b>

Drafts - Subject to Change

## Centretown Citizens Ottawa Corporation Statement of Operations - NHA 27 Program

**For the year ended December 31** 2019 2018

	Budget	Actual	Actual
<b>Revenue</b>			
Market rent	\$ 335,036	\$ <b>339,273</b>	\$ 330,386
Less: Subsidies to tenants	181,603	<b>171,081</b>	176,150
<hr/>			
Rent before vacancy cost	153,433	<b>168,192</b>	154,236
Less: Vacancy cost	5,026	<b>9,723</b>	1,230
<hr/>			
Rent received from tenants	148,407	<b>158,469</b>	153,006
Interest rate reduction subsidy	14,538	<b>14,548</b>	14,508
Rent geared-to-income supplement	178,561	<b>172,699</b>	173,361
Parking	9,840	<b>9,223</b>	9,635
Laundry	5,702	<b>4,376</b>	5,476
Administration fees and sundry	1,080	<b>1,044</b>	1,080
<hr/>			
	358,128	<b>360,359</b>	357,066
<hr/>			
<b>Expenses</b>			
Administration (Schedule 2)	37,571	<b>39,194</b>	39,209
Amortization of rental property	30,691	<b>31,141</b>	28,375
Bad debts (recovered)	-	<b>665</b>	(360)
Heat	9,828	<b>8,570</b>	5,771
Hydro	17,717	<b>15,581</b>	16,196
Insurance	4,431	<b>4,545</b>	4,286
Maintenance and repairs	75,614	<b>106,445</b>	72,559
Miscellaneous	2,298	<b>4,506</b>	120
Mortgage interest	33,977	<b>47,815</b>	50,605
Municipal taxes	68,799	<b>68,564</b>	62,089
Provision for capital replacements	33,003	<b>33,003</b>	33,003
Sales taxes (GST/HST)	1,432	<b>2,538</b>	1,804
Water	12,588	<b>11,920</b>	13,423
<hr/>			
	327,949	<b>374,487</b>	327,080
<hr/>			
<b>Net portfolio income (loss) for the year</b>	<b>\$ 30,179</b>	<b>\$ (14,128)</b>	<b>\$ 29,986</b>

## Centretown Citizens Ottawa Corporation Statement of Operations - NHA 95 Program

**For the year ended December 31** 2019 2018

	Budget	Actual	Actual
<b>Revenue</b>			
Market rent	\$ 1,265,138	\$ 1,288,082	\$ 1,255,817
Less: Subsidies to tenants	212,339	198,178	204,091
<b>Rent before vacancy cost</b>	<b>1,052,799</b>	<b>1,089,904</b>	<b>1,051,726</b>
Less: Vacancy cost	18,977	18,539	17,634
<b>Rent received from tenants</b>	<b>1,033,822</b>	<b>1,071,365</b>	<b>1,034,092</b>
Interest rate reduction subsidy	4,752	4,752	12,640
Canadian Mental Health Association rent supplement	-	-	3,707
Transfer from subsidy surplus fund (Note 10)	-	-	70,704
Parking	9,180	8,658	8,382
Laundry	20,361	20,860	20,429
Administration fees and sundry	15,655	19,423	17,929
	<b>1,083,770</b>	<b>1,125,058</b>	<b>1,167,883</b>
<b>Expenses</b>			
Administration (Schedule 2)	158,956	165,821	165,886
Amortization of rental property	352,507	348,215	341,729
Bad debts	2,201	1,077	(278)
Heat	14,174	12,300	9,809
Hydro	52,257	43,935	46,255
Insurance	15,199	15,582	14,735
Land rent	4,262	4,262	4,262
Maintenance and repairs	281,451	289,272	277,137
Miscellaneous	6,898	(63)	103
Mortgage interest	8,601	8,341	15,774
Municipal taxes	257,596	206,925	243,538
Provision for capital replacements	95,370	95,370	95,370
Sales taxes (GST/HST)	4,500	4,025	5,142
Water	33,984	33,076	33,978
	<b>1,287,956</b>	<b>1,228,138</b>	<b>1,253,440</b>
<b>Net portfolio loss for the year</b>	<b>\$ (204,186)</b>	<b>\$ (103,080)</b>	<b>\$ (85,557)</b>

## Centretown Citizens Ottawa Corporation Statement of Operations - EOA Properties

**For the year ended December 31**

**2019**

**2018**

	Budget	Actual	Actual
<b>Revenue</b>			
Market rent	\$ 4,405,182	\$ 4,305,035	\$ 4,105,600
Less: Subsidies to tenants	721,758	685,706	671,162
Rent before vacancy cost	3,683,424	3,619,329	3,434,438
Less: Vacancy cost	66,078	36,814	55,398
Rent received from tenants	3,617,346	3,582,515	3,379,040
Rent geared-to-income supplement	415,002	379,437	368,884
Canadian Mental Health Association rent supplement	-	-	7,489
Commercial rent	87,790	97,314	85,180
Parking	103,080	104,491	104,102
Laundry	45,456	46,710	45,524
Interest	72,400	59,667	58,445
Administration fees and sundry	4,168	5,605	4,369
	4,345,242	4,275,739	4,053,033
<b>Expenses</b>			
Administration (Schedule 2)	501,045	506,786	496,151
Amortization of rental property	59,991	-	-
Bad debts	6,466	9,079	20,178
Heat	210,667	167,473	168,665
Hydro	111,847	101,187	99,078
Insurance	56,202	59,589	52,411
Land rent	8,268	-	-
Maintenance and repairs	898,526	903,654	959,303
Miscellaneous (recovered)	14,641	24,177	20,494
Mortgage interest	87,563	98,696	174
Municipal taxes	809,404	663,712	729,038
Provision for capital replacements	293,172	889,172	984,572
Sales taxes (GST/HST)	17,667	29,078	25,957
Water	140,582	138,594	136,220
	3,216,041	3,591,197	3,692,241
<b>Net portfolio income for the year</b>	<b>\$ 1,129,201</b>	<b>\$ 684,542</b>	<b>\$ 360,792</b>



**Centretown Citizens Ottawa Corporation**  
**Statement of Operations - Provincial Reformed Program**

**For the year ended December 31** **2019** **2018**

	Budget	Actual	Actual
<b>Revenue</b>			
Market rent	\$ 8,591,304	\$ 8,662,281	\$ 8,468,596
Less: Subsidies to tenants	4,094,620	4,011,762	3,950,740
Rent before vacancy cost	4,496,684	4,650,519	4,517,856
Less: Vacancy cost	139,291	127,420	104,105
Rent received from tenants	4,357,393	4,523,099	4,413,751
Canadian Mental Health Association rent supplement	-	-	2,570
Alternative HP subsidy	76,617	76,617	74,916
Provincial reformed subsidy	4,991,175	4,991,175	4,750,010
Commercial rent	23,542	23,026	22,447
Parking	263,040	250,295	245,707
Laundry	149,531	160,500	152,538
Interest	23,250	20,549	19,983
Administration fees and sundry	35,230	31,629	23,646
	9,919,778	10,076,890	9,705,568
<b>Expenses</b>			
Administration (Schedule 2)	1,057,188	1,102,017	1,102,390
Alternate HP subsidy distribution	99,775	91,617	97,875
Amortization of rental property	2,814,794	2,795,258	2,700,615
Bad debts (recovery)	32,983	8,521	35,936
Heat	218,066	161,160	167,675
Hydro	340,704	284,182	290,056
Insurance	135,711	137,357	129,423
Land rent	21,208	21,095	21,096
Maintenance and repairs	1,892,807	1,965,661	1,893,314
Miscellaneous	37,865	36,656	13,144
Mortgage interest	784,597	772,849	886,114
Municipal taxes	1,466,629	1,456,930	1,389,691
Provision for capital replacements	559,977	732,373	596,048
Sales taxes (GST/HST)	34,052	9,670	41,256
Water	331,831	329,146	322,469
	9,828,187	9,904,492	9,687,102
<b>Net portfolio income for the year</b>	<b>\$ 91,591</b>	<b>\$ 172,398</b>	<b>\$ 18,466</b>

## Centretown Citizens Ottawa Corporation Statement of Operations - Beaver Barracks Properties

<b>For the year ended December 31</b>	<b>2019</b>		<b>2018</b>
	Budget	Actual	Actual
<b>Revenue</b>			
Market rent	\$ 3,430,726	\$ 3,444,722	\$ 3,394,199
Less: Subsidies to tenants	1,500,736	1,457,252	1,446,601
Rent before vacancy cost	1,929,990	1,987,470	1,947,598
Less: Vacancy cost	51,461	21,848	18,115
Rent received from tenants	1,878,529	1,965,622	1,929,483
Rent geared-to-income supplement	1,390,804	1,350,341	1,341,722
Provincial affordability payment	639,373	639,373	639,373
Geothermal fees	212,315	218,029	211,157
Electricity fees	92,510	78,923	78,638
Commercial rent	82,524	83,979	88,018
Amortization of deferred contributions	723,054	723,054	723,054
Parking	139,680	132,644	133,472
Laundry	59,622	56,757	57,559
Interest	-	2,294	2,124
Lawsuit settlement	-	-	216,983
Administration fees and sundry	10,386	10,513	7,623
	<b>5,228,797</b>	<b>5,261,529</b>	<b>5,429,206</b>
<b>Expenses</b>			
Administration (Schedule 2)	370,044	382,895	383,046
Amortization of rental property			
Externally financed	1,497,163	1,497,162	1,465,612
Internally financed	66,693	66,693	65,192
Mortgage interest			
Externally financed	1,524,742	1,522,100	1,553,748
Internally financed	71,346	69,659	72,723
Bad debts	3,773	1,022	19,632
Geoexchange fees	253,125	251,625	246,691
Heat	27,264	24,494	25,635
Hydro	264,203	229,899	221,990
Insurance	75,210	75,670	71,030
Maintenance and repairs	706,082	798,103	690,815
Miscellaneous	12,333	6,566	2,521
Municipal taxes	563,668	575,278	519,135
Provision for capital replacements	162,474	162,474	379,457
Sales taxes (GST/HST)	22,702	19,496	26,830
Water	142,883	89,197	106,092
	<b>5,763,705</b>	<b>5,772,333</b>	<b>5,850,149</b>
<b>Net portfolio loss for the year</b>	<b>\$ (534,908)</b>	<b>\$ (510,804)</b>	<b>\$ (420,943)</b>

## Centretown Citizens Ottawa Corporation Statement of Operations - Non-Program Properties

<b>For the year ended December 31</b>	<b>2019</b>		<b>2018</b>
	Budget	Actual	Actual
<b>Revenue</b>			
Market rent	\$ 1,077,545	\$ 1,075,285	\$ 1,055,004
Less: Subsidies to tenants	240,509	237,977	234,760
Rent before vacancy cost	837,036	837,308	820,244
Less: Vacancy cost	16,163	23,627	16,008
Rent received from tenants	820,873	813,681	804,236
Canadian Mental Health Association rent supplement	-	-	8,912
Rent geared-to-income supplement	160,555	167,307	155,417
Provincial affordability payment	28,371	28,371	28,371
Amortization of deferred contributions	92,621	92,618	92,618
Parking	23,580	23,634	25,378
Laundry	9,032	9,461	9,663
Interest	1,300	1,449	2,903
Administration fees and sundry	918	864	1,119
	1,137,250	1,137,385	1,128,617
<b>Expenses</b>			
Administration (Schedule 2)	140,719	146,224	146,282
Amortization of rental property			
Externally financed	270,258	270,248	265,843
Internally financed	28,459	28,459	27,818
Mortgage interest			
Externally financed	80,065	79,700	84,115
Internally financed	18,130	17,683	18,718
Bad debts	10,737	3,240	7,795
Heat	24,210	19,555	19,389
Hydro	26,192	20,294	21,981
Insurance	15,938	16,347	15,424
Land rent	1	-	-
Maintenance and repairs	288,944	305,705	258,339
Miscellaneous	12,041	4,046	1,000
Municipal taxes	155,782	151,931	148,527
Provision for capital replacements	49,835	49,835	49,835
Sales taxes (GST/HST)	5,047	5,353	9,999
Water	41,860	41,837	41,552
	1,168,218	1,160,457	1,116,617
<b>Net portfolio income (loss) for the year</b>	<b>\$ (30,968)</b>	<b>\$ (23,072)</b>	<b>\$ 12,000</b>

## Centretown Citizens Ottawa Corporation Statement of Cash Flows

<b>For the year ended December 31</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>		
Net income for the year	\$ 181,461	\$ 1,547
Adjustments for		
Amortization of capital assets	5,206,523	4,976,695
Amortization of deferred incentives	(10,290)	(10,290)
Land rent	25,357	25,358
Provision for capital replacements	1,962,227	2,138,285
Transfer from NHA 95 subsidy reserve	-	(70,704)
Amortization of deferred contributions	(815,672)	(815,672)
	<u>6,549,606</u>	<u>6,245,219</u>
Changes in non-cash working capital items		
Accounts receivable	(860,188)	42,121
Prepaid expenses	20,064	(92,035)
Accounts payable and accrued liabilities	(910,163)	1,521,336
Accrued mortgage interest	30,500	(11,869)
Deferred revenue and tenant deposits	117,229	85,942
Net increase in due to related corporations	(295,826)	(143,283)
	<u>4,651,222</u>	<u>7,647,431</u>
<b>Cash flows from investing activities</b>		
Decrease (increase) in properties under construction	5,322,869	(3,985,875)
Additions to office furniture and equipment	(7,252,208)	(153,294)
Interest on capital replacement reserve	477,794	33,529
Capital replacements	(3,851,211)	(3,155,288)
Capital grants	439,615	799,254
Interest on NHA 27 program surplus	4,750	4,344
Interest on NHA 27 operating reserve	141	129
Increase in long-term investments	(632,294)	(188,029)
	<u>(5,490,544)</u>	<u>(6,645,230)</u>
<b>Cash flows from financing activities</b>		
Increase in mortgages	5,035,982	2,040,873
Principal repayment of mortgages	(4,195,446)	(4,011,861)
Increase in deferred contributions related to capital assets	-	450,000
	<u>840,536</u>	<u>(1,520,988)</u>
<b>Increase (decrease) in cash during the year</b>	<b>1,214</b>	<b>(518,787)</b>
<b>Cash, beginning of year</b>	<b>1,618,629</b>	<b>2,137,416</b>
<b>Cash, end of year</b>	<b>\$ 1,619,843</b>	<b>\$ 1,618,629</b>

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# Centretown Citizens Ottawa Corporation

## Summary of Significant Accounting Policies

December 31, 2019

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### **Nature of Business**

The Corporation is a not-for-profit organization incorporated without share capital under the Corporations Act of Ontario and as such, is exempt from income taxes. The Corporation operates 51 not-for-profit residential projects. Of these, 23 projects operate under agreements with the Canada Mortgage and Housing Corporation and are administered by the City of Ottawa on behalf of the Ontario Ministry of Municipal Affairs and Housing. Of the total 23 projects under NHA 27 and NHA 95 Programs, 19 of the mortgages were paid off as at December 31, 2019 and therefore the operating agreements have expired. The expired projects are now presented under EOA Properties in the financial statements. Another 18 projects operate under the Housing Services Act with the programs being administered by the City of Ottawa. Also, 4 projects operate under Federal/Provincial Affordable Housing operating agreements. Additionally, 6 properties operate outside any formal government housing programs.

### **Basis of Accounting**

These financial statements are prepared in accordance with the significant accounting policies set out below to comply with the operating agreements with Canada Mortgage and Housing Corporation (CMHC) and the City of Ottawa. The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations (ASNPO) as follows:

#### **Capital Assets and Prepaid Land Rent**

Amortization is not provided on buildings purchased from mortgages recognized by CMHC and the City of Ottawa over the estimated useful lives of these assets, but rather land, building and prepaid land purchased from mortgages are being amortized at a rate equal to the annual principal reduction of the mortgages.

#### **Capital Replacement Reserve**

Capital assets purchased from the capital replacement reserve are charged against the replacement reserve account rather than being capitalized on the balance sheet and amortized over their estimated useful lives. A reserve for future capital replacement is appropriated annually from operations. The annual appropriation is at least the amount prescribed by the funder for each project. Interest earned on monies held in reserve is credited directly to the reserve.

#### **Operating Reserve**

At the recommendation of the Service Manager (City of Ottawa), the corporation established an operating reserve for the NHA 27 program. The maximum fund balance is \$500 per door for each project within the program plus accumulated earned interest.

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# Centretown Citizens Ottawa Corporation

## Summary of Significant Accounting Policies

December 31, 2019

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### **Basis of Accounting** (continued)

#### **Operating Surplus**

Interest revenue is applied directly to the respective restricted surplus accounts, except for the Provincial Reformed and other programs where interest revenue is recorded to operations.

The operating surplus or deficit under the NHA 95 program represents the accumulated surplus or deficit from commercial activities within the program.

The operating surplus or deficit generated by projects not covered by governmental agreements and provincial guidelines has no external restrictions.

#### **Subsidy Surplus Fund**

Under the terms of the operating agreement, the NHA 95 program has allowed for a subsidy fund. The maximum fund balance is \$500 per unit for each project covered by the agreement plus accumulated earned interest.

The following accounting policies are in accordance with ASNPO.

### **Fund Accounting**

The Corporation uses the fund method of accounting which requires that revenue and expenses be allocated to the fund which has been set-up for its specific purposes. The Corporation operates the following funds: the NHA 27 Program, the NHA 95 Program, the EOA properties, the Provincial Reformed Program – Shelter and Non-Shelter, the non-program properties and the Beaver Barracks properties. Each of these funds reports the operations of the properties comprised in the fund.

### **Use of Estimates**

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Corporation's best information and judgment. The most significant asset where we must make an estimate is allowance for doubtful accounts receivable. If actual results differ from the estimate, the impact would be recorded in future periods.

### **Financial Instruments**

#### *Measurement of financial instruments*

Financial instruments are financial assets or liabilities of the Corporation where, in general, the Corporation has the right to receive cash or another financial asset from another party or the Corporation has the obligation to pay another party cash or other financial assets.

The Corporation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions which are measured at the exchange amount.

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## Centretown Citizens Ottawa Corporation Summary of Significant Accounting Policies

**December 31, 2019**

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### **Financial Instruments** (continued)

#### Measurement of financial instruments (continued)

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of restricted financial instruments are recognized in the appropriate reserve. Changes in fair value of unrestricted financial instruments are recognized in net income.

Financial assets and financial liabilities measured at amortized cost include cash, investments, accounts receivable, accounts payable and accrued liabilities, accrued mortgage interest payable, due from related corporations and mortgages payable.

#### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

#### Transaction costs

The Corporation recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

### **Capital Assets**

Capital assets are recorded at cost. Amortization is based on their estimated useful lives, except for the ones purchased with mortgages recognized by CMHC and the City of Ottawa.

Amortization of computer equipment is provided for on a straight-line basis over three or five years.

Amortization of office furniture and equipment, as well as maintenance tools and equipment, is provided for on a straight-line basis over six years.

Amortization of leasehold improvements is provided for on a straight-line basis over fifteen years.

One half of the above rates are used in the year of acquisition.

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## Centretown Citizens Ottawa Corporation Summary of Significant Accounting Policies

December 31, 2019

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### **Revenue Recognition**

The Corporation uses the deferred method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on reserve resources is recognized as revenue of the appropriate reserve fund. Other investment income is recognized as revenue from operations when earned.

Fair value changes for investments are recorded as investment income and recognized as revenue in the statement of operations, or as a component of applicable reserve fund if the investment income is restricted, as appropriate.

Rent and other services revenue are recorded when earned.

### **Government Assistance**

#### **Interest Rate Reduction Subsidy**

The interest rate reduction subsidy is disclosed as revenue in the statement of operations and represents the difference between the actual interest rate on the mortgages versus the effective rate approved under the operating agreement.

Under the NHA 27 program, operating agreements provide for assistance on the 2 remaining projects under this program to reduce the effective rate of interest on mortgages to 8%.

Under the NHA 95 program, operating agreements provide for assistance on the 2 remaining projects under this program to reduce the effective rate of interest on mortgages to 2%.

#### **Rent Geared-to-Income Supplement**

The City of Ottawa provides monthly rent supplements for the NHA 27 program. They are calculated as the difference between the rent based on tenants' incomes and the market rent.



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## Centretown Citizens Ottawa Corporation Summary of Significant Accounting Policies

**December 31, 2019**

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**Government Assistance**  
(continued)

**Provincial Reformed Subsidy**

In accordance with the operating agreements, the Corporation is required to refund the excess subsidy received or is entitled to recover the shortfall in subsidy on projects under the Provincial Reformed programs. These amounts are provided in the accounts in the year they occur.

The City of Ottawa approves the final subsidy after the financial statements and the annual information return have been submitted for the year.

Revenues, accounts receivable and operating surplus may change depending upon final review and approval by the City of Ottawa. Any year-end adjustments resulting from the City's review are reflected in the period that they occur.

**Forgivable Loans and Grants**

Forgivable loans and grants received are deducted from the related capital asset or expense.

**Administration Expense**

Administration expense is allocated to projects and to related corporations on a per unit basis.

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## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

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### 1. Cash and Investments

The Corporation's cash and short-term investments are held at one chartered bank and one investment brokerage company. Cash held in the Corporation's bank account earns interest at the Bank Prime Rate less 3%. Investments are held in guaranteed investment certificates that earn interest at an annual rate of 0.45% (2018 - 1.45%) and in fixed income investments and mutual funds.

Cash and short-term investments consists of:

	2019	2018
Cash	\$ 1,619,843	\$ 1,618,629
GICs with maturities within one year	238,500	238,500
	\$ 1,858,343	\$ 1,857,129

Long-term investments consists of:

	2019	2018
Fixed income investments	\$ 7,780,266	\$ 7,210,611
Mutual funds (equity investments)	503,442	440,803
	\$ 8,283,708	\$ 7,651,414

Under the terms of the operating agreements, the replacement reserve is required to be fully funded with cash or equivalents in separate accounts, as follows:

	2019	2018
Replacement reserve	\$ 8,902,201	\$ 8,997,591
NHA 27 operating reserve	15,065	14,924
NHA 27 program - net assets	506,320	515,698
	\$ 9,423,586	\$ 9,528,213

The Corporation is required to invest Provincial Reformed program capital replacement reserve funds with an investment company as specified by the Housing Services Corporation. At December 31, 2019, specified invested funds amounted to \$5,872,858 (2018 - \$5,509,139).

The Corporation has a \$150,000 line of credit with the Royal Bank of Canada, at the Prime Lending Rate plus 1.00%, renewable annually. The balance owing on the line of credit was nil at December 31, 2019.

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## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

### 2. Accounts Receivable

	2019	2018
Rent and other charges	\$ 117,037	\$ 73,856
Government assistance	90,591	11,454
HST rebate	294,598	336,471
Maintenance and contract charges	93,263	112,719
Capital repairs and construction recoveries	559,727	-
Property tax recoveries	199,356	-
Other	133,307	93,191
	\$ 1,487,879	\$ 627,691

### 3. Due from Related Corporations

The Corporation provides administration and maintenance services to Centretown Citizens Housing Co-operative Inc., whose board of directors is the same as the Corporation. Consequently, the Corporation has control over the Co-operative. The Co-operative operates a property under an agreement with the Canada Mortgage and Housing Corporation. The Co-operative qualifies as a not-for-profit organization and accordingly, is exempt from income tax. During the year the corporation charged the Co-operative \$48,239 (2018 - \$48,258) in administrative fees and \$33,569 (2018 - \$44,773) in maintenance fees. Both amounts were measured at the exchange amount. As at December 31, 2019, the Co-operative has a deficiency in net assets of \$342,878, assets of \$427,554 and liabilities of \$770,432. For the year ended December 31, 2019, the Co-operative's total revenue amounts to \$438,292, total expenses amount to \$424,173 and the excess of revenue over expenses amounts to \$14,119. For the same period, the Co-operative's cash flows increased from operating activities by \$156,417, was unaffected from investing activities, and decreased from financing activities by \$145,089.

The Corporation has significant influence over the following two entities:

The Corporation provides administration services to Ottawa-Carleton Condominium Corporation No. 556 (OCCC), where the Corporation owns approximately 87% OCCC. The OCCC is incorporated under the Ontario Condominium Act and manages the common elements of a 58-unit condominium in the City of Ottawa. OCCC is a not-for-profit corporation and as such, is exempt from income tax. Total administration fees charged during the year were \$940 (2018 - \$940) measured at the exchange amount.

The Corporation cost-shares its development administration expenses with Centretown Affordable Housing Development Corporation (CAHDCO). CAHDCO develops affordable housing for persons of low or moderate income through home ownership and for rental accommodations and provides related management consulting services. CAHDCO is a not-for-profit corporation and as such, is exempt from income tax. During the year the corporation purchased \$172,465 (2018 - \$61,303) in project management and development services from CAHDCO. These transactions were measured at the exchange amount. As at December 31, 2019, CAHDCO held assets of \$2,497,957 and net assets of \$157,624.

## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

### 3. Due from Related Corporations (continued)

The Corporation handles most cash receipts and disbursements on behalf of all of the above related corporations. At the end of the year, the amounts due (to) and from related corporations are as follows:

	2019	2018
Centretown Citizens Housing Co-operative Inc.	\$ 414,770	\$ 442,234
Ottawa-Carleton Condominium Corporation #556	(837)	819
CAHDCO	645,746	320,800
	\$ 1,059,679	\$ 763,853

The amount receivable from Centretown Citizens Housing Co-operative Inc. has a portion amounting to \$278,581 that bears interest at 2.46% and for which the principal is payable over 20 years.

Subsequent to year end, it was agreed that CAHDCO and CCOC will strive to ensure that any intercompany debt incurred as a result of operational activities is repaid annually. Should a balance remain at year end, interest will be paid at the Bank of Canada Long-Term Benchmark Bond Yield Rate. This agreement was effective January 2020.

The remaining balances are interest free and have no specific terms of repayment.

### 4. Capital Assets

	2019	2018
Rental property		
Cost	\$150,290,206	\$145,269,300
Less: Accumulated amortization	68,534,585	63,497,409
	81,755,621	81,771,891
Other		
Land (Beaver Barracks)	5,350,000	5,350,000
Computer equipment	293,645	280,365
Office furniture and equipment	268,695	184,791
Maintenance tools and equipment	57,538	57,538
Vehicle	26,643	26,643
Leasehold improvements	2,137,367	3,250
	8,133,888	5,902,587
Less: Accumulated amortization	422,182	252,836
	7,711,706	5,649,751
	\$ 89,467,327	\$ 87,421,642

## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

4. **Capital Assets** (continued)

Interest capitalized during the construction phase of the Arlington re-development project amounted to \$54,490 and is included in rental property cost.

Rental property includes 1,564 residential units (2018 - 1,559).

The total amortization expense for the year is \$5,206,523 (2018 - \$4,976,695).

5. **Prepaid Land Rent**

Land for eight rental properties is leased under long-term operating leases expiring between 2024 and 2090. The leases include options for extension and/or a buy-back by the lessee of the buildings at fair market value at the end of the term.

6. **Accounts Payable and Accrued Liabilities**

	2019	2018
Trade accounts and accrued liabilities	\$ 2,176,231	\$ 3,000,957
Government remittances	72,838	158,275
	\$ 2,249,069	\$ 3,159,232

7. **Mortgages Payable**

	2019	2018
NHA 27, NHA 95 and SHRA Properties		
Mortgages for 2 projects under the NHA 27 program, with interest rates of 9.88% and 10.50%, payable net of interest rate reduction subsidy for an effective rate of 8% in monthly principal and interest instalments of \$5,389, maturing in 2026 and 2029 respectively	\$ 470,080	\$ 501,221
Mortgages for 2 projects under the NHA 95 program, with interest rates of 1.04% and 2.46%, payable in monthly principal and interest instalments of \$30,199, maturing in 2020 and 2021 respectively.	326,624	679,101
Mortgages for 18 projects under Provincial Reform program, with interest rates varying between 1.11% and 6.49%, payable in monthly principal and interest instalments of \$299,101, renewing at various dates between 2021 and 2028	23,434,793	26,251,147

## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

**7. Mortgages Payable (continued)**

	2019	2018
Non-interest bearing mortgage for a project under Provincial Reform Program, with entire principal maturing in 2024	<b>2,360,857</b>	2,360,857
	<b>26,592,354</b>	29,792,326
<b>Other Properties</b>		
CMHC construction financing loan for 1 project, interest at 2.43%, payable in monthly interest only instalments until December 2021, afterwards payable in monthly principal and interest instalments (to be determined) over a 50 year period	<b>3,814,555</b>	<b>2,040,873</b>
Royal Bank of Canada mortgage for 1 project, interest at 3.09%, payable in monthly principal and interest instalments of \$15,590, maturing in June 2029	<b>3,218,564</b>	-
Royal Trust Corporation of Canada mortgages for 2 projects, interest at 2.02% and 3.12%, payable in monthly principal and interest instalments of \$12,903, renewing in 2020 and 2022	<b>1,402,715</b>	1,527,759
Grey Sisters of the Immaculate Conception mortgage, for 3 projects, interest at 2%, payable in monthly principal and interest instalments of \$9,013, maturing in 2032 and 2041	<b>1,695,300</b>	1,765,466
Ontario Infrastructure, for 4 projects, with interest rates varying between 3.19% and 5.51%, payable in monthly principal and interest instalments of \$191,130, renewable at various dates between 2021 and 2023	<b>34,456,015</b>	35,212,543
	<b>44,587,149</b>	38,505,768
Total mortgages payable	<b>71,179,503</b>	70,338,967
Less: Current portion	<b>4,210,676</b>	3,815,982
Less: Renewable portion	<b>1,168,350</b>	2,155,679
	<b>\$ 65,800,477</b>	\$ 64,367,306

The mortgages are secured by land and buildings as detailed in Note 6.

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## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

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**7. Mortgages Payable** (continued)

Principal payments due within each of the next five years and thereafter are as follows:

	<b>Payable</b>	<b>Renewable</b>
2020	\$ 4,210,676	\$ 1,168,350
2021	2,837,177	23,015,344
2022	2,798,789	177,762
2023	2,448,723	14,750,510
2024	2,069,746	422,500
Thereafter	17,279,926	-
	\$ 31,645,037	\$ 39,534,466

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**8. Deferred Contributions Related to Capital Assets**

Deferred contributions related to capital assets represents restricted contributions applied towards the original purchase of the Stirling property, the Merivale property, the Richmond property, the Beaver Barracks property, and the Arlington redevelopment. The change in the deferred contributions balance for the period is as follows:

	<b>2019</b>	<b>2018</b>
Balance, beginning of year	\$ 11,495,653	\$ 11,861,325
Contribution received during the year	-	450,000
Less: Amount amortized to revenue	(815,672)	(815,672)
Balance, end of year	\$ 10,679,981	\$ 11,495,653

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**9. Deferred Incentives**

Deferred incentives represents an incentive received on an equipment rental contract which is to be amortized into revenue over the term of the contract (10 years).

	<b>2019</b>	<b>2018</b>
Balance, beginning of year	\$ 72,030	\$ 82,320
Less: Amount amortized to revenue	(10,290)	(10,290)
Balance, end of year	\$ 61,740	\$ 72,030

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## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

### 10. NHA 27 Operating Reserve

	2019	2018
Balance, beginning of year	\$ 14,924	\$ 14,795
Interest earned during the year	141	129
	<b>\$ 15,065</b>	<b>\$ 14,924</b>

### 11. Internally Restricted Funds

	Balance beginning of year	Interest	Interfund transfers (Note 14)	Balance end of year
Re-Generation fund	\$ 520,052	\$ -	\$ (520,052)	\$ -
Top-Up replacement reserve fund	9,000	-	(9,000)	-
Arlington re-development project fund	247,133	-	(247,133)	-
	<b>\$ 776,185</b>	<b>\$ -</b>	<b>\$ (776,185)</b>	<b>\$ -</b>

### 12. Contingencies

#### Forgivable Loans

The Corporation has received contributions from CMHC in the form of forgivable loans totalling \$775,177. The repayment of the forgivable loan is waived as long as the projects are operated within the terms and conditions of the operating agreements with CMHC. The forgivable loans are amortized and brought into revenue on a pro-rata share with the repayment of related mortgage principals. The contingent liabilities related to the forgivable loans are amortized on a straight line basis over the term of the mortgage and at December 31, 2019, the contingent liability amount was \$64,453 (2018 - \$81,829).

#### SHIP and HHIP Funding

The Corporation has received a commitment for Social Housing Improvement Program (SHIP) funding and Housing and Homelessness Investment Plan (HHIP) with the City of Ottawa to cover the eligible cost of repairs, renovations and retrofit activities. To date the Corporation has received approximately \$1,955,038 (2018 - \$1,753,000) from the City of Ottawa since the 2016 fiscal year, which is included in the Capital replacement reserve on the Balance Sheet. The Corporation is required to provide affordable social housing for 10 years after completion of the expenditures, otherwise the funding is repayable to the City of Ottawa on a pro-rated basis.



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## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

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12. **Contingencies** (continued)

**COCHI Funding**

The Corporation has received a commitment for Canada-Ontario Community Housing Initiative (COCHI) funding with the City of Ottawa to cover the eligible cost of repairs, renovations and retrofit activities. During the year, the Corporation received \$225,000 from the City of Ottawa, which is included in the Capital replacement reserve on the Balance Sheet. The Corporation is required to provide affordable social housing for 10 years after completion of the expenditures, otherwise all funding is repayable to the City of Ottawa.

**Guarantor on CAHDCO Loan**

The Corporation has entered into an agreement with its chartered bank in which it will act as a guarantor in the amount of \$1,000,000 on a revolving term loan granted to CAHDCO in the event of default. As part of the agreement, the Corporation signed a collateral mortgage in the amount of \$1,000,000 on the lands and improvements located at 25 ad 35 Rochester and 746 and 760 Albert as well as the assignment of rents for the previously noted properties.

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13. **Invested in Capital Assets**

Net assets invested in capital assets represent the Corporation's equity in its capital assets. It represents the net book value of capital assets less any related debts and deferred contributions.

	2019	2018
Capital assets	<b>\$ 89,467,327</b>	\$ 87,421,642
Prepaid land rent	<b>1,361,801</b>	1,387,158
Less:		
Mortgages payable (excluding amount related to properties under construction)	<b>(71,179,503)</b>	(68,298,094)
Deferred contributions	<b>(10,679,981)</b>	(11,495,653)
	<b>\$ 8,969,644</b>	\$ 9,015,053

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14. **Interfund Transfers**

An amount of \$776,185 was transferred into the EOA properties capital replacement reserve. This consists of:

- \$9,000 transferred from the Top-Up replacement reserve fund;
- \$520,052 from the Re-Generation fund; and
- \$247,133 from the Arlington re-development project fund.

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## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

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**14. Interfund Transfers** (continued)

Additionally an amount of \$100,000 was transferred from unrestricted net assets to the Other properties capital replacement reserve.

The amounts noted above were approved by the Board of Directors.

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**15. Commitments**

The Corporation is leasing the property at 140 Bronson Ave. for \$1 for a period of 24 years, expiring in 2024. The property provides 14 residential units.

The Corporation has committed to developing a 31 unit affordable housing project located at 159 Forward Avenue. The development of the project is expected to cost approximately \$12,420,000, of which, \$6,752,500 is to be provided in grants and funding from the City of Ottawa and the remaining \$5,667,500 is expected to be obtained from mortgage financing. Under the terms of the funding agreement with the City of Ottawa, the Corporation is required to provide affordable housing for the 35 years following the completion of the project. Construction for the project is expected to begin in 2020.

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**16. Other Revenue and Expenses**

	2019	2018
Costs related to operating City of Ottawa garage at 145 Clarence	\$ 67,990	\$ 22,146
Costs related to operating City of Ottawa garage at 215 Nepean	57,133	40,016
Costs related to operating City of Ottawa garage at 210 Gloucester	14,738	6,854
	139,861	69,016
Less: Revenue recoveries	139,861	69,016
	\$ -	\$ -

The above revenue and expenses are not included in the Corporation's statement of operations.

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**17. Employee Benefits**

The Corporation participates in OMERS, a multi-employer defined benefit plan providing pension benefits. The plan is accounted for as a defined contribution plan as the Corporation has insufficient information to apply defined benefit plan accounting. The net expense for the plan for the year was \$199,723 (2018 - \$197,671) which represents the Corporation's required current contributions to the plan for the year.

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## Centretown Citizens Ottawa Corporation Notes to Financial Statements

**December 31, 2019**

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### 18. Subsequent Event

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Corporation's environment and in the global markets, such as the potential deferral or abandonment of monthly rent payments from tenants could have a material impact on the Corporation's operations. The extent of the impact of this outbreak and related containment measures on the Corporation's operations cannot be reliably estimated at this time.

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### 19. Risks and Concentrations

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure and concentrations as at December 31, 2019.

#### Credit risk

The Corporation is exposed to credit risk in the event of non-payment by their clients for their accounts receivable. The Corporation provides credit to its clients in the normal course of its operations. The Corporation continuously reviews the financial situation of its clients and examines the credit history of all new clients. The Corporation establishes allowances for doubtful accounts while keeping in mind the specific credit risk of the clients, their historical tendencies and economic situation. There is no existing account receivable that represents a substantial risk for the Corporation.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its fixed and floating interest rate financial instruments.

Fixed-rate instruments subject the Corporation to a fair value risk while the floating-rate instruments subject it to a cash flow risk. The Corporation does not use derivative financial instruments to alter the effects of this risk.

The Corporation uses mortgages payable with fixed interest rates, renewing from time to time. Consequently, the Corporation's interest risk exposure is function of the timing of when the mortgages renew.

#### Changes in risk

There have been no significant changes in the Corporation's risk exposures from the previous fiscal year.

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**Centretown Citizens Ottawa Corporation**  
**Notes to Financial Statements**

**December 31, 2019**

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**20. Budget**

The 2019 budgeted figures are presented for comparison purposes only, are unaudited, and are those approved by the board of directors.

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**21. Comparative Amounts**

In certain instances, 2018 amounts presented for comparative purposes have been restated to conform to the financial statement presentation adopted for the current year.

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Drafts - Subject to Change

## Centretown Citizens Ottawa Corporation Schedule 1 - Capital Replacement Reserve

For the year ended December 31

2019

	NHA 27 Program	NHA 95 Program	EOA Properties	Provincial Reformed Program	Other Program	Beaver Barracks	Total
Balance, beginning of year	\$ 117,368	\$ 2,188,333	\$ (8,603)	\$ 5,738,598	\$ 43,538	\$ 918,357	\$ 8,997,591
Interfund transfers (Note 14)	-	-	776,185	-	100,000	-	876,185
Provision for capital replacements	33,003	95,370	889,172	732,373	49,835	162,474	1,962,227
Capital grants and other recoveries	-	-	-	211,651	227,964	-	439,615
Interest	1,001	15,709	18,901	363,719	1,750	76,714	477,794
	151,372	2,299,412	1,675,655	7,046,341	423,087	1,157,545	12,753,412
Less: Capital replacements during the year	25,433	423,484	949,236	1,469,182	419,308	564,568	3,851,211
<b>Balance, end of year</b>	<b>\$ 125,939</b>	<b>\$ 1,875,928</b>	<b>\$ 726,419</b>	<b>\$ 5,577,159</b>	<b>\$ 3,779</b>	<b>\$ 592,977</b>	<b>\$ 8,902,201</b>

For the year ended December 31

2018

	NHA 27 Program	NHA 95 Program	EOA Properties	Provincial Reformed Program	Other Program	Beaver Barracks	Total
Balance, beginning of year	\$ 97,095	\$ 1,633,481	\$ 184	\$ 6,048,835	\$ 28,030	\$ 674,186	\$ 8,481,811
Interfund transfers	-	512,258	187,742	-	-	-	700,000
Provision for capital replacements	33,003	95,370	984,572	596,048	49,835	379,457	2,138,285
Capital grants	-	-	-	799,254	-	-	799,254
Interest	356	6,457	11,143	6,636	641	8,296	33,529
	130,454	2,247,566	1,183,641	7,450,773	78,506	1,061,939	12,152,879
Less: Capital replacements during the year	13,086	59,233	1,192,244	1,712,175	34,968	143,582	3,155,288
<b>Balance, end of year</b>	<b>\$ 117,368</b>	<b>\$ 2,188,333</b>	<b>\$ (8,603)</b>	<b>\$ 5,738,598</b>	<b>\$ 43,538</b>	<b>\$ 918,357</b>	<b>\$ 8,997,591</b>

**Centretown Citizens Ottawa Corporation**  
**Schedule 2 - Administration and Development Expense**

**For the year ended December 31**

	2019			2018		
	Administration	Development	Total	Administration	Development	Total
Salaries	\$ 1,346,935	\$ -	\$ 1,346,935	\$ 1,334,354	\$ -	\$ 1,334,354
Employee benefits	331,903	-	331,903	333,556	-	333,556
Advertising and rent-up	8,157	-	8,157	14,105	-	14,105
Office occupancy	200,839	-	200,839	169,243	-	169,243
Staff conferences, training and travel	41,708	-	41,708	32,678	-	32,678
Audit	26,496	-	26,496	26,300	-	26,300
Legal and professional	7,363	120,894	128,257	34,504	30,069	64,573
Amortization of capital assets	161,546	-	161,546	68,600	-	68,600
Office administration	214,462	79	214,541	262,642	3,944	266,586
Bank charges	38,533	-	38,533	36,399	-	36,399
Corporate	69,101	-	69,101	87,734	-	87,734
Tenant and community engagement	33,650	-	33,650	22,645	-	22,645
	<b>2,480,693</b>	<b>120,973</b>	<b>2,601,666</b>	<b>2,422,760</b>	<b>34,013</b>	<b>2,456,773</b>
Less:						
Administration expense charged to related corporations (Note 3)	68,832	-	68,832	50,698	-	50,698
Other subsidies and revenues	68,924	-	68,924	39,098	-	39,098
	<b>137,756</b>	<b>-</b>	<b>137,756</b>	<b>89,796</b>	<b>-</b>	<b>89,796</b>
Allocated to projects or other operations	<b>\$ 2,342,937</b>	<b>\$ 120,973</b>	<b>\$ 2,463,910</b>	<b>\$ 2,332,964</b>	<b>\$ 34,013</b>	<b>\$ 2,366,977</b>

**Centretown Citizens Housing Co-operative Inc.**

**Financial Statements**

For the year ended December 31, 2019

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## **Independent Auditor's Report**

### **To the Members of the Centretown Citizens Housing Co-operative Inc.**

#### Opinion

We have audited the financial statements of Centretown Citizens Housing Co-operative Inc. (the "Co-operative") which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in deficiency of net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Co-operative as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions of the operating agreement dated January 1, 1990 between Centretown Citizens Housing Co-operative Inc. and Canada Mortgage and Housing Corporation.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Co-operative in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Basis of Accounting and Restriction on Use and Distribution

Without modifying our opinion, we draw attention to the summary of significant accounting policies accompanying the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Centretown Citizens Housing Co-operative Inc. to comply with the reporting provisions of the operating agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Directors of Centretown Citizens Housing Co-operative Inc. and Canada Mortgage and Housing Corporation and should not be used by parties other than the Directors of Centretown Citizens Housing Co-operative Inc. or Canada Mortgage and Housing Corporation.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the operating agreement dated January 1, 1990 between Centretown Citizens Housing Co-operative Inc. and Canada Mortgage and Housing Corporation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.



Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

As required by the Ontario Co-operative Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

**Centretown Citizens Housing Co-operative Inc.**  
**Statement of Financial Position**

**December 31** 2019 2018

**Assets**

**Current**

Cash	\$ 129,423	\$ 118,095
Accounts receivable (Note 1)	3,789	10,184
CMHC subsidy receivable	6,607	6,629
	139,819	134,908

Tangible capital assets (Note 2)	287,735	445,722
	\$ 427,554	\$ 580,630

**Liabilities and Deficiency of Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 5,768	\$ 5,751
CMHC subsidy payable	8,706	12,240
Accrued mortgage interest payable	1,125	2,095
Unearned rent-supplement advance	11,300	11,600
Deferred revenue	12,894	10,188
Due to a corporation under common control (Note 3)	414,770	442,234
Current portion of mortgage payable (Note 4)	156,017	144,819
	610,580	628,927

Deferred contributions related to tangible capital assets (Note 5)	96,741	109,640
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Mortgage payable (Note 4)	34,977	191,264
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Capital replacement reserve (Note 6)	21,295	2,243
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Security of tenure reserve (Note 7)	6,839	5,553
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Deficiency of net assets	(342,878)	(356,997)
	\$ 427,554	\$ 580,630

On behalf of the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

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**Centretown Citizens Housing Co-operative Inc.**  
**Statement of Changes in Deficiency of Net Assets**

<u>For the year ended December 31</u>	<u>2019</u>	<u>2018</u>
<b>Balance</b> , beginning of year	\$ (356,997)	\$ (361,693)
<b>Excess of revenue over expenses for the year</b>	<u>14,119</u>	<u>4,696</u>
<b>Balance</b> , end of year	<u>\$ (342,878)</u>	<u>\$ (356,997)</u>

Drafts - Subject to Change

## Centretown Citizens Housing Co-operative Inc. Statement of Operations

**For the year ended December 31** 2019 2018

	Budget	Actual	Actual
<b>Revenue</b>			
Housing charges - market rent	\$ 330,720	\$ 330,558	\$ 326,263
Subsidies to tenants	(130,088)	(126,384)	(127,614)
<hr/>			
Rent before vacancy cost	200,632	204,174	198,649
Less: Vacancy costs	(12,503)	(1,616)	(4,123)
<hr/>			
Rent received from tenants	188,129	202,558	194,526
Rent supplement	126,936	126,384	125,528
Federal co-op assistance	79,558	79,376	79,520
Laundry	6,382	8,395	7,030
Parking	5,760	7,744	6,042
Security of tenure used	3,152	-	2,086
Amortization of deferred contribution related to tangible capital assets (Note 5)	-	12,899	12,899
Sundry	864	936	929
<hr/>			
	410,781	438,292	428,560
<hr/>			
<b>Expenses</b>			
Administration	46,127	48,239	48,258
Amortization of capital assets	144,654	157,988	148,884
Appropriation to capital replacement reserve (Note 6)	12,367	12,367	12,367
Appropriation to security of tenure reserve	1,407	1,286	1,407
Bad debts	3,000	(274)	7,430
Bank charges	-	52	131
Heat	2,382	1,592	671
Hydro	6,182	6,427	5,901
Insurance	4,964	5,092	4,809
Interest	6,822	6,822	6,822
Maintenance and repairs	97,164	96,621	95,784
Miscellaneous	5,000	31	110
Mortgage interest paid	20,411	18,693	28,514
Municipal taxes	43,470	43,791	42,328
Professional fees	1,500	9,898	3,979
Sales taxes	1,200	1,399	1,756
Water	14,016	14,149	14,713
<hr/>			
	410,666	424,173	423,864
<hr/>			
<b>Excess of revenue over expenses for the year</b>	<b>\$ 115</b>	<b>\$ 14,119</b>	<b>\$ 4,696</b>

## Centretown Citizens Housing Co-operative Inc. Statement of Cash Flows

<b>For the year ended December 31</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 14,119	\$ 4,696
Adjustments for		
Amortization of tangible capital assets	157,988	148,884
Appropriation to capital replacement reserve	12,367	12,367
Capital replacement expenditures	(1,715)	(10,124)
Appropriation to security of tenure reserve	1,286	1,407
Additional capital replacement reserve funding	8,400	-
Security of tenure reserve used	-	(2,086)
Amortization of deferred contribution related to tangible capital assets	(12,899)	(12,899)
	<b>179,546</b>	<b>142,245</b>
Changes in non-cash working capital items		
Accounts receivable	6,395	19,126
CMHC subsidy receivable	22	3,037
GST/HST rebate receivable	(3,534)	12,240
Accounts payable and accrued liabilities	16	(9,259)
Due to a corporation under common control	(27,464)	(21,291)
Accrued mortgage interest payable	(970)	(497)
Unearned rent-supplement advance	(300)	600
Deferred revenue	2,706	(665)
	<b>156,417</b>	<b>145,536</b>
<b>Cash flows from financing activities</b>		
Repayment of mortgage payable	(145,089)	(135,985)
<b>Increase in cash during the year</b>	<b>11,328</b>	<b>9,551</b>
<b>Cash, beginning of year</b>	<b>118,095</b>	<b>108,544</b>
<b>Cash, end of year</b>	<b>\$ 129,423</b>	<b>\$ 118,095</b>

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## Centretown Citizens Housing Co-operative Inc. Summary of Significant Accounting Policies

December 31, 2019

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**Nature of Organization** The Co-operative is incorporated without share capital under the Ontario Co-operative Corporations Act and operates a non-profit housing project in Ottawa under an agreement with the Canada Mortgage and Housing Corporation (CMHC). The Co-operative qualifies as a not-for-profit organization as defined in section 149(I)(L) of the Income Tax Act and accordingly is exempt from income taxes.

**Basis of Accounting** These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the operating agreement dated January 1, 1990 with Canada Mortgage and Housing Corporation. The basis of accounting used in these financial statements materially differs from Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) because:

- a) amortization is not provided on buildings purchased from mortgages recognized by CMHC over the estimated useful lives of these assets, but rather land, building and related assets purchased from mortgages are being amortized at a rate equal to the annual principal reduction of the mortgages;
- b) capital assets purchased from accumulated surplus are charged to operations in the year the expense is incurred, with the exception of Building Renovations, which are being amortized over 10 years on a straight-line basis, with half-rate in the year of acquisition;
- c) capital assets purchased from the capital replacement reserve are charged against the replacement reserve account rather than being capitalized on the statement of financial position and amortized over their estimated useful lives; and
- d) reserves for future capital replacement and security of tenure are appropriated annually from operations, as determined by CMHC in direct proportion to the change in the required monthly payment of the mortgage loan. Interest earned on monies held in the capital replacement reserve is credited directly to the reserve.

The following are in accordance with ASNPO.

**Financial Instruments** Measurement of financial instruments

Financial instruments are financial assets or liabilities of the Co-operative where, in general, the Co-operative has the right to receive cash or another financial asset from another party or the Co-operative has the obligation to pay another party cash or other financial assets.

The Co-operative initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions which are measured at the exchange amount.

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## Centretown Citizens Housing Co-operative Inc. Summary of Significant Accounting Policies

**December 31, 2019**

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**Financial Instruments**  
(continued)

*Measurement of financial instruments (continued)*

The Co-operative subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of restricted financial instruments are recognized in the appropriate reserve.

Changes in fair value of unrestricted financial instruments are recognized in excess of revenue over expenses.

Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, CMHC subsidy receivable or repayable, accounts payable and accrued liabilities, accrued mortgage interest payable, due to a corporation under common control and mortgage payable.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

*Transaction costs*

The Co-operative recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**Use of Estimates**

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Co-operative's best information and judgment. The most significant asset where we must make an estimate is allowance for doubtful accounts receivable. If actual results differ from the estimate, the impact would be recorded in future periods.

**Security of Tenure Reserve**

The Co-operative is required to set aside certain funds annually for security of tenure. The amount is determined by CMHC and is in direct proportion to the changes in the required monthly mortgage payments. The funds accumulated in this reserve are to be used generally to assist households that are not in receipt of assistance under the Rent Supplements Program and for which regular occupancy charges exceed an acceptable measure of affordable shelter as defined by CMHC.

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## Centretown Citizens Housing Co-operative Inc. Summary of Significant Accounting Policies

December 31, 2019

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**Federal Co-operative Assistance**

The agreement with CMHC provides monthly subsidy payments which approximate the forecasted difference between rental income and the rental income required to break even.

The funding is based upon Year One budgeted revenues and expenses which had been approved by CMHC, increasing each year by a rate of inflation less 2%.

**Revenue Recognition**

The Co-operative uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Housing charges, laundry, parking and sundry revenues are recorded as revenue when earned.

Investment income earned on the replacement reserve is recorded as a direct increase in the reserve. Investment income not earned on replacement reserve resources is recognized as revenue when earned.

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## Centretown Citizens Housing Co-operative Inc. Notes to Financial Statements

**December 31, 2019**

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**1. Accounts Receivable**

	2019	2018
Members	\$ 1,690	\$ 2,021
HST receivable	2,099	1,913
Federal retrofit grant receivable	-	6,250
	\$ 3,789	\$ 10,184

---

**2. Capital Assets**

	2019	2018
Land	\$ 285,000	\$ 285,000
Buildings and related assets	1,731,631	1,731,631
Building renovations	128,988	128,988
	2,145,619	2,145,619
Less: Accumulated amortization	1,857,884	1,699,897
	\$ 287,735	\$ 445,722

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**3. Related Party Transactions**

The Co-operative and Centretown Citizens Ottawa Corporation (CCOC) are common control organizations since they have the same Board of Directors.

During the year, the Co-operative paid CCOC \$48,239 (2018 - \$48,258) in administration charges, \$33,569 (2018 - \$44,773) in maintenance fees and \$6,822 (2018 - \$6,822) in interest.

CCOC handles most of the receipts and disbursements on behalf of the Co-operative.

All of these transactions were carried out in the normal course of operations and are recorded at the exchange value. This value corresponds to the consideration agreed upon by the parties and is determined on a cost recovery basis.

As at December 31, 2019, \$414,770 (2018 - \$442,234) is payable to CCOC. Included in this amount, is a balance of \$278,581, which bears interest at 2.46%.

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## Centretown Citizens Housing Co-operative Inc. Notes to Financial Statements

**December 31, 2019**

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#### 4. Mortgage Payable

The mortgage is an index-linked mortgage with an original principal balance of \$2,016,631. Under the index-linked mortgage arrangement, the mortgage payments in the initial years, when there is moderate to high inflation, do not cover the full amount of interest. The interest rate is determined and the payments are adjusted annually on May 1 in relation to the rate of inflation. Any unpaid interest is deferred and added to the balance owing on the mortgage and will be repaid once the mortgage payments are sufficient to cover interest expense for the year.

During the year ended December 31, 2019, there was no unpaid mortgage interest to defer.

The mortgage, which matures on May 1, 2023, has a fixed real interest rate of 4.84%, a current interest rate of 7.1756% (2018 - 7.5995%), payments of \$13,711 (2018 - \$13,755) per month, is secured by land and building, and is insured by CMHC.

Principal repayment for the next two years, if we assume the mortgage terms will remain constant, are as follows:

	2020	\$	156,017
	2021		<u>34,977</u>
		\$	<u>190,994</u>

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#### 5. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent restricted contributions with which the Co-operative's building renovations were originally financed. The changes in the deferred contributions balance for the year are as follows:

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 109,640	\$ 122,539
Less: Amounts amortized to revenue	<u>(12,899)</u>	<u>(12,899)</u>
Ending balance	<u>\$ 96,741</u>	<u>\$ 109,640</u>

The Co-operative received a total contribution of \$141,718 in 2017 from CMHC which is being amortized over a 10 year period. CMHC may request the Co-operative to register a collateral mortgage on the property. Should the Co-operative be in default of the affordability criteria under the terms of the contribution agreement within 10 years of signing the agreement, then the contribution amount, at the discretion of CMHC, will be immediately due and repayable. This contingency expires in April 2027.

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## Centretown Citizens Housing Co-operative Inc. Notes to Financial Statements

**December 31, 2019**

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**6. Capital Replacement Reserve**

	2019	2018
Balance, beginning of year	\$ 2,243	\$ -
Appropriation for the year	12,367	12,367
Additional funding received	8,400	-
	23,010	12,367
Less: Capital expenses	(1,715)	(10,124)
Balance, end of year	\$ 21,295	\$ 2,243

---

**7. Security of Tenure Reserve**

	2019	2018
Balance, beginning of year	\$ 5,553	\$ 6,232
Appropriation for the year	1,286	1,407
Less: Amount used	-	(2,086)
Balance, end of year	\$ 6,839	\$ 5,553

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**8. Continuous Disclosure Requirements, Co-Operative Corporations Act (1990)**

The aggregate remuneration to directors was nil.

The Co-operative did not transact business with any non-members during the period.

For the period ended December 31, 2019, less than 50% of the amount of rent and parking revenues were received from non-members of the Co-operative.

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**9. Subsequent Event**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Co-operative's environment and in the global markets, such as the potential deferral or uncollectibility of monthly occupancy charges from members could have a material impact on the Co-operative's operations. The extent of the impact of this outbreak and related containment measures on the Co-operative's operations cannot be reliably estimated at this time.

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## Centretown Citizens Housing Co-operative Inc. Notes to Financial Statements

December 31, 2019

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### 10. Risks and Concentrations

The Co-operative is exposed to various risks through its financial instruments. The following analysis provides a measure of the Co-operative's risk exposure and concentrations as at December 31, 2019.

#### Credit risk

The Co-operative is exposed to credit risk in the event of non-payment by their members for their accounts receivable. The Co-operative provides credit to its members in the normal course of operations. The Co-operative continuously reviews the financial situation of its members and examines the credit history of all new members.

The Co-operative establishes allowances for doubtful accounts while keeping in mind the specific credit risk of each member, their historical tendencies and economic situation. There is no existing account receivable that represents a substantial risk for the Co-operative.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Co-operative is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Co-operative to a fair value risk while floating-rate instruments subject the Co-operative to a cash flow risk. The Co-operative does not use any derivative financial instruments to reduce the effects of these risks.

The Co-operative holds a mortgage which bears interest at a variable rate dependant on the Prime Rate. Consequently, the Co-operative's interest risk exposure is a function of the changes in the Prime Rate. However, a variation of 1% of the Prime Rate would not have a significant effect on the net earnings or the financial position of the Co-operative.

#### Changes in risk

There have been no significant changes in the Co-operative's risk exposures from those of the previous fiscal year.

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[info@ccohousing.org](mailto:info@ccohousing.org)

**Facilities Management Committee  
Meeting Agenda  
April 16<sup>th</sup>, 2020**

*The meeting will be conducted **remotely***

FMC Monthly Committee Meeting  
Thu, Apr 16, 2020 7:00 PM - 9:30 PM (EDT)

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**Participants:** James Clark, Dahlya Smolash, Shelley Robinson, Penny McCann, David McCallum, Michael Lambert, Norm Turner (Staff), Kat LeBlanc (Staff/Minute taker)

**Regrets:**

**Staff:**

- 1. Call to Order:** 7:01PM
- 2. Anti-oppression Statement**

*As Committee members,*

*We acknowledge that the land on which we gather is the traditional and unceded territory of the Algonquin Peoples, recognize Canada's first peoples before contact, and are committed to reconciliation.*

*We are committed to:*

*Listening actively; Being accountable for our actions and words at meetings, and encouraging continuous self-improvement as Committee members; Being mindful when taking up time and space at meetings; Being respectful of the diverse and lived experiences of Committee members, tenants, volunteers and staff; Empowering the leadership abilities of everyone on the Committee; Respecting correct pronouns (e.g. he/she/they/ze) according to each person's preference; Using compassionate language, specifically when speaking of inequalities that*

*disproportionately impact Indigenous communities, people of colour, persons with disabilities, people living in poverty, those with addiction and mental health challenges.*

**3. Adoption of the Agenda & Anti Oppression Statement** (m/s/c, Michael/David)

**4. Declaration of Conflict of Interest**

**5. Approval of meeting minutes** Unanimous Approval

5.1. Meeting Minutes –March 19<sup>th</sup>, 2020

**Resolution - The Agenda be adopted and meeting minutes from March 19<sup>th</sup> meeting be approved.** (m/s/c, Michael/Penny)

**6. Notices/Announcements:**

6.1. Krish Kawlay's start dated has been postponed (May 4<sup>th</sup>)

6.2. The Board has approved the Building Standards Group

**7. Consent Items**

7.1. Committee Summary

7.2. Capital Projects Report

**Discussion:** A committee member asked about the access to grants due to COVID and if workers are refusing to work during this time. Norm informed the committee that we will be awarding the contract for Waverly elevators this week. He also added that we are receiving attractive numbers for the boilers at Lisgar and parking garage. Norm informed the committee that it did not appear that workers are refusing work at the moment due to COVID.

7.3. Final Report on 2020

7.4. Q1 Report

7.5. LTB Status Report

**Discussion:** The committee discussed naming the properties in the report. It was suggested that for our next meeting the report should include our internal building number. It was also suggested that should the committee members need to know the specific building that we could go in-camera to discuss the details further.

**7.6. Chargeback Report**

**7.7. Service Delivery Standards**

**Discussion:** A committee member suggested hiring a summer student to anticipate the influx of work order that may come following COVID. Norm added that we are still accepting maintenance requests for non-urgent matters but that we are categorizing it as pending for the time being.

**7.8. Key Performance Indicators**

**Discussion:** Norm informed the committee that we plan to start tracking/implementing by the fall all depending on the current climate.

**7.9. Maintenance Variance Report**

**Discussion:** A committee member asked if we could speculate that we will be saving money because we are doing less in suite work at the moment. Norm added that this will all depend on how things will be following COVID.

**Resolution - The reports listed as Consent items be received by the committee for information (m/s/c, Michael/ David)**

**8. Items for Board Attention:**

Nothing to add

**9. Business arising:**

**9.1. Pandemic Response Update**

**Revised pandemic plan (copy in package) is being implemented and is evolving**

**Discussion:** The committee discussed the impact of COVID on the Facilities Department. Norm added that he did not believe that there will be a shortage of capacity however he did raise some concerns. He added that when all of this becomes the new norm he is concerned that staff will become less safe (suing gloves, masks, etc.) The committee members asked if we are currently allowing tenants in the office and Norm confirmed that we are not. He also added that at the moment the feedback we have been getting has been positive throughout all of this. The committee asked if we have any tenants that have been tested positive and Norm explained that we unfortunately would not know that unless it was disclosed to us. At the moment, this has not been disclosed to us.

**9.2. Revised Capital Budget**

**Currently still being revised and latest interim version being discussed at Finance.**

**Focus on cash flow and maximizing grant income but exercising caution with in-house finance.**

Norm added that there are a number of projects that are being pushed back to later in the year in case we find our self in a cash flow crisis due to COVID.

### **9.3. Policy Review**

**A number of the policies which are the responsibility of the committee are stale and need to be re-approved. The Director has reviewed the current requirements and has recommendations for minor amendments**

**Discussion:** James suggested sending this document via email to all of the committee members in order to have the policies reviewed and reapproved. James will follow up with us later on with their discussion.

### **9.4. Utility Benchmarking**

**Deferred to next month**

## **10. Chargeback Appeals (0)**

## **11. Work Plan Updates**

### **11.1. Service Delivery**

#### **11.1.1. Fire and Safety**

**BS Group are reviewing inspection protocols, full implementation will be dependent on relaxation of pandemic response needs, however a number of improvements are in process already.**

#### **11.1.2. Lone Worker**

**No update this month – trial delayed through pandemic response**

Norm added however that the field staff have been asked to check in AM/PM with supervisor, rather than just in the morning. We hope that by doing this it will get them into the habit of thinking about their lone worker status.

#### **11.1.3. Pest Control**

**BS group is examining pest control with a view to overhaul and organizing training for field staff and those who go into the field on pest recognition (a “competent person” can request treatment without further inspection)**



**11.1.4. Inventory Management**  
**No Update**

**11.2. Customer facing**

**11.2.1. Building Standards**  
**BS Group is developing the KPI inspection based on template attached**

**11.2.2. Field Staff Training**  
**Extensive training in cleaning and disinfecting (based on hospital protocols) delivered. Pest control training to be delivered online planned for the near future.**

**11.3. Business related**

**11.3.1. Asset Management**  
**BCA updates on a number of properties maybe carried out dependent on the City being able to deliver on the assistance program announced at the beginning of the year.**

**11.3.2. Standard Operating Procedures**  
**Recording and manual development continues.**

**11.3.3. “Gap” Mitigation**  
**No updates**

**11.3.4. Policy Update**  
**A number of the policies which are the responsibility of the committee are stale and need to be re-approved. The Director has reviewed the current requirements and has recommendations for minor amendments. The committee will review and email their approval through the Chair**

**Resolution - The Work Plan Updates be received by the committee for information**

**(m/s/c, Penny/ Michael)**

**Resolution- The policies identified, and discussed with the amendments suggested in the report via discussion over email sent by James**

**(m/s/c, Michael/Penny)**

**12. Directors Summary**

**12.1. Safety**

Lone worker software trial is delayed but currently all field staff are checking in by text or phone twice daily with their supervisor.

**12.2. Staffing**

Sean Duggan will be leading the Building Services Group, Pascal will continue to oversee pest control and is working with Sean to revamp pest control and put together a program of training.

Personnel are working on job descriptions for the inspection technician (new role) and the painter position (Vacant, to be updated)

**12.3. Strategic Priorities**

Immediate priorities, fire safety, pest control and building standards are all proceeding as expected. Social distancing has in some ways helped giving the BS group and others the ability to undertake project work taking advantage of the unusual opportunity for focus.

**12.4. Operations**

Staff are doing an excellent job of maintaining near normal standards with the exception of non urgent work orders. Due to tenant education regarding current levels of service non urgent work orders are coming in more slowly and the backlog will be manageable once restrictions are relaxed.

Non field operations are largely intact and some additional project work is being undertaken.

Staff are to be commended for their resilience and hard work to date.

**Discussion:** A committee member asked if it could be possible to have updates on when contracts were being renewed for contractors such as Orkin. Norm added that we are currently on a month to month basis with Orkin however, Norm believes we can do a better job in house for less.

**Motion:** The committee passed a motion to commend the staff during these trying times.

(m/s/c, Penny/Michael)

**Resolution -** The Directors Report be received by the committee for information

(m/s/c, Michael/Shelley)

**13. Next Meeting:** May 21, 2020 - format to be advised- most likely video

**14. Adjournment:** 8:35PM

(m/ Michael)

## **Development Committee Meeting Minutes**

Tuesday, April 14<sup>th</sup>, 7:00 PM  
Conducted remotely via GoToMeeting

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**Attendees:** Penny McCann (Chair, CCOC Board Member), Jesse Steinberg (CCOC Board Member), Natalie Duchesne, John Kingsley, Rod Manchee, Brent Walden, Elliot Sherman, Stephanie Bohdanow, David McCallum, Mary Huang, Gisèle Doyle, Graeme Hussey (Staff), William Cohen (Staff/Minute-taker)

**Regrets:** Abra Adamo (CCOC Board Member), Sarah Button (CCOC Board Member), Shelley Robinson (CCOC Board Member), Alannah Bird, Court Miller

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1. **Call to Order** 7:06pm
2. **Approval of Agenda** **Elliot/Gisele** m/s/c
3. **Approval of Minutes – Attached March 2020** **Jesse/David** m/s/c
  - Brent, Mary, and John abstain due to absence from last meeting.
4. **Announcements**
  - Chair read CCOC anti-oppression statement.
  - Last meeting was just before COVID-19 lockdown. Since then, we have been proud of how CCOC as a landlord has responded to the crisis. Only one staff is allowed in the office at a time, and tenants are receiving weekly email updates.
  - All development staff have been working remotely, has not posed any interruption. No projects have stopped as a result of COVID-19, but no new permits to begin construction are being issued. Looking at a spring 2021 start of construction for Forward Avenue and Christ Church Bells Corners.
  - CCOC staff receive regular check-up calls, both for work and personal reasons—these are meant to serve as virtual “water cooler chats”.
  - Centretown Community Association has set up a support network for those in need in the community.
5. **Business Arising:**
  - CCOC Forward Avenue Update – **Report Attached**
    - COVID-19 could pose cashflow issues, but costs of capital repairs (which we are unable to perform) will be lower as well. We will take out a bridge loan for Forward Avenue in order to help finance the project separately from CCOC budget. This will be repaid through the project budget and other government funding. City of Ottawa has paid out first funding milestone (\$650,000) for Forward. Project scope has not changed.



- Site Plan Application will be submitted next week. Hired WSP as planners.
- Hired MacDonald Brothers to provide construction estimate—this will be finished after site plan submission.
- We are close to hiring a commissioning agent.
- Councillor Leiper submitted a motion for City to assist us with demolition, but COVID-19 shutdown has delayed the demolition.
- Did not received borehole test results due to COVID-19 delays. Will ask the City to use historical assessment in light of inability to test.
- At the moment, we are not projecting to use equity on this project; pending Class C estimate.
- CCOC Development Policies – **Verbal Report**
  - Hoping to form a new policy statement for CCOC Development projects, as all but one policy (Terms of Reference) have expired past their sunset dates.
  - At the moment, there are no active policies guiding our committee.
  - Elliot, John, Rod volunteered to help develop policies for this committee.  
**This will become a small working group.**
- Ageing in Place – **Report Attached**
  - This framework will serve as a set of guidelines for our future projects.
  - MH: Suggests speaking with Jennifer Lalonde of OCH regarding their ageing in place framework and their senior services funding.
  - DM: Safe environments should include more parking lighting, bigger signage, easier access to doorways and garbage chutes, large post boxes with lock boxes.
  - RM: Availability and accessibility to services should not be limited to transit, should include places such as grocery stores, community centres.
  - General accessibility (large doorways, ramps with forgiving slopes) should be prioritized.
  - Encourage partnership with senior’s support organizations.
  - Updated Ageing in Place framework will be brought to next meeting for a motion.
  - **ACTION ITEM:** Update ageing in place framework to reflect comments and distribute alongside meeting minutes.

## **6. Government Policy & Program**

- City of Ottawa R4 Zoning Review – **Verbal Report**
  - Due date for feedback to R4 zoning review is May 8<sup>th</sup>—before next development committee.
  - **MOVED:** Authorize staff to review zoning amendments and, if needed, submit letter of feedback to city by May 8<sup>th</sup> deadline. Ron, David m/s/c.



Unanimous consent.

- Provincial Community Benefits Charge – **Verbal Report**
  - Province is creating Community Benefit Charges (CBCs) that will be encumbered on market-rate development projects to fund community benefits.
  - CBC will change 5% for residential developments and 2% for commercial developments.
  - Time for comment to province ends on Monday, April 20<sup>th</sup>. Development Department will send letter of comment to the Province before deadline.
  - City will have to enact legislation to include CBCs in the development process.

**7. Report of Board, Committees, Community Associations**

- Committee Summaries – **Attached**
  - DM: In facilities committee, putting bacteria-killing UV lights was discussed. These may be hard to source as they are high demand.

**8. Report from Cahdco – Report to be distributed**

- Background: Update on active and new Cahdco client projects.
  - So far, there have been no notable detrimental impacts on projects due to COVID-19.
  - We have seen no decline in the amount of new and prospective clients.
  - Hiring a summer student, Kyla Tanner. Kyla worked at Cahdco last summer. We are planning to onboard Kyla remotely.

**9. Items to Highlight for the Board**

- Development Department has not been negatively affected by COVID-19. Important to note the non-interruption.
- Ageing in Place framework development process continues.

**10. Agenda Items or Decisions for Next/Future Meetings**

- FCM Sustainable Affordable Housing Fund
  - On track to launch fund on May 15<sup>th</sup>. Update will be provided in June meeting.
- City of Ottawa 10-Year Housing and Homelessness Plan
  - New document is not yet public and has not yet been shared with council. Graeme and Ray, as stakeholders, have access to this document. This will be shared once made publicly available.

**Adjournment**

Jesse m/c 7:36

**Next Development Committee Meeting: Tuesday, May 12, 2020 (TBC)**

2020/04/14

## 159 Forward – Interim PM Update

### Background:

CCOC's 159 Forward Avenue project has set out to develop a 31 unit mixed-income rental development that performs to the Passive House standard. The project has been envisioned as a 3.5 storey (Part 9) wood-framed building that will be developed following the demolition of the existing Forward Family Shelter. CCOC earned this opportunity following their selection as the preferred proponent in the City's 2019 Action Ottawa request for proposals.

The current unit mix, accessibility mix, and affordability mix of the proposed development is as follows:

Unit Type	# of Units	Types of Accessibility	# of Units	Type of Affordability	# of Units
Studio	2	Designed to CMHC's Universally Accessible Standard (Visitable)	31 (100%)	CMHC City-Wide Average Market Rent (AMR)	10
1 – Bedroom	10			Below Market Rent (BMR) (78.7% of AMR)	14
2 – Bedroom	12			ODSP (Max shelter allowance)	7
3 – Bedroom	7	Designed to the Barrier-Free Standard	6 (19.4%)		
<b>Total</b>	<b>31</b>	Designed to be adapted easily to the Barrier-Free standard	4 (13.0%)		

### Project Scope:

To date much of the scope of this project has been informed by the requirements of the City of Ottawa's Action Ottawa request for proposals as well as CMHC's Co-Investment financing program. The primary targets of these programs include:

1. Demolishing the existing structure;
2. Providing a mix of units with an emphasis on family housing;
3. Achieving a weighted average rent that does not exceed 80% of CMHC's City-Wide AMR which must include a portion of rents at BMR and the ODSP max shelter allowance;
4. Achieving a minimum of 100% universal accessibility or 20% Barrier-Free design;
5. Building to an energy efficiency standard that exceeds the 2015 National Building Code by 25% or more. CCOC intends to achieve this by using passive house design and striving for a Net-Zero energy building.

### Recent Activity:

1. CCOC has selected WSP as our Project planners. They are assisting the architects (Figurr) to submit the site plan application.
2. MBC is currently drafting a Class C cost estimate for the project and will assist in rest of the design / development phase. MBC has signed a Letter of Intent until a CCDC 5B contract is drafted and signed by the end of April.

3. CCOC is procuring a commissioning agent to assist in the discussions of mechanical and electrical systems.
4. The Councillor is bringing a motion to council within the week of April 6<sup>th</sup> that will enable CCOC to enter a demolition agreement with the City.
5. The Province is aware that completing the demolition clearance work of shutting off and disconnecting services is not possible at this moment. They are working with the City to adjust their start of site work deadline of April 29<sup>th</sup> to accommodate these impacts of COVID-19. CCOC is working with MBC to ensure this work is ready to be completed as soon as possible.
6. The Cahdco team is actively monitoring the COVID-19 changes to the construction industry to ensure we are aware of all potential impacts to Forward and our other projects.

#### Project Timeline:

- The next milestone of the project is to submit the site plan application in April. The work leading to this submission includes:
  - a. Receiving the results of a geotechnical assessment;
  - b. Reviewing the planning rational prepared by the planner;
  - c. Completing a class C cost estimate;
  - d. Progressing the design to an appropriate level of detail for submission;
- Updated drawings will be shared with the Development committee. Committees will have an opportunity to provide feedback on the design as part of the design and development phase.

#### Project Financials:

As this project progresses we will continue to share our cost outlook. To share this information, sources and uses figures of our project's pro forma model will be included. The current model indicates a zero equity requirement following the increase of rents to reflect the latest City-Wide AMR figures provided by CMHC and using a 2.5% interest rate. As the project design is refined the equity requirements may increase until a Class A budget has been achieved. During this time, work will be done to mitigate any cost increases that are not a result of scope changes.

CCOC is now pursuing financing through CMHC's Co-investment program. Our application has been reviewed and is proceeding to underwriting now. The underwriting process is expected to take 8 – 12 months.

PROJECT COSTS	Total
Land Costs	\$ 1,849,711
Hard Costs	\$ 8,018,198
Soft Costs	\$ 1,164,005
Contingencies	\$ 929,300
Tax	\$ 269,017
<b>Total Project Cost</b>	<b>\$ 12,230,230</b>
<b>Cost per Unit</b>	<b>\$ 394,524</b>
<b>Cost per SF</b>	<b>\$ 385.14</b>

SOURCES AND USES	Total
Action Ottawa Grant	\$ 5,000,000
Seed Grant	\$ 52,500
Equity Contribution	\$ 0
City Land Contribution	\$ 1,700,000
Mortgage Financing	\$ 5,667,797
<b>Total Sources</b>	<b>\$ 12,420,297</b>
Surplus / Shortfall	\$ 190,067

OPERATING BUDGET	Annual
Rent Revenue	\$ 408,841
Vacancy Loss	\$ (8,177)
Amenity Space Revenue	\$ 0
Partner Rent Supplement	\$ 57,204
Other Revenue	\$ 9,720
Total Revenue	\$ 467,588
Total Expenses	\$ 249,022
<b>Net Operating Income</b>	<b>\$ 218,566</b>
Debt Payments	\$ 198,697
<b>Surplus / Shortfall</b>	<b>\$ 19,870</b>
<b>Debt Coverage Ratio</b>	<b>1.10</b>

MORTGAGE FINANCING	Terms
Principal	\$ 5,667,797
Interest Rate	2.50%
Amortization Period	50
Term	5
Number of Payments Per Year	12
Total Number of Payments	600
Payment Per Period	\$ 16,558
Total Cost of Loan	\$ 9,934,825
<b>Annual Mortgage Payments</b>	<b>\$ 198,697</b>

**Rental Committee Meeting**  
**April 21st, 2020**

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**Rental Committee:** Kerry Beckett (Chair), Christopher Yordy, Sulaina Bonabana, Toby Brooks

**Regrets:** Vera Theokritoff, Teresa Schoembs, Alison Kar, Dahyla Smolash, Daniel & Michelle Boyer, Helena Brown, Cynara Desbarats

**Staff:** Fran Childs, Linda Camilleri (staff recorder)

**Guest:** Rod Manchee

Motions for Board Approval
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**ITEM 4): The committee recommends that the Board re-approve the existing Mixed Income Policy; no amendments are required. m/s/c Yordy/Beckett/unanimous**

**1. Call to Order:** 6:30 p.m.

**2. Adoption of the February 25<sup>th</sup> minutes**

**m/s/c Yordy/Beckett**

**3. Transfers, Turnover Rents and Aging in Place:** We reviewed all transfer data for both Market and subsidized tenants from January 1, 2016 to February 29, 2020. The Rental Department looked at their reasons for moving, noting where people moved to and from and whether the move was to a larger, smaller or same sized home. For anyone who transferred between 2018 and 2020, we also looked at the impact on their rent. CCOC only started using standard turnover rents in 2018, so we did not go further back than that in the rent analysis. While reviewing the trends for tenants receiving a subsidy, we kept in mind that turnover rents only affect households paying market rent.

The original question that sparked this conversation at Rental Committee was to investigate the impact of turnover rents on households that were downsizing due to being empty nesters or aging in place. We have included a table summary of the data for households that moved to a smaller home in the minutes. Between January 1, 2016 and February 29, 2020, 87 households paying market rent transferred and 86 households receiving a subsidy transferred.

In summary the number of market rent tenants downsizing (for affordability or any other reason) for the last 4 years is very small (6 total households, which is 3% of all transfers for those 4 years). For long-term tenants aging in place, there is an option to apply for an in situ subsidy as long as the size of the apartment meets occupancy standards.



We all fed into a lively discussion about the idea of whether CCOC should consider a policy to lower turnover rents for people downsizing or aging in place and agreed that we do not need a new policy at this time given the transfer trends. Everyone agreed that CCOC should continue to monitor the rental market and its relation to our turnover rents.

<b>Data from all transfers between January 1, 2016 and February 29, 2020</b>				
<u>Market Rent</u> – of those who went smaller (19 households)	Number	Percent of those who moved smaller	Percent of total market transfers	Percent of all transfers
Change in household composition (often roommates going on their own or couple separating)	8	42%	9%	5%
Downsized for affordability	6	32%	7%	3%
Other reasons	5	26%	6%	3%
<u>Subsidized Rent</u> – of those who went smaller (34 households)	Number	Percent of those who moved smaller	Percent of total market transfers	Percent of all transfers
Overhoused (fewer people than bedrooms – this is a <u>required</u> transfer according to legislation)	27	70%	31%	16%
Accessibility (needed a building with an elevator, or an accessible apartment)	3	9%	3%	2%
Other reasons	4	12%	5%	2%

**4. Mixed Income Housing Policy Review:** We reviewed the existing Policy and as per Fran’s recommendation, agreed no changes were required.

**The committee recommends the Board re-approve the existing Mixed Income Policy; no amendments are required.** **m/s/c Yordy/Beckett/unanimous**

**5. Covid 19 Response at CCOC:** We reviewed how CCOC as an organization has responded as well as ways the Rental Department has responded including extra communication with tenants, proactive check ins with some tenants, creating a virtual lease signing presentation, and getting creative with ways to do showings safely in line with social distancing.

**6. Announcements:**

**a) CCOC Staff Update:** We updated the committee on staff that have joined us or have left CCOC since the last meeting.

**b) Geothermal Fee Increase, HOP:** There is no update from Enercare on the exact date the geothermal increases will take effect and COVID has caused additional delays. The Housing Outreach Program (HOP) with Options Bytown will not be moving ahead unfortunately due to changes outside everyone's control.

**c) Forward Development:** Fran shared highlights from the Project Manager monthly update. Next milestone is to submit the site plan in April and all of the work leading to the submission. The Rental Committee will be able to provide feedback on the design of the apartments when the project gets to that stage.

**7. Rental Department Reports: Refer to notes provided in the reports a) & b)**

**a) Vacancy & Turnover Reports:** Reviewed.

**b) Legal Tracking Reports:** Reviewed.

**c) Accounts Receivable Stats:** Reviewed.

**d) Bad Debt Write-offs:** The committee reviewed the Arrears and Bad Debts report for February/March.

**8. Board and Committee Reports:** We circulated the report prior to the meeting for review.

**9. Any Other Business:** We discussed Catherine McKenney's e-mail that called attention to Ottawa's Housing Emergency and the proposal to purchase hotels as a long term housing solution. CCOC encourages others to support this initiative and CCOC has lent support to the idea through the Ottawa Social Housing Network (OSHN). We will circulate the link to committee members to make it easy to do so.

**10. Board Focus on Rental Business:** Approval of the Mixed Income Housing Policy.

**11. Adjournment:** 8.20pm



## Mixed Income Housing

Because CCOC strongly supports the principle of mixed income housing, and

Because CCOC believes that mixed income housing maintains healthy communities, and

Because CCOC believes that its long-term viability is dependent on having some tenants pay market rent,

Therefore, CCOC supports and overall goal of having at least 40% market rent units and at least 40% subsidized units across our portfolio.

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Approved by the Board November 2001.

Reviewed and approved by Rental Committee April 2020.

# RENTAL DEPARTMENT REPORT

## April 2020

### 1. CCOC Units Rented by Source and Unit Turnovers:

Source	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
<b>Totals</b>	<b>21</b>	<b>7</b>	<b>6</b>										<b>34</b>
Transfers (incl. overhoused)	4	1	3										8
Registry W/L	9	4	1										14
Referrals	7	2	1										10
Insitu MR to RGI	0	0	0										0
Websites/Twitter	1	0	1										2
Former Tenant	0	0	0										0
<b>Move outs by month</b>	<b>14</b>	<b>10</b>	<b>6</b>										<b>30</b>
<b>Monthly V.C. rate</b>	0.3 %	0.4%	0.4%										

\* **Benchmark 1: monthly units rented should equal number of move outs**

**March 2020:**           # of units rented = 6  
                                   # of move outs = 6

\* **Benchmark 2: CCOC vacancy rate (0.4%) should be < than Ottawa's vacancy rate (1.8%)**

### 2. Vacancies & Turnovers:

March Move Outs: 6

April Move Outs (so far): 11

May Move Outs (so far): 7

\*There are two move-ins on hold that are VHA referrals. This is due to the Covid-19 situation and their directives from the Ministry of Health. Since the move-in dates are unknown, they are not captured in the move out count yet.

As of April 15, 2020, the CCOC vacancy rate is 0.4% with 7 empty units in our 1585 "rentable units". Our vacancy rate continues to be **below the City average VC rate of 1.8%** (CMHC, Rental Market Report, Jan 2020).

### 3. N5's & Evictions: February/March/April:

- There are 8 active N5 Notices.
- There was 1 new N5 served in early March and 1 second N5 was served.
- 2 households had notices expire and had corrected the behaviour.
- There were 2 new N5s served in April. These are first N5s and we cannot proceed to the LTB if the behaviour continues but felt the situations were serious enough to warrant serving them anyway.

**RENTAL REPORT: VACANCIES AND TURNS**  
**APRIL 2020 MEETING**

Property	Unit	Property Name	Beds	Market Rent	Turnover Rent	Move Out Date	Date Available	Occupancy	Notes
0011	805	258 Lisgar	1	\$ 976.00	\$1,100.00	2019-10-31	2019-11-30	Future	Moved in May 1
65	709	464 Metcalfe	2	\$1,472.00	\$1,520.00	2020-01-31	2020-02-28	Future	Moving in TBD
0067a	602	111 Catherine	0	\$ 827.00	\$ 875.00	2020-02-15	2020-02-28	Current	Moved in Mar 1
34	1105	264 Lisgar	1	\$ 924.00	\$1,080.00	2020-02-29	2020-03-30	Current	Moved in Mar 15
39	407	415 Gilmour	1	\$1,000.00	\$1,100.00	2020-02-29	2020-03-13	Current	Moved in Mar 13
0067a	303	111 Catherine	0	\$ 834.00	\$ 875.00	2020-02-29	2020-03-30	Current	Moved in Mar 15
61	1	123 Stirling	2	\$1,160.00	\$1,300.00	2020-02-29	2020-03-13	Current	Moved in Mar 15
65	415	464 Metcalfe	0	\$ 844.00	\$ 875.00	2020-02-29	2020-04-29	Current	Moved in Mar 15
40	409	151 Parkdale	1	\$ 954.00	\$1,000.00	2020-02-29	2020-03-13	Current	Moved in Mar 15
0037a	312	145 Clarence	1	\$ 926.00	\$1,080.00	2020-02-29	2020-03-13	Current	Moved in Apr 1
34	601	264 Lisgar	3	\$1,257.00	\$1,460.00	2020-02-29	2020-03-31	Future	Moved in May 1
26	205	110 Nelson	2	\$1,145.00	\$1,310.00	2020-02-29	2020-03-13	Future	Moved in May 1
34	506	264 Lisgar	2	\$1,130.00	\$1,410.00	2020-03-01	2020-03-31	Current	Moved in Apr 1
34	905	264 Lisgar	1	\$ 957.00	\$1,080.00	2020-03-31	2020-03-31	Current	Moved in Apr 1
61	10	123 Stirling	1	\$ 992.00	\$1,000.00	2020-03-31	2020-04-15	Current	Moved in Apr 15
22	1204	210 Gloucester	1	\$ 971.00	\$1,080.00	2020-04-30	2020-05-15	Future	Transfer
0013a	9-602	Percy School	3	\$1,254.00	\$1,282.00	2020-04-30	2020-05-01	Future	As Is*

**Units re-rented: 17**

Property	Unit	Property Name	Beds	Market Rent	Turnover Rent	Move Out Date	Date Available	Occupancy	Notes
38	203	511 Bronson	1	\$ 958.00	\$1,060.00	2020-04-15	2020-05-15	0	Notice
9	302	50 James	2	\$1,155.00	\$1,450.00	2020-04-30	2020-05-15	0	Notice
33	9	147 Hinchey	2	\$1,053.00	\$1,270.00	2020-04-30	2020-05-29	0	Notice
60	9	140 Bronson	0	\$ 750.00	\$ 760.00	2020-04-30	2020-05-29	0	Notice
60	9	140 Bronson	0	\$ 750.00	\$ 760.00	2020-04-30	2020-05-15	0	Notice
65	804	464 Metcalfe	2	\$1,475.00	\$1,520.00	2020-04-30	2020-05-15	0	Notice
71	208	240 Presland Rd	2	\$ 900.00	\$ 930.00	2020-04-30	2020-05-15	0	Notice
22	1108	210 Gloucester	1	\$ 940.00	\$1,080.00	2020-05-15	2020-06-14	0	Notice
11	602	258 Lisgar	2	\$1,191.00	\$1,450.00	2020-05-31	2020-06-30	0	Notice
15	602	Gladstone	3	\$1,341.00	\$1,550.00	2020-05-31	2020-06-30	0	Notice
0020	3	298 Arlington	2	\$1,222.00	\$1,450.00	2020-05-31	30-Jun-20	0	Notice
27	305	520 Bronson	2	\$1,107.00	\$1,200.00	2020-05-31	2020-06-15	0	Notice
61	8	123 Stirling	0	\$ 777.00	\$ 800.00	2020-05-31	2020-06-15	0	Notice
0041a	501	455 Lisgar	2	\$1,190.00	\$1,450.00	2020-05-31	2020-06-30	0	Notice
1	540	Mcleod	3	\$1,425.00	\$1,570.00	2020-06-30	2020-07-31	0	Notice
36	301	258 Argyle	2	\$1,187.00	\$1,450.00	2020-08-31	TBD	0	Notice
0012a	1-472	Gilmour/Kent	1	\$ 894.00	\$ 950.00	TBD	TBD	0	Notice
0037a	103	145 Clarence	1	\$ 950.00	\$1,080.00	TBD	TBD	0	Notice

**UNITS ON NOTICE BUT NOT YET RENTED: 18**

**April Move Outs (So far): 11**

**May Move Outs (So far): 7**

Property	Unit	Property Name	Beds	Market Rent	Turnover Rent	Move Out Date	Date Available	Days Vacant	Occupancy	Notes
0071	101	240 Presland Rd	2	\$ 906.00	\$ 930.00	2020-02-24	2020-04-15	51	Past	lots of work
0025	6	369 Stewart	0	\$ 570.00	\$ 570.00	2020-02-29	2020-03-31	46	Past	community partner referral
0024a	2	171 Armstrong	0	\$ 777.00	\$ 780.00	2020-03-13	2020-04-12	33	Past	community partner referral
0062a	1373	Mayview Rowhouse	4	\$1,403.00	\$1,500.00	2020-03-31	2020-04-30	15	Past	covid
39	315	415 Gilmour	2	\$1,181.00	\$1,450.00	2020-03-31	2020-04-30	15	Past	covid
33	13	147 Hinchey	2	\$1,062.00	\$1,270.00	2020-03-31	2020-04-30	15	Past	covid
34	706	264 Lisgar	2	\$1,130.00	\$1,410.00	2020-04-05	2020-04-30	14	Past	covid

**Empty Units: 7**