

# LMHC – 2014 – ANNUAL REPORT



**London & Middlesex Housing Corporation**  
**Société de Logement London & Middlesex**

# — WHO IS — LMHC?



Nearly two-thirds of the households residing with LMHC are single adults or couples between the ages of 16 and 64. More than one quarter of our tenants are families and one in ten homes support seniors aging affordably in place.



## — We Are Our — TENANTS

## — We Are Our — STAFF



Comprised of 55 full time and 42 resident contacts we work within the framework of our guiding values to be the preferred housing choice for people in need. We are: Tenant focused, Leaders, Respectful, Accountable, Collaborative, Innovative and Inclusive.



## — We Are Our — BOARD OF DIRECTORS



Our board of directors is comprised of local business and community leaders with diverse skill sets and expertise. Our board members are highly engaged and through a governance model set LMHC's strategic direction and long term goals and vision.

## — We Are Our — COMMUNITY



Most importantly we serve and are part of our community. Working in partnership with the city of London, our community partners, and taxpayers, we are able to provide 3282 homes for community members within London and Middlesex County.

# — WHAT — WE DO



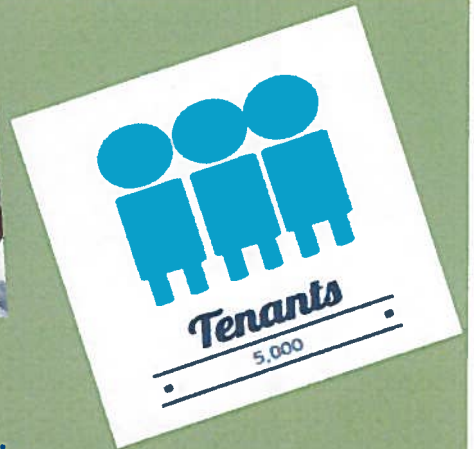
We are a landlord providing social housing. Our tenants, properties and services are integral parts of communities in London and Middlesex County.

primary mandate is to :

- Provide quality, affordable and sustainable housing
- Utilize our assets for the purposes of providing social housing
- Support and promote efforts aimed at providing healthy, safe and sustainable communities



# — WHY — WE DO IT



Housing is one of the most important stabilizing influences in a person's life. We are vital partners in the City of London's Strategic plan and Homeless Prevention and Housing plans. Our operations contribute to the city's current objective of creating caring and compassionate communities.

Last year, taxpayers from London and Middlesex helped provide more than 5000 community members with homes at LMHC properties with over 500 new tenants making LMHC their affordable housing provider of choice.



— WHERE —  
**WE DO IT**

Strathroy

London

Dorchester

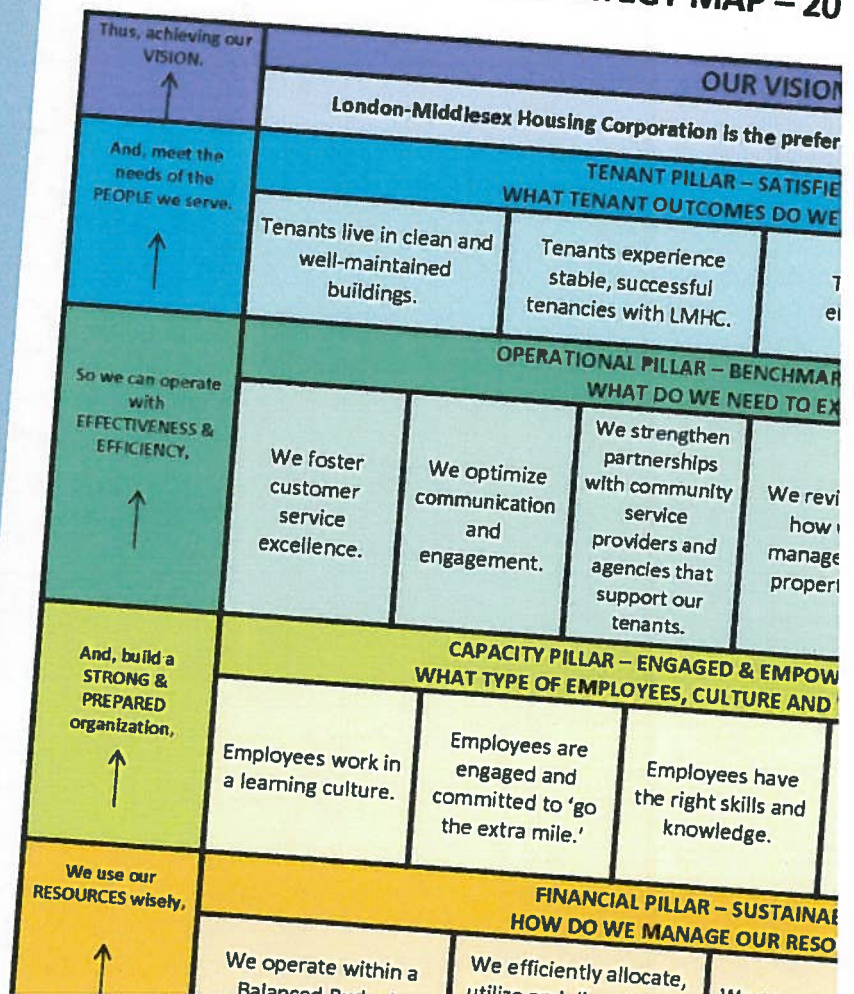
Our portfolio includes bachelor and 1-bedroom high-rise apartments, 2-to-5-bedroom townhomes for families with children, and scattered low-rise, detached and semi-detached homes in London, Parkhill, Strathroy, Newbury, Glencoe and Dorchester.

Glencoe

# — HOW — WE DO IT

Our strategic activities in 2014 included establishing benchmarks and targets for our Key Results Indicators, ensuring that all of our work is aligned with our mission of providing quality, affordable and sustainable housing, accessible to those who are eligible. We are focusing on moving the organization to a new level of customer service excellence, to meet the goal of being experts in our field, and delivering a quality product. We want all of our community stakeholders to see the value in their investments.

## LMHC STRATEGY MAP – 20



# – ASSETS & PROPERTY – SERVICES

We take great pride in the work we do, and appreciate the opportunity of contributing to our communities!



Our goal is to make all of our properties better places to live and work for tenants and staff. The emphasis is always on value and quality for money spent. Our annual budget for maintenance and repairs is approximately 4.2 million dollars. This represents more than 15 thousand work orders, with a significant percentage of the budget flowing back into the local economy through our private sector partners.



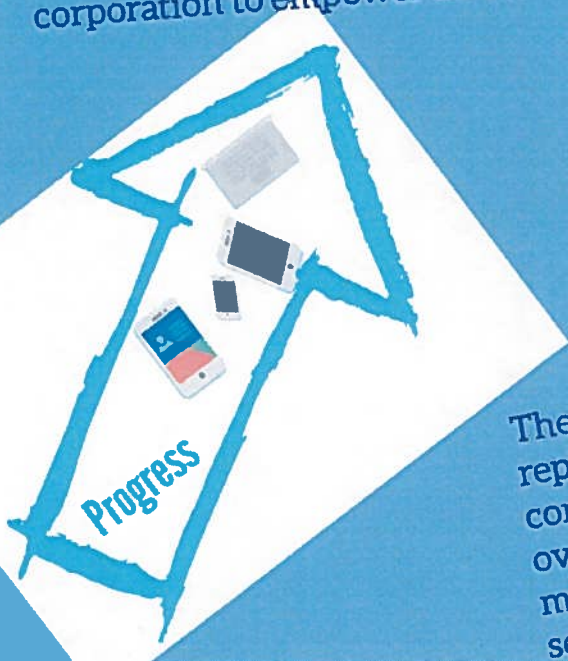
Are you paying to heat the Great Outdoors?  
Exhaust the air but not your budget!  
\*Union Gas project at 170 Kent Street, London



Through our Capital Replacement Program 2.2 million dollars is invested annually to ensure the continued sustainability of London and Middlesex social housing assets. Wherever possible we focus on energy-saving initiatives. Allowing us a smaller environmental footprint and to stay ahead of rising energy costs. These initiatives have allowed LMHC to receive significant incentive rebates which are based on projected savings in utility consumption. We work closely with our utility providers to continue to reduce the consumption of utilities at all of LMHC's properties.

## — CORPORATE — SERVICES

With a continued focus on our balanced scorecard and strategy map, 2014 saw a restructuring of our department to include the organization's Finance, Human Resources, Communications, and Information Technology functions. We instituted employee engagement initiatives across the corporation to empower all our staff.



We also performed an in depth assessment and gap analysis of our organizational policies procedures, and best practices which was aimed at improving organizational effectiveness and mitigating LMHC's risk.

The most exciting staff project kickoff in 2014 was the replacement of our tenant database. This project will continue through 2015 replacing a database that is over 10 years. This new software will allow us to use mobile technologies to better improve customer service.



# – TENANT – ADMINISTRATION

Working with our community partners we also provide the organization's tenant programming such as summer camp and baseball league programming for children at our family sites, wellness fairs, balconies beautiful, a wheels program, continued involvement with the annual Clean and Green initiative. These but a few of our many community development and partnership initiatives.

Other than maintenance requests we are the primary contact for our tenants. We help tenants with lease concerns or changes, adjustment of rent, and rent arrears management, as well as community and individual social concerns. We also handle collection and legal matters related to tenancies, up to and including LMHC representation at the Landlord and Tenant Board.



All of our activities are focused on fostering tenant retention and stability, so that our tenants can experience successful tenancies with LMHC.

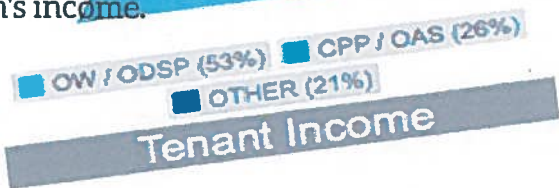


– 2014 –  
**RESULTS**  
and  
**IMPACTS**

# – REVENUE –

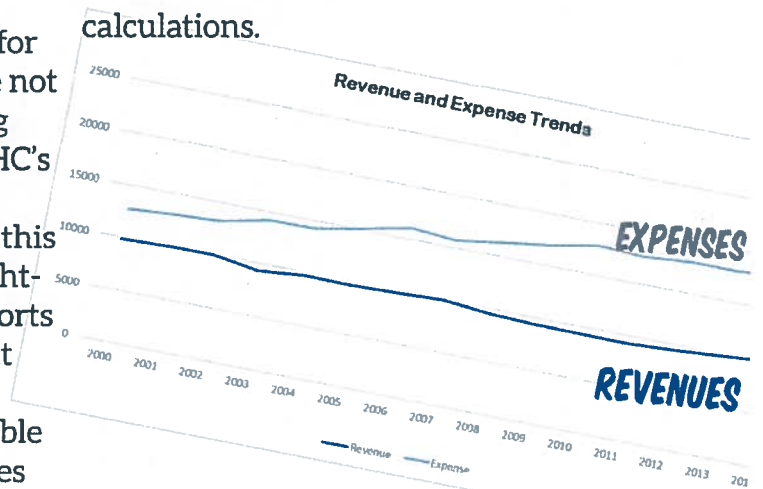
To put LMHC's financial results in perspective it's important to understand firstly how our revenues are generated. Our primary source of revenue comes from tenant rents. We are the largest provider of rent-geared-to-income(RGI) housing in the London-Middlesex area with 100% of LMHC's units being RGI. RGI is rent that is charged and fluctuates based on a person's income.

**Tenant Average Annual Income**  
**\$12,000**  
**\$4.30 per hour**



More than half of LMHC tenants receive Ontario Works or Ontario Disability Support Program benefits as their primary source of income and the basis for rent calculations.

Rules for rent calculations, as well as the rent scales for social assistance recipients set by the Province have not increased since 1993. As a result, rather than keeping pace with the increasing consumer price index, LMHC's rent revenue has been relatively flat since our incorporation in 2001. There are no easy answers to this challenge. Our budget can only be optimized and right-sized so far; all of our most sincere and concerted efforts at reducing expenses will never make up for this rent revenue shortfall. In order to meet the expenses necessary to continue to provide sustainable affordable homes for our community members in need, subsidies are required from the city and county each year.



## – FINANCIAL – RESULTS

While some strategies put in place in 2015 will see future benefits, fiscal 2014 saw an operating deficit of approximately 125 thousand dollars. With an operating budget of 18 million dollars, and a variance target of 1% of that budget, 2014's deficit represents a variance of 0.69%, falling well within our target range.



2014 was the first year of a recalibrated and much more restrictive budgeting strategy for LMHC, understanding that as a result, our corporation would be walking a bit of a tightrope, with no operational reserve as a safety net for any deficits.

LMHC is continually seeking opportunities to increase our revenues in small ways, such as antennae licensing of our apartment building rooftops, and revenue from onsite laundry machines

About half of LMHC's expenditures, such as utilities, property taxes, amortization and insurance, are for the most part beyond the corporation's control. Our challenge in 2014 was to work diligently on controlling or offsetting the expenses we could through a number of different means, including continued exploration of shared services and energy conservation initiatives.

*We want to affirm our commitment to providing our shareholder and our communities in London and Middlesex with good value for your investment. We understand the need for good fiscal management, and the need to be responsive to the changing requirements of our stakeholders.*

— a special thanks to our —  
**COMMUNITY PARTNERS**



London  
CANADA



Canadian Mental  
Health Association  
Middlesex

Addiction Services  
of Thames Valley / Services de toxicomanie de Thames Valley

Glen Cairn  
COMMUNITY RESOURCE CENTRE



London Community Addiction  
Response Strategy



CANADA



Health  
Zone



CCAC CASC  
Community Care Access Centre  
Centre d'accès aux soins communautaires



— A message from —  
**Gordon Saylor**  
*Board Chair, LMHC*

As I settle into my ninth year on the Board of LMHC, I pause to reflect back on the past eight years. I have come to understand, and appreciate, the incredible importance stable housing has in everyone's life, whether a single person or a large family, whether a senior on a pension, or a young working family. Safe, stable housing provides the foundation for everything that a person does or can do in their life.

This is the simple truth that everyone at LMHC knows and practices every day. Housing alone, however, is sometimes not enough. Depending on the circumstances of a person's life, they may need the help of one or more social service agencies. LMHC staff help tenants make those connections - as well as they can with the limited resources available to them.

Housing without appropriate supports is sometimes not enough and this simple truth is now being recognized and acknowledged by all levels of government. Funding has now started to flow to agencies that can provide support to individuals and families to help keep them housed successfully. Some of these agencies work with LMHC support. As an organization we will continue to pursue opportunities that will allow LMHC to do more.

On behalf of the Board of Directors, I would like to thank the staff of LMHC for all they contribute to the provision of social housing in London and the County of Middlesex. You are making a difference in the lives of thousands of people.

**"As an organization we will continue to pursue opportunities that will allow LMHC to do more".**

— A message from —  
**Steve Matthew**  
Executive Director, LMHC

Sustainable affordable housing benefits all members of our communities. As a landlord we provide homes for community members in need, but we work collaboratively with our partners in order to provide the supports our tenants need to continue successful tenancies. . As a community we also need to understand that maintaining the status quo isn't doing enough to provide for those of us in need.

We must look forward and plan for the continued growth of affordable housing in our communities. In partnership with the new Housing Development Corporation, LMHC will also contribute to urban regeneration and the development of new and innovative housing options. These are exciting times for affordable housing in London and Middlesex!



In closing LMHC's board, staff and I would like to express how appreciative we are of the of City and County taxpayer's investment in the work of our organization. Without this support, the standard of living and services provided to the community members that live at our properties would simply not exist. Through your subsidy of our operations, you are changing the lives of local citizens for the better, every day.

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## 2014 Additional Reporting Requirements under the Shareholder Declaration

### 2014 Budget Variances

Fiscal 2014 saw an increased need for building repairs which LMHC funded through higher than anticipated rent revenues. A continued focus on vacancy management has allowed the Corporation to maximize rental revenues over prior years. Despite the growth in rent revenue, increases in utility rates primarily have caused LMHC to see a deficit for 2014. LMHC has endeavored to mitigate the deficit through cost reduction in other spending categories and by initiating energy reduction programs. These programs will provide energy efficiencies throughout many of our buildings and thereby decrease energy consumption which will help to somewhat offset rate increases in future years, however in 2014 there were no other sources of funding available to the corporation to cover the deficit entirely.

### Audit Findings and legal requirements

Please refer to supplemental audited financial statements

### Business Plan

2014 strategic plan results and accomplishments have been reported in the 2014 annual report presentation and ongoing strategic results are reported monthly to the service manager. LMHC affirms that it has to the best of the corporations ability complied with the Accountability Rules (Appendix A) of the 2012 Shareholder Declaration. LMHC carried out 83 tenant evictions in 2014 at a cost of \$27,805.

### 2015 Projected Operations

No material variances are projected for 2015 that would impair LMHC's ability to meet the financial objectives of the shareholder. LMHC anticipates meeting its budget requirements as approved by the board of directors.

For copies of our 2015 audited financial statements or additional shareholder reporting requirements please visit:

<http://www.london-housing.ca/PDFs/financial-statements-2015.pdf>

<http://www.london-housing.ca/PDFs/additional-reporting-2015.pdf>