

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee

From: Scott Mathers, MPA P.Eng.,
Deputy City Manager, Planning and Economic
Development

Subject: Housing Collaborative Initiative Follow-Up and Next Steps

Date: November 14, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development the following actions be taken related to the Housing Collaborative Initiative:

- a) that Civic Administration **BE DIRECTED** close out all existing financial obligations related to the Housing Collaborative Initiative;
- b) that Civic Administration **BE DIRECTED** to report back on next steps to implement a platform to manage housing data following business readiness and project planning; and
- c) the following report on the Housing Collaborative Initiative for the implementation of an Integrated Housing Solution software system, **BE RECEIVED** for information.

IT BEING NOTED that existing software and systems continue to be used by City-staff, housing providers and clients.

Executive Summary

Following the update report in May of 2023, Civic Administration have completed a further review of the history of the Housing Collaborative Initiative work and have undertaken an assessment of activities completed and those still required.

This report also identifies a potential change in business requirements from the 2014 inception of the project. In the Fall of 2023, Civic Administration have made recommendations to Council on changing how waitlists and rent supplements are tracked and managed. Housing projects also continue to age and are reaching their end of useful life which impacts the ability for the local Boards and property managers to respond and track information as they look to balance operational and capital investments to support positive living conditions for our tenants. These changes in business needs may have an impact on the business requirements required to successfully administer the Service Manager responsibilities under the *Housing Services Act*.

This report indicates a next step of the submission of a project through the Technology Investment Strategy process and alignment with City of London technology best practices.

Linkage to the Corporate Strategic Plan

Council and staff continue to recognize the importance of actions to support housing, as reflected in the 2023-2027 - Strategic Plan for the City of London. Specifically, the efforts described in this report address the following Areas of Focus, including:

Housing and Homelessness

Outcome 2 - London has a robust community system of health, homelessness, housing stability services, policies, procedures and by-laws in place to support individuals and families at risk of or experiencing homelessness or in precarious housing consistent with Council's recognition of the health and homelessness emergency.

Expected Result – 2.1 Decreased number of Londoners at risk of or experiencing homelessness.

Strategies:

c. Improve the collection, sharing, and use of data across the homeless prevention system.

e. Implement a program of continuous review of policies, procedures, and by-laws to create accountability and opportunities for balanced and compassionate solutions to homelessness.

Well-Run City

Outcome 1 – The City of London is trusted, open, and accountable in service of the community.

Expected Results – Londoners have trust and confidence in their municipal government.

Strategy:

b. Increase transparency and accountability in decision making, financial expenditures, and the delivery of municipal programs and services.

Discussion

1.0 Background

1.1 Previous Reports Related to this Matter

- [CSC - Municipal Partnership for the Development of an Information System for Social Housing Administration - December 19, 2011.](#)
- [CPSC - Housing Collaborative Initiative Service Manager Consortium Agreement: Expression of Interest for the Development of an Information System for Social Housing Administration - April 22, 2013.](#)
- [CPSC - Housing Collaborative Initiative Approval of Service Manager Consortium Agreement - January 20, 2014.](#)
- [CPSC – Housing Collaborative Initiative \(HCI\) Update – February 18, 2015.](#)
- [CPSC – Housing Collaborative Initiative \(HCI\) update – May 2, 2023](#)

1.2 Council Resolution

In the Spring of this year, Civic Administration brought a report forward outlining the work on the Housing Collaborative Initiative between 2015 and 2023. The urgency at the time had been established through a media request by a local outlet looking for information on the project and requesting insight into the plan and period since inception.

The Council Resolution identified a series of actions to be undertaken based on the preliminary review of the status of the Housing Collaborative Initiative work to date:

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 May 2, 2023, related to the Housing Collaborative Initiative (HCI) Update:

- a) *the Civic Administration BE DIRECTED to bring London's implementation of the Housing Collaborative Initiative Project into alignment with City of London technology and project management best practices;*
- b) *the project Governance Group BE REQUESTED to approve a strategy outlining how future legislative changes will be addressed and communicated to the project governance team and back to City Council;*
- c) *the Governance Group BE REQUESTED to approve a revised set of project requirements to be used as the basis of all future project activity;*
- d) *the Governance Group BE REQUESTED to provide quarterly updates to City Council until the completion of the project;*
- e) *the Civic Administration BE DIRECTED to report back on the status of the project by third Quarter of 2023; and,*
- f) *the above-noted staff report BE RECEIVED. (2023-S11) (AS AMENDED) (2.4/8/CPSC)*

The following report provides additional information on the history of the project, a summary of costs to date and a path forward that ensures that the needs of London's housing sector are met.

2.0 Housing Collaborative Initiative History

2.1 Creation of the Housing Collaborative Initiative

Background

As part of the Social Housing Reform Act, 2000 (Act) the new legislation required municipalities to assume responsibility for social housing programs previously administered by both the Canada Mortgage and Housing Corporation (CMHC) and the Province. The lack of a secure centralized software platform exposed Service Managers to considerable risk with decentralized data, incompatibility of data formats, data integrity and weak audit trails. As of 2011, when the project was first contemplated, there was no supporting information technology (IT) platform or system provided to Service Managers.

With the need for an integrated information technology system, Service Managers needed to develop and/or create a system to support their business operations. The solution would need to include internally facing software platform that would be a data repository for housing provider related information, an external portal for housing providers that can view, edit, and submit information and an externally facing client portal for clients to view edit and submit information.

Unique Partnership and Development Model

At the January 2014 CPSC meeting, Council granted approval for the City of London to enter into an agreement with seven other Service Managers to procure, develop and implement a coordinated housing system. A Governance Group was setup to guide the software design and included staff from the initiative partners including the City of London, Halton Region, Waterloo Region, Hamilton, Chatham-Kent, Windsor, Ottawa, and York Region.

The Housing Collaborative Initiative Consortium Agreement outlined the responsibilities of the Governance Group including the procurement and development of the software along with future licensing or sublicensing of the Software and Products. It also established the parameters around cost sharing, and project resources, including how to exit the consortium.

As outlined in the May 2023 report, York Region left the Housing Collaborative Initiative in 2022.

Ongoing Benefit to Governance Group Members

The HCI agreement included terms that allow HCI members to license and sublicense the completed software to other municipalities interested in using it for the coordination and support of their own local housing providers.

Unique Business Requirements for Service Managers

The software, Integrated Housing Software (as named), was intended to replace a combination of Excel, Access and Adobe PDF files used by most Service Managers at the time. This functionality would be developed by the vendor as a series of “software modules” dedicated to a specific function that would assist in providing various housing related services as an extension to the main program. The partnership arrangement was fashioned out of a need for software to improve the tracking and reporting of housing data and was a unique project in that it was driven by the municipal sector and Ontario’s Service Managers.

The software modules are listed below.

Backend software platform:

- System Administration
- Programs
- Housing Provider’s Portfolio
- Contacts
- Finance
- Performance Management (Reporting)
- Action Items
- Letters and Forms Templates
- Risk Management

Modules to support housing providers and City-staff:

- Housing Provider’s Portal
- Waitlist Management
- Rent Supplement Management

Externally facing client portal:

- Portal added to Waitlist module as part of a project scope change in 2016.

The resulting project was managed through a complex arrangement between eight Service Managers with varying shares of software costs based on the total number of units as of 2011.

Procurement Background

Through the Region of Waterloo Purchasing department (Waterloo), the Housing Collaborative Initiative (HCI) issued a Request for Proposal (RFP), on April 4, 2014. The RFP’s purpose was to select a software developer to design, build, implement, maintain and support a software application that will facilitate the operations of Ontario municipal Social Housing Service Managers. The RFP contained detailed business requirements that were developed by the HCI.

After reviewing and evaluating 3 RFP bid submissions, HCI selected Arcori and Iserve Technology Consulting Ltd. (Arcori), to develop the social housing software application in accordance with comprehensive business requirements. HCI selected the software developers based on a combination of RFP bid technical and cost scores.

Software Development – Project History

In 2014, at the outset of the project, Arcori met with the sub-working groups of the overall Governance Group and it was determined that the original business requirement documents needed substantial updating and clarification for it to be useful. Through this review a series of scope changes were proposed but with no substantial removal of project tasks to offset the overall effort and cost.

In 2016, a change order was approved utilizing the contingency funds in the original agreement to cover the additional work that came out of the review process. It was also agreed to focus on the following modules: portfolio, waitlist, rent supplement and finance. The goal would be to develop the functionality needed to go live with the identified modules.

Around 2018, after further discussion and further requirement changes, it was agreed to cap off the requirements and a revised payment plan based on agreed upon equal monthly payments was developed. This plan resulted in a shift in payment methods and AIG/HCI agreed to an increase in the withholding amount beyond the 10% previous agreed upon amount.

Over the next couple of years Arcori worked with the working groups to determine what needed to be done to go live with this project. Changing regulations and operational needs have resulted in substantial changes to the original scope of the project and have resulted in the existing modules greatly exceeding the functionality contained in the original business requirements documents.

Project Management Best Practices

The partnership work was undertaken without direct involvement of the City of London's Information Technology Services division. The technology development approach used by the partnership does not align with the City of London's current technology and project management best practices.

2.2 Project Implementation

Since 2014, 9-years ago, when the Governance Group was established, there has been significant effort by all members, the software developer and the consultant to implement the project. The core issue facing the team is the varied perspectives at a Governance Group level on how to move forward with scope changes. Each member municipality has local perspectives that have impacted the decision-making framework and has reduced the overall effectiveness of the team.

Following the execution of the contract with Arcori, the focus was on developing and building out the base software product that would be supplemented with a series of software modules. In 2017, a consultant was required to provide project coordination to support the HCI Governance Group. The City of London agreed to engage a consultant on behalf of the HCI Governance Group and included in the agreement the responsibility to coordinate London's participation in the initiative in lieu of the participation of a City Staff member. It was agreed that the City of London would be able to recover a portion of the consultant costs back from the HCI Governance Group. The work of this consultant is discussed under the name "HCI Coordinator" throughout this report.

A high-level summary of some of the major milestones and activities that have been completed over the years is provided below, along with a table in Appendix 'A' with further details.

Table 1: Major Project Milestones

Year	Major Project Milestones
2014	Contract Award to Arcori
2016	Scope changes to Arcori contract
2017	Start of London's consulting resource, in-lieu of City staff
2018	Waitlist Module and Rent Supplement modules available
2019	Applicant Portal available
2020	Administration and Service Manger portals under development

2.3 Expenditures to Date

As outlined in the May 2023 report, the total cost of the development of the software through the HCI is just under \$2.0 Million. These expenditures reflect the overall project costs across the 8-municipalities to develop the software. Each individual municipality shared in the costs of the project manager and elected to provide a financial contribution to offset HCI project management costs or an in-kind staff position.

Since May, Civic Administration undertook a detailed review of the City's financial records dating back to the initiation of the HCI project in 2011 to provide a complete and accurate accounting of the City's share of costs. This involved a fulsome review of general ledger transactions for Housing Services, inclusive of both operating and capital accounts, to identify all transactions relating to the HCI project.

The results of this analysis are outlined in table below, noting a total expenditure of approximately \$1.2 million by the City of London since 2014.

Table 2: City of London Expenditures

Who	Output / Task	Total
Arcori	Software development.	\$228,414
City of Ottawa	Business requirements of the software development.	\$32,340
HCI Project Manager	Procurement and business requirements.	\$133,243
HCI Coordinator	Overall HCI project coordination and work in-lieu of a City staff member.	\$841,184
Iron Mountain	Code ESCROW.	\$9,500
TOTAL EXPENDITURES		\$1,244,681
Less: Confirmed recoveries received from Participating Municipalities		(\$210,334)
NET CITY OF LONDON EXPENDITURES		\$1,034,347

A cost sharing framework was developed by the Governance Group as part of the original agreement for both the project management and software development portions of the project. London has been paying certain consulting fees since 2017 with reimbursement by the other municipalities on an annual basis. These reimbursements total \$210k. Factoring in those recoveries, the net City of London expenditure on the HCI project has been \$1.0M.

Civic administration is still working with the Governance Group to validate all amounts owing from other municipalities and ensure that they have been invoiced and collected.

2.4 HCI Project Manager and HCI Coordinator

At the outset of the project, in 2014, an HCI Project Manager was identified through the agreement including the proportion of remuneration amongst the Governance Group. Following an amendment to the Consortium Agreement in 2015, London's share was approximately \$133,000 between 2015 and 2017 and represents approximately 11% of the total HCI project management cost. The project manager's duties included the development of a bid summary and recommendations following the procurement, coordination of day-to-day activities of the HCI and software developer, along with other typical project management duties. This work for the HCI Project Manager's ceased in 2017.

In 2017, the role of HCI Coordinator changed and to date \$841,184 has been spent on this consulting contract. The HCI Coordinator attended all module development meetings, gathered local input to incorporate into the software product, developed test cases for user testing, provided system walkthroughs and demos as module components and milestones were completed. As different beta versions of the software were developed, the HCI Coordinator undertook reviews and tested the system updates. The HCI Coordinator was also responsible for coordinating London's participation in the initiative in lieu of the participation of a City Staff member and ensure that all software modules were developed in alignment with London's business requirements.

The City of London has recovered \$210,334 from HCI Governance Group member municipalities for work completed by the HCI Coordinator. The remaining \$630,850 has been borne by the City of London. These costs have been incurred over 7-years and are supported by a series of cost-sharing agreements, that are interrelated. These include an agreement for cost-sharing between the HCI members and a cost-sharing agreement between the City and LMCH.

2.5 Local Cost-Sharing – LMCH and the City

In 2017, under section 15.3 of the City's Procurement of Goods and Services policy, the City and London-Middlesex Housing Corporation (now called London-Middlesex Community Housing) carried on with a cost-sharing agreement for technical consulting services. This cost-sharing had been established in 2015 to support activities at both organizations to implement software systems for the respective businesses following a competitive process. This cost-sharing arrangement continues to be used to support payment for the HCI Coordinator discussed above.

2.6 Project Deliverables to Date

To date several of the modules have been completed. These modules include:

Backend software platform

- System Administration (Completed 2015)
- Programs (Completed 2015)
- Housing Provider's Portfolio (Completed 2016)
- Contacts (Completed 2016)
- Action Items (Completed 2016)
- Letters and Forms Templates (Completed 2016)

Modules to support housing providers and City-staff

- Waitlist (in use in Waterloo and Hamilton)
- Rent Supplement Management (Completed 2023)

A table included as Appendix "B" highlights the status of all remaining modules and additional change orders during the project. To date, neither the backend system or any of the modules of the software platform have been implemented by the City of London. Civic Administration have been waiting for the majority of the modules to be complete prior to rolling out the platform.

2.7 Governance Group Update

A Memorandum of Understanding (MOU) between the software developer and the Housing Collaborative Initiative (c/o the Governance Group) is currently underway to close out remaining project activities. All those involved in the Housing Collaborative Initiative have an interest in closing out the consortium and moving to focused implementation within their municipalities. The goal is to complete all remaining tasks in 2024.

In addition, it has been shared that the Housing Software platform has now been made available more widely with the British Columbia Non-Profit Housing Association recently announcing that their partnership with the software provider, Arcori. The software is being provided as housing software solution to small to mid-size affordable housing organizations across British Columbia.

3.0 Project Requirements Analysis

3.1 Current Business Requirements

The overall need for a tracking system that provides analysis and information on the housing applicants (tenants) along with the various housing programs, housing providers and their overall performance still exists. These can be summarized as:

- internally facing software platform that would be a data repository for housing provider related information,
- an external portal for housing providers can view, edit, and submit information, and
- an externally facing client portal for clients to view edit and submit information.

3.2 Current Business Requirements

Since the time of the initiation of this project, other software platforms continue to be used to provide a portion of the functionality that this HCI Software would provide. The City of London's Housing Access Centre (HAC) uses a software product called Rent Café provided by Yardi who also offers several property management and social housing management programs. The suite of Yardi products are widely used across Ontario by other Service Managers for their waitlist and online applicant portals. This software is currently providing the external portal for housing providers and externally facing client portal. It is recommended that the use of this software to provide an external portal for housing providers and clients continue.

The Yardi software has additional functionality that is not currently used by the City of London. Any of the associated enhancements would require detailed project planning and submission through Technology Investment Strategy process, along with a corresponding capital and operating budget.

At the two October 2023 CPSC meetings, Civic Administration brought forward two reports outlining changes to how applicants and tenants would be assessed and tracked against available housing units across the city. These new supplement and waitlist systems were not contemplated in 2014 when development of the software began and staff in Municipal Housing Development and Housing Stability Services need to assess business requirements to support this new way of doing business.

3.3 Internally Facing Software Platform

As noted above, there is an overlap with the functionality of the currently available software and the HCI Software Platform. There still remains a significant need for an internally facing software platform to manage housing provider information that ideally can be updated and viewed by Housing providers through an externally facing client portal. To ensure that this project moving forward aligns with the City's Technology Investment Strategy it is recommended that any further work be augmented to undertake business readiness activities to prepare for submission through the City's Technology Investment Strategy project process. This will ensure that the platform best aligns with the needs of the service area and follows London's technology best practices moving forward.

4.0 Next Steps

Since the May 2023 update on the HCI project, Civic Administration have been undertaking reviews of the project, project deliverables, and potential next steps. All existing financial obligations related to the Housing Collaborative Initiative will be closed out and any existing contracts will not be renewed.

As noted above, the Yardi platform will continue to be used to provide an external portal for housing providers and clients. The software is used widely used across Ontario by other Service Managers for their waitlist and online applicant portals.

The immediate focus will be to develop an assessment of business readiness in Municipal Housing Development and Housing Stability Services to implement any software platform, HCI or other. Additionally, further work to support the implementation of HCI will be put on-hold while an overall project plan is developed, including an assessment of other potential solutions for London's business needs. This process will ensure that use of the any Software Platform as an internally facing platform for housing data will proceed in accordance with the City's technology best practices.

This project will be submitted to the 2024 Technology Investment Strategy project intake window. Civic Administration will report back on the next steps of a platform implementation project.

Conclusion

The main vision and goals of the HCI is to bring a new software to market that can support all of Ontario's Service Managers in the tracking and administration of community housing. The need for a streamlined system that can reduce administrative load for social housing providers and City-staff has not diminished since 2014. In fact, as the complexity of the sector increases and housing properties continue to age, connected information systems that can produce necessary business reporting may be more important moving into the future.

The City of London has incurred approximately \$1.0 Million in fees associated with this project and will require further assessment to determine the final cost to implement. As of the endorsement of the recommendations in this report by Council, Civic Administration will commence necessary activities to close out or pause contractual obligations in 2024 in alignment with the conditions outlined in the HCI Consortium Agreement and other agreements.

Civic Administration will plan for a 2024 submission through the Technology Investment Strategy process to ensure that any future work is completed in accordance with technology and project management best practices. Following the completion of a discovery process to assess and augment business readiness along with the identification of necessary resources for an integrated housing software system, Civic Administration will report back to Council on steps to implement a platform.

Prepared and Submitted by: **Matt Feldberg, MPA, CET**
Director, Municipal Housing Development

Recommended by: **Scott Mathers, MPA, P. Eng**
Deputy City Manager, Planning and Economic Development

Appendix 'A' – Summary of Project Activities

Appendix 'B' – Integrated Housing Software Module Status Summary

CC: Kevin Dickins, Deputy City Manager, Social and Health Development
Craig Cooper, Director, Housing Stability Services
John Paradis, Deputy City Manager, Enterprise Supports
Mat Daley, Director, Information Technology Services

Summary of Project Activities

Year	Consortium	Arcori	Consulting	City of London
2011	<ul style="list-style-type: none"> Informal discussions over the course of the year to establish the Consortium. 			<ul style="list-style-type: none"> CPSC – December 19, 2011: Municipal Partnership for the Development of an Information System for Social Housing Administration
2012	<ul style="list-style-type: none"> Draft Business Requirements 			
2013	<ul style="list-style-type: none"> EOI Issued 			<ul style="list-style-type: none"> CPSC – April 22, 2013: Housing Collaborative Initiative Service Manager Consortium Agreement: Expression of Interest for the Development of an Information System for Social Housing Administration
2014	<ul style="list-style-type: none"> RFP Issued and Closed 	<ul style="list-style-type: none"> Contract Awarded 		<ul style="list-style-type: none"> CPSC – January 20, 2014: Housing Collaborative Initiative Approval of Service Manager Consortium Agreement
2015	<ul style="list-style-type: none"> MMAH Funding Agreement Established business requirements for London software design sign-off 	<ul style="list-style-type: none"> 1st Amending Agreement 		<ul style="list-style-type: none"> CPSC – February 18, 2015: Housing Collaborative Initiative (HCI) Update
2016	<ul style="list-style-type: none"> Change order agreement with software developer Pre-implementation and project plan Reviewed system release updates 	<ul style="list-style-type: none"> Scope changes and discussion 		
2017	<ul style="list-style-type: none"> Sign-off on a scope of various modules. 	<ul style="list-style-type: none"> Demo of rent supplement module 	<ul style="list-style-type: none"> Completed initial Finance module design work 	<ul style="list-style-type: none"> City agrees to “upfront” project costs for consulting

	<ul style="list-style-type: none"> Agreed to cost sharing of project coordination 	<ul style="list-style-type: none"> Housing provider portal design architecture 	<ul style="list-style-type: none"> Waitlist application development and requirements sign-off 	<ul style="list-style-type: none"> Shared services with London-Middlesex Housing Corporation and City of London
2018		<ul style="list-style-type: none"> Prototype demonstration(s) Waitlist module released Rent supplement module released 	<ul style="list-style-type: none"> Start of implementation planning Supported new scope for End Operating Agreement and End of Mortgage 	
2019		<ul style="list-style-type: none"> Software assessed and updated to meet AODA requirements Applicant portal released 	<ul style="list-style-type: none"> Developed data migration templates and system instruction updates Subsidy calculation development 	
2020	<ul style="list-style-type: none"> Project coordination / consulting costs increased 	<ul style="list-style-type: none"> Admin and Service Manager portals developed 	<ul style="list-style-type: none"> Supported the review of several system bug fixes System dashboard development System 'How To's', additional data templates and several training manuals 	
2021			<ul style="list-style-type: none"> Various software module discussions identifying outstanding items, improvements, design, etc. 	<ul style="list-style-type: none"> Housing Access Center moved from Municipal Housing Development and Housing Stability Services
2022	<ul style="list-style-type: none"> York terminates participation in project Costs reallocated following York exit 	<ul style="list-style-type: none"> Holdback requested and released 	<ul style="list-style-type: none"> Participated in several Waitlist module workgroup session discussion (e.g. remaining outstanding items, improvements, testing) 	
2023			<ul style="list-style-type: none"> Detailed implementation plan for Waitlist prepared. 	<ul style="list-style-type: none"> CPSC – May 2, 2023: Housing Collaborative Initiative - Update

Appendix 'B'
Integrated Housing Software Module Status Summary

Module	Module Sign-Off by HCI
1. System Administration	September 2015
2. Programs	September 2015
3. Housing Provider's Portfolio	January 2016
4. Contacts	February 2016
5. Finance	Development work on-going.
6. Housing Provider's Portal	Module completion linked to completion of Finance, Waitlist, Risk management.
7. Performance Management (Reporting)	Released as part of each applicable module.
8. Action Items	March 2016
9. Letters and Forms Templates	April 2016
10. Risk Management	Development not started due to prioritization of other modules.
11. Rent Supplement Management	July 2023
12. Asset Management	Removed from project scope at RFP stage.
13. Waitlist Management	Module in-use, resolution of remaining defects in progress. Applicant portal added as part of scope change. Reliant on Waitlist completion.
Change Proposals	Sign-Off by HCI
1. (Subsidy) Program Type	December 2016
2. Schedule of Financial Transactions	Remaining work tied to completion of Finance SM Budget, Capital and Discretionary of ASE/AIR
3. Period Close	Tied to completion of Finance SM Budget
4. Building Type	Complete
5. Targets	Remaining work tied to completion of Finance SM Budget, ASE/AIR
6. ASE Analytics	Development in progress
7. Debentures	Development scheduled
8. Waitlist (choice based)	Sign-off to be part of wait-list completion
9. Storyboard (retroactive modules)	Completed as part of other milestones
10. Ministry of Health Export	Integrates multiple modules. Sign-off tied to completion of multiple modules.