

# Community and Protective Services Committee

## Report

3rd Meeting of the Community and Protective Services Committee  
February 1, 2022

**PRESENT:** Councillors M. Cassidy (Chair), M. Salih, J. Helmer, M. Hamou, S. Hillier, Mayor E. Holder

**ALSO PRESENT:** J. Bunn and K. Van Lammeren Remote Attendance: Councillors S. Lewis and M. van Holst; G. Barrett, C. Cooper, P. Cooper, K. Dickins, A. Pascual, D. Purdy, M. Schulthess, C. Smith and S. Tatavarti The meeting was called to order at 4:02 PM; it being noted that the following Members were in remote attendance: Mayor E. Holder; Councillors M. Hamou, J. Helmer, S. Hillier and M. Salih

### 1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

### 2. Consent

Moved by: J. Helmer  
Seconded by: S. Hillier

That Items 2.2 and 2.4 BE APPROVED.

Yeas: (6): M. Cassidy, M. Salih, J. Helmer, M. Hamou, S. Hillier, and E. Holder

**Motion Passed (6 to 0)**

### 2.2 Single Source Procurement - London Homeless Prevention Housing Allowance Program

Moved by: J. Helmer  
Seconded by: S. Hillier

That, on the recommendation of the Deputy City Manager, Social and Health Development, the following actions be taken with respect to the staff report dated February, 1, 2022, related to a Single Source Procurement - London Homeless Prevention Housing Allowance Program, as per the City of London Procurement of Goods and Service Policy, section 8.5.a.iv, that committee and city council must approve single source awards greater than \$50,000.00:

a) the single source procurements BE ACCEPTED, at a total estimated cost of \$1,084,000 (excluding HST), for the period of April 1, 2022, to March 31, 2023, with the opportunity to extend for four (4) additional one (1) year terms, to administer Housing Stability Services Housing Allowance program, as per The Corporation of the City of London Procurement Policy Section 14.4 d), to the following providers:

- Mission Services – Rotholme Family Shelter (SS-2022-029)
- CMHA Thames Valley Addiction & Mental Health Services (Street Level Woman At Risk Program) (SS-2022-030)
- CMHA Thames Valley Addiction & Mental Health Services (SS-2022-031)
- Unity Project Emergency Shelter (SS-2022-033)
- Youth Opportunities Unlimited (SS-2022-034)
- London Cares Homeless Response Services (SS-2022-035)
- St. Leonard's Society of London (SS-2022-036)

- b) the Civic Administration BE AUTHORIZED to undertake all administrative acts which are necessary in relation to this project; and,
- c) the approval given, herein, BE CONDITIONAL upon the Corporation entering into Purchase of Service Agreements with each program. (2022-S14)

**Motion Passed**

2.4 Odell Jalna Social Housing Provider Proposal

Moved by: J. Helmer  
 Seconded by: S. Hillier

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the following actions be taken with respect to the staff report dated February 1, 2022, related to the Odell Jalna Social Housing Provider Proposal:

- a) the Civic Administration BE DIRECTED to work with the Board of Odell Jalna and the Ministry of Municipal Affairs to advance the provider's proposal; and,
- b) the Civic Administration BE DIRECTED to re-invest the anticipated future tax levy supported mortgage subsidy savings related to the Odell Jalna portfolio to address the long-term financial stability of the Odell Jalna portfolio;

it being noted that the communication, dated January 27, 2022, from C. Sprovieri, Odell-Jalna Residences of London, with respect to this matter, was received. (2022-S04)

**Motion Passed**

- a. (ADDED) C. Sprovieri, President, Odell-Jalna Residences of London

2.1 Single Source Award Recommendation for Housing Stability Service Programs Including Outreach, Emergency Shelter and Housing Stability Bank

Moved by: M. Hamou  
 Seconded by: J. Helmer

That, on the recommendation of the Deputy City Manager, Social and Health Development, the following actions be taken with respect to the staff report dated February 1, 2022, related to a Single Source Award Recommendation for Housing Stability Service Programs including Outreach, Emergency Shelter and Housing Stability Bank:

- a) single source procurements BE ACCEPTED, at a total estimated cost of \$9,890,000 (excluding HST), for the period of April 1, 2022, to March 31, 2023, with the opportunity to extend for four (4) additional one (1) year terms, to administer Housing Stability Services Emergency Shelter and Housing Stability Bank and Outreach programs, as per The Corporation of the City of London's Procurement Policy Section 14.4 d), to the following providers:

- Men's Mission Emergency Shelter (SS-2022-021)
- Salvation Army Centre of Hope Emergency Shelter (SS-2022-022)
- Rotholme Family Emergency Shelter (SS-2022-023)
- Unity Project Emergency Shelter (SS-2022-024)
- Youth Opportunities Emergency Shelter (SS-2022-025)

- London Cares Homeless Response Services Outreach Program (SS-2022-026)
- The Salvation Army Centre of Hope Housing Stability Bank Program (SS-2022-027)

b) the Civic Administration BE AUTHORIZED to undertake all administrative acts which are necessary in relation to this project; and,

c) the approval given, herein, BE CONDITIONAL upon the Corporation entering into Purchase of Service Agreements with each program;

it being noted that the communication, dated January 23, 2022, the presentation, dated February 1, 2022, and the verbal delegation from P. Rozeluk, Mission Services of London and the communication, dated January 21, 2022 and the verbal delegation from J. DeActis, Centre of Hope London, with respect to this matter, were received. (2022-S11)

Yeas: (6): M. Cassidy, M. Salih, J. Helmer, M. Hamou, S. Hillier, and E. Holder

**Motion Passed (6 to 0)**

Voting Record:

Moved by: S. Hillier

Seconded by: M. Hamou

Motion to approve the delegation requests from P. Rozeluk, Executive Director, Mission Services of London and J. DeActis, Executive Director, Centre of Hope London.

Yeas: (6): M. Cassidy, M. Salih, J. Helmer, M. Hamou, S. Hillier, and E. Holder

**Motion Passed (6 to 0)**

### 2.3 End of Mortgage (EOM) and End of Operating Agreement (EOA) Impacts and Analysis

Moved by: J. Helmer

Seconded by: S. Hillier

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the following actions be taken with respect to the staff report dated February 1, 2022, related to the End of Mortgage (EOM) and End of Operating Agreement (EOA) Impacts and Analysis:

a) the above-noted staff report BE RECEIVED;

b) the Civic Administration BE DIRECTED to re-invest any anticipated future municipal mortgage subsidy savings in the social housing portfolio to address the long-term financial sustainability of the portfolio; and

c) the Mayor BE REQUESTED to send a letter to the Minister of Municipal Affairs and Housing on behalf of the City Council, to:

- request continued provincial partnership and investment in existing community housing;
- highlight Council's recent significant investment commitments in housing with the need for additional provincial support; and,
- communicate the need to receive the new Housing Services Act regulatory Exit and Service Agreement framework as early as possible to develop strategies to address challenges facing the sector;

it being noted that the Civic Administration will continue to examine alternative and innovative solutions to the challenge of maintaining social housing units due to EOM/EOA;

it being further noted that the communication, dated February 1, 2022, from M. Carlson, Birch Housing, with respect to this matter, was received. (2022-S04)

Yeas: (6): M. Cassidy, M. Salih, J. Helmer, M. Hamou, S. Hillier, and E. Holder

**Motion Passed (6 to 0)**

**3. Scheduled Items**

None.

**4. Items for Direction**

None.

**5. Deferred Matters/Additional Business**

5.1 Deferred Matters List

Moved by: S. Hillier

Seconded by: E. Holder

That the Deferred Matters List for the Community and Protective Services Committee, as at January 24, 2022, BE RECEIVED.

Yeas: (6): M. Cassidy, M. Salih, J. Helmer, M. Hamou, S. Hillier, and E. Holder

**Motion Passed (6 to 0)**

**6. Confidential**

None.

**7. Adjournment**

The meeting adjourned at 5:27 PM.

## Report to Community and Protective Services Committee

**To:** Chair and Members, Community and Protective Services Committee Meeting  
**From:** Kevin Dickins, Deputy City Manager, Social and Health Development  
**Subject:** Single Source Award Recommendation for Housing Stability Service Programs; Including Outreach, Emergency Shelter and Housing Stability Bank  
**Date:** February 1, 2022

## Recommendation

That, on the recommendation of the Deputy City Manager, Social and Health Development, that the following actions Be Taken with respect to Single Source Award Recommendation for Housing Stability Service Programs; Including Outreach, Emergency Shelter and Housing Stability Bank;

- a) that single source procurements BE ACCEPTED at a total estimated cost of \$9,890,000 (excluding HST) for the period of April 1, 2022, to March 31, 2023, with the opportunity to extend for four (4) additional one (1) year terms, to administer Housing Stability Services Emergency Shelter, Housing Stability Bank and Outreach programs, as per the Corporation of the City of London Procurement Policy Section 14.4 d); to the following providers:
  - Men's Mission Emergency Shelter (SS-2022-021)
  - Salvation Army Centre of Hope Emergency Shelter (SS-2022-022)
  - Rotholme Family Emergency Shelter (SS-2022-023)
  - Unity Project Emergency Shelter (SS-2022-024)
  - Youth Opportunities Emergency Shelter (SS-2022-025)
  - London Cares Homeless Response Services Outreach Program (SS-2022-026)
  - The Salvation Army Centre of Hope Housing Stability Bank Program (SS-2022-027)
- b) that Civic Administration BE AUTHORIZED to undertake all administrative acts which are necessary in relation to this project;
- c) that the approval given herein BE CONDITIONAL upon the Corporation entering into a Purchase of Service Agreements with each program.

## Executive Summary

In Spring 2021, the City of London began the Request For Proposal (RFP) process that included multiple agency and community engagement sessions. As a result of this work, Civic Administration issued a Request for Proposal 21-55 on September 13, 2021, soliciting experienced and qualified proponents to provide Housing Stability Services for Outreach, Emergency Shelters and Housing Stability Bank programs.

- Supporting unsheltered individuals and families through outreach is a strategic area of focus within the 2019-2024 Housing Stability Action Plan. Londoners need support to find housing and stay housed. During the recent community consultations, individuals and families shared that outreach services are required.
- Emergency Shelters provide basic needs and short-term accommodations for individuals and families experiencing homelessness. Londoners need support to find housing and stay housed. During the recent community consultations, individuals and families shared that emergency shelters need to be housing first focused, low barrier, focused on diversion and shorter lengths of stay

- Housing Stability Bank is one of the main prevention programs funded by the City's Housing Stability Service area. Preventing homelessness is a strategic area of focus within the 2019-2024 Housing Stability Action Plan. It is identified that Londoners need support to find housing and stay housed. During the recent community consultations, individuals and families shared that the housing stability bank prevention program needs to continue and be more responsive to individual needs.

As several of the submissions from the organizations did not meet all the requirements outlined in RFP 21-55, City administration had no choice but to cancel the RFP and move forward with an alternate procurement strategy for these services.

Due to the cancellation of RFP 21-55, and to maintain the current service level, civic administration is recommending that the City of London enter into Single Source Purchase of Services Agreements with noted programs employing the Council approved Agreement Template.

## **Linkage to the Corporate Strategic Plan**

### The 2019 – 2023 Strategic Plan for the City of London

The City of London identifies 'Strengthening Our Community' and 'Building a Sustainable City' as strategic areas of focus.

Londoners have access to the supports they need to be successful.

Londoners have access to the services and supports that promote well-being, health, and safety in their neighbourhoods and across the city.

### Housing Stability for All: The Housing Stability Action Plan for the City of London (2019)

London's Homeless Prevention and Housing Plan, Housing Stability for All: The Housing Stability Action Plan for the City of London (2019), is the approved guiding document for homeless prevention and housing in the City of London and was developed in consultation with Londoners.

Providing the right level of support at the right time to decrease the use of emergency services and creating an outreach system and rapid response to support individuals and families experiencing unsheltered homelessness are strategic areas of focus within the 2019 – 2024 Housing Stability Action Plan. London needs to increase system capacity and availability of services across many sectors to meet the housing stability needs of individuals and families in crisis.

### Links to Community Recovery

The City of London is committed to working in partnership with the community to identify solutions that will drive a strong, deep and inclusive community recovery for London as we move out of and beyond the global COVID-19 pandemic. This report, and the items within, are linked to supporting Londoners experiencing homelessness during the COVID-19 pandemic to attain and retain permanent housing. This work supports recovery efforts through a coordinated response that will support the transition of individuals and families experiencing homelessness who have been provided with temporary shelter into permanent housing.

## **Analysis**

### **1.0 Background Information**

#### **1.1 Previous Reports Related to this Matter**

- Housing Stability Services – Housing Stability Bank Single Source Procurement (CPSC: December 14, 2021)

- Housing Stability for All Plan – Mid-Year Update (CPSC: September 21, 2021)
- Housing Stability for All Plan 2020 Update and Priorities for 2021 (CPSC: May 11, 2021)
- 2021-2022 Homeless Prevention Program Funding Allocations – Single Source Procurement (#SS21-09) (CPSC: March 2, 2021)
- Homeless Prevention COVID-19 Response and Funding Overview (CPSC: April 28, 2020)
- Municipal Council Approval of The Housing Stability Plan 2019 to 2024 as Required Under The Housing Services Act, 2011 (CPSC: December 3, 2019)
- Homeless Prevention and Housing Plan 5 Year Review and Update (CPSC: June 17, 2019)
- Core Area Action Plan (SPPC: October 28, 2019)
- London's Homeless Prevention System Housing Stability Bank Update (CPSC: February 21, 2018)
- London's Homeless Prevention System London Cares Homeless Response Services (CPSC: February 21, 2018)
- London's Homeless Prevention System Contract Award Request for Proposal 16-57 Housing First Emergency Shelter for Youth Operator (CPSC: January 24, 2017)
- London's Homeless Prevention System Community Prevention Initiative Funding Allocation (CPSC: January 24, 2017)
- London's Homeless Prevention System Enumeration Results and London's Emergency Shelter Progress Report: 2011 – 2015 (CPSC: October 18, 2016)
- London's Homeless Prevention System Progress Report and Update (CPSC: September 22, 2015)
- London's Homeless Prevention System Housing Stability Bank (CPSC: September 22, 2015)
- London's Homeless Prevention System Housing Stability Fund (CPSC: June 16, 2014)
- Contract Award 13-48 London CARES (CPSC: January 6, 2014)
- London Cares – Transitioning to the London Homeless Prevention System (CPSC: October 7, 2013)
- Homeless Prevention System for London Three Year Implementation Plan (CPSC: April 22, 2013)

## **2.0 Discussion and Considerations**

### **2.1 Purpose**

This report provides an overview of the procurement process including the funding allocations for the emergency shelter program, housing stability bank program and outreach program to be funded, as attached as Schedule 1 of this report

The RFP 21-55 submissions were evaluated by the City's evaluation committee for the project with assistance from Purchasing and Supply. A two-envelope RFP process was used: one envelope contained the technical project proposal; and the second contained the pricing proposal.

### **2.2 Background**

In 2021, the City of London undertook a Request for proposal process as discussed further in section 2.3. It is also noted that the City will be utilizing a number of funding sources to administer all Housing Stability Service programs for 2022. A brief overview of the emergency shelter, outreach and Housing Stability Bank program is noted below. In addition, civic administration has provided a broad overview of each funding source, and which programs these sources funded in 2021.

Ultimately, RFP 21-55 was cancelled, as per section 19.3 e) of the procurement of Goods and Services Policy, stating that the City reserves the right in its absolute and sole discretion to cease negotiation and reject any offer, a single source negotiation, has been

undertaken with the existing agencies funded for the required emergency shelter, Housing Stability Bank and outreach services for the City

#### Emergency Shelter Program:

As required by the City's Procurement of Goods and Services policy, a review of the emergency shelter funded system was undertaken in 2021. As a result of this procurement work, it became clear that operating costs of the emergency shelter response have increased beyond the current funding envelope available. As RFP 21-55 was cancelled, in accordance with Section 19.3 e), a single source negotiation was undertaken with the existing agencies funded for the required emergency shelter services for the city. The identified ongoing funding challenges as part of this negotiation are related to the impacts from the COVID-19 pandemic as well as ongoing operational challenges across the sector.

The City of London through the provincial Community Homeless Prevention Initiative "CHPI" program have mostly funded the emergency shelter response in the City of London since 2013. The agencies providing these services must bridge the funding gap through local donations and other sources of funding as determined by their respective Governance and Leadership groups.

The challenges faced by shelter providers and their boards have been communicated to Civic Administration through this process in which one of the primary challenges is as a result of COVID-19 agencies are left with little choice but to increase pay rates and retention costs for staff to ensure the continued delivery of emergency shelter services.

The funding requests for this program submitted as part of the single source procurement, although not in alignment with the 2021 funding levels, are being recommended for approval as part of the single source contracts to support a continued emergency shelter program at current service levels in 2022 and beyond.

The funding to shelter agencies shifted to yearly block funding from a per diem-based funding model in 2017. Since this time, emergency shelter providers have been consistently funded to support identified outcomes to prevent and divert individuals and families away from emergency shelter and to better house individuals who are experiencing homelessness.

Although shelter system transformation to ensure all shelter work is housing focussed will take a number of years to fully implement, a number of system wide operational alignments are expected to occur in 2022. These alignments include an improved and more efficient intake and diversion process across shelters, an aligned restriction policy for individuals so that behavioural restrictions will be based on a consistent standard, as well as a consistent length of time for restrictions and a transparent appeal process across all shelters. Additionally, the storage and handling of belongings will be aligned across the system and the housing focussed work provided by shelter staff in a number of shelters will shift to begin to support couples and those with pets.

It is anticipated that city funding contributions to the emergency shelter system for 302 shelter beds in 2022 will require \$7,115,000 an increase of \$775,000 from the \$6,340,000 provided for shelter provision in 2021. This increase in shelter costs can be mitigated for 2022, but without additional long-term funding, impacts to all housing stability program service levels are expected to occur in 2023.

Note: The above bed composition does not include the contracts related to the provision of 40 resting spaces in the City.

#### Outreach:



The City of London through the CHPI program and municipally committed funding have been able to provide a 24/7 outreach program in the city of London that supports unsheltered Londoners and the Coordinated Informed Response program. As required by the City's procurement policy, a review of the outreach program was undertaken and as a result of this procurement work, it was clear that challenges related to the impacts from the COVID-19 pandemic and staffing shortages across the sector are being felt.

As RFP 21-55 was cancelled, in accordance with Section 19.3 e), a single source negotiation has been undertaken with the existing agency funded for the required outreach services for the city. In 2022, the outreach program is looking to move away from a 24/7 in person outreach model and focus supports for when they are needed most in community. This has been identified by the agency as between the hours of 7am and 2:30am with supports from 2:30am to 7am being phone based.

The program being proposed by the agency will allow for a number of system wide operational alignments to occur in 2022. These alignments include improved system wide navigation supports for agencies and individuals who regularly rely on the program for supports. Improved referrals to other system partners and increased coverage of known encampment areas, hotspots and improved support for the Coordinated Informed Response program.

The funding request for this program submitted as part of the single source procurement is an increase of \$25,000 from previous program funding levels. Civic administration is recommending approving of the single source contract to support a continued outreach program in 2022 and beyond.

#### Housing Stability Bank:

The City of London through municipally committed funding have been able to work with the current agency to provide a key homeless prevention resource since 2013. The Housing Stability Bank provides loans and grants to low-income Londoners who need assistance with first and last month's rent, rental and utility arrears and money management services to ensure housing stability.

As RFP 21-55 was cancelled, in accordance with Section 19.3 e), a single source negotiation has been undertaken with the existing agency funded for the required housing stability bank services for the City. This submission is looking to provide similar grant and loan supports to low-income Londoners but will refine the parameters of grant versus loan provision based on the feedback from the community consultations and the funding available for this program.

The funding request for this program submitted as part of the single source procurement is in alignment with historical funding and civic administration are recommending approving the single source contract to support a continued housing stability bank program in 2022 and beyond.

#### Community Homeless Prevention Initiative (CHPI):

In the current contract with the Province of Ontario as a Transfer Payment Agency, the City of London has been allocated \$11.29M in funding for 2022. This funding is to be utilized to support the following two CHPI program outcomes:

1. people experiencing homelessness obtain and retain housing
2. people at risk of homelessness remain housed.

The City funded the following programs with CHPI funding in 2021.

- Emergency Shelter program (5 agencies)
- Housing First Programs (5 agencies)
- Outreach (1 agency)
- Rapid Housing Programs (4 agencies)

- Indigenous Homeless Response (1 agency)
- Day Space (2 agencies)
- Resting Spaces (2 agencies)
- Supportive Housing (2 agencies)
- Middlesex County
- Program Administration

#### Reaching Home Canada's Homelessness Strategy – Designated Communities Stream:

In the current contract with the Government of Canada as a Transfer Payment Agency, the city has been allocated \$1.19M in funding for 2022. This funding is to be utilized to support the goals of the National Housing Strategy in particular, to support the most vulnerable Canadians in maintaining safe, stable, and affordable housing and to reduce chronic homelessness nationally by 50% by fiscal year 2027 to 2028.

The City funded the following programs with Reaching Home funding in 2021.

- Coordinated Access program implementation by City of London
- Housing First Program (2 agencies)
- Capital Projects (3 agencies)
- Program Administration

#### Municipal Funding:

The City of London continues to contribute a significant amount of funding across several programs to support the challenges of those experiencing homelessness and housing instability. In 2022, these programs will provide approximately \$10M of support, noting that of this support the City receives approximately \$1.2M from the province for the Strong Communities Rent Supplement Program. This provincial funding partially offsets the cost for the Rent Supplement Program.

Municipally funded programs in 2021 included:

- Emergency Shelter (1 agency)
- Core Area Action Plan - Coordinated Informed Response Program, including outreach (1 agency)
- Core Area Action Plan - Enhanced Case Management for Resting Spaces (3 agencies)
- Housing Stability Bank (1 agency)
- Housing First, Rapid Housing, Rent Stability program housing allowances (7 agencies funded)
- Housing Identification Program
- Rent Supplement Program
- Housing Access Centre

### **2.3 Procurement Process**

On September 13, 2021, a Request for Proposal (21-55) was issued on london.bidsandtenders.ca with a closing date of October 13, 2021. After the RFP was posted, there were four (4) Addendums issued to respond to questions, inquiries, and requests for clarifications.

Six (6) proposals were received. Out of the Six (6), two (2) included Outreach Services, six (6) included Emergency Shelter Services, and one (1) for Housing Stability Bank Services.

In reviewing the submissions, one (1) Outreach submission and one (1) Emergency Shelter submission did not move forward to stage 2 as they did not fully address the required RFP items. The remaining submissions did not meet the financial parameters of the RFP. This resulted in the required cancellation of the RFP in its entirety.

Civic Administration made the decision to cancel the current RFP process. Civic administration (Purchasing and Supply) is recommending that the single source procurements from listed agencies in this report be made under Section 14.4 d) of The Corporation of the City of London Procurement of Goods and Services Policy, stating there is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract, to ensure the continuity of the identified services for 2022 and beyond.

The request to have a 5-year term for the approval of these services allows contractual certainty for the agencies providing services. The four (4) optional one (1) year renewal terms allow for any significant changes in scope of service to require committee and council approval. The Purchase of Service Agreements include a contract renewal provision whereby the City reserves its absolute right to negotiate the reasonable pricing of any contract renewals with the successful proponent(s) upon a renewal request in subsequent years (at a maximum of four additional one-year terms). In addition, as the system looks to respond to the ever-changing needs of the community, this approval allows for some minor flexibility to meet local needs on a yearly basis.

### **3.0 Financial Impact/Considerations**

The 2022 cost for Homeless Stability Services of Outreach, Emergency Shelters and Housing Stability Bank agreements is expected to be \$9,890,000, which is a net increase of \$800,000. This level of funding for these programs is a slight increase as compared to 2021 to help partially offset the increase in operational costs of the emergency shelter system, and to maintain existing service level standards.

While the Community Homeless Prevention Initiative and Reaching Home base funding for 2022-23 have not increased, Civic Administration is able to accommodate the increase within the existing 2022 approved budget and by utilizing one-time funding provided by Social Services Relief Funding (SSRF) and Additional Covid Response Funding through the Reaching Home Program.

## **Conclusion**

While Civic Administration follows the Council approved Housing Stability Action Plan as the guiding document for the delivery of Housing Stability Services in the community, it is also recognized that system transformation will take time. Efforts have been made through this process to introduce positive changes in the system, from standardizing the way intake and diversion services are conducted, to behavioural management processes, and ultimately to expanding the services offered to couples and those experiencing homelessness that have pets. While much work remains as a community and as a whole system, the contents of this report provide for a suite of services to be delivered without degrading service standards.

This report seeks Council direction and support for the City of London to enter into Single Source Purchase of Service Agreements with all programs noted above.

**Prepared by:** Laura Cornish, Manager, Housing Stability Services  
Debbie Kramers, Manager, Coordinated Informed Response  
Elle Lane, Manager, Housing Stability Services

**Submitted by:** Craig Cooper, Director, Housing Stability Services

**Recommended by:** Kevin Dickins, Deputy City Manager, Social & Health Development

**Schedule 1 – Overview of Shelter, Outreach and Housing Stability Bank Funding Allocations**

<b>Program/ Service</b>	<b>Agency</b>	<b>Cost Estimate</b>	<b># Of Emergency Shelter beds</b>
Emergency Shelter	Mission Services; Men's Mission	\$1,850,000	75
Emergency Shelter	Mission Services; Rotholme Family Shelter	\$1,000,000	40
Emergency Shelter	The Salvation Army; Centre of Hope	\$1,965,000	107
Emergency Shelter	Youth Opportunities Unlimited	\$1,150,000	30
Emergency Shelter	Unity Project	\$1,150,000	50
<b>Total Emergency Shelter Funding</b>		<b>\$7,115,000</b>	<b>302</b>
Outreach	London Cares Homeless Response Services	\$1,475,000	
Housing Stability Bank	The Salvation Army Centre of Hope	\$1,300,000	
<b>Total Funding for 2022</b>		<b>\$9,890,000</b>	



January 23, 2022

Community and Protective Services Committee Members  
Via email: [CPSC@london.ca](mailto:CPSC@london.ca)  
Cc: [mcassidy@london.ca](mailto:mcassidy@london.ca)

**Re: Request for Delegation Status**

Dear Community and Protective Services Committee Members,

Mission Services of London (MSL) is requesting delegation status at the February 1, 2022 Community and Protective Services Committee (CPSC) meeting. The purpose of this request is to provide the Committee with a report and observations regarding the following three topics.

1. Recommendations before the committee from Housing Stability Services
2. Context for current housing issues
3. Suggestions for consideration

We look forward to sharing information for consideration by the CPSC and Council.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Rozeluk', is written over a faint, larger version of the same signature.

Peter Rozeluk  
Executive Director

Administration Office  
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London, ON N5W 6A8  
T. 519.433.2807  
F. 519.434.1956  
[missionservices.ca](http://missionservices.ca)

Community Mental  
Health Programs  
457 York Street  
London, ON N6B 1R3  
T. 519.672.8500

The Men's Mission &  
Rehabilitation Centre  
459 York Street  
London, ON N6B 1R3  
T. 519.672.8500

Quintin Warner House  
477 Queens Avenue  
London, ON N6B 1Y3  
T. 519.434.8041

Rotholme Women's  
& Family Shelter  
42 Stanley Street  
London, ON N6C 1B1  
T. 519.673.4114

Mission Store  
4-797 York Street  
London, ON N5W 6A8  
T. 519.438.3056  
[missionstore.ca](http://missionstore.ca)



# Presentation to Community and Protective Services Committee – February 1, 2022

Peter Rozeluk JD, CPA, CA  
Executive Director  
Mission Services of London

Mission Services  
of London

**Our Mission:**

We actively respond to people experiencing need, affirm human dignity, and inspire hope.

**Our Values:**

Compassion

Hope

Integrity

Diligence

# SHELTER SYSTEM - 2010

## RESTING SPACES – 24/7

Mission Services of London

- Daytime – 8 hr drop-in
- Overnight – 21 beds

Salvation Army

- Daytime – 8 hr drop-in

At Lohsa

- Daytime – 8 hr drop in



# ***Shelter System Funding***

## ***– Mission Services of London***

- From 2011 to 2021 – CHPI 10 year average**
- Men's Mission – 72% to 85%**
- Rotholme Family Sheler – 42% to 84%**

## 2010

- 585
- 558
- 709



## 2010

**\$585 \*** – the maximum Ontario Works benefit for a single individual October 2010. This total is comprised of:

\$221 for basic needs, and

\$364 for shelter.

**\$558 \*\*** - average rent for bachelor apartment in London

**\$709 \*\*** - average rent for one bedroom apartment in London

### Sources

\* Income Security Advisory Centre

\*\* Statistics Canada, Table 34-10-0133-01 CMHC average rents for areas with a population of 10,000 and over



# WHY HOMELESSNESS / POVERTY

**2010**

		Bachelor Apt	Remaining	One Bdrm Apt	Remaining
<b>SINGLE</b> Ontario Works	585	558	27	709	(124)
ODSP	1,042	558	484	709	333



2020

733

1,169

795

1,013



## 2020

**\$733 \*** – the Ontario Works benefit for a single individual July 2020 comprised of:

\$343 for basic needs, and

\$390 for shelter.

**\$1,169 \*** - the ODSP benefit for a single individual July 2020 comprised of:

\$578 basic needs

\$464 for shelter

**\$795 \*\*** - average rent for bachelor apartment in London

**\$1,013 \*\*** - average rent for one bedroom apartment in London

Sources

\* Income Security Advisory Centre

\*\* Statistics Canada, Table 34-10-0133-01 CMHC average rents for areas with a population of 10,000 and over



# WHY HOMELESSNESS / POVERTY

		<b>2020</b>			
<b>SINGLE</b>		Bachelor Apt	Remaining	One Bdrm Apt	Remaining
	Ontario Works	733	795	(52)	1,013
ODSP	1,169	795	374	1,013	156

# ***WHY HOMELESSNESS / POVERTY***

Economy

Income

Housing

Unemployment

Addictions

Illness





# WHY HOMELESSNESS / POVERTY

	2010	One Bdrm		Two Bdrm	
COUPLE, ONE CHILD		Apt	Remaining	Apt	Remaining
Ontario Works	1,150	709	441	881	269
ODSP	1,738	709	1,029	881	857

# WHY HOMELESSNESS / POVERTY

		2020			
		One Bdrm Apt	Remaining	Two Bdrm Apt	Remaining
<b>COUPLE, ONE CHILD</b>					
Ontario Works	1,313	1,013	300	1,226	87
ODSP	1,937	1,013	924	1,226	711

## ***Recap – from 2010 to 2020***

**Increase in average rents**

**Bachelor apts            42%**

**One bedroom apts    43%**

**Two bedroom apts    39%**

## ***Recap – from 2010 to 2020***

### **Increase in average rents**

**Bachelor apts 42%**

**One bedroom apts 43%**

**Two bedroom apts 39%**

**Increase in OW – individual – 25%**

**Increase in ODSP – individual – 12%**

**Increase in OW – couple, one child – 14%**

**Increase in OSDP – couple, one child – 11%**

# ***Shelter Funding 2022-2023 – RFP Process***

**What was new?**

**Process itself**

- Bed limits**
- Staff:client ratio 24/7**
- Maximum 80% funding**

# ***WHERE DO WE GO FROM HERE?***

***Housing – safe, adequate, affordable***

***Whose responsibility?***

***Who builds?***

***Who funds?***

***Government – why?***

***Private sector – why not?***

# ***WHERE DO WE GO FROM HERE?***

***Suggestions – what we can do***

- local response***
- city hall response***
- choices/priorities***



# Thank you

Peter Rozeluk JD, CPA, CA

Executive Director

[prozeluk@missionservices.ca](mailto:prozeluk@missionservices.ca)

519-433-2807 ext. 2102

## “One Body”

This participatory project, ‘One Body’, invited clients from Mission Services of London to be part of imagining the future of the organization by sharing their input on the struggles and solutions for those experiencing poverty, homelessness, addiction, and mental health issues. Through sharing stories, painting, and more, the above art piece was created to express their messages.



**From:** Jon Deactis  
**Sent:** Friday, January 21, 2022 3:19 PM  
**To:** Bunn, Jerri-Joanne <jbunn@London.ca>; CPSC <cpsc@london.ca>  
**Cc:** DeActis, Jon  
**Subject:** [EXTERNAL] delegation Status

Good afternoon,

I'd like to formally request Delegation Status for the CPSC meeting on February 1<sup>st</sup>

My name is Jon DeActis and I am the Executive Director at the Centre of Hope London.

I understand that at the CPSC meeting there will be discussion regarding the budget and RFP process that the Emergency Shelters and Housing Stability bank just went through. I would like to speak to this process and to our two programs here at the Centre of Hope. Over the past years, there has been very little extra financial stability to these programs, and I would like to speak to this matter. Increases in funding for programs such as shelters does not seem to be on the list of the budget and actually funding is decreased due to the downloading of costs on the service providers. This past year was no different as the RFP process made it very difficult for organizations to even make ends meet without putting costs back on to the folks (homeless or in poverty) who utilize the services. There is an assumption that because the Salvation Army is a large organization, it can continue to put more back into the programs by seeking donor funding, this is simply not true.

I would like to speak to this committee about the disconnects of the budget and the actual workings of the programs while they are discussing the budget for 2022-2023

## Report to Community and Protective Services Committee

**To:** Chair and Members, Community and Protective Services Committee Meeting  
**From:** Kevin Dickins, Deputy City Manager, Social and Health Development  
**Subject:** Single Source Procurement - London Homeless Prevention Housing Allowance Program  
**Date:** February 1, 2022

## Recommendation

That, on the recommendation of the Deputy City Manager, Social and Health Development, the following action be taken with respect to Single Source Procurement - London Homeless Prevention Housing Allowance Program as per the City of London Procurement of Goods and Service Policy, section 8.5.a.iv, that committee and city council must approve single source awards greater than \$50,000.00:

- a) that single source procurements **BE ACCEPTED** at a total estimated cost of \$1,084,000 (excluding HST) for the period of April 1, 2022, to March 31, 2023, with the opportunity to extend for four (4) additional one (1) year terms, to administer Housing Stability Services Housing Allowance program, as per the Corporation of the City of London Procurement Policy Section 14.4 d); to the following providers:
  - Mission Services – Rotholme Family Shelter (SS-2022-029)
  - CMHA Thames Valley Addiction & Mental Health Services (Street Level Woman At Risk Program) (SS-2022-030)
  - CMHA Thames Valley Addiction & Mental Health Services (SS-2022-031)
  - Unity Project Emergency Shelter (SS-2022-033)
  - Youth Opportunities Unlimited (SS-2022-034)
  - London Cares Homeless Response Services (SS-2022-035)
  - St. Leonard’s Society of London (SS-2022-036)
- b) that Civic Administration **BE AUTHORIZED** to undertake all administrative acts which are necessary in relation to this project;
- c) that the approval given herein **BE CONDITIONAL** upon the Corporation entering into a Purchase of Service Agreements with each program.

## Executive Summary

Civic Administration is recommending acceptance to approve/amend municipal purchase of service agreement with agencies administering London’s Homeless Prevention Housing Allowances. Housing allowances support individuals and families experiencing homelessness to move towards housing stability.

Civic administration is recommending the agencies be funded a total amount of \$1,084,000 for the period of April 1, 2022, to March 31, 2023. This funding will support individuals and families in London who are experiencing homelessness to secure permanent housing, and over time reduce demand for emergency shelter services.

## Linkage to the Corporate Strategic Plan

### 2019-2023 Strategic Plan for the City of London

The City of London identifies ‘Strengthening Our Community’ and ‘Building a Sustainable City’ as strategic areas of focus.

Londoners have access to the supports they need to be successful.

Londoners have access to the services and supports that promote well-being, health, and safety in their neighbourhoods and across the city.

### Housing Stability for All: The Housing Stability Action Plan for the City of London (2019-2024)

London's Homeless Prevention and Housing Plan, Housing Stability for All: The Housing Stability Action Plan for the City of London (Housing Stability for All Plan), is the approved guiding document for homeless prevention and housing in the City of London and was developed in consultation with Londoners.

Council and staff continue to recognize the importance of actions to support the Core Area, and in the development of its 2019-2023 - Strategic Plan for the City of London. Specifically, the efforts described in this report address the following Areas of Focus, including:

- Strengthening Our Community
- Building a Sustainable City
- Safe City for Women and Girls
- Leading in Public Service

### ***Links to Community Recovery***

The City of London is committed to working in partnership with the community to identify solutions that will drive a strong, deep, and inclusive community recovery for London as we move out of and beyond the global COVID-19 pandemic. This report, and the items within, are linked to urgent housing for vulnerable Londoners, and supports recovery efforts by investing in long-term housing stability for individuals and families at risk of or experiencing homelessness.

## **Analysis**

### **1.0 Background Information**

#### **1.1 Previous Reports Related to this Matter**

- Proposed implementation of the roadmap to 3000 affordable units (Roadmap Action Plan – Part 1 (CPSC: November 23, 2021)
- 2020-2023 Multi-Year Budget Approval (Council: March 2, 2020)
- Municipal Council Approval of the Housing Stability Plan 2019 to 2024 as Required Under The Housing Services Act, 2011 (CPSC: December 3, 2019)
- London's Homeless Prevention System Contract Award Request for Proposal 17-39 London Homeless Prevention Allowance Program (CPSC: October 11, 2017)

### **2.0 Discussion and Considerations**

#### **2.1 Purpose**

Civic Administration is recommending approval of new municipal purchase of service agreements with the agencies and allocations outlined in the attached as Schedule 1 of this report for administration of London's Homeless Prevention Housing Allowances.

Housing Allowances serve an important role in the spectrum of housing supports as it provides opportunity for direct rental relief and opens avenues for individuals to obtain and afford more market based rental units over a period of time to ensure housing stability, so that a person can also pursue gains in their social and economic stability.

## 2.2 Background

### Housing Allowances

London Homeless Prevention Housing Allowances are flexible, temporary investments in long-term housing stability for individuals and families at risk of or experiencing homelessness. This portable housing benefit supports a housing first/stability approach by assisting with rapid access to permanent housing in the neighbourhood of the individual or family's choice while longer-term solutions to support the cost of rent are identified and secured.

London Homeless Prevention Housing Allowances are an effective tool in advancing London's Homeless Prevention System. In 2020, this program assisted more than 200 households to move from homelessness into permanent housing. In 2021, Housing Allowances supported approximately 400 households to move from homelessness into permanent housing.

Currently, there are seven (7) housing first programs that administer London's Homeless Prevention Housing Allowances.

### Procurement

To align all current housing allowance programs, civic administration recommends that the 2022 Homeless Prevention Housing Allowance municipal funding agreements be approved under City of London Procurement of Goods and Services Policy, section 8.5.a.iv, that committee and city council must approval single source awards greater than \$50,000.

As per as the Corporation of the City of London Procurement Policy Section 14.4.d for Single Source approval, Civic Administration recommends Homeless Prevention Housing Allowance are renewed as there is a need for compatibility for goods and/or services previously acquired and being supplied under an existing contract.

## 3.0 Financial Impact/Considerations

### 3.1 Funding

Civic Administration advise that funding for the contracts to the agencies for the Housing Allowance Program in the amount of \$1,084,000 is accommodated within the existing 2022 approved budget for Housing Stability Services.

<b>Prepared by:</b>	<b>Kate Green, Manager, Housing Stability Services, Social and Health Development Elle Lane, Manager, Housing Stability Services, Social and Health Development</b>
<b>Submitted by:</b>	<b>Craig Cooper, Director, Housing Stability Services, Social and Health Development</b>
<b>Recommended by:</b>	<b>Kevin Dickins, Deputy City Manager, Social and Health Development</b>

Schedule 1

**Housing Allowance**  
**2022 Housing Allowance Allocations**

<b>Agency</b>	<b>Cost Estimate</b>
Addiction Services Thames Valley (Street Level Women At Risk)	\$125,000
Canadian Mental Health Association Middlesex	\$125,000
St. Leonard's Society of London	\$525,000
London Cares	\$84,000
Unity Project	\$40,000
Youth Opportunities unlimited	\$70,000
Mission Services – Rotholme Family Shelter	\$115,000
<b>Total</b>	<b>\$1,084,000</b>

## Report to Community and Protective Services Committee

**To:** Chair and Members, Community and Protective Services Committee  
**From:** George Kotsifas, Deputy City Manager, Planning and Economic Development  
**Subject:** End of Mortgage (EOM) and End of Operating Agreement (EOA) Impacts and Analysis  
**Date:** February 1, 2022

## Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, that the following actions **BE TAKEN** with respect to the End of Mortgage (EOM) and End of Operating Agreement (EOA) Impacts and Analysis report;

- a) The following report **BE RECEIVED** for information;
- b) Civic Administration **BE DIRECTED** to re-invest any anticipated future municipal mortgage subsidy savings in the social housing portfolio to address the long-term financial sustainability of the portfolio; and
- c) The Mayor **BE REQUESTED** to send a letter to the Minister of Municipal Affairs and Housing on behalf of the City Council:
  - a. Requesting continued provincial partnership and investment in existing community housing;
  - b. Highlighting Council's recent significant investment commitments in housing with the need for additional provincial support; and
  - c. The need to receive the new *Housing Services Act* regulatory Exit and Service Agreement framework as early as possible to develop strategies to address challenges facing the sector.

**IT BEING NOTED** that Civic Administration will continue to examine alternative and innovative solutions to the challenge of maintaining social housing units due to EOM/EOA.

## Executive Summary

Many community housing providers (private non-profits and co-operatives) are reaching the end of their original program obligations and/or mortgages. The end of operating mortgage/end of agreement issue has different implications for projects and units depending on what funding program they were originally developed under.

For the non-profit and co-operative housing providers, operating subsidy funding is established either through service agreements that were time-limited (typically for thirty-five (35) to forty (40) year periods, often aligning with mortgage maturity) or legislated under the *Housing Services Act*.

This means that some housing providers will no longer have to provide affordable or subsidized housing once their agreement expires, or the mortgage matures. This has resulted in a loss of over 6,500 community housing units in Ontario to date. Over the next few years, 289 non-profit and co-operative providers with approximately 41,000 units are at risk provincially of exiting the community housing portfolio due to reaching the end of their agreements. By 2027, this increases to 106,600 units at risk.

Even though providers will no longer have to pay mortgage costs once it matures, some of these housing projects may not be financially viable. Often this is in part because projects face significant and costly capital repair expenditures as major building systems reach the end of their life cycle, high costs of unit turnover, and the lack of adequate reserves and resources.

Without some form of subsidy, it is not feasible for all projects to continue to provide affordable housing and some providers may stop providing subsidized or low-end market rent when they are no longer legally obligated to do so.

Through Council's approval of the Roadmap to 3,000 Affordable Units Action Plan, a framework has been established to add new affordable housing units in our community. While Civic Administration focuses on developing strategies to add new affordable housing units there is an equal effort needed to retain as much existing affordable housing stock as possible. These two strategies complement each other with a collective focus to ensure that London continues to experience a net gain of affordable housing stock.

Future municipal subsidy savings resulting from mortgage maturities can be reinvested in community housing to address local housing priorities set out in London's Housing Stability Action Plan (which includes strategic capital actions) without increasing current municipal funding requirements.

## **Linkage to the Corporate Strategic Plan**

### 2019-2023 Strategic Plan for the City of London:

Council and staff continue to recognize the importance of actions to support the 2019-2023 - Strategic Plan for the City of London. Specifically, the efforts described in this report address the following Areas of Focus, including:

- Strengthening Our Community
- Building a Sustainable City

### Strengthening our Community Strategic Area of Focus

The following strategies are intended to "increase affordable housing options":

- Establish and revitalize community housing through a Regeneration Plan;
- Increase supportive and specialized housing options for households experiencing chronic homelessness;
- Strengthen the support for individuals and families in need of affordable housing;
- Utilize innovative regulations and investment to facilitate affordable housing development.

The following strategies are intended to reduce the number of individuals and families at risk or experiencing chronic homelessness:

- Create more purpose-built, sustainable, affordable housing stock in London;
- Implement coordinated access to mental health and addictions services and supports; and
- Improve emergency shelter diversion and rapid re-housing practices.

### Housing Stability Action Plan

The City of London's Housing Stability Action Plan focuses on increasing and maintaining affordable and quality housing options for individuals and families, and reducing the number of individuals and families experiencing homelessness.

## **Analysis**

### **1.0 Background Information**

#### **1.1 Background**

The City of London's Housing Stability Action Plan 2019 - 2024 Strategic initiative 2.2 Revitalize and Modernize Community Housing identifies the need to maintain the housing stock it has. The plan highlighted the need for more affordable housing stock in our community and that the shortage of safe, affordable housing options is impacting the stability and health of people across our community.

Legacy social housing projects were developed through federal and/or provincial funding programs from the 1950's to 1995. Ten (10) different programs provided some combination of time-limited capital funding, mortgage subsidies and/or operating subsidies for housing providers to offer low-income Ontarians with stable and affordable housing.

Each program was designed with its own funding formula and program guidelines. Some community housing projects have rents set at low-end market rents, while others have rents that are geared to the income of residents (rent-geared-to-income or RGI) with many providers having both types.

In Ontario, the end of mortgage and end of operating agreements affects approximately 60% of the community housing supply that is owned by non-profits, housing co-operatives, and private landlords. The remaining 40% of the community housing supply is owned and operated by Local Housing Corporations, with no operating agreement or mortgage in place.

#### Federal Projects End of Operating Agreement (EOA Impact)

As part of the housing transfer, these federally funded housing projects became regulated by the City of London, as the Service Manager, pursuant to the current *Housing Services Act, 2011* for the remaining duration of the original operating agreements. As a result, these housing projects have no ongoing legislative mandate for the housing project or to the Service Manager following the expiration of the operating agreement.

Generally, federal operating agreements have terms that coincide with the length of the housing project's mortgage. These agreements set out the amount, duration, and conditions of the subsidy and when the mortgage for the housing project is paid off, the associated federal funding subsidy ends. Federal programs assumed that after the mortgage debt is retired, a housing project should be able to generate sufficient revenue to continue to provide lower end of market rents without receiving subsidies.

#### Provincial Non-Profits End of Mortgages (EOM Impact)

Community housing provided by non-profits and housing co-operatives in projects that included provincial funding is distinct from federal projects. These provincial projects had their original operating agreements terminated when responsibilities were devolved to the Service Manager. The rules and requirements governing operations, including rules for how projects are funded, were taken from the original agreements, and transferred into legislation (originally through the *Social Housing Reform Act, 2000*, subsequently replaced by the *Housing Services Act, 2011*).

When the original operating agreements were replaced with a legislative framework, the legislation did not specify when the provider's obligations to provide subsidized housing would conclude.

Provincial projects that are not officially removed from O. Reg. 368/11 under the *Housing Services Act, 2011*, must continue to provide affordable housing (including RGI) in accordance with the Act. In exchange, housing providers continue to receive a subsidy from their Service Manager, which is calculated according to the funding formula set out in O. Reg 369/11.

The funding formula generally incorporates three (3) main components:

- 1) Operating Subsidy – which includes
  - a) Benchmark Revenue less
  - b) Benchmark Operating Costs and
  - c) Provider's Shelter Mortgage
- 2) RGI subsidy; and
- 3) Property Tax subsidy



When the mortgage has been paid off, the mortgage component of the operating subsidy will be zero.

This funding formula in O. Reg. 369/11 under the Act represents the minimum Service Manager subsidy required for a housing provider. Service Managers have the discretion and flexibility to provide a subsidy greater than the minimum requirements from other municipal resources.

Summary of EOM/EOA Key Changes / Impacts (without Exit or subsequent Service Agreement):

Post End Date of Mortgage	Federal (EOA)	Provincial (EOM)
Affordability Requirement	x	✓
Residential Tenancies Act (RTA) Compliance	✓	✓
Reporting Requirement, including subsidy, capital budget, Annual Information Return, Low End Market Rent (Federal Projects Only)	x	✓
Maintaining Mandated Rent-Geared-to-Income (RGI) Units	x	✓
Ongoing Program Subsidy	x	✓
Access to Funding through Service Manager (Operating & Capital)	x	✓
Service Manager Approval for Asset Disposal	x	✓
Service Manager Approval for Change of Corporate Structure (i.e. merger)	x	✓

Legislative Framework

The Minister can end a housing provider's obligations under the *Housing Services Act* by removing the project from regulation O. Reg. 368/11. This process occurs on a case-by-case basis and is often referred to as 'delisting'. To date, most examples of de-listing relate to federal projects after their operating agreement ends.

As a transition to an improved legislative framework, the province announced the Community Housing Renewal Strategy and introduced new legislation – *Protecting Tenants and Strengthening Community Housing Act 2020* which incorporates amendments to the *Housing Services Act, 2011* intended to provide a streamlined legislative framework for community housing that will incent non-profit and co-operative housing providers to stay in the housing system once their original agreement and mortgages end. As part of this, the Ministry of Municipal Affairs and Housing (MMAH) has placed a pause of removing housing projects from O. Reg. 368/11 for a three (3) year period (expect to end fall of 2022) however exceptions may be considered on a case-by-case basis.

Once a provincial project is removed from the Act (de-listed), the Service Manager's legislative protections through the *Housing Services Act* are no longer in place however under the new provisions, community housing providers could voluntarily enter into service agreements or exit agreements with Service Managers related to the administration of housing projects.

The changes to the *Housing Service Act*, enacted through the *Protecting Tenants and Strengthening Community Housing Act, 2000* will have direct impacts for London in it's role as the Service Manager for community housing. These changes, include service

level standards, wait list and local eligibility rules, as well as new options for housing providers with ending mortgages and agreements.

## 1.2 Previous Reports Related to this Matter

In addition to these, the following reports provide direct and relevant background to local housing needs and plans:

- [Proposed Implementation of the “Roadmap to 3,000 Affordable Units” \(Roadmap\) Action Plan](#) (CPSC: November 23, 2021)
- [2021 Mid-Year Update Housing Stability for All Plan](#) (CPSC: September 21, 2021)
- [Housing Stability for All Plan 2020 Update](#) (CPSC: May 11, 2021)
- [Letter of Mayor Holder to CPSC Re: 3,000 Unit Challenge](#) (CPSC: March 30, 2021)
- [Housing Quarterly Report](#) (CPSC: October 6, 2020)
- [Capital Repair and Improvement Program Approval of Loan Agreement](#) (CPSC: August 12, 2020)
- [Housing Quarterly Report](#) (CPSC: July 15, 2020)
- [Municipal Council Approval of the Housing Stability Plan 2019 to 2024...](#) (CPSC: December 3, 2019)
- [Homeless Prevention and Housing Plan 5 Year Review and Update](#) (CPSC: June 17, 2019)
- [Request for Proposal 18-05 Social Housing Building Inventory – Building Condition Assessment and Reserve Fund Studies](#) (CPSC: June 18, 2018)
- [End of Operating Agreements \(EOA\) for Social Housing Providers in London and Middlesex County](#) (CPSC: February 18, 2015)

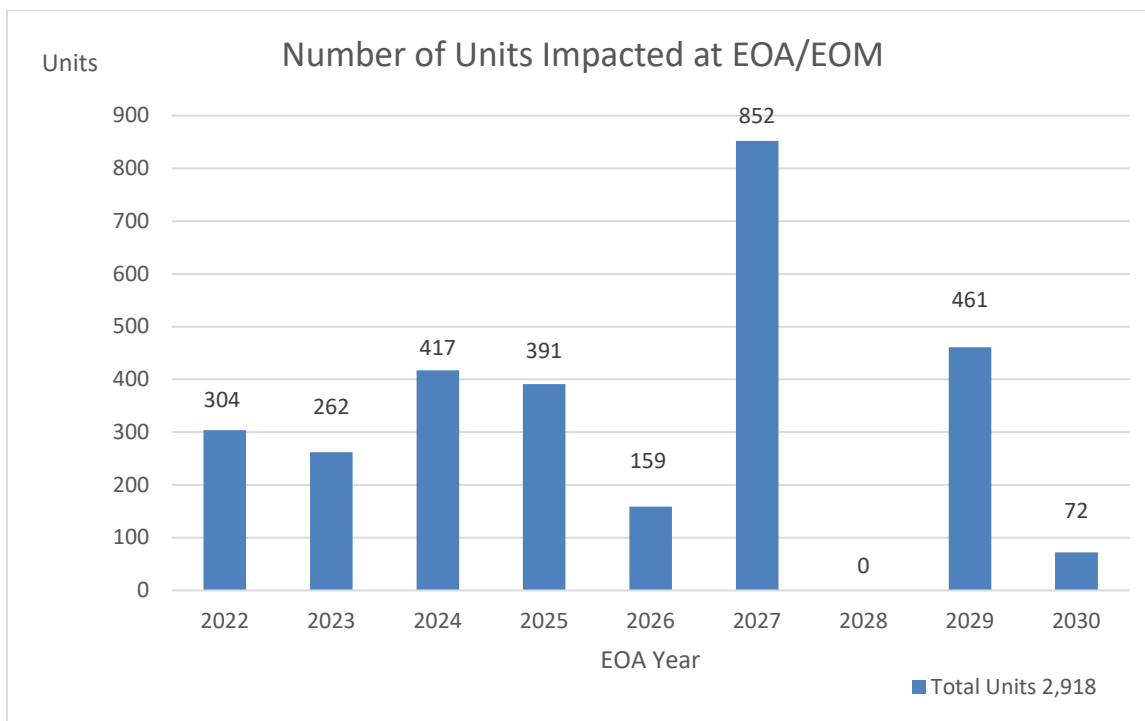
## 2.0 Discussion and Considerations

### 2.1 London Context

Funding for the federal projects developed through the different federal programs comes from the Canadian Mortgage Housing Corporation (CMHC) and flows through what is often referred to as ‘Gazette’ funding from the Ministry of Municipal Affairs and Housing to the Service Manager. This federal funding for projects will decline to zero as federal projects’ mortgages mature with London’s last federal mortgage maturing in 2021.

In London and Middlesex County, there are 64 social housing providers, which provide approximately 8,000 units in total consisting of 5,939 RGI units as part of the Service Manager’s legislatively required target (including 3,282 London Middlesex Community Housing units) and 2,061 low-end market units.

The following chart highlights the number of future units impacted at EOM over the coming years:



As of 2021, all of London's Federal projects have reached their end of EOA. Currently, there are 30 Federal housing providers governed under the *Housing Services Act* providing 1,460 units which have not been delisted and continue to provide low-end market housing.

Although London has experienced federal projects being removed from the *Housing Service Act* in the past, many remain fundamentally committed to continuing to provide housing that is as affordable as possible through the passion which inspired these non-profits' corporate mandates and purpose. Generally, housing projects with expired agreements have continued to provide some level of affordable housing despite the loss of federal funding, although the depth of affordability has most likely changed given the current financial challenges.

Given the broad range of implications related to EOM/EOA, the Municipal Housing division has started developing a strategy that begins with a process to engage the housing provider sector to gain a better understanding of housing providers' goals, objectives, and future housing intentions. The objectives of the strategy will focus on building the capacity of our housing providers, simplify the partnership relationship with housing providers, support housing providers with future asset management and operational pressures, maintain the Service Manager legislative Service Level Standards, maintain the lower-end market units as affordable housing options in our community, and focus on planning for long term regeneration of housing provider's properties.

## 2.2 Advocacy

The EOM/EOA is one of the most pressing issues facing the sustainability and financial strength of social housing providers. As a result of mortgage maturity and expiring agreements, Service Managers must make complex decisions about maintaining and retaining existing affordable housing stock, meeting required legislative service level standards, and managing an aging housing stock while receiving inadequate funding. Social housing providers are challenged to maintain operational viability when subsidies decrease or terminate at mortgage maturity/operating agreement. Many housing providers are struggling financially due to the requirement to maintain lower-end of market rents while operational costs continue to increase.

The recommendations provided in this report provides the starting point to assemble the tools needed to establish the framework to continue to support our social housing providers. With London's continued commitment and investment, the need for additional senior levels of government partnerships remains an important component for our social housing providers' future success.

### 3.0 Financial Impact and Considerations

#### 3.1. Financing Impacts

The City's approved 2020 – 2023 Multi-Year Budget includes property tax levy funding of \$9.944 million for 2021 for housing providers' mortgage portion of subsidy payments. As the housing providers' mortgages mature starting in 2022, the funding formula, as prescribed by the *Housing Services Act*, reduces the required subsidy which produces 'mortgage subsidy savings' for the Service Manager compared to the current funding level. Mortgage subsidy savings will be realized incrementally between 2022 and 2030 as the remaining provincial projects reach their EOM. It is expected that mortgage subsidy savings will increase from \$0.656 million in 2022 to \$10 million in 2030 when the last mortgage matures. In total, the gross mortgage subsidy savings in London will be more than \$46 million by the time the last provincial project's mortgage matures. The following chart outlines the anticipated savings expected between 2022 and 2030.

(in \$000s)	2022	2023	2024	2025	2026	2027	2028 - 2030
Mortgage Savings (as per HSA requirements)	\$889	\$1,920	\$3,579	\$5,620	\$7,328	\$9,469	\$37,171
Cumulative Gazette Funding Reduction	(\$233)	(\$903)	(\$1,369)	(\$1,936)	(\$2,263)	(\$2,876)	(\$10,005)
Net Service Manager Reduced Contribution Requirement (tax levy)	\$656	\$1,017	\$2,210	\$3,684	\$5,065	\$6,593	\$27,166

As outlined in the table above, the required municipal contribution to housing provider subsidies is forecasted to decline over the coming years due to the expiration of mortgages. Subject to the approval of recommendation b) in this report, the municipal funding used to fund these mortgage subsidies is proposed to be maintained at 2021 levels in future Multi-Year Budgets, with these future subsidy savings reinvested in community housing to address local housing priorities set out in London's Housing Stability Action Plan. This will result in no increase to tax levy requirements but will also not result in tax levy reductions as mortgage subsidy requirements decline in future years. Examples of the anticipated re-investment of these savings include one-time contributions to address infrastructure lifecycle needs, funding for alternative service agreements once a providers' formal *Housing Services Act* obligations expire and addressing other housing pressures identified in the Housing Stability Action Plan.

As noted in the Capital Repair and Improvement Program Approval of Loan Agreement Community and Protective Services report dated August 12, 2020, there are 63 Social Housing Providers within the London and Middlesex County area (excluding London & Middlesex Community Housing) with significant future capital needs. Through the completion of the Building Condition Assessment and Reserve Fund Studies in 2020, the forecasted infrastructure gap for those 63 Social Housing Providers is approximately \$60 million over the next 30 years. By utilizing anticipated subsidy savings to help address these infrastructure challenges, the ongoing financial sustainability of the social housing portfolio is improved, with the aim of retaining the current stock of housing.

### Conclusion

The need for new affordable housing units exists across Canada and is significantly impacting larger urban centres like London; however, we must not lose sight of maintaining the affordable housing we have. This report reflects the needs of the City to

re-invest expected future savings back into the housing system as a framework to maintain access to affordable housing.

These investments are essential to securing the financial tools to respond to housing projects reaching their EOM/EOA with the provisions governed under the upcoming legislative changes expected in the fall of 2022.

As the Municipal Housing division engages the housing provider community, in anticipation of the release of the MMAH framework regarding Service / Exit Agreement provisions in 2022, the Municipal Housing division will continue to further develop the framework for these agreements.

**Prepared by: Dave Purdy, Manager Municipal Housing**

**Submitted by: Patrick Cooper, Director of Municipal Housing Development**

**Recommended by: George Kotsifas, Deputy City Manager, Planning and Economic Development**

Sent via email to: [cpssc@london.ca](mailto:cpssc@london.ca)

February 1, 2022

Councillor Maureen Cassidy  
Chair, Community and Protective Services Committee  
314 – 300 Dufferin Avenue  
London, ON  
N6A 4L9

Re: **2.3 – End of Mortgage (EOM) and End of Operating Agreement (EOA)  
Impacts and Analysis, and  
2.4 – Odell Jalna Social Housing Provider Proposal**

Dear Councillor Cassidy and other Committee members,

Thank you and City staff in the Municipal Housing Division for the efforts you have made to solve the multi-faceted nature of London's affordable housing crisis. I am pleased to finally see action being taken to address the financial challenges faced by community housing providers subject to the *Housing Services Act* and its dysfunctional funding formula. This report has been a long time coming.

Birch Housing (formerly Inter Faith Homes) is a medium-sized community housing provider with 576 units operating in five Ontario cities, including London. We own and operate one community housing complex in London comprised of 64 units in four townhouse blocks in Ward 10. With larger-sized units, our complex is home to many families needing affordable housing.

I have written this letter today after having read both above-noted Committee reports. I was pleased to see the direction that staff are recommending in the report and would like to see you recommend the report for adoption by Council. The direction outlined is critical to our future success.

I wanted to bring to your attention one of the most important paragraphs in one of the Committee reports. This is the crux of the situation that must be addressed. City staff write on page 1 of Agenda Item 2.4, (with my emphasis):

As housing providers reach their End of Mortgage (EOM), it is becoming apparent that the current Housing Services Act funding formula developed many years ago is not adequate to sustain the viability of the housing stock in order to provide affordable housing in today's environment. London's community housing portfolio is aging. With the rising cost of operations, the extremely low prescribed market rents, and the significant capital repair needs, *the financial funding model is not adequate. Without some form of additional subsidy, it is not financially feasible for all projects to continue to provide safe and appropriate affordable community housing.*

The recommendations in the report before you must be adopted. The solutions to our funding issues are needed by our organization as well as others and the sooner they are developed by staff the better. The innovation being recommended by staff for London's largest housing provider, Odell Jalna, will set the stage for the continuation and growth of the community housing sector.

We are hopeful that the new provincial regulatory framework being collaboratively worked on by service managers, housing providers, our sector association, the Ontario Non-Profit Housing Association, and the province will provide us and other organizations in the City's housing system with the financial support needed to continue our mission of providing quality affordable housing.

In a City with such great affordable housing needs, certainty for us is as important as it is for you. Your commitment to our financial stability will provide needed comfort to the board of Birch Housing (Inter Faith Homes), and all other non-profit and co-op housing communities in London.

Sincerely,

A handwritten signature in black ink, appearing to read "M Carlson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Margie Carlson  
Executive Director  
Birch Housing (Inter Faith Homes (London) Corporation)  
info@birchhousing.ca

## Report to Community and Protective Services Committee

**To:** Chair and Members, Community and Protective Services Committee  
**From:** George Kotsifas, Deputy City Manager, Planning and Economic Development  
**Subject:** Odell Jalna Social Housing Provider Proposal  
**Date:** February 1, 2022

### Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, that the following actions **BE TAKEN** with respect to the Odell Jalna Social Housing Provider Proposal report that;

- a) Civic Administration **BE DIRECTED** to work with the Board of Odell Jalna and the Ministry of Municipal Affairs to advance the provider's proposal; and
- b) Civic Administration **BE DIRECTED** to re-invest the anticipated future tax levy supported mortgage subsidy savings related to the Odell Jalna portfolio to address the long-term financial stability of the Odell Jalna portfolio.

### Executive Summary

As outlined in the End of Mortgage (EOM) and End of Operating Agreement (EOA) Impacts and Analysis Community and Protective Services report dated February 1, 2022. Many community housing providers (private non-profits and co-operatives) are reaching their end of the mortgage. When the mortgage has been paid off, the mortgage component of the operating subsidy from the Service Manager will be zero, reducing the amount of subsidy the housing provider receives.

As housing providers reach their EOM, it is becoming apparent that the current *Housing Services Act* funding formula developed many years ago is not adequate to sustain the viability of the housing stock in order to provide affordable housing in today's environment. London's community housing portfolio is aging. With the rising cost of operations, the extremely low prescribed market rents, and the significant capital repair needs, the financial funding model is not adequate. Without some form of additional subsidy, it is not financially feasible for all projects to continue to provide safe and appropriate affordable community housing.

As a transition to an improved legislative framework, the province announced the Community Housing Renewal Strategy and introduced new legislation – *Protecting Tenants and Strengthening Community Housing Act 2020* which incorporates amendments to the *Housing Services Act, 2011* intended to provide a streamlined legislative framework for community housing that will incent non-profit and co-operative housing providers to stay in the housing system once their original agreement and mortgages end. Civic Administration eagerly awaits guidance from the Ministry of Municipal Affairs and Housing (MMAH) and the new regulations, expected to be released sometime between spring and fall of 2022, for a better understanding of the provincial role going forward.

In anticipation of the new regulatory framework, the Municipal Housing division continues to look for options and innovative solutions outside the *Housing Services Act* framework to develop strategies to support housing providers' future sustainability.

The Board of Odell Jalna has presented the Service Manager with an innovative approach to maintaining the housing provider's financial stability and ensuring that no affordable community housing units are lost.



## Linkage to the Corporate Strategic Plan

### 2019-2023 Strategic Plan for the City of London:

Council and staff continue to recognize the importance of actions to support the 2019-2023 - Strategic Plan for the City of London. Specifically, the efforts described in this report address the following Areas of Focus, including:

- Strengthening Our Community
- Building a Sustainable City

### Strengthening our Community Strategic Area of Focus

The following strategies are intended to “increase affordable housing options”:

- Establish and revitalize community housing through a Regeneration Plan;
- Increase supportive and specialized housing options for households experiencing chronic homelessness;
- Strengthen the support for individuals and families in need of affordable housing;
- Utilize innovative regulations and investment to facilitate affordable housing development.

The following strategies are intended to achieve the result of reducing the number of individuals and families experiencing chronic homelessness or at risk:

- Create more purpose-built, sustainable, affordable housing stock in London;
- Implement coordinated access to mental health and addictions services and supports; and
- Improve emergency shelter diversion and rapid re-housing practices.

### Housing Stability Action Plan

The City of London’s Housing Stability Action Plan focuses on increasing and maintaining affordable and quality housing options for individuals and families and reducing the number of individuals and families experiencing homelessness.

## Analysis

### 1.0 Background Information

#### 1.1 Background

The City of London’s Housing Stability Action Plan 2019 - 2024 identified the need to maintain the housing stock it has. The plan highlighted the need for more affordable housing stock in our community and that the shortage of safe, affordable housing options is impacting the stability and health of people across our community.

#### Provincial Non-Profits End of Mortgages

Community housing provided by non-profits and housing co-operative in projects that included provincial funding are distinct from federal projects. These provincial projects had their original operating agreements terminated when responsibilities were devolved to the Service Manager. The rules and requirements governing operations, including rules for how projects are funded, were taken from the original agreements, and transferred into legislation (originally through the *Social Housing Reform Act, 2000*, subsequently replaced by the *Housing Services Act, 2011*).

When the original operating agreements were replaced with a legislative framework, the legislation did not specify when the provider’s obligations to provide subsidized housing would conclude.

Provincial projects that are not officially removed from O. Reg. 368/11 under the *Housing Services Act, 2011*, must continue to provide affordable housing (including Rent Geared to Income - RGI) in accordance with the Act. In exchange, housing

providers continue to receive a subsidy from their Service Manager, which is calculated according to the funding formula set out in O. Reg 369/11.

The funding formula generally incorporates three (3) main components:

- 1) Operating Subsidy – which includes
  - a) Benchmark Revenue less
  - b) Benchmark Operating Costs and
  - c) Provider's Shelter Mortgage
- 2) RGI subsidy; and
- 3) Property Tax subsidy

When the mortgage has been paid off, the mortgage component of the operating subsidy will be zero.

This funding formula in O. Reg. 369/11 under the Act represents the minimum Service Manager subsidy required for a housing provider. Service Managers have the discretion and flexibility to provide a subsidy greater than the minimum requirements from other municipal resources.

### Legislative Framework

The Minister can end a housing provider's obligations under the *Housing Services Act* by removing the project from regulation O. Reg. 368/11. This process occurs on a case-by-case basis and is often referred to as 'delisting'. To date, most examples of de-listing relate to federal projects after their operating agreement ends.

Obligations for provincial projects remain in place so long as they are listed in O. Reg. 368/11. Even in situations where a provider's mortgage has matured and/or the provider receives nil (\$0) in total subsidy from the Service Manager, the housing provider remains bound by the *Housing Services Act* so long as they are listed in O. Reg. 368/11. If a provincial project is de-listed from the *Housing Services Act*, the provider may no longer be entitled to legislative and regulatory exemptions or Service Manager investments.

As part of the *Protecting Tenants and Strengthening Community Housing Act* amendments to the *Housing Services Act*, the MMAH has placed a pause of removing housing projects from O. Reg. 368/11 for a three (3) year period (expect to end fall of 2022) however exceptions may be considered on a case-by-case basis. Once a provincial project is removed from the Act (de-listed), the Service Manager's legislative protections through the *Housing Services Act* are no longer in place however under the new provisions, community housing providers could voluntarily enter into service agreements or exit agreements with Service Managers related to the administration of housing projects.

## **1.2 Previous Reports Related to this Matter**

In addition to these, the following reports provide direct and relevant background to local housing needs and plans:

- [2021 Mid-Year Update Housing Stability for All Plan](#) (CPSC: September 21, 2021)
- [Housing Stability for All Plan 2020 Update](#) (CPSC: May 11, 2021)
- [Letter of Mayor Holder to CPSC Re: 3,000 Unit Challenge](#) (CPSC: March 30, 2021)
- [Housing Quarterly Report](#) (CPSC: October 6, 2020)
- [Capital Repair and Improvement Program Approval of Loan Agreement](#) (CPSC: August 12, 2020)
- [Housing Quarterly Report](#) (CPSC: July 15, 2020)
- [Municipal Council Approval of the Housing Stability Plan 2019 to 2024...](#) (CPSC: December 3, 2019)
- [Homeless Prevention and Housing Plan 5 Year Review and Update](#) (CPSC: June 17, 2019)

- [Request for Proposal 18-05 Social Housing Building Inventory – Building Condition Assessment and Reserve Fund Studies](#) (CPSC: June 18, 2018)
- [End of Operating Agreements \(EOA\) for Social Housing Providers in London and Middlesex County](#) (CPSC: February 18, 2015)

## 2.0 Discussion and Considerations

### 2.1 Provincial Non-Profit Housing Provider Proposal

The Odell-Jalna portfolio includes 4 properties for a total of 246 units with 210 designated as RGI and 36 low-end market rent (currently at approximately 50% of Average Market Rent). The Homes Unlimited portfolio includes 5 properties for a total of 278 units. Merging with the Homes Unlimited portfolio provides the unique opportunity to adjust the deep subsidy tenant mix in Odell Jalna's projects.

Both Odell-Jalna and Homes Unlimited are governed by the same volunteer Board of Directors. In 2017, Homes Unlimited and Odell-Jalna corporations undertook the development of a five-year Strategic Plan. Adopted by both boards early in 2018, the Strategic Plan sets out a series of goals and actions that aims to improve operational effectiveness and expand the development of new affordable housing in London. The number one goal in the Strategic Plan is to facilitate the merger of Odell-Jalna with Homes Unlimited. The merged corporation will eliminate duplications and inefficiencies.

The City of London, as the Housing Service Manager, was approached by Odell-Jalna in 2019 regarding a proposed merger that would essentially merge the Odell-Jalna social housing portfolio with their Homes Unlimited affordable housing portfolio. Municipal Housing has been meeting with the board on several occasions to discuss the merger proposal and to develop shared objectives and goals (such as: maintaining existing RGI units, minimizing additional government subsidy, addressing capital requirements, developing a sustainable financial model, determining a framework approach, and the engagement with the MMAH).

The board's proposal also requested the Service Manager's support in de-listing from the *Housing Services Act* in an effort to access favourable refinancing rates, access existing property equity for capital repairs, minimize the administrative burden, promote a broader mix community approach across the Odell-Jalna and Homes Unlimited portfolio, and provide operational flexibility.

All of Odell-Jalna's 4 properties are identified as provincial projects, which all have been included in the board's proposal:

- Jalna Woods (64 units: 50 RGI and 14 Low Market Rent) - mortgage expires June 1, 2022;
- Odell Place (67 units: 57 RGI and 10 Low Market Rent) - mortgage expires July 1, 2024;
- Wavell Village (55 units: 49 RGI and 6 Low Market Rent) - mortgage expires October 1, 2024; and
- Ottaway Place (60 units: 54 RGI and 6 Low Market Rent) – mortgage expires October 1, 2029

Conversations and efforts between the Service Manager and the board focused on establishing a financial model that promotes the housing provider's operating financial sustainability, is within the City's existing approved funding, supports future capital planning needs, and continues to support the current RGI & affordable housing tenants.

### 2.2 Capital Assessment

In 2020, the Municipal Housing division finalized the building condition assessment (BCA) for the City's social housing portfolio. As the Service Manager, the City assisted community housing providers in gathering this information to support the development of their capital planning and reserve fund requirements.

The BCA report highlights a Facility Condition Index (FCI) for each property at the time of inspection and for Odell-Jalna's portfolio, the following represents Odell Jalna's property's FCI results:

Property	FCI %	Condition	Comments
Jalna Woods	2%	Good	Asset in reasonable condition and does not require major capital expenditures over the next 3 years
Ottaway Place	3%	Good	Asset in reasonable condition and does not require major capital expenditures over the next 3 years
Wavell Village	6%	Fair	Asset is deteriorating and requires capital expenditures. Will likely become poor condition within a few years if repairs are not addressed
Odell Place	7%	Fair	Asset is deteriorating and requires capital expenditures. Will likely become poor condition within a few years if repairs are not addressed

Note: The FCI term is used to describe the relative condition of a facility to the current replacement value of that facility. The FCI % is a calculation of the required capital investment divided by the current replacement value of the facility.

The BCA analysis included a review of the building envelope, structure, interior, mechanical and electrical components, and general life safety items. These items were evaluated on the following criteria:

- Good condition: > 8 years. The capital item is an original installation or, has recently been installed/replaced, with no visible reduction or anticipated reduction in performance, and should remain in good condition for several more years, provided that proper maintenance is performed regularly;
- Fair condition: 4 – 7 years. The capital item is in a condition which is typical of its age or, based on use;
- Poor condition: 1 – 3 years. The capital item is nearing or at the end of its useful service life and should be replaced/repared soon;
- Immediate: Health & Safety, Serious Code infraction.

Also, the BCA analysis identified the following priority ratings:

- Priority A – Life Safety: Hazardous conditions which could lead to critical or severe injury;
- Priority B – Structural Integrity: Conditions which if left uncorrected can reasonable be expected to lead to the deterioration of structural elements of the building;
- Priority C – Legislative Requirements: Conditions which are not in compliance with legislative requirements;
- Priority D – Reached their useful life or to maintain tenants' quality of life: Replacement or upgrading of building elements which have reached the end of their useful life, and which must be upgraded to maintain tenants' quality of life, and prevent the building from becoming physically or functionally obsolescent; and
- Priority E – Cost Efficiency Initiatives: Upgrades related to cost-effective initiatives which improve the operational efficiency of a building, particularly in the area of energy efficiency, and which have a reasonable payback.

The following chart highlights Odell-Jalna's BCA findings:

Priority	2022 – 2025	2026 - 2030	2031 - 2035	2036 - 2040
Priority A	\$537,000	\$19,000	\$242,000	\$198,000
Priority B	\$90,000	\$125,000	\$143,000	\$163,000

Priority C	\$0	\$0	\$216,000	\$50,000
Priority D	\$4,122,000	\$3,700,000	\$5,994,000	\$7,288,000
Priority E	\$63,000	\$2,000	\$20,000	\$20,000
Total A to E	\$4,812,000	\$3,846,000	\$6,615,000	\$7,719,000
Total A to C	\$627,000	\$144,000	\$601,000	\$411,000

Note: Odell-Jalna's 2019 year-end Reserve Fund balance for the portfolio was approximately \$405,000.

Total Priority A to E is provided to represent the complete BCA portfolio findings and Priority A to C represents the minimal investment from the BCA portfolio findings.

## 2.2 Analysis

In 2021, the Municipal Housing division secured the services of the Housing Service Corporation (HSC) to support the board and the Service Manager through a financial model review to develop a financial sustainability framework. The Municipal Housing division has concluded our work with the HSC and the board and has developed a financial sustainability model governed by maintaining Odell-Jalna's current net municipal funded subsidy funding (currently approximately \$1.2 million which includes potential loss of Gazette mortgage funding of approximately \$0.287 million for 2022 however a further loss of Gazette funding of approximately \$0.339 million would also be realized as a result of de-listing) and refinancing the existing four (4) Odell-Jalna properties to meet the above future portfolio capital need priorities (A through E). Essentially, the financial sustainability model requires reinvesting the mortgage savings from Odell Jalna's social housing portfolio in order to maintain existing subsidy levels. As noted above, this mortgage savings reinvestment framework is not unique to Odell Jalna and will likely be required as a tool for many other housing providers.

Most recently, the Municipal Housing division consulted with MMAH to confirm the process to which a de-listing request can be accepted and what considerations are required. For any housing provider to be de-listed from the Act, a business case submission is required from the Service Manager that highlights:

- 1) Background / context;
- 2) Description of the housing provider, affected buildings, and composition of RGI and Market units;
- 3) Description of circumstances necessitating delisting during the de-listing pause;
- 4) Description of consequences if de-listing request is not granted;
- 5) Service Manager will still be able to meet its legislative RGI targets;
- 6) Tenant selection for RGI units will still utilize the City's Centralized Waitlist;
- 7) What, if any, impact does this have on existing tenants and how is it mitigated;
- 8) How with the Service Manager ensures that the longstanding public investment the projects are preserved;
- 9) Results of a comprehensive evaluation;
- 10) Property Tax implications;
- 11) Any financial penalties to consider; and
- 12) What would the new funding relationship with the Service Manager be.

Subject to Council approval of the recommendations in this report, the Municipal Housing division can proceed to finalize a business case submission to the MMAH on behalf of the Service Manager and Odell Jalna and begin developing a subsequent Service Agreement with Odell Jalna to secure the future relationship for the delivery of Odell Jalna's social and community housing units with the Service Manager. The Service Agreement will be the new tool to ensure Odell Jalna's commitment to maintaining (at a minimum) the current level of RGI and affordable units.

## 3.0 Financial Impact and Considerations

### 3.1. Financing Impact

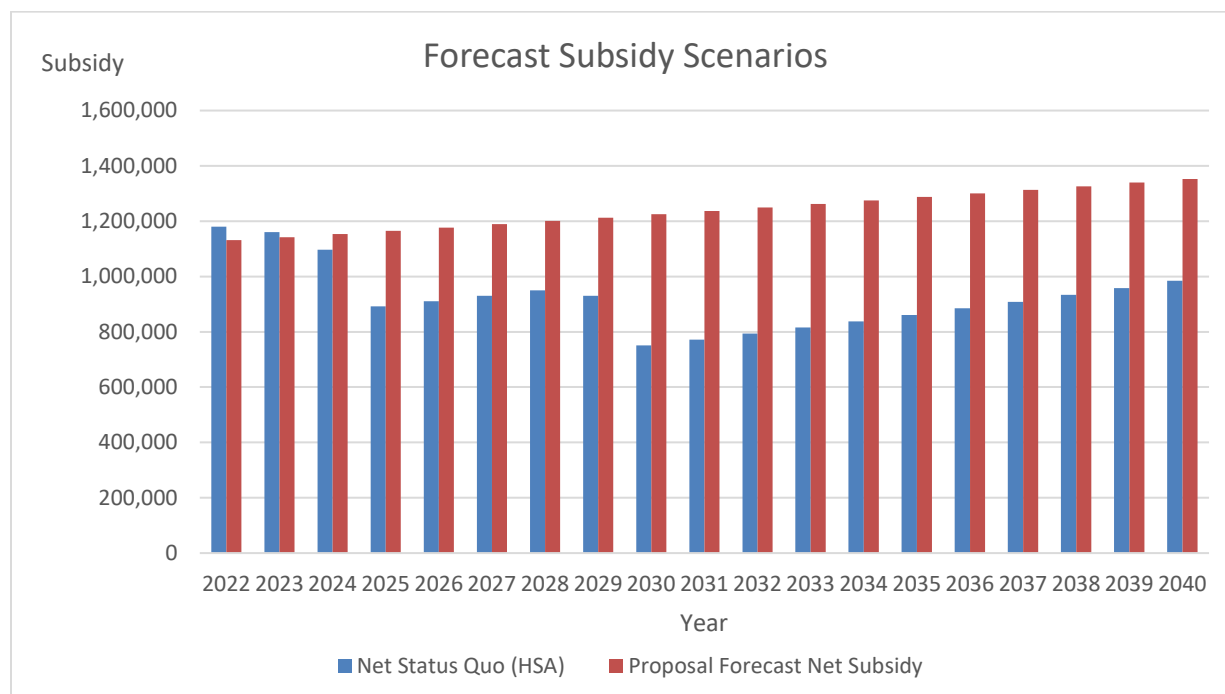
Based on the financial review done by HSC, the current Status Quo is forecasting a decrease in mortgage subsidy funding requirement to Odell Jalna according to the

funding formula prescribed in *Housing Service Act*. This decrease reduces the Service Manager's *Housing Services Act* responsibility to fund, thus produces 'mortgage subsidy savings' for the Service Manager. Mortgage subsidy savings for Odell Jalna's portfolio will be realized incrementally between 2022 and 2029 as the remaining mortgages mature. As the housing provider's mortgages mature, it is expected that Odell Jalna's subsidy funding will decrease from \$1.466 million in 2022 to \$0.750 million in 2030. The Service Manager (City)'s required contribution to fund the subsidy will decrease from \$1.180 million in 2022 to \$0.750 million in 2030.

Status Quo	2022	2023	2024-2027	2028-2040
Estimated - Subsidy Funding to Odell Jalna (Status Quo based on HSA)	1,466	1,364	3,966	11,380
Gazette Funding	(287)	(204)	(136)	-
Status Quo - Service Manager Portion (tax levy funded)	1,180	1,160	3,830	11,380
Proposed Approach	2022	2023	2024-2027	2028-2040
Proposal - Subsidy Funding to Odell Jalna	1,131	1,142	4,685	16,582
Gazette Funding	-	-	-	-
Proposal - Service Manager Portion (tax levy funded)	1,131	1,142	4,685	16,582
<b>Forecasted Subsidy Above HSA Requirement</b>	(49)	(18)	855	5,202

The financial review completed by HSC also explored other funding models that may enable Odell Jalna to achieve operational flexibility, while giving consideration to the impacts to the Service Manager's subsidy contribution and ability to support long-term financial sustainability of Odell Jalna. Based on the analysis, the scenario where the Service Manager maintains the current level of funding (estimated at \$1.131 million in 2022) and only increased with inflationary consideration was supported. Based on this model, the City saves approximately \$0.066 million in subsidy (forecast as per the *Housing Services Act* funding formula) between 2022 and 2023 with Odell Jalna's proposal however the proposal requires maintaining the subsidy in 2024 and beyond. The total subsidy forecast above what would otherwise be required by the *Housing Service Act* totals \$5.990 million from 2022 to 2040.

Below is a graph illustrating the comparison between the Status Quo (HSA subsidy) and the Proposal Scenario:



As per the End of Mortgage (EOM) and End of Operating Agreement (EOA) Impacts and Analysis Community and Protective Services report dated February 1, 2022, Civic Administration is recommending to reinvest social housing mortgage subsidy savings to support social housing providers in achieving financial sustainability. With the approval of the recommendation in that report, Civic Administration proposes to support Odell Jalna's proposal and to work with the Board of Odell Jalna and the Ministry of Municipal Affairs to enter into a new service agreement that will be consistent with the current level of funding while maintain existing community housing by improving Odell Jalna's financial sustainability.

## **Conclusion**

The need for maintaining existing affordable community housing units is happening across Canada and significantly impacting larger urban centres like London. This report reflects the needs of the City to re-invest expected realized savings back into the housing system as a framework to maintain access to affordable community housing.

These investments are essential to securing the financial tools to support our housing providers' financial needs when their projects reach their EOA/EOM and to preserve access to existing affordable community housing.

The Board of Odell Jalna has presented the Service Manager with an innovative approach to maintaining the housing provider's financial stability and ensuring that no affordable housing units are lost. The Municipal Housing division supports continuing to work with the Board of Odell Jalna and the MMAH and views this proposal as an innovative approach and pilot that might provide similar strategies for other housing providers facing similar challenges.

**Prepared by:** Dave Purdy, Manager Municipal Housing

**Submitted by:** Patrick Cooper, Director, Municipal Housing Development

**Recommended by:** George Kotsifas, Deputy City Manager, Planning and Economic Development

January 27, 2022

Telephone: (519) 433-2741

Chair and Members  
Community & Protective Services Committee  
City of London**RE: Odell-Jalna Social Housing Provider Proposal**

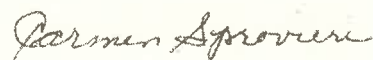
Dear Councillors:

We are writing to encourage your support for the Recommendations contained in the above noted Report. Odell-Jalna Residences of London is a sister corporation of Homes Unlimited, both non profit housing providers that have been providing affordable housing in London for almost 50 years. The Operating Agreements that cover these 4 housing projects expire in the next few years. As the report outlines, the End of Operating Agreements will bring an end to the subsidies provided under the Housing Services Act 2011 and threatens our ability to house the 210 tenants that rely on the subsidies to pay rent geared to income rents they can afford. It is critical that the City find a path to ensure that the tenant subsidies continue and that Odell-Jalna, as the landlord, is a viable non profit housing provider going forward.

Our Board presented a Business case to the City in October, 2019 that outlined a strategy that would allow Odell-Jalna to refinance these assets and raise funds if necessary for capital works, supplement capital and operating reserves and raise funds for investment in new affordable housing. Part of the proposal is a commitment to enter into a long-term agreement with the City that would protect the subsidies needed to insure the 210 RGI units are not lost. Recent regulatory changes introduced by the Province opens the door to strike new arrangements between housing providers and Municipalities.

Homes Unlimited and Odell-Jalna Residences have been leaders in providing safe and affordable rental housing in well maintained, well managed communities. Homes Unlimited is a provincial leader in the creation of new affordable housing building 5 projects and over 330 units in the last 15 years here in London. We very much want to continue to lead and address one of the most urgent needs in our City. A new long-term Agreement between the City of London and Odell-Jalna Residences will help us achieve these goals. Your support is important.

Respectfully,

**Odell-Jalna Residences of London**

Carmen Sprovieri, President



**DEFERRED MATTERS**

**COMMUNITY AND PROTECTIVE SERVICES COMMITTEE**

as of January 24, 2022

<b>File No.</b>	<b>Subject</b>	<b>Request Date</b>	<b>Requested/Expected Reply Date</b>	<b>Person Responsible</b>	<b>Status</b>
1.	<p><b><u>Proposed Accessible Vehicle for Hire Incentive Program – Update</u></b>                      That, on the recommendation of the Managing Director, Development and Compliance Services and Chief Building Official the following actions be taken with respect to the staff report dated September 10, 2019 related to an update on a proposed accessible vehicle for hire incentive program:</p> <p>b) the Civic Administration BE DIRECTED to hold a public participation meeting at a future meeting of the Community and Protective Services Committee with respect to amending the Vehicle for Hire By-law to make the necessary changes to implement an incentive program for accessible vehicles for hire.</p>	September 10, 2019	TBD	Planning and Economic Development - Municipal Compliance	
2.	<p><b><u>Special Events Policies and Procedure Manual</u></b>                      That the following actions be taken with respect to the “Special Events Policies and Procedure Manual”:</p> <p>a) the communication dated September 6, 2019 from Councillor A. Kayabaga, with respect to the “Special Events Policies and Procedures Manual” BE RECEIVED; and,</p> <p>b) the Civic Administration BE DIRECTED to review the City’s “Special Events Policies and Procedures Manual” and report back on possible amendment to the Manual to address the following matters:</p> <p>i) the disruption caused by special events being held in the evenings prior to a work and/or school day;</p>	September 10, 2019	June 2022	C. Smith J.P. McGonigle	

File No.	Subject	Request Date	Requested/Expected Reply Date	Person Responsible	Status
	ii) the application of the same rules/restrictions that are in place for Victoria Park to Harris Park; and, iii) increased fines and penalties for special events that contravene the Manual.				
3.	<p><b><u>Short-Term Accommodations - Proposed Regulations</u></b></p> <p>That, on the recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, the following actions be taken with respect to the staff report dated February 19, 2020 related to short-term accommodations:</p> <p>a) the Civic Administration BE DIRECTED to amend all necessary by-laws to address short-term accommodations and hold a public participation meeting at a future meeting of the Community and Protective Services Committee;</p> <p>b) the Civic Administration BE DIRECTED to continue consulting with short-term accommodation platforms on the further collection of Municipal Accommodation Tax;</p>	February 19, 2020	Q4 2021/ Q1 2022	G. Kotsifas O. Katolyk	
4.	<p><b><u>London Community Recovery Network - Ideas for Action by Municipal Council</u></b></p> <p>That, on the recommendation of the Managing Director, Neighbourhood, Children and Fire Services, the Acting Managing Director, Housing, Social Services and Dearness Home, and the Managing Director, Parks and Recreation, the following actions be taken with respect to the staff report dated February 9, 2021 related to the London Community Recovery Network and ideas for action by Municipal Council:</p> <p>ii) the implementation plan for item #2.3 Downtown Recovery – free transit to the downtown, as it relates to transit initiatives to the downtown, BE REFERRED back to the Civic Administration to continue working with the London Transit Commission on this matter, with a report back to a future meeting of the Community and Protective Services Committee (CPSC) when additional details are available; and,</p>	February 9, 2021	TBD	C. Smith K. Dickins S. Stafford	

File No.	Subject	Request Date	Requested/Expected Reply Date	Person Responsible	Status
	iii) implementation plan for item #2.3 Downtown Recovery – free transit to the downtown, as it relates to parking initiatives in the downtown BE REFERRED back to the Civic Administration with a report back to a future meeting of the CPSC when additional details are available;				
5.	<p><b><u>Affordable Housing Units in London</u></b>  That the following actions be taken with respect to the creation of affordable housing units in London:  b) the Civic Administration BE DIRECTED to report back to a future meeting of the Community and Protective Services Committee with an implementation plan, inclusive of financial impacts, that sets out the best supports for the development of affordable housing units;</p>	March 30, 2021	TBD	K. Dickins	
6.	<p><b><u>Animal By-law PH-3</u></b>  That the communication, dated April 1, 2021, from Councillor M. Cassidy, with respect to By-law PH-3, being "A by-law to provide for the regulation, restriction and prohibition of the keeping of animals in the City of London", BE REFERRED to the Civic Administration for review and a report back at a future meeting of the Community and Protective Services Committee related to revisions or updates that could be made to the by-law; it being noted that a communication from K. and K. Beattie, as appended to the Added Agenda, with respect to this matter, was received.</p>	April 20, 2021	Q4, 2021	G. Kotsifas O. Katolyk	
7.	<p><b><u>School Planning</u></b>  That the Civic Administration BE DIRECTED to provide an information report at a future meeting of the Community and Protective Services Committee with respect to the roles and responsibilities of the local school boards and how the City of London interacts with the boards related to the items listed in the communication, as appended to the Agenda, from Councillors S. Lewis and P. Squire; it being noted that the above-noted communication, with respect to this matter, was received.</p>	June 22, 2021	TBD	C. Smith	

File No.	Subject	Request Date	Requested/Expected Reply Date	Person Responsible	Status
8.	<p><b><u>Recognizing the Impact of Hosting the COVID-19 Assessment Centres at Oakridge Arena and Carling Heights Optimist Community Centre</u></b></p> <p>That the following actions be taken with respect to the communication, dated July 6, 2021, from Councillors S. Lehman and J. Helmer and Mayor E. Holder, related to Recognizing the Impact of Hosting COVID-19 Assessment Centres at Oakridge Arena and Carling Heights Optimist Community Centre:</p> <p>a) the Civic Administration BE DIRECTED to consult residents, especially those close to the COVID-19 assessment centres, about priorities for new recreational amenities or upgrades to existing recreational amenities in the general area; and,</p> <p>b) the Civic Administration BE DIRECTED to explore potential provincial and federal funding opportunities for recreational infrastructure and to report back with recommended new or upgraded recreational amenities in the general area of both testing centres, along with a recommended source of financing;</p>	July 27, 2021	TBD	C. Smith	
9.	<p><b><u>Property Standards Matters (March 2021 Council Resolution)</u></b></p> <p>That the following actions be taken with respect to the staff report dated September 21, 2021, related to Property Standards Matters (March 2021 Council Resolution):</p> <p>a) the Civic Administration BE DIRECTED to report back at a future meeting of the Community and Protective Services Committee on how a RentSafeLondon by-law enforcement program, modelled after the RentSafeTO program, could be implemented, including proposed fees for registration and building audits;</p>	September 21, 2021	TBD	G. Kotsifas	
10.	<p><b><u>Flyer Deliveries to Residential Properties</u></b></p> <p>That the draft by-law, as appended to the staff report dated September 21, 2021, with respect to Flyer Deliveries to Residential Properties BE REFERRED back to the Civic Administration for revisions that</p>	November 2, 2021	TBD	G. Kotsifas B. Card	

File No.	Subject	Request Date	Requested/Expected Reply Date	Person Responsible	Status
	include enforcement measures in cases where compliance is not respected;				