LONDON &
MIDDLESEX
COMMUNITY HOUSING

September 12, 2019

City Clerk's Office
Barb Westlake-Power, Deputy City Clerk
300 Dufferin Avenue
PO Box 5035
London, ON N6A 1V5

Re: Delegation Status at Strategic Planning and Priorities Committee (SPPC) Meeting of September 16th, 2019

Dear Ms. Westlake-Power:

London & Middlesex Community Housing (LMCH) would like to formally request delegation status at the Strategic Planning and Priorities Committee (SPPC) meeting scheduled for Monday, September 16th, 2019 to address the City's report entitled "City Of London Housing Service Review: Proposed Action Plan".

Given the importance of this report and the resulting implications that the recommendations may have on our organization, the Board respectfully requests in advance, an extension of the delegation time from five (5) to ten (10) minutes.   The Board and Senior Leadership of LMCH will also make ourselves available to Council to answer any questions, clarify any misunderstandings and be a resource to Council as they make critical decisions regarding LMCH and housing service delivery in London and Middlesex County.   We have also included a written submission for Council's consideration.

We look forward to meeting with the City of London and the opportunity to discuss this important and highly anticipated report. Please kindly confirm our status.

Sincerely,

Sean Quigley

Sean Quigley
Board Chair

Cc: LMCH Board
      Dave Purdy, Manager of Housing Services
      Sandra Datars Bere, Managing Director, Social Services, Housing and Dearness Home
      Martin Hayward, City Manager
      Cathy Saunders, City Clerk

SUBJECT: LMCH Response City of London Housing Service Review: Proposed Action Plan

DATE: September 12, 2019

FOR: Strategic Priorities and Policy Committee (SPPC) Meeting on September 16, 2019

FROM: London & Middlesex Community Housing (LMCH) Board of Directors

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Recommendation:

That this report be **RECEIVED** in response to the report "City of London Service Review: Review of Service Delivery for Housing." it being noted that LMCH has raised significant concerns related to risk, questionable data and methodology of the KPMG service review and subsequent report, the implications of the staff report and action plan as it pertains to the City of London's Strategic Plan.

Background:

LMCH's has significant concerns with the public KPMG report provided to council through the SPPC meeting on August 26, raised by both the written submission in response to the same report and subsequent communication with Civic Administration (see Appendix A). Notwithstanding those issues and dissatisfying responses from KPMG, the recommendations of the report echoed messages that previous reports provided to Council by LMCH directly had been articulating around capacity and operational challenges.

It is critical to note that over the last four (4) years, LMCH has undertaken significant change supporting greater organizational capacity to operate in an ever increasingly sustainable manner in discharging its mandate as set out in the Shareholder Agreement (see Appendix C). Our mandate can be broadly defined as providing, maintaining social housing and support services recognizing the dynamic and complex service needs of our tenants.

These changes have included but are not limited to:
- Development of the comprehensive 2017-2020 strategic plan (see Appendix D) which accounted for and articulated path forward for social housing in London and Middlesex.
- Development of LMCH's first ever Asset Management Plan – supporting strategic evidenced based decisions, impact capital and operating investment decisions.
- Development of multiple operating plans including Regeneration strategy, Tenant Engagement and Community Development Strategy, Financial Plan, and Strategic Resource Plan all in support of furthering the strategic plan and supporting the Multi-Year Budget (MYB) request.
- Review and restructuring of roles, responsibilities, processes supporting disciplined oversight, transparency and public accountability.
- Development of improved Key Performance Indicators (see Appendix G).

Progress on these changes are reflected in and supports a LMCH Multi-Year Budget for both capital and operating (see Appendix B).

These changes and others reflect the shared understanding of both Municipal Council and Civic Administration that LMCH is committed to providing the best social housing possible within funding constraints on behalf of the Shareholder and Service Manager for the City of London and Middlesex County.

Board of Directors of LMCH RESPONSE:

1. **LMCH wants to partner with Council to achieve better outcomes for our tenants, organization and City. We need council's help:**

   - Civic Administration and LMCH want the same things: safe, adequate, accessible and affordable housing based on people ability to pay with the appropriate supports.
   - There are multiple areas of service that require improvement within the organization and LMCH looks forward to working together to address the capacity and resource needs to achieve new outcomes.
   - The entire housing services spectrum needs clarification, prioritization, and alignment to address any number of issues in the system succinctly and Council can set that direction for the system as a whole.
   - LMCH recognize Council is rejecting the status quo and wish to collaborate on a path forward under clear objectives and community outcomes.
   - Recognizing that we cannot re-organize the same resources and expect better outcomes, we need to remove bureaucracy and add tools to meaningfully address the infrastructure, support and development needs of community housing.

2. **Vacancy and Turnover Rates are well documented. Pro-active solutions are in motion:**

   - LMCH is executing on a vacancy plan that will achieve 3% vacancy by the end of September and 2% by the end of the year (see Appendix E).
   - Prioritizing building and life safety needs over vacancy is a fact of operations in a constrained environment and those issues are increasing as our infrastructure ages.
   - Work orders are rising by approximately 12.5% per year and this additional pressure compete for time, staff and resources that otherwise can be focused on vacancy.
   - Capital funds are not utilized for vacancy management, as there are clear definitions for both operational and capital as defined by GAAP and Service Manager Guidelines. LMCH will deliver on 10.7M of Capital projects between outstanding capital projects, committed projects, and SHAIP provincial investments (see Appendix F)
   - Addressing vacancy will meaningfully address the housing need for each person placed; however, if every vacant unit were filled today, we would affect less than 1% of the social housing waitlist.
   - Once we achieve 2% vacancy, we will be housing an average of 33 people from the waitlist monthly.

3. **Governance Issues - Alternative Option:**

   - LMCH Board has many skilled directors, each appointed by Council with expertise in areas such as Leadership, Governance, Legal, Human Resources, Engineering, Public Service, Not-for- Profit, Procurement and lived experience.
   - We have concerns with the recommendations related to timelines including how long will interim solutions be in place and how this addresses the broad and systemic issues that have prevailed within housing and homelessness services.
   - Council must be very clear about the intention of any governance changes, the timelines of such and the deliverables anticipated based on such changes. Accountability will be critical given the risk embedded with the assets and governance needs of LMCH.
   - There has been a disconnect between the Board, the political process (Council) and Civic Administration, however, together we can improve upon this.
   - LMCH suggests Council consider an alternative option to the ones proposed in civic administrations report as follows:

That LMCH maintain the current composition of the Board and expand membership to include one additional member of council (as previously requested by the Board) and one member of Civic Administration.

This approach brings together political, administrative, and voluntary board members view points, and provides long-term stability to the organization.

4. **Action Plan: There is a Path Forward, Results can be Achieved**

- LMCH has been clear in what our resource and capital needs are moving forward in our Multi-Year budget request as communicated to Civic Administration (see Appendix B).
- The operating budget request of $69.6M over four (4) years and is an average of 17% increase year over year.
- This increase shifts LMCH into a position to deliver more than three (3) times the amount of direct service to tenants, achieve 2% vacancy rate, improves customer service and satisfaction, addresses safety concerns, delivers service standards for maintenance response times, delivery of capital programs, tenant stability and housing supports, strengthens reporting capacity and communication and allows for facilitation of community partnerships and collaborative supports within housing.
- The capital budget request for the years 2020-2023 equals $71.4 M, which represents approximately eight (8) times the current annual capital allotment.
- This investment begins to meaningfully address the asset requirements that are at critical risk of failure, meaning potentially closing units if not done or posing significant health and safety risks for tenant and staff as outlined in our Asset Management Plan.

Conclusion

Managing/addressing competing complex issues in constrained environment and moving from a reaction based organization to a strategic based organization, is and will continue to be challenge regardless of the governance model.

LMCH aligns with the approach to "implement a coordinated and improved approach to both issue resolution and current and future service delivery….creating greater alignment with the city's housing service, homeless Prevention service and Social services, [to provide] increase opportunities for coordination, collaboration and collective oversight with respect to the provisions of services for those seeking housing supports in the community." as articulated by Civic Administration.

The Board encourages Council to be clear on deliverable outcomes and timelines for this clarity and alignment to take place. All of the organizations and services impacted by this review have always reported to the Service Manager, so it is incumbent on Council to determine what difference the actions that are taken will truly make. Our tenants and community are demanding and deserving of more.

Appendices:

A   LMCH Letter to Civic Administration regarding Concerns with KPMG Report & KPMG Responses as Provided by Civic Administration to LMCH.
B   Multi-Year Budget Request for Capital and Operating with Overview of Business Cases for Improved Service Delivery and Financial Rationale
C   Declaration of the Sole Shareholder for London & Middlesex Community Housing
D   London Middlesex Community Housing Strategic Plan 2017-2020
E   Vacancies Reports June & September
F   Capital Allocations and Expenditures 2019 (Q2 results)
G   Key Performance Indicator Framework

LONDON & MIDDLESEX
COMMUNITY HOUSING

September 3, 2019

To: Martin Hayward, City Manager
        Sandra Datars-Bere, Managing Director, Housing, Social Services & Dearness Home
        Anna Lisa Barbon, Managing Director, Corporate Services and City Treasurer, CFO

RE: KPMG Housing Service Delivery Review

As expressed at the August 26, 2019 SPPC meeting, the Board of LMCH has significant concerns with regards to the KPMG Housing Services Review Report. Recognizing that we have seen only the public summary of the full service review and implementation recommendations, our issues include but are not limited to the following:
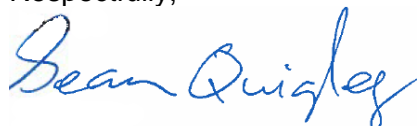
- Communication and Process – from initiation through the full process to public release of a summary report to SPPC;
- Scope and Completeness of the review (target vs. comprehensive) – which appears inconsistent with the objective of the review;
- Absence of identified basis or rationale related to various findings – such as referenced data points, clarity regarding where 'best and common' practice was derived from and why; and
- Where assessment was demonstrated within the report, there is some question as to the appropriateness and/or accuracy of the inputs used to draw the conclusions and mischaracterizations presented.

The Board's concerns were referenced in the report/presentation to SPPC on August 26, 2019 and are further detailed in **Appendix A** as attached.

The Board requests that the respective Administration jointly review the identified questions/points for consideration. LMCH Senior Leadership Team will engage with Civic Administration to provide additional information or conversation to provide clarity and ensure concerns are addressed. It is the Board's hope that this type of discussion will both alleviate the concerns of the Board, provide support to Civic Administration in determining next steps and actions to be taken respecting the findings and potential courses of action set out in the KMPG report.

LMCH remains committed to working with the City as our Shareholder and Service Manager to collaboratively implement improvements that serve our community.

Respectfully,

Sean Quigley
Board Chair

Appendix A – Comments- Issues – Questions KPMG Report

1. LMCH was given no opportunity to comment on the report and provide feedback before it became public.   Both Civic Administration and KPMG staff specifically stated that LMCH would have the opportunity to review and comment on the "current state assessment" as part of the process. The Board and staff had no such opportunity, and further, only became aware of the public report hours prior to the public release of this report via the SPPC agenda.

2. Was Civic Administration given the opportunity to comment on the report in advance of it being released to the public? If yes, did the original draft or recommendations change?

3. How can a single operational issue (vacancies) constitute a deep dive on overall efficiency and effectiveness of how housing service are delivered … its but one of a number of critical issues e.g. need for tenant support service and programs servicing a dynamic tenant basis, issues/ challenges around the overall state of repair of LMCH infrastructure portfolio?

4. Do recommendations respecting governance oversight and vacancy management etc. give consideration to the positive steps and actions in respect of these issues (note the recommendations appear dated/retrospective in nature).

5. Provided that there is a confidential report including implementation plan, what is the process for sharing those observations/findings? At what point would or to what extent will LMCH become party to opportunities covered through that assessment? What issues specifically have been identified and what solutions proposed?

6. Our understanding was that this report was to indicate system wide efficiencies for improved housing service delivery. What reasonable indicators of improvement can the recommendations offer? The public report was micro level in terms of opportunity (mainly the approx. 160K recovery from vacancy reduction) our housing service needs are significant including investment to address capacity issues, what more did KPMG offer in regards to solutions?

7. Comparative Data was relied upon heavily in the report to indicate LMCH's mismanagement of vacancy levels. Were any LHC's contacted directly for this data? Was there clarity on how vacancy levels are measured differently across jurisdictions? The report certainly did not demonstrate this understanding and therefore greatly skewed the comparisons making our organization look significantly worse than is the reality. For example, no public information is reported by Windsor or Ottawa, while the operations report posted on TCHC and Hamilton indicate that their vacancy rate for all units was 6.70% (as at May 31, 2019) and 9.9% (as at March 31, 2019) respectively. Windsor confirmed directly that their highest rate in 2019 for the public housing portfolio was 5.99%

8. Why were other municipalities/LHCs that do not have the same structure of LMCH and/or operate various social and affordable housing programs used as comparators? Unlike LMCH who do not manage these programs, other municipalities/LHCs would offer market rentals that are quicker to rent given their age, state of repair, affordability compared to private market and no requirement to use coordinated access. This would directly impact the relevance of the data used.

9. How was the staffing numbers calculated as the report states two different numbers of full time staff of LMCH? 74 vs 57 staff (LMCH current complement totals 64)

10. Were the housing markets, policy and legal framework, priorities, funding and approach of each municipalities/LHCs considered in terms of their local environment and need?

11. Was the context of how LMHC's repair time standards considered? The standards were drafted as part of our internal collaboration with staff starting in 2018 and into 2019 to determine our CARE quality standards. These were initial goals as something to work towards recognizing that the unit turnover and vacancies were areas of continuous improvement for the organization.

12. Were the shared service opportunities for LMCH costed and identified with specific capacity within the city to support such an effort? Were previous LMCH requests seeking shared services recognized with the corresponding ability to offer such by the city? Were previous city offers for shared services reviewed? Was limited effectiveness of any such shared service provisions with LMCH or other boards/ commissions or service providers reviewed to demonstrate cost saving value?

13. LMCH would not knowingly decline funding to improve service delivery at any time. The report's statement that "*When the Service Manager suggested additional funding in order to address the vacancy rate, LMCH declined the funding, indicating that it was unable to effectively manage the process for the use of the additional funding*" goes against the fact that LMCH has continued to state the need for additional resources directly to the Service Manager and City Council. Furthermore, staff did evaluate the vacancy issue and provided detail regarding such in the Vacancy Management report which was attached to the submission to Council and shared with Civic Administration. Moving on the vacancy issue is expected to cost upwards of $500,000 in 2019, money which is not in the budget but is understood will be covered by the City of London

14. What information or process used to make the conclusion that *"We also believe that the absence of data is a symptom of an overall absence of management of the work order process"* given that the work order process was not reviewed? Every piece of information requested was provided to KPMG, the auditor only held one meeting with the Board another with the CEO. No other management or staff were interviewed or questioned.

15. What additional work was completed or information used to conclude that "*the current board of LMCH is more representative of an advocacy board, with only limited representation of what we consider to be requisite skills*"? One meeting with the Board was held in confidence with the understanding that it was an open dialogue to express opinions and concerns. No other meeting was held with individual board members or any request for information was received to review their experience and expertise.

16. In respect of the Governance Issue identified, how or what was the basis of assessment supporting their conclusion? Given the significance and severity of the governance and oversight issues raised why were no recommendations provided to remedy this issue? Given the significance importance and severe opinion expressed by KPMG?

17. In general the recommendations as reported to SPPC from the public summary report demonstrate only limited improvements (address backlog of vacancy is a one-time improvement with an expected turnaround of only 33 units once addressed) a $166K cost savings, and 'looking into' numerous other business efficiencies which have been considered and tried such as back office integrations. The Board of LMCH is concerned that the ultimate effect of the recommendations seen by the public is maintaining the status quo within housing services in our city – which is how the governance and operational challenges emerged and brought us – this seems counter-productive. LMCH is committed to improving housing services and being part of the solution. We expect the implementation of the KPMG report to offer more solutions than what has been articulated at this time.

<p style="text-align:center"><u>KPMG Response to LMCH Questions</u></p>

As requested, we are writing to provide our comments concerning the questions raised by LMCH in response to our report on the City's housing services.

<u>Comparative Data and Vacancy Levels:</u>

The purpose of obtaining comparative vacancy rates was to provide perspective as to LMCH's vacancy rates compared to social housing providers in larger communities, so as to assess whether LMCH's vacancy rates could be indicative of an issue relating to its performance.

As part of our study, KPMG contacted the Ministry of Municipal Affairs and Housing to inquire as to whether data was available concerning vacancy rates on a Province-wide basis. We were advised by the Ministry that no such information was available.

As a follow up, we contacted Housing Services Corporation to inquire as to whether data was available concerning vacancy rates on a Province-wide basis. We were advised by HSC that vacancy rate information is not available for the Province as a whole and that the public disclosure of vacancy rates is limited, with some social housing providers publishing the data while others do not. During our discussions with HSC, the impact on vacancy rates of potential tenants' ability to make three refusals was identified.

In the absence of Province-wide information, KPMG commenced an internet review to identify publicly-available vacancy rates. Based on this review, KPMG obtained vacancy information for the following housing providers:

- Ottawa Community Housing. The 2018 annual report (available online) discloses its occupancy rate.
- City Housing Hamilton. The website includes periodic management reports to the Board of Directors, which includes information concerning vacancy rates.
- Toronto Housing Corporation. Vacancy information was made available in connection with an Auditor General's review of social housing.

Where publicly-available information was not obtained through our internet search, KPMG contacted individual social housing providers to inquire as to their vacancy rates. KPMG conducted telephone discussions with representatives from Greater Sudbury, Niagara Region and Durham during which time vacancy rate and unit turnover information was provided. KPMG had also contacted Kingston, Waterloo, York and Halton to inquire as to vacancy rates but was unable to obtain a response from these

service managers. Accordingly, these community housing providers were not referred to in our report.

With respect to Windsor, KPMG noted that its vacancy rate was published in the 2017 annual report but was not disclosed in its 2018 annual report. During the course of our review, we were advised by a representative of the housing corporation that there was no material change to its vacancy rate from 2017 to 2018. In addition, we note that total rental revenues in 2018 were higher than 2017 ($21.5 million vs. $20.5 million), which would appear to indicate that a material increase in vacancy rate had occurred.

For the purposes of our report, we did not undertake a month-to-month summary of vacancy rates for the comparative housing providers given that this information would not be forthcoming. Rather, we had attempted to obtain annual averages or, where no annual average was possible, comparative vacancy rates as at December 31, 2018. LMCH's correspondence indicates that vacancy rates for some of the comparator organizations is higher than what was presented in our report and while we have not attempted to validate this comment, we note that most of the comparators used (Ottawa, Toronto, Greater Sudbury, Niagara, Durham) were based on annual average vacancy rates that would account for fluctuations during the year. As noted in our report, LMCH's vacancy rate appears to have demonstrated a consistent rise since September 2017 and as such, does not appear to be experiencing significant monthly variations.

In addition to the above, we would like to note the following:

- As noted above and mentioned in our report, the ability of tenants to provide up to three refusals has the potential to impact vacancy rates as units that are ready to be rented may remain vacant. While information on unit turn-around times (i.e. from date of vacancy to date when the unit is ready for occupancy), it appears that LMCH's turn-around times are higher than other community housing providers:
  - LMCH (based on sample from April report) – 117 days, which approximates four months
  - Niagara – two weeks
  - Greater Sudbury – one month
- Initial drafts of our report only disclosed LMCH's vacancy rates to December 2018. Given the significance of the vacancy rate issue and the initiative undertaken by LMCH to reduce its vacancy rates, KPMG requested additional information concerning vacancy rates to the end of June so as to reflect the most recent vacancy information. Additionally, our report acknowledges the reduction in LMCH's vacancy rate at June 2019. While we appreciate that the more recent vacancy rate data did not influence our findings, we did want to ensure that Council was provided with the most recent information available.

Comparator Community Housing Providers:

LMCH has questioned the basis for selection of the comparator community housing providers and has identified that certain of the providers operate under different governance structures than LMCH.

As you may recall, the basis of selection of the comparator housing providers was discussed during the City's review of draft versions of our report. At the time, we indicated that the comparators were selected on the basis that they are community housing providers for large service managers, and that comparisons to smaller service managers (e.g. Northern Ontario DSSABs) would not be relevant. The intention of the comparison was to assess LMCH's **operational** performance, which should not be impacted by the governance structure. If, however, it is argued that the governance structure would have an impact on operational performance, we suggest it is relevant to include integrated social housing providers so as to obtain perspective of the extent that the governance model impacts operational performance. That said, we understand that all of the comparators are stand-alone social housing providers, with only Durham having a different governance structure (no municipal control).

With respect to LMCH's comments concerning the impact of market units on turnaround times, our report does acknowledge that LMCH does not have any market rents. While market rental units may have faster turn-around times, our analysis indicates that LMCH's turn-around times for social housing (RGI) units (i) appears to have increased over time; and (ii) is higher than the turn-around time for social housing units maintained by other community housing providers (please refer to our comments relating to Item No. 7). According, while we acknowledge LMCH's comments concerning the impact of market units on overall vacancy rates, we do not believe that the higher vacancy rate in comparison to its peers can be solely attributed to this.

Staffing Numbers:

The FTE data presented for LMCH was based on an organizational chart provided to us by Mr. Josh Browne, LMCH CEO, a copy of which is attached.

With respect to FTE information, we would like to note that this was provided for information purposes only. Our analysis did not consider any changes to LMCH's organizational structure and staffing levels. Additionally, our focus on LMCH's operational performance issues related to vacancy rates and did not include any discussion with respect to staffing levels. As a result, any discrepancies in this information would not have an impact on our recommendations.

Context of LMCH Repair Time Standards:

LMCH's correspondence appears to inquire as to how KPMG considered the 3% internal standard for vacancy rates.

With respect to LMCH's actual vacancy rates and its performance against this standard, we make the following comments:

- The primary factor influencing our recommendations with respect to LMCH was the increase in its vacancy rates since September 2017 and how its vacancy rates compared to other community housing providers in larger population centres. LMCH's performance against this standard was a secondary consideration.
- During the course of our review, we were requested by the City to contact Housing Services Corporation to gain their insight into the delivery of housing services by the City, LMCH and HDC. During the course of our discussions with Housing Services Corporation, they provided additional context with respect to LMCH's vacancy rates, which included the following:
  - Housing Services Corporation agreed with KPMG's conclusion that vacancy rates for LMCH were an operational performance issue, particularly the increase in vacancy rates since September 2017
  - Housing Services Corporation agreed with KPMG's conclusion that LMCH's vacancy rates were higher than the general industry norm. We discussed the impact of the three refusal issue with Housing Services Corporation and agreed that this could impact vacancy rates beyond the control of LMCH. KPMG then discussed unit turn-around times (based on our sample of the April 2019 report) with Housing Services Corporation, who indicated that (i) the unit turn-around times appeared higher than other social housing providers; and (ii) the analysis would not be impacted by the three refusal issue as it only considered the time from unit vacancy to when it is available for rent.
- Notwithstanding, LMCH appears to indicate that it had only developed a standard for vacancy rates in 2018. We are uncertain as to whether LMCH had a different standard prior to this period or if no standard existed.

LMCH Board:

As outlined in our report, we have described the LMCH board as acting in an advisory capacity, notwithstanding the presence of requisite skills by certain board members. Our comments reflect, among other considerations, the fact that the board and LMCH as an organization appear to be focused in expanding support services to its tenants as opposed to addressing the operational issues impacting vacancy rates. While admittedly important to the challenges facing the LMCH's tenants, we note that these services appear to extend into the mandate of the Province as opposed to LMCH's core mandate on social housing. In addition, we note that the focus of LMCH's

strategy plan has been in support services as opposed to maximizing the number of units available. The current impetus to reduce vacancy rates appears to be a more recent initiative.

Based on the above, we have considered the board's focus to be more heavily weighted towards resident advocacy as opposed to an operational focus that we would expect from a skills-based board.

STAFF REPORT 2019 – 38

TO: Board of Directors

FROM: Norman Turner, Director of Asset Management
Nick Van der Velde (Interim) Director of Finance

SUBJECT: **2020-2023 Multi Year Capital Budget Program**

DATE: July 31, 2019

RECOMMENDATION:

That on the recommendation of the Director of Asset Management & Interim Director of Finance with the concurrence of the Chief Executive Officer, the Board of Directors take the following actions with respect to LMCH's 2020-2023 Multi-Year Capital Budget Program:

   i.   **APPROVE** the 2020-2023 Multi-Year Capital Budget Program as detailed in Appendix I of Staff Report 2019 - 38 and summarized below, noting the budget calls for City of London investment over the four-year period of $71,358,399;

2020-2023 CAPITAL BUDGET PROGRAM

Project Description	2020	2021	2022	2023	Four Year Capital Budget
Risk management and mission critical	$ 4,065,284	$ 3,577,711	$ 3,043,143	$ 2,654,438	$ 13,340,576
High Impact Mitigation	1,177,546	3,971,309	3,349,675	5,599,712	14,098,242
Medium impact mitigation	2,842,505	1,805,644	1,884,561	1,872,109	8,404,819
Low impact mitigation	716,883	606,296	657,634	628,187	2,609,000
Limited impacted mitigation	2,928,910	2,100,514	1,976,239	2,017,226	9,022,889
Recapitalization	4,862,961	6,247,657	4,862,961	7,466,190	23,439,769
Information Systems and Technology	110,776	110,776	110,776	110,776	443,104
City of London - capital expenditure investment	**$16,704,865**	**$18,419,907**	**$15,884,989**	**$20,348,638**	**$ 71,358,399**

   ii.   **APPROVE IN PRINCIPLE** the 10-year provisional capital budget program as set out in Appendix II, of Staff Report 2019 - 38 noting the program calls for capital investment, including the recommended 2020-2023 multi-year capital budget program of $161,143,834;

   iii. **RECEIVE FOR INFORMATION** the discussion as set out in Appendix III respecting the potential applicability of the Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) in respect of the recommended 2020-2023 Multi-Year Capital Budget program; and

iv. **DIRECT** the Administration submit the approved 2020-2023 capital budget program to the City of London consistent with the City approved submission format.

STRATEGIC ALIGNMENT:

The report and report recommendations are consistent with LMCH's 2017-2020 Strategic Plan with particular linkage to our strategic goal of "*Improve, Renew and Maintain the Homes we offer*"; the finding of the VFA Report, the expected direction of LMCH Asset Management Plan, Regeneration Plan and Vacancy Management Strategy, noting the latter three plans/strategies are in progress.

BACKGROUND:

Administration has been developing LMCH's first comprehensive 10-year Asset Management Plan including related Financial Plan, along with a related Regeneration Plan.

The requirement costs for the 2018-2028 period are substantially larger than the capital requirements identified and communicated in the 2015 VFA consulting report. The 2015 VFA report identified $216.1 Million in capital requirements due within 5-years from the inspection date (2015) period (VFA, 2016).

This same report also considered the impact that various levels of funding would have on the assessed portfolio's FCI score over a 20-year period. FCI scores measure the condition of an asset (site, all built improvements) relative to its replacement value. The resulting value is typically between zero and one with zero indicating the asset is in perfect condition with no components requiring capital investment and one indicating that the assets requires capital investment equal to the assets replacement value.

Table 1 summarizes the identified funding requirements projected out for 20 years from the date of the report.

Table 1 – VFA 2015 Funding Requirements

Scenario	Total Applied Funding	Average Per Year	Percentage Replacement Value	FCI At 20 Years
Maintain FCI (2 Year per 2015 Report	$467,550,000	$22,300,000	3.8%	0.09
Target 40% FCI	$270,600,000	$13,500,000	2.2%	0.40
Based on Current Capital Funding at $2.2 million	$44,200,000	$2,200,000	0.4%	0.75

As the suggested funding levels were not achieved, the condition of the assessed portfolio as of August 2018 has declined further and the capital requirements have increased. As the FCI score includes repair and replacement backlog, the funding shortfall has been aggregated into the current 10-year window of the 2020 Asset Management Plan.

Given the age, nature and condition of the assessed portfolio, LMCH has been severely underfunded for years resulting in the rapid increase of the FCI score. LMCH's recommended 2020-2023 Multi-Year Capital Budget is consistent with the direction of the 2020 Asset Management Plan, the Regeneration Plan and its corporate mission of *"providing and maintaining homes in a safe and supportive environment to meet the needs of the people we serve."*

ANALYSIS and OPTIONS:

The recommended 2020-2023 Capital Budget defines capital investment needs in three groups, including:

Group 1 – Includes "mission critical" and risk managed projects. The grouping is broken down into four subsets, namely:

- High impact mitigation
- Medium impact mitigation
- Low impact mitigation
- Limited impact mitigation

Explanations and examples of these impact categories are outlined in Table 2.

Table 2 – Risk Management and Mission Critical

Impact Category	Impact Category Description	Example
High Impact	These requirements are in imminent risk of failure, they require the most extensive coordination to correct (i.e. amongst multiple professional bodies and other service agencies), and they are crucially important to the operation of the building and the tenants' daily lives.	Lone Elevator in High Rise Seniors Building: Based on age and condition, this requirement is in immediate or near term need of repair. There may be no secondary elevators in the building, and the repair or replacement of the elevator requires coordination amongst multiple professional disciplines (i.e. hydraulics, electrical, fire safety) and service providers (i.e. LMCH). If the elevators were to break or there was a severe service interruption, nearly all tenants' day-to-day activities are severely impacted.
Medium Impact	Requirements in this category have moderate risk of failure, they require some degree of coordination to rectify, and they affect the tenants' daily lives and are moderately	Hot Water Heater in High Rise Building: In this case, there may be two hot water heaters, but only one is operational. Based on age, the lone functioning hot water heater is not estimated to require replacement in the immediate future, but will likely require replacement sooner than typical due to the

	important to the operation of the building.	higher than normal use. This item requires some coordination to replace, however, it does not impact integral components of the building (i.e. people still have access to water, but do not have access to hot water for a few hours during repair). At present, there is some impact on tenants, but it is not severe; for example, during peak hot water demand times, tenants may notice limited availability of hot water, but otherwise the deficiency generally goes unnoticed.
Low Impact	Low impact requirements are unlikely to fail, their replacement requires little to no coordination amongst service agencies and professionals, and they have a negligible impact on tenants' daily lives and the operation of the building.	Storm Sewer Catch Basin Renewal: This requirement is unlikely to fail, except for in the event of extreme weather which is rare. Repair or replace can occur without much coordination amongst professionals and service providers and most tenants would not even notice if the requirement were in desperate need of repair or if it was being repaired.
Limited Impact	These requirements are in acceptable condition as long as they are functional. They can be easily replaced or repaired, require no coordination to do so, and have isolated, short term, and often negligible impact on tenants.	Interior Doors: Interior doors can last for a long period of time, often far in excess of their identified useful life and tend to only need repair if damaged. They are unlikely to fail on their own, and any doors that do fail tend to do so in isolation and sporadically. LMCH maintenance staff can quickly repair these requirements.

The Multi-Year Capital Budget is structured to reduce the level of risk as a whole across the portfolio and address some of the inevitable failures inherent in a "run to failure" approach.

Group 2 – The recapitalization budget includes measures to regenerate and revitalize the homes we provide. These measures are required to improve the amenity of the properties we offer and improve the state of the portfolio.

Group 3 – Information System and Technology Budget includes technology investment requirements.

FINANCIAL IMPACT:

LMCH is at a "crossroads" in terms of the condition and operability of its portfolio. Without significant capital investment, beyond the current $2.2 million annual capital investment, LMCH's assessed portfolio FCI score will further decline from the baseline of 0.30 (august 2018) to 0.61 by 2023.

Such a shift will significantly risk LMCH's ability to meet its mandate in terms of target accommodations (units), providing safe homes at an acceptable standard as well as provide/support related/required social support service.

The four-year capital investment need of $71 plus million will applied across LMCH's portfolio on a priority basis based upon detailed critical assessment. The following table provides a snapshot of the portfolio. The snap shot was prepared as part of VFA Report.

Asset Type	Inventory	Total 2018 Replacement Cost	Property 2018 FCI Score	Building 2018 Replacement Cost	Building 2018 FCI Score	Site 2018 Replacement Cost	Site 2018 FCI Score	Age
LMCH Inventory Breakdown								
Multi-Residential	Walnut	$ 45,518,067	0.25	$ 45,104,117	0.25	$ 413,950	0.63	41
	Simcoe	$ 42,676,763	0.25	$ 42,310,945	0.25	$ 365,818	0.60	43
	McNay	$ 51,598,203	0.24	$ 51,091,987	0.24	$ 506,219	0.01	42
	345 Wharn	$ 27,138,680	0.23	$ 26,635,050	0.22	$ 503,630	0.64	47
	349 Wharn	$ 26,956,815	0.22	$ 26,956,815	0.22	N/A	N/A	45
	Baseline	$ 49,423,842	0.26	$ 48,884,925	0.26	$ 538,917	0.45	46
	Kent	$ 43,270,502	0.19	$ 42,925,878	0.19	$ 344,624	0.53	46
	Berkshire	$ 21,944,321	0.27	$ 21,709,137	0.26	$ 236,184	0.62	46
	Tecumseh	$ 8,690,188	0.35	$ 8,447,084	0.35	$ 243,104	0.35	57
	Commissio	$ 27,543,040	0.35	$ 27,234,443	0.34	$ 308,597	0.84	48
	Oxford	$ 24,465,773	0.34	$ 24,218,325	0.33	$ 247,448	1.02	48
	Hale	$ 29,540,975	0.20	$ 29,171,749	0.19	$ 369,226	0.62	47
	William	$ 17,918,827	0.39	$ 17,731,446	0.39	$ 187,381	0.76	52
	Dundas	$ 28,548,839	0.39	$ 28,306,922	0.39	$ 227,696	0.94	50
	Albert	$ 17,933,142	0.32	$ 17,760,016	0.32	$ 173,126	0.58	49
	Bella	$ 9,615,322	0.27	$ 9,308,387	0.25	$ 306,935	0.77	40
	Ellen	Information Currently Unavailable- Compilation Initiated						45
	Head	$ 4,818,503	0.24	$ 4,734,293	0.24	$ 84,209	0.49	45
	York	Information Currently Unavailable- Compilation Initiated						42
	Simpson	$ 3,046,543	0.42	$ 2,942,824	0.42	$ 103,719	0.36	42
	Dorchester	Information Currently Unavailable- Compilation Initiated						40
Row Housing	Marconi	$ 14,923,340	0.40	$ 14,192,495	0.38	$ 730,845	0.88	52
	Limberlost	$ 42,067,739	0.36	$ 39,412,362	0.36	$ 2,655,377	0.37	46
	Huron	$ 26,401,847	0.25	$ 24,496,694	0.24	$ 1,905,152	0.36	48
	Southdale	$ 49,014,740	0.38	$ 47,307,913	0.37	$ 1,706,826	0.79	47
	Allan Rush	$ 25,865,437	0.50	$ 24,729,266	0.48	$ 1,116,172	1.06	58
	Pond Mills	$ 23,317,392	0.36	$ 22,346,702	0.35	$ 970,690	0.51	47
	Boullee	$ 36,117,937	0.35	$ 33,516,120	0.35	$ 2,601,817	0.27	50
Semi-Detached	Marconi	Information Currently Unavailable- Compilation Initiated						51
	Penny Lane	Information Currently Unavailable- Compilation Initiated						44
Scattereds	City	Information Currently Unavailable- Compilation Initiated						55
	County	Information Currently Unavailable- Compilation Initiated						49
TOTAL		$ 698,356,777	0.30					47.13

In terms of revenue streams, LMCH finds itself in a position that limits source of financing to request from the City of London.

As set out in **Appendix I** capital investment needs for 2020 to 2023 are substantial averaging approximately $17 million per year vs the traditional allocation of $2.2 million – investment that is required for LMCH to continue to meet its mandate and approved Strategic Plan.

Based on 2019 experience with special funding and SHAIP commitments, the current team (including two temporary and one contract staff member) can execute in the region of $10 million annually in large value medium complexity projects.

The capital budget has embedded contingency and project management elements which would be scalable to suit the budget available. Excluded are any additional community development resources required to engage with the tenants through the process.

CONCLUSION:

Without significant investment, the assessed portfolios FCI score will become "POOR" during 2020 and move to "DEFICIENT" by 2023.

The recommended budget balances risk against investment and identifies that with a lower level of investment the level of risk increases on a proportionate basis.

PREPARED and SUBMITTED BY:	PREPARED and SUBMITTED BY:
NORMAN TURNER **DIRECTOR, ASSET MANAGEMENT**	**NICK VAN DER VELDE** **(INTERIM) DIRECTOR FINANCE**

REVIEWED and CONCURRED BY:
JOSH BROWNE **CHIEF EXECUTIVE OFFICER**

Attachments: Appendix I – LMHC 2020-2023 Capital Program Summary
Appendix II – LMCH 10 Year Provisional Capital Budget Program
Appendix III: Overview Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) Programs

Appendix I – LMHC 2020-2023 Capital Program Summary

2020-2023 Capital Budget Progam					
Year	2020	2021	2022	2023	4-Year Total
Risk Management & Mission Critical					
Generators & Elevators					
Generators	$ 276,939	$ 276,939	$ 276,939	$ 276,939	$ 1,107,757
Elevators	3,788,345	3,300,771	2,766,203	2,377,499	12,232,819
Total Generators & Elevators	**4,065,284**	**3,577,711**	**3,043,143**	**2,654,438**	**13,340,576**
High Impact - Mitigation					
Fire/Life Safety	540,585	412,086	728,904	290,232	1,971,808
Electrical Upgrades	532,831	3,559,223	2,408,264	1,622,864	8,123,182
Plumbing/HVAC	104,129	-	114,099	3,170,401	3,388,629
Balcony/Retaining Walls	-	-	98,408	516,215	614,622
Other High Impact	**1,177,546**	**3,971,309**	**3,349,675**	**5,599,712**	**14,098,241**
Medium Impact					
Roofing	300,202	505,137	529,774	419,840	1,754,953
Electrical Upgrades	1,756,903	128,500	1,080,063	1,129,912	4,095,378
HVAC	-	-	209,366	38,771	248,138
Life Safety Systems	785,400	1,172,007	65,358	65,358	2,088,122
Windows/Cladding	-	-	-	218,228	218,228
Garbage Chute(s)		-	-		-
Total Medium Impact	**2,842,505**	**1,805,644**	**1,884,561**	**1,872,109**	**8,404,819**
Low Impact - Mitigation					
Roofing	-	-	243,707	85,386	329,092
HVAC	42,095	23,616	-	542,801	608,512
Exterior Stairs and Fire Escapes	407,655	-	-	-	407,655
Storm Sewer	-	-	-	-	
Domestic Water	169,651	-	-	-	169,651
Electrical Upgrades	97,483	582,680	361,129	-	1,041,292
Storm Sewer Drainage			52,798		52,798
Total Low Impact	**716,883**	**606,296**	**657,634**	**628,187**	**2,609,000**
Limited Impact					
Electrical Upgrades	2,928,910	1,919,949	405,439	523,969	5,778,267
Lighting Upgrade	-	-	563,848	-	563,848
HVAC	-	-	326,788	500,706	827,495
Fire/Life Safety	-	104,129	-	992,550	1,096,679
Roofing	-	-	-	-	-
Handrails and Balconies	-	-	680,163	-	680,163
Domestic Water	-	76,435	-	-	76,435
Total Limited Impact	**2,928,910**	**2,100,514**	**1,976,239**	**2,017,226**	**9,022,887**
Recapitalization Budget					
Town Home Internal Refurbish	1,353,925	1,353,925	1,353,925	1,353,925	5,415,701
Apartment internal refurbish (not accessible mod)	1,315,677	1,315,677	1,315,677	1,315,677	5,262,708
Asphalt and concrete renewal	276,939	276,939	276,939	276,939	1,107,757
EIFS High rise/ Apartment	1,384,696	2,769,393	1,384,696	4,154,089	9,692,874
Lobby Upgrades	88,621	88,621	88,621	88,621	354,482
Corridors Upgrades	276,939	276,939	276,939	276,939	1,107,757
Playgrounds Picnic Areas Outdoor Gyms	166,164	166,164	166,164		498,491
Total Recapitalization Budget	**4,862,961**	**6,247,657**	**4,862,961**	**7,466,190**	**23,439,770**
Information Systems and Technology					
Capital Costs (Servers, Hardware, etc.)	110,776	110,776	110,776	110,776	443,103
Total Information Systems & Technology	**110,776**	**110,776**	**110,776**	**110,776**	**443,103**
Total Capital Investment - City of London	$ 16,704,865	$ 18,419,907	$ 15,884,989	$ 20,348,638	$ 71,358,399

Appendix II – 10 Year Provisional Capital Budget Program

Year	2020	2021	2022	2023	4-Year Total	10-Year Total
Ten Year Provisional Capital Budget Progam						
Risk Management & Mission Critical						
Generators & Elevators						
Generators	$ 276,939	$ 276,939	$ 276,939	$ 276,939	$ 1,107,757	$ 1,107,757
Elevators	3,788,345	3,300,771	2,766,203	2,377,499	12,232,819	17,625,180
Total Generators & Elevators	**4,065,284**	**3,577,711**	**3,043,143**	**2,654,438**	**13,340,576**	**18,732,937**
High Impact - Mitigation						
Fire/Life Safety	540,585	412,086	728,904	290,232	1,971,808	7,765,377
Electrical Upgrades	532,831	3,559,223	2,408,264	1,622,864	8,123,182	21,565,814
Plumbing/HVAC	104,129	-	114,099	3,170,401	3,388,629	4,018,943
Balcony/Retaining Walls	-	-	98,408	516,215	614,622	8,121,892
Other High Impact	**1,177,546**	**3,971,309**	**3,349,675**	**5,599,712**	**14,098,241**	**41,472,026**
Medium Impact						
Roofing	300,202	505,137	529,774	419,840	1,754,953	2,227,965
Electrical Upgrades	1,756,903	128,500	1,080,063	1,129,912	4,095,378	11,248,165
HVAC	-	-	209,366	38,771	248,138	721,150
Life Safety Systems	785,400	1,172,007	65,358	65,358	2,088,122	3,780,683
Windows/Cladding	-	-	-	218,228	218,228	2,886,815
Garbage Chute(s)		-	-		-	417,219
Total Medium Impact	**2,842,505**	**1,805,644**	**1,884,561**	**1,872,109**	**8,404,819**	**21,281,997**
Low Impact - Mitigation						
Roofing	-	-	243,707	85,386	329,092	508,549
HVAC	42,095	23,616	-	542,801	608,512	1,772,968
Exterior Stairs and Fire Escapes	407,655	-	-	-	407,655	407,655
Storm Sewer	-	-	-	-	-	-
Domestic Water	169,651	-	-	-	169,651	169,651
Electrical Upgrades	97,483	582,680	361,129	-	1,041,292	3,718,740
Storm Sewer Drainage			52,798		52,798	262,370
Total Low Impact	**716,883**	**606,296**	**657,634**	**628,187**	**2,609,000**	**6,839,934**
Limited Impact						
Electrical Upgrades	2,928,910	1,919,949	405,439	523,969	5,778,267	8,594,449
Lighting Upgrade	-	-	563,848	-	563,848	2,130,217
HVAC	-	-	326,788	500,706	827,495	6,628,818
Fire/Life Safety	-	104,129	-	992,550	1,096,679	1,150,960
Roofing	-	-	-	-	-	2,746,130
Handrails and Balconies	-	-	680,163	-	680,163	1,360,326
Domestic Water	-	76,435	-	-	76,435	91,944
Total Limited Impact	**2,928,910**	**2,100,514**	**1,976,239**	**2,017,226**	**9,022,887**	**22,702,842**
Recapitalization Budget						
Town Home Internal Refurbish	1,353,925	1,353,925	1,353,925	1,353,925	5,415,701	12,185,328
Apartment internal refurbish (not accessible mod)	1,315,677	1,315,677	1,315,677	1,315,677	5,262,708	11,841,092
Asphalt and concrete renewal	276,939	276,939	276,939	276,939	1,107,757	2,769,393
EIFS High rise/ Apartment	1,384,696	2,769,393	1,384,696	4,154,089	9,692,874	18,056,440
Lobby Upgrades	88,621	88,621	88,621	88,621	354,482	886,206
Corridors Upgrades	276,939	276,939	276,939	276,939	1,107,757	2,769,393
Playgrounds Picnic Areas Outdoor Gyms	166,164	166,164	166,164		498,491	498,491
Total Recapitalization Budget	**4,862,961**	**6,247,657**	**4,862,961**	**7,466,190**	**23,439,770**	**49,006,341**
Information Systems and Technology						
Capital Costs (Servers, Hardware, etc.)	110,776	110,776	110,776	110,776	443,103	1,107,757
Total Information Systems & Technology	**110,776**	**110,776**	**110,776**	**110,776**	**443,103**	**1,107,757**
Total Capital Investment - City of London	$ 16,704,865	$ 18,419,907	$ 15,884,989	$ 20,348,638	$ 71,358,399	$ 161,143,834

Appendix III: Overview   Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) Programs

The Provincial Government released its Community Housing and Renewal Strategy on April 17th 2019. It included two initiatives:

The Canada-Ontario Community Housing Initiative:

Will provide funding to Service Managers to replace the federal Social Housing Agreement funding that expires each year, beginning April 2019. This funding can be used by Service Managers to repair, regenerate and expand community housing and to protect affordability support for tenants. It can also be used to support community housing providers whose original program arrangements are expiring and help them to become more sustainable. Service Managers will be required to give priority to Indigenous housing providers under the Urban Native Housing program. In addition, funding will be available to support other legacy social housing providers who have received Social Housing Agreement funding through provincial ministries, such as some supportive housing providers.

The Ontario Priorities Housing Initiative:

Will provide flexible funding to all 47 Service Managers and the two Indigenous Program Administrators to address local priorities in the areas of housing supply and affordability, including new affordable rental construction, community housing repair, rental assistance, tenant supports and affordable homeownership.

NOTE: At the time of writing this report, details of program requirements, available funding, and program approval is at best limited and as such a program opportunity has not been reflected in the recommended 2020-2023 recommended capital budget program.

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STAFF REPORT 2019 - 41

TO: Board of Directors

FROM: Nick van der Velde, (Interim) Director of Finance

SUBJECT: **2020-2023 Multi Year Budget Plan | Operating Budget**

DATE: July 31, 2019

RECOMMENDATION:

On the recommendation of the Interim Director of Finance with the concurrence of the Chief Executive Officer, the Board of Directors take the following actions with regard to LMCH's 2020-2023 Multi Year Budget Plan for Operating:

i.   **APPROVE** the 2020-2023 base operating budget, for LMCH as detailed on Appendix I of Staff Report 2019-41, and as summarized below, noting the base operating budget calls for increased City investment over the period of 14.9% or an average of 3.5% per year, which exceeds the City of London established operating budget target for LMCH of 1.5% per year.

LMCH BASE 2020-2023 OPERATING BUDGET				
Year	Revenue	Expenditure	City Investment	% Incr City
2019 Forecast	$11,506,138	$ 22,154,921	$ 10,698,018	-
2020 Budget	$11,683,034	$ 22,694,859	$ 11,011,825	2.9%
2021 Budget	$11,895,127	$ 23,303,358	$ 11,408,231	3.6%
2022 Budget	$12,111,318	$ 23,949,450	$ 11,838,132	3.8%
2023 Budget	$12,331,701	$ 24,627,006	$ 12,295,305	3.9%
(2019 City investment is as approved, excludes estimated surplus of $49,325)		2019 vs. 2023 =	14.93%	

ii.   **APPROVE** the Business Cases attaching to the operating budget as detailed on Appendix II of Staff Report 2019-41, and summarized below noting same are congruent with the direction and strategies of LMCH approved Strategic Plan, and provide for a total increase in City of London operating investment of $4,082,477 for 2020 vs. 2019,

BUSINESS CASES 2020-2023 BUDGET				
Year	2020	2021	2022	2023
Business Case #1 - Staff Additions	$ 65,776	$ 65,776	$ 65,776	$ 65,776
Expenditure				
Business Case #1 - Staff Additions	$ 2,273,323	$ 3,749,068	$ 4,737,125	$ 5,186,416
Business Case #2- Resident Contacts	$ 525,658	$ 532,228	$ 538,881	$ 545,617
Business Case #3: Enhanced Site Security	$ 972,072	$ 889,256	$ 900,176	$ 919,031
Business Case #4: Community Development	$ 377,200	$ 382,858	$ 388,601	$ 394,430
	4,148,253	5,553,411	6,564,783	7,045,494
Net Increase in City of London Investment	4,082,477	5,487,635	6,499,007	6,979,718
City of London Base Operating Investment	11,011,825	11,408,231	11,838,132	12,295,305
Total City of London Operating Investment	$ 15,094,302	$ 16,895,865	$ 18,337,139	$ 19,275,023

And;

iii.   **DIRECT** the Administration submit the approved 2020-2023 operating budget program, including related Business Cases to the City of London consistent with the City approved submission format.

BACKGROUND:

As part of the City of London's budget process, LMCH is required to submit a four-year operating and capital budget for the time period of 2020-2023. The submission is required in two parts, which includes: a baseline budget, or commonly referred to as "status quo" and business case submissions, which would include any changes to current service standards, new initiatives or changes in day-to-day business. Preliminary targets have been set by the City of London for all Boards & Commissions of a 1.5% increase year over year.

In 2019, LMCH faces the growth pressures in a number of areas which has put a strain on the 2019 budget. The two areas include: vacancy turnover practices and security within the buildings. LMCH has informed the Service Manager of these budget risks in 2019. LMCH has decided to exclude these additional costs from the 2020-2023 baseline budget to annualize the 2019 budget and submit the proposed solutions as business cases – which will result in substantial changes to current business practices. The costs included in these initiatives will include both material/service related costs and compensation/headcount costs.

BUDGET METHODOLOGY:

The development of the multi-year budget followed a four-step process:

Step 1: Analyzed 2014-2018 Actuals, according to Income Statements to understand year-over-year increase/decline and calculate an average increase/decline annually in the form of a percentage;

Step 2: Utilized the 1.5% target set by the City of London as a number to define annual inflation;

Step 3: For several line items, as set by the Service Manager, used specific annual increase percentage as reflected in the 2020-2023 Multi-Year Budget Guidelines by the City of London;

Step 4: With specific departments built zero-based budgets (ZBB) that are in alignment with the needs of the department, it's staff and LMCH as a whole – these ZBB's were integrated with the financial modelling performed during step 1, 2 and 3.

A number of line items were calculated differently from the four-step structure above, if the line item cannot be influenced by factors, such as inflation. For example, the line item "Water Heater Rental" is not influenced by inflation, not usage and instead, is set by a fixed 10-year contract.

The following comments are provided respecting certain of the individual budget line items. budget:

1. **Revenue:**
   a. **Rental Revenue**: As there are no anticipated increases in the provincially mandated rental rates over the next four years, LMCH has looked at the historical trends and to be conservative has applied the 1.5% inflationary rate to expected rental revenue. As RGI rents are set by legislation, one may not expect for rental revenue to increase. However, LMCH fixed income tenants are subject to an annual increase in rents, resulting in the projected rental revenue increase (which has also been presented from 2014 – 2018).

   b. **Tenants Recoveries and Net Bad Debt Write-off**: LMCH is planning on bringing the arrears collection process in house by hiring an Account Receivable (AR) clerk at approximately $66,000 annually (salary + benefits) to engage (past) tenants on outstanding debts. Based on market research and a conversation with another LHC in Calgary, AB who recently had great success with bringing collections in house. LMCH feels confident that it can lower its Net Bad Debt Write off by the equivalent of the AR clerk's salary and prevent this line item from growing in the future. This is further discussed in the respective business case.

   c. **Municipal Base Funding:** the 2020-2023 MYB indicated an increase in the municipal base funding that is largely related to the increase of several operating expenditure line items – many, of which LMCH does not control, such as: "heating and ventilation" and "vandalism". However, one line item that is increasing in LMCH's control is "building, general" – a rationale may be found in section 2b. Expenditures/Maintenance, below.

2. **Expenditures**
   a. **Compensation**: A detailed resource planning exercise is currently being completed by LMCH. This exercise looks at what staff complement is required over the next four years taking into consideration both current acceptable service levels, as well as anticipated changes to the business model and the business cases being brought forward as part of the multi-year budget request.

   Specifically, for the baseline budget proposal there is no significant headcount increase. Staff salaries were calculated by using an annualized version of 2019's forecast and adding an economic increase to the overall budget year-over-year of 1.25%, also referred to internal as a "merit increase".

Although a significant part of LMCH's annual budget, if LMCH is to maintain the current headcount level the organization will continue to fall behind on performing core functions as a landlord and will be restricted in terms of executing the current strategic plan.

A set out in the Business Case #1 narrative significant headcount increase is requested over the period 2020 - 2023 largely to ensure that LMCH is able to maintain and enhance service levels, address latent demand and growing demand attaining the objective and direction of LMCH Strategic Plan.

b. **Maintenance:** Based on historically trends and inflation, several maintenance line items will continue to rise in cost at the same rate as previous years, such as: Pest Control, General Building Maintenance, Plumbing and Painting. Although LMCH is requesting significant financial investment for capital improvements it will be a number of years before LMCH will reap the benefits of those improvements on the operational budget. In addition, two other factors impact this segment of the budget:
   i.   In-house staff performing maintenance and/or restoration work that typically in the past, LMCH would have outsourced – hence, material spending will go up, and second:
   ii. Work order volume is expected to rise year-over-year and with LMCH addressing this rise in work orders appropriately, it is expected that material spending will rise also.

c. **Utilities:** Utilities (excluding hot water tank rental) have been set to follow the annual increases set by the City of London and in accordance with the 2020-2023 Multi-Year Budget Guidelines;

d. **Property: Insurance:** Annual increases are based on historical increases in the group insurance rates combined with the provided Self Insurance Reserve Fund increases provided by the City of London Risk Department.

e. **Municipal taxes:** Recently, Ryan Consulting has achieved the reduction of the assessed value and property taxes for 19 locations (in the LMCH portfolio) in the city of London. The total overall portfolio reduction in the assessed value is -$32,225,000 with an estimated total property tax savings of $1,216,471+- for the 2019 and 2020 tax years. These are preliminary numbers and additional analysis has to be conduction before the LMCH leadership team present to City Council. Currently, this potential reduction in property taxes is not factored into the Multi-Year Budget.

f. **Administrative**
   i.   Corporate and other costs: Added inflation of 1.5%
   ii. Supplies and Equipment: In co-creation with the IT department, the finance team has prepared a zero-based budget to predict expenditures for 2020-2023. There are no substantial increases expected based on this zero-based budget build.

As per direction from the City of London has to submit the multi-year budget with two distinct segments: 1. Baseline budget and 2. Business cases to illustrate investment level changes.

LMCH plans on submitting business cases for the following areas due to the nature of the changes required to implement LMCH's strategic plan and to provide solutions to areas of risk, such as security or addressing work order volume, as earlier identified in this report.

1. Additional Staff
2. Resident Contacts
3. Enhanced Site Security
4. Community Development

The implementation of the new budget and additional business cases would result in substantial changes to current practices, protocols and processes. The business cases will include both compensation/headcount related costs as well as hard costs associated with each initiative. need of individual business cases: Discussion on the respective Business Case is set out in Appendix II

FINANCIAL IMPACT:

The recommended Base Budget and Business Cases will see City investment levels, increase from the current 48% of total annual operating expenditure investment to approximately 66%. (2019 vs. 2020), with total annual operating expenditure investment increasing by 78%. Expressed in terms of percent of total municipal tax – the expectation is that LMCH funding grows from the current 1.7% of municipal taxes to somewhere between 3.8% and 4.5% depending upon how capital is accounted for.

The current level of investment in the social housing governance structure (including portfolio) investment has contributed to – a status quo –reactionary" catch up structure" – where backlog is the order of the day and dated approaches, inconsistent with the changes and challenges facing social housing. This is neither effective or efficient.

CONCLUSION:

There are many factors that will influence the multi-year budget request for LMCH prior to final submission. These factors include the ongoing Service Review and the changing provincial climate. The preliminary budget reflects the current environment and will require adjustments once the outcomes of the Service Review are announced and until that time LMCH will continue to strive towards the outcomes set out in LMCH's Strategic Plan.

The budget reflects the current climate that LMCH is working within and demonstrates that the current levels of funding are not adequate to maintain current services levels or to address the real concerns that LMCH employees and tenants are facing on a day to day basis.

PREPARED and SUBMITTED BY:	REVIEWED and CONCURRED BY:
Nick van der Velde **INTERIM DIRECTOR OF FINANCE**	**JOSH BROWNE** **CEO**

Attachments:

Appendix I: Summary 2020-2023 Operating Budget

Appendix II: Business Cases – High-Level Overviews

APPENDIX I | SUMMARY 2020-2023 OPERATING BUDGET

	2019 Forecast	2020 Budget	Inc (Dec)	% Change	2021 Budget	2022 Budget	2023 Budget	4 Yr Inc. (Dec)	% Change
Operations									
Revenue									
Rental Revenue	$ 11,487,051	$ 11,659,357	$ 172,306	1.5%	$ 11,834,247	$ 12,011,761	$ 12,191,937	$ 704,886	6.0%
Tenant Recoveries	227,402	268,566	41,164	18.1%	311,228	355,442	401,266	173,864	64.7%
Net Bad Debt Write-offs	(421,499)	(459,482)	(37,983)	9.0%	(466,374)	(473,370)	(480,470)	(58,972)	12.8%
Antenna Licenses	129,431	129,431	-	0.0%	129,431	129,431	129,431	-	0.0%
Interest	30,630	31,243	613	2.0%	31,867	32,505	33,155	2,525	8.1%
Sundry & other revenue	53,122	53,919	797	1.5%	54,728	55,549	56,382	3,260	6.0%
Municipal Base Funding	10,698,018	11,011,825	313,807	2.9%	11,408,231	11,838,132	12,295,305	1,597,287	14.5%
Total Revenue	**22,204,156**	**22,694,859**	**490,703**	**2.2%**	**23,303,358**	**23,949,450**	**24,627,006**	**2,422,850**	**10.7%**
Expenditures									
Salaries, wages & benefits	**5,209,050**	**5,274,163**	**65,113**	**1.3%**	**5,340,090**	**5,406,841**	**5,474,427**	**265,377**	**5.0%**
Maintenance, materials and services									
Roofing	84,053	85,314	1,261	1.5%	86,594	87,892	89,211	5,158	6.0%
Building, general	532,609	590,868	58,259	10.9%	655,500	727,202	806,747	274,138	46.4%
Cleaning	546,858	555,061	8,203	1.5%	563,387	571,838	580,415	33,557	6.0%
Pest Control	379,965	385,664	5,699	1.5%	391,449	397,321	403,281	23,316	6.0%
Elevators	235,782	239,319	3,537	1.5%	242,909	246,552	250,250	14,468	6.0%
Electrical	269,843	278,867	9,024	3.3%	288,192	297,830	307,789	37,946	13.6%
Equipment	106,645	108,245	1,600	1.5%	109,868	111,516	113,189	6,544	6.0%
Landscaping & parking lot mtce	345,058	343,447	(1,611)	-0.5%	341,844	340,249	338,661	(6,397)	-1.9%
Mold	50,880	51,643	763	1.5%	52,418	53,204	54,002	3,122	6.0%
Snow Removal	384,205	389,968	5,763	1.5%	395,818	401,755	407,781	23,576	6.0%
Life safety systems	242,398	243,202	804	0.3%	244,009	244,819	245,632	3,234	1.3%
Heating & ventilation	392,144	470,902	78,758	20.1%	565,479	679,049	815,430	423,286	89.9%
Plumbing	559,800	573,945	14,145	2.5%	588,447	603,316	618,561	58,761	10.2%
Painting	319,020	335,618	16,598	5.2%	353,079	371,449	390,775	71,755	21.4%
Vandalism	10,176	12,481	2,305	22.6%	15,308	18,775	23,027	12,851	103.0%
Waste Removal	286,954	323,478	36,524	12.7%	364,650	411,063	463,383	176,429	54.5%
Security	151,455	153,727	2,272	1.5%	153,727	153,727	153,727	2,272	1.5%
Social & recreational programs	118,402	120,178	1,776	1.5%	121,981	123,811	125,668	7,266	6.0%
Sundry materials & services	110,095	116,751	6,656	6.0%	123,810	131,296	139,235	29,140	25.0%
	5,126,342	5,378,679	252,337	4.9%	5,658,469	5,972,664	6,326,763	1,200,421	22.3%
Utilities									
Electricity	1,828,475	1,859,559	31,084	1.7%	1,887,452	1,906,327	1,915,858	87,384	4.7%
Water Heater Rental	240,270	250,000	9,730	4.0%	250,000	250,000	250,000	9,730	3.9%
Water	1,148,010	1,182,451	34,440	3.0%	1,217,924	1,254,462	1,292,096	144,085	12.2%
Natural Gas	839,559	852,992	13,433	1.6%	869,199	889,190	909,642	70,083	8.2%
	4,056,314	4,145,001	88,687	2.2%	4,224,575	4,299,979	4,367,596	311,281	7.5%
Property									
Insurance	641,724	667,374	25,650	4.0%	698,474	731,159	765,451	123,726	18.5%
Extraordinary Losses - Fire, wind	36,011	40,000	3,989	11.1%	40,000	40,000	40,000	3,989	10.0%
Municipal taxes	5,495,001	5,643,366	148,365	2.7%	5,795,737	5,952,222	6,112,932	617,931	10.9%
Mortgage payments (Bella St.)	46,911	46,871	(40)	-0.1%	46,871	46,871	13,917	(32,994)	-70.4%
	6,219,647	6,397,611	177,964	2.9%	6,581,082	6,770,251	6,932,300	712,652	11.1%
Administration									
Corporate and Other Costs	781,717	793,443	11,726	1.5%	805,344	817,425	829,686	47,969	6.0%
Transportation & Communication	298,953	321,084	22,131	7.4%	344,853	370,382	397,801	98,848	30.8%
Supplies & Equipment	462,897	384,878	(78,019)	-16.9%	348,944	311,908	298,434	(164,463)	-42.7%
	1,543,567	1,499,405	(44,163)	-2.9%	1,499,142	1,499,714	1,525,921	26,516	1.8%
Total Expenditures	$ 22,154,921	$ 22,694,859	$ 539,938	2.4%	$ 23,303,358	$ 23,949,450	$ 24,627,006	$ 2,516,247	11.1%
Net (deficit) surplus from Operations	$ 49,235	$ -	$ 49,235		$ -	$ -	$ -	$ -	

SUMMARY 2020-2023 OPERATING BUDGET- NOTES

Explanations
Based on the fact that rents for LMCH fixed-income tenants are increased annually.
Based on previous year's Recovery Amount and historic trend.
4% of previous year rent revenue (as revenue grows, the net debt bad write off continues to grow with it, based on historical trends).
Based on Inflation (1.5%)
Based on 2% increase, in relation to bank account balance.
Based on Inflation (1.5%)
Average Annual Increase of 4.6%
Based on annual economic adjustment of 1.25% – this does not include an increase for service or activity level changes.
Based on historical rates + Inflation (1.5%)
2019 Budget was reduced by $360k overage expected in 2019. Annually, this line will increase due to the expected increase of annual work orders, and thus, building general items
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%) (a new LMCH staff is performing service work in-house, which also drives up cost in this line item).
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
Based on historical rates + Inflation (1.5%)
0
Includes community participatory budget/building, youth programing and communication costs
Based on historical rates + Inflation (1.5%)
% set by City of London
Locked in Rates (10 year contract)
% set by City of London
% set by City of London
Historical group insurance rates + SIRF rates provided by City of London
# of claims expected to increase due to more diligent reporting
Percent based upon City estimate of 2.7%
$143,000 balance in 2019, 2.25% Interest, $46,871 annual mortgage payment. Mortgage paid off in 2023.
Added inflation (1.5%) per annum
Based on historical rates + Added inflation (1.5%) per annum
IT cost expected to remain flat or slightly decrease.

APPENDIX II – BUSINESS CASES

LMCH plans on submitting business cases for the following areas due to the nature of the changes required to implement LMCH's strategic plan and to provide solutions to areas of risk, such as security or addressing work order volume, as earlier identified in this report.

1. Additional Staff
2. Resident Contacts
3. Enhanced Site Security
4. Community Development

The implementation of the new budget and additional business cases would result in substantial changes to current practices, protocols and processes. The business cases will include both compensation/headcount related costs as well as hard costs associated with each initiative. need of individual business cases:

A high-level overview of each business case and sub-components may be found in the appendix of this report, which includes business case specific cost also.

The total cost for all business case is approx. $23M over the four-year period of 2020 – 2023.

FINANCIAL IMPACT:

The results of the above noted budget methodology will result in a significant increase in the subsidy request from the City of London. The 2020-2023 preliminary baseline budget resulted in the following subsidy requests:

LMCH BASE 2020-2023 OPERATING BUDGET				
Year	Revenue	Expenditure	City Investment	% Incr City
2019 Forecast	$11,506,138	$ 22,154,921	$ 10,698,018	-
2020 Budget	$11,683,034	$ 22,694,859	$ 11,011,825	2.9%
2021 Budget	$11,895,127	$ 23,303,358	$ 11,408,231	3.6%
2022 Budget	$12,111,318	$ 23,949,450	$ 11,838,132	3.8%
2023 Budget	$12,331,701	$ 24,627,006	$ 12,295,305	3.9%
(2019 City investment is as approved, excludes estimated surplus of $49,325)		2019 vs. 2023 =	14.93%	

In terms of the business cases, one can see the following break-down:

+ In total, the business cases, after cost-offset by revenue will form a total of $23M in additional ask from the City of London over the four-year period.

+ Annually, this will in an increase between $4,082,477M in 2020 to $6.979,718M in 2023;

+ The grand-total city investment will grow to $15M in 2020 to $19.2M in 2023.

BUSINESS CASES 2020-2023 BUDGET				
Year	2020	2021	2022	2023
Business Case #1 - Staff Additions	$ 65,776	$ 65,776	$ 65,776	$ 65,776
Expenditure				
Business Case #1 - Staff Additions	$ 2,273,323	$ 3,749,068	$ 4,737,125	$ 5,186,416
Business Case #2- Resident Contacts	$ 525,658	$ 532,228	$ 538,881	$ 545,617
Business Case #3: Enhanced Site Security	$ 972,072	$ 889,256	$ 900,176	$ 919,031
Business Case #4: Community Development	$ 377,200	$ 382,858	$ 388,601	$ 394,430
	4,148,253	5,553,411	6,564,783	7,045,494
Net Increase in City of London Investment	4,082,477	5,487,635	6,499,007	6,979,718
City of London Base Operating Investment	11,011,825	11,408,231	11,838,132	12,295,305
Total City of London Operating Investment	$ 15,094,302	$ 16,895,865	$ 18,337,139	$ 19,275,023

Multi-Year Budget | Business Cases

1. **Additional Staff**
2. **Resident Contacts**
3. **Enhanced Site Security**
4. **Community Development**

Business Case 1

Department: Finance and IT

1. What line item is being increased?

LMCH has experienced a serious capacity shortage in the Finance and IT department.

An increase in staffing to an appropriate level will impact the salary line in the operational budget.

2. Why is it being increased?

LMCH is aspiring to better respond to tenant needs and become more effective in responding to the increasing work order volume. In order to do that effectively, the Finance and IT departments needs an increase in headcount to address the needed capacity appropriately.

3. Impact of investment level changes

Staff will be added in the following Finance and IT roles:

+ Accounts Receivable – to better engage (past) tenants who currently owe debts – this will result in a net impact on the tenant recoveries and net bad debt write-offs;

+ Inventory Control – LMCH currently does not perform any inventory control, whether this is for materials used in restoration and maintenance or capital projects. An inventory control clerk should be added to provide additional controls around inventory, which may yield a more effective inventory tracking system, potentially resulting in additional cost savings.

+ IT – to assist the current IT Coordinator with internal (staffing/office) and external (tenants/sites) IT related inquiries and projects.

+ Quality, KPI and Data – it is integral to measure the impact and process LMCH implements and operates on a daily basis. Adding staff for this will be prominent in a. more comprehensive reporting and b. better decision-making on SLT level based on better reporting and c. cultivate trust with our existing partners and community stakeholders due to better reporting and informed decision-making.

4. Risk of not proceeding with investment level change

Currently, LMCH does not have an air-tight financial control environment, often resulting in delayed reporting, reporting errors and not having complete clear and transparent oversight, affecting the sub-sequent relationships with community partners.

5. How is this business case linked to the strategic plan?

This business case speaks directly to the mission of LMCH

"We provide and maintain homes in a safe and supportive environment to meet the needs of the people we serve in our communities."

This effort impacts the following areas of strategic focus from the city of London's Strategic plan 2019-2023:

Building a Sustainable Community & Growing the Economy

Business Case 1 – High-Level Overview

Department: Property Services

RE: Vacancy Restoration and Work Order Fulfilment Capacity Increase

1. What line item is being increased?

LMCH has experienced a serious capacity shortage in the maintenance and repair and unit restoration department.

An increase in staffing to an appropriate level will impact the salary line in the operational budget.

2. Why is it being increased?

Work order requests have increased consistently by around 2000 per year over the last few years. Over the last year urgent work order (immediate to 24 hrs response) have increased by 47%.

After hours maintenance requests have also increased from 23,000 to an estimated 27,000pa between 2016 and today.

In January more than twice the average number of units were vacated. Additionally as a result of the tenant profiles created by the 9 out of 10 rule nearly a third of the vacated units are described as levels 2 to 4 requiring significant restoration and remediation.

3. Impact of investment level changes

Additional management capacity is an anticipated need to be addressed in the HR resource plan forming part of the multiyear budget.

4. Risk of not proceeding with investment level change

Currently LMCH does not "shutter" units and work diligently through the workload of work orders and restoration.

This will not continue without additional resources, restoration times (and therefore vacancy rates) will continue to grow and wait times for routine work orders will become unacceptable.

This poses a significant reputational and legal risk as the delays in service become unacceptably long.

5. How is this business case linked to the strategic plan?

This business case speaks directly to the mission of LMCH

"We provide and maintain homes in a safe and supportive environment to meet the needs of the people we serve in our communities."

This effort impacts the following areas of strategic focus from the city of London's Strategic plan 2019-2023:

Building a Sustainable Community & Growing the Economy

Business Case 1

Department: Tenant Service

RE: Tenant Service Levels

1. What line item is being increased? (what do we need a business case for?)

Overall Staffing for Tenant Service Staff (indicated between Tenant Services/ Property Services and Community Development staffing lines.

2. Why is it being increased?

In order to provide the supportive approach, timely responses and appropriate follow-up, referrals and interventions, our HR requests related to Tenant Engagement & Service has increased significantly in alignment with our CARE service standards and measures.

3. Impact of investment level changes

300% increase to front line delivery of service on sites, over phone and on an individual basis.

4. Risk of not proceeding with investment level change

Staff burn out, dissatisfied tenants, un-acceptable service levels, continued un measured response times and outcomes, lack of accountability and responsiveness, increased complaints regarding service.

5. How is this business case linked to the strategic plan?

This effort impacts the following areas of strategic focus from the city of London's Strategic plan 2019-2023:

Strengthening our Community & Creating a Safe London for Women and Girls

Business Case 1 Budget

LMCH is in dire need to add additional staff. Current staff levels are at 64 staff. Over the course of four years, from 2020 – 2023, LMCH aspires to add 67 total staff across various departments. Please find a break-down of the staff add-ons in the diagram below. Subsequently, the following high-level overviews address each staff add-on per department:

Business Case #1						
Adding Additional Positions per Department	**2019 (Current)**	**2020**	**2021**	**2022**	**2023**	
Senior Leadership Team, Including Executive Assistant	6	-	-	1	-	
Finance & IT	5	3	4	2	1	
Property Services	25	11	9	5	3	
Tenant Services	18	3	3	3	-	
Community Development	7	10	5	2	2	
Maternity Leave	3	-	-	-	-	
Total Added per Year	64	27	21	13	6	
			Additional Staff over MYB Period		67	
Salary Cost for Additional Positions	**2019 (Current)**	**2020**	**2021**	**2022**	**2023**	
Senior Leadership Team	$ 826,022	$ -	$ -	$ 131,482	$ -	
Finance & IT	$ 385,590	$ 252,103	$ 315,279	$ 157,673	$ 89,152	
Property Services	$ 1,968,607	$ 960,935	$ 636,409	$ 330,589	$ 219,821	
Tenant Services	$ 1,382,432	$ 240,142	$ 246,941	$ 262,491	$ -	
Community Development	$ 517,574	$ 534,690	$ 271,065	$ 107,162	$ 113,910	
Overtime / Temp / Other	$ 128,824	$ 39,484	$ -	$ -	$ -	
Total	$ 5,209,050.05	$ 2,027,353	$ 1,469,693	$ 989,397	$ 422,883	
Total Cumulative New Staffing Cost	$ -	$ 2,027,353	$ 3,522,387.92	$ 4,555,815.25	$ 5,035,646.00	
Cumulative Grand-Total	$ 5,209,050.05	$ 7,236,403.28	$ 8,731,437.96	$ 9,764,865.29	$ 10,244,696.05	
IT + Training Cost for Additional Staff	**Training Cost**	**2020**	**2021**	**2022**	**2023**	
	Total Training Cost per Year	$ 86,400.00	$ 67,200.00	$ 41,600.00	$ 19,200.00	
	IT Costs	**2020**	**2021**	**2022**	**2023**	
	IT Cost - Start-up	$ 159,570.00	$ 124,110.00	$ 76,830.00	$ 35,460.00	
	IT Cost Year 2	$ -	$ 35,370.00	$ 27,510.00	$ 17,030.00	
	IT Cost Year 3	$ -	$ -	$ 35,370.00	$ 27,510.00	
	IT Cost Year 4	$ -	$ -	$ -	$ 51,570.00	
	Total IT Cost per Year	$ 159,570.00	$ 159,480.00	$ 139,710.00	$ 131,570.00	
	Total	$ 245,970.00	$ 226,680.00	$ 181,310.00	$ 150,770.00	
Business Case #1: Additional Staff		$ 2,273,323.24	$ 3,749,067.92	$ 4,737,125.25	$ 5,186,416.00	

IT + Training Cost

With the on-boarding of new staff, LMCH will have to properly equip all new staff with the appropriate technology and training. LMCH would spend $5,910 per new staff for a single year and $1,310 per year thereafter. In addition, every three years, a new phone will have to be purchased per staff member, increasing that year's cost from $1,310 to $1,960.

Total budget for IT + Training for all new staff as directed by business case 1 equals to approx. $804,000 over the four-year period of Year 1 to Year 4 (2020 – 2023).

Business Case 1 Total:
In total, by combing salaries, benefits and wages and IT + training the total budget for 2020-2023 = $15.9M.

Business Case 2 – High-Level Overview:

Resident Contacts

1. What line item is being increased? (what do we need a business case for?)

Resident Contacts are a role that has historically been hired from the pool of tenants at a specific building and they are the on-site 24-hour response for fire/emergency and often act as the eyes and ears on our sites, reporting building issues, common area updates and doing a walkthrough of the building daily. This role receives 'free' rent in exchange for this service and has been paid minimum wage when employed to do other tasks such as deliver notices or accompanying a contractor when doing work on site.

Due to the challenges of staffing and then adequately ensuring support to tenants and emergency workers we have re-designed the roles and anticipated full staffing levels

2. Why is it being increased?

Due to the challenges of staffing and then adequately ensuring support to tenants and emergency workers we have re-designed the roles and anticipated full staffing levels to comply with RTA and HAS as well as to support empowering and engaging our tenants as part of our organizational strategic plan.

3.   Impact of investment level changes

This investment will provide the following:

Compliance with RTA and HSA with on-site LMCH staff who live on site and provide a minimum 3 hours of service daily.

Improved communication and notice delivery/ community animation facilitation with on-site staff to open/book community space for use by tenants in a variety of ways and support people in requesting service through on-line portals.

4. Risk of not proceeding with investment level change

Our current approach is inadequate and embedded risk with its current management regarding Employment standards, clarity of role and expectations and management support for RC's. Additionally, the challenges in filling these roles limited to current practice create challenges in retention of the role. Finally, our compliance and ability to respond in emergency situations around the clock is deeply challenged in current state and requires us to change our approach for health and safety reasons.

5. How is this business case linked to the strategic plan?

This effort impacts the following areas of strategic focus from the city of London's Strategic plan 2019-2023: Strengthening our Community & Creating a Safe London for Women and Girls

Business Case 2 Budget:

The total budget for resident contacts is $525,000 per annum, this include an 8% add-on to budget for benefits.

Business Case #2: Resident Contacts						
Property Type						
Number of Properties						
High Rise	15					
Family Site	7					
County Site	2					
	24					
RC Budget Calculation						
Resident Contacts	**Hourly Wage**	**Hours per Week**	**Weeks a Year**		**Total**	
First Responder	$ 15.00	15		52	$	11,700
Second Responder	$ 15.00	6		52	$	4,680
			Extra Support		$	3,900
			Total Cost per Site		$	20,280
			Total Cost RC		$	486,720
			With Benefits at 8% of Total Cost		$	525,658

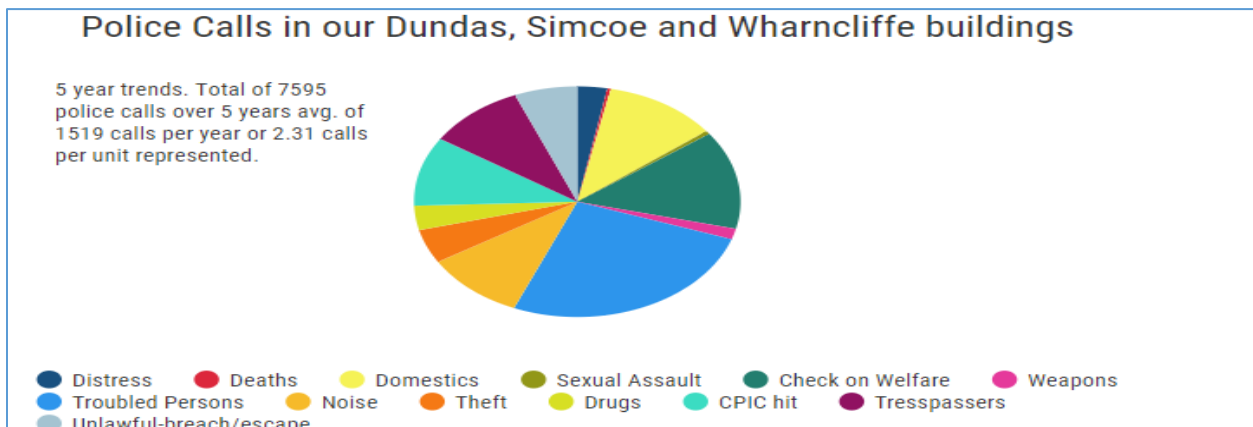**Business Case 3– High-Level Overview:**

Security

1. What line item is being increased? (what do we need a business case for?)

Security has been, in the past, a line item used for short term interventions prompted by specific events where security services via a third party provided on site/ in person security for very limited periods of time. As our tenant base has shifted and the community challenge around transient (homelessness) and other community service such as mental health support and crime prevention programs at capacity or no longer existing, LMCH has identified Security as an important initiative to be addressed more holistically across the portfolio and establishing internal responses to crisis and safety concerns in and around our buildings.

2. Why is it being increased?

Security is required for multiple reasons:

a) It is our obligation under the RTA to provide safe and secure homes in order to support reasonable enjoyment of our tenants.
b) Tenants site a lack of safety as a strong contributor to their own sense of housing instability (wanting to leave, feeling they cannot stay in their units, being threatened by non-tenants)
c) In our highest acuity sites police calls are on average 2.31 calls per unit per year and EMS services to these same sites averages a cost of $121 809 over the past five years. This represents a significant draw on our Emergency services, while reasons for calls are non-criminal and require security and crisis interventions. Our lack of comprehensive security strategy is costly to our community and has contributed to the slow response of Emergency providers on location as many calls are for help but not necessarily Police or EMS support.

Police Calls in our Dundas, Simcoe and Wharncliffe buildings

5 year trends. Total of 7595 police calls over 5 years avg. of 1519 calls per year or 2.31 calls per unit represented.

Legend: Distress, Deaths, Domestics, Sexual Assault, Check on Welfare, Weapons, Troubled Persons, Noise, Theft, Drugs, CPIC hit, Tresspassers, Unlawful-breach/escape

d) Security needs a compressive strategy and on-going focus to support housing stability and ensure safety and support for tenants and staff on all our sites. We need to begin targeted investment to begin this work focused on our highest priority sites.

3. **Impact of investment level changes**

This investment will provide the following:

a) CEPTED endorsed physical security interventions such as camera's, fob systems, concierge services for entry, support for pulling camera footage for investigations and tenancy support issues.
b) Staffing to provide afterhours security and crisis response through a roaming team.
c) Alternative support for tenants diverting emergency calls to more appropriate service response through the mobile response team.
d) Comprehensive security response focused on highest acuity buildings and designed to scale in future budgets or be agile should needs of buildings/ locations change.
e) Compliance with RTA and CARE service standards to be responsive and in alignment with our mission maintain safe and healthy homes.
f) Move from reactive insufficient security option to proactive, comprehensive and scalable response.

4. **Risk of not proceeding with investment level change**

a) Safety and reasonable enjoyment of tenants is at risk
b) Safety of staff on residential sites is at risk
c) Not meeting obligations as landlord, not meeting service standards as a social housing provider and not supporting our community at large has reputational as well as potentially legal ramifications.
d) Physical security measures without staff to follow up or leverage this technology to its full capacity.
e) Serious Injury or death of staff or tenant without having implement improved measures given our growing knowledge of this potential.

5. **How is this business case linked to the strategic plan?**

This effort impacts the following areas of strategic focus from the city of London's Strategic plan 2019-2023:

Strengthening our Community & Creating a Safe London for Women and Girls

Business Case 3 Budget:

The business case budget includes 12 additional staff in total, which results in an annual cost of $862,000 in 2020 to $895,000 in 2023. In addition, these staff need training and IT supplies, which results $109,000 cost in 2020 to $23,000 cost in 2023.

In total, the security budget equals $972,000 in 2020 to slightly decreasing to $919,000 in 2023.

Business Case #3: Enhanced Site Security						
Security Staff Wages	**Staff #**	**Annual Wage**	**Benefit Rate**	**Benefit Amount**	**Total per Person**	**Total Compensation**
Department Manager	1	$ 66,000.00	32%	$ 21,120.00	$ 87,120.00	$ 87,120.00
Camera & Digital Concierge	5	$ 52,000.00	32%	$ 16,640.00	$ 68,640.00	$ 343,200.00
Buiding Safety And After Hours Maintenance	3	$ 54,600.00	32%	$ 17,472.00	$ 72,072.00	$ 216,216.00
Mental Health and Crisis Response	3	$ 54,600.00	32%	$ 17,472.00	$ 72,072.00	$ 216,216.00
Totals	12	$227,200.00	n/a			$ 862,752.00

	Merit & Band Increase Calculation	2019	2020	2021	2022	2023
	Department Manager	$ -	$ 87,120	$ 88,209	$ 89,311.61	$ 90,428
	Camera & Digital Concierge	$ -	$ 343,200	$ 347,490	$ 351,833.63	$ 356,232
	Buiding Safety And After Hours Maintenance	$ -	$ 216,216	$ 218,919	$ 221,655.18	$ 224,426
	Mental Health and Crisis Response	$ -	$ 216,216	$ 218,919	$ 221,655.18	$ 224,426
		$ -	$ 862,752	$ 873,536	$ 884,456	$ 895,511

	Additional Cost Calculation	2019	2020	2021	2022	2023
	New Staff IT Cost	$ -	$ 70,920	$ 15,720	$ 15,720	$ 23,520
	New Staff Training Cost		$ 38,400	$ -	$ -	$ -
		$ -	$ 109,320	$ 15,720	$ 15,720	$ 23,520
	Grand-Total Security Budget	$ -	$ 972,072	$ 889,256	$ 900,176	$ 919,031

Business Case 4 – High-Level Overview:

Community Development

1. **What line item is being increased? (what do we need a business case for?)**

Historically LMCH spends .2% of our budget on Tenant Programs and Service Costs. With the identification and articulation of a robust tenant engagement and community development strategy focused on delivering outcomes, this line item must increase to indicate our commitment to delivering on the strategy and empowering tenants in participating in the strength development in their own communities.

2. **Why is it being increased?**

To support the process, efforts, projects and tenant driven agendas outlined by tenants to support the well-being of the communities in which they live.

To demonstrate financial support of tenant led initiatives which will build upon the assets in our communities and lead to capacity building, ownership of place, and pride in shared accomplishments. The ultimate goal is to create safe, supportive, cohesive neighborhoods in which our tenants thrive using housing as the foundation.

3. **Impact of investment level changes**

This investment will provide the following:

a. Tenant Advisory Committees on Priority Sites
b. Community Partnership Agreements (funds to contribute to value added service provision of partners with capacity issues)
c. Aligning resources for delivery of core service in alignment with tenant engagement and community development principles – Housing stability/ Eviction Prevention (funds to support problem solving when issues arise)
d. Process improvement through LEAN and inclusive of tenant engagement principles (funds to support problem solving when issues arise)
e. Participatory Budgeting
f. Participatory Priority Setting
g. Strengthening of Staff skills and tools- to respond supportively to tenant need and improve housing outcomes
h. Improved Community Safety
i. Inclusive Economy Tenant Employment Strategy – work ready tenants are empowered and offered opportunities to engage in the workforce.

4. **Risk of not proceeding with investment level change**

a. Our strategy for engaging and empowering and empowering tenants would have no credibility and the approach would fall flat without investment into our tenant programs and services. We must fund what matters and supporting tenants is supporting housing stability, community improvement and developing citizens within our city.

b. Additionally, this level of engagement is essential for the asset renewal, social regeneration and site regeneration efforts of LMCH, not doing so would greatly undermine the success of these projects.

5. How is this business case linked to the strategic plan?

This effort impacts the following areas of strategic focus from the city of London's Strategic plan 2019-2023:

Strengthening our Community & Creating a Safe London for Women and Girls, Building a Sustainable Community & Growing the Economy

Business Case 4 Budget:

In accordance with the current strategic plan, LMCH has built in additional costs to begin community development activities. These activities include participatory budgeting for each building to continue the community building activities that commenced in 2019, a youth summer employment program which is being implemented in 2019 and general communication costs to continue engaging tenants within our communities to total of approx. $377,000 annually. Please see budget overview below:

Community Development - Budget Summary	
Category	**Total**
Community Development - Participatory Budgeting for Each Building	$160,000
Youth Summer Employment Program	$ 122,200.00
Community Development - Communications (General)	$ 95,000.00
Grand-Total	**$ 377,200.00**

Community Development - Communications (General)		
Category	**Budget**	**Notes**
Graphic Design	$10,000	
Annual Report Design	$15,000	
Website & Online Communications	$50,000	This may result in a 0.5FTE to add value in the IT department
Print, Signage, Materials	$20,000	
Grand-Total	**$ 95,000.00**	

Youth Summer Employment Program - Total	
Category	**Budget**
Total Wages + Benefits	$ 115,500.00
Transportation	$ 2,000.00
Equipment Allowance	$ 4,500.00
Communication Allowance	$ 200.00
Grand-Total	**$ 122,200.00**

Community Development - Participatory Budgeting for Each Building			
Notes	**Budget per Site**	**Total Sites**	**Total**
For community activities, includes materials, food, etc.)	$5,000	32	$160,000
		Grand-Total	**$160,000**

London-Middlesex Community Housing 2019

Portfolio Analysis	CMHC Data | Market Rents					
	Bachelor	1 Bed	2 Bed	3 Bed	4 Bed[1]	5 Bed[2]
London Average Market Rent[3]	$ 666	$ 847	$ 1,055	$ 1,193	$ 1,053	$ 1,094

	LMCH Portfolio: Total Units[4]						
	Bachelor	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total
Total Units	249	2134	164	555	137	37	3,276
Total Unit sq. ft. estimates	119,202	1,172,523	155,642	544,668	131,051	36,548	2,159,634
Per Unit Type, as Percentage of Total Portfolio	7.60%	65.14%	5.01%	16.94%	4.18%	1.13%	100%
Current Annual Rent per Unit Type	$ 557,584	$ 7,296,742	$ 609,736	$ 2,294,365	$ 568,219	$ 166,879	$ 11,493,525

	LMCH Portfolio: Average Market Rent						
	Bachelor	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total
Monthly Total, Average Market Rents	$ 165,834	$ 1,807,498	$ 173,020	$ 662,115	$ 144,253	$ 40,478	$ 2,993,198
Annual Total, Average Market Rents	$ 1,990,008	$ 21,689,976	$ 2,076,240	$ 7,945,380	$ 1,731,035	$ 485,736	$ 35,918,375
						Difference from Current RGI Rents	$ (24,424,851)

Notes

1. CMHC Data did not include "Average Market Rent" for the 4 Bedroom category. Analysis of the other categories showed a relationship of 80% to "Allowable Average Rent per Unit";

2. CMHC Data: 2018 Average Market Rent for Row Structure, 3+ bedroom (https://www.cmhc-schl.gc.ca/en/data-and-research/data-tables/urban-rental-market-survey-data-average-rents-urban-centres);

3. "Urban Rental Market Survey Data: Average Rents in Urban Centres" - https://www.cmhc-schl.gc.ca/en/data-and-research/data-tables/urban-rental-market-survey-data-average-rents-urban-centres;

4. Based on LMCH 2018 Income Statement.

Conclusion:
- Based on 2018 Average Market Rent data put forward by the Canadian Mortgage Housing Corporation, London-Middlesex Community Housing could generate $35.91M per annum, if it charged Average Market Rents for its entire asset portfolio;
- This represents a difference of $24.42M in comparison to current Rent-Geared to Income revenue;
- London-Middlesex Community Housing only utilizes 32% of revenue that the asset portfolio could generate.

Scenario Analysis | A Private Landlord Charging Average Market Rents

Year	2020	2021	2022	2023	Four-Year Total
LMCH Asset Portfolio: Average Market Rents (AMR) + 1.5% Inflation per Annum	$ 35,918,375	$ 36,457,151	$ 37,004,008	$ 37,559,069	$ 146,938,604
LMCH Asset Portfolio: Estimated Rent from RGI	$ 11,487,051	$ 11,659,357	$ 11,834,247	$ 12,011,761	$ 46,992,416
Difference between AMR and RGI Rent	$ **24,431,324**	$ **24,797,794**	$ **25,169,761**	$ **25,547,308**	$ **99,946,188**
RGI Rents Compared to Average Market Rent Potential	32%	32%	32%	32%	

Multi-Year Operating Budget 2020-2023 | Request for City Investment

Year	2020	2021	2022	2023	Four-Year Total
Requested City Investment for Operating Budget per Annum	$ 11,011,825	$ 11,408,231	$ 11,838,132	$ 12,295,305	$ 46,553,493

Multi-Year Operating Budget 2020-2023 | Business Cases

Year	2020	2021	2022	2023	Four-Year Total
Business Case #1: Staff Additions	$ 2,273,323	$ 3,749,068	$ 4,737,125	$ 5,186,416	$ 15,945,932
Business Case #2: Resident Contacts	$ 525,658	$ 532,228	$ 538,881	$ 545,617	$ 2,142,384
Business Case #3: Enhanced Site Security	$ 972,072	$ 889,256	$ 900,176	$ 919,031	$ 3,680,535
Business Case #4: Community Development	$ 377,200	$ 382,858	$ 388,601	$ 394,430	$ 1,543,089
Total Business Case	$ **4,148,253**	$ **5,553,411**	$ **6,564,783**	$ **7,045,494**	$ **23,311,941**
Grand-Total MYB Operating and Business Case	$ **15,160,078**	$ **16,961,641**	$ **18,402,915**	$ **19,340,799**	$ **69,865,434**
Net Margin, based on Average Market Rents	$ **9,271,246**	$ **7,836,153**	$ **6,766,846**	$ **6,206,508**	$ **30,080,754**
Operating Net Margin %	62%	68%	73%	76%	

Multi-Year Capital Budget 2020-2023 | Capital Requirements

Year	2020	2021	2022	2023	Four-Year Total
Requested City Investment for Capital Budget per Annum	$ 16,704,865	$ 18,419,907	$ 15,884,989	$ 20,348,638	71,358,399
Capital Surplus (Deficit) based on Average Market Rents per Annum	$ (7,433,619)	$ (10,583,754)	$ (9,118,143)	$ (14,142,130)	$ (41,277,645)

Year of Devolution to Local Housing Providers	2000
Current Operating Year	2019
Average Capital Surplus (deficit) per Annum since Devolution in the year 2000*	$ (2,172,508)

*This represents the historic underfunding on both Annual Capital and Operating Budgets.

Operating Budget:

- The difference between current RGI revenue and potential Average Market Rents (AMR) revenue represents a "gap" in funding that could form argumentation to support and fund the Multi-Year Operating Budget request for investment and Multi-Year Operating Budget business cases;
- In the year 2020, the $24.43M revenue difference (between AMR and RGI revenue) could offset the $15.16M in Multi-Year Budget request for investment, including business cases.

Capital Budget:

- From a Capital Budget perspective, over the four-year Multi-year Budget period, London-Middlesex Community Housing would run into a deficit of $41.27M;
- London-Middlesex Community Housing indicates historical Capital Budget underfunding by the City of London;
- In the year 2000, Housing Corporations were downloaded from the Province to the Municipal level - this represent 19 years of operating since the devolution of Housing Corporations;
- Since devolution in the year 2000 and 19 years of operating since, and based on the $41.27M deficit over the four-year Multi-year Budget, an analysis shows that the organization has been underfunded by $2.17M per annum, which represents historic underfunding.
- The current annual Capital allocation by the City of London is $2.2M, which would cover this annual deficit, as analyzed in this document for the Capital Budget.
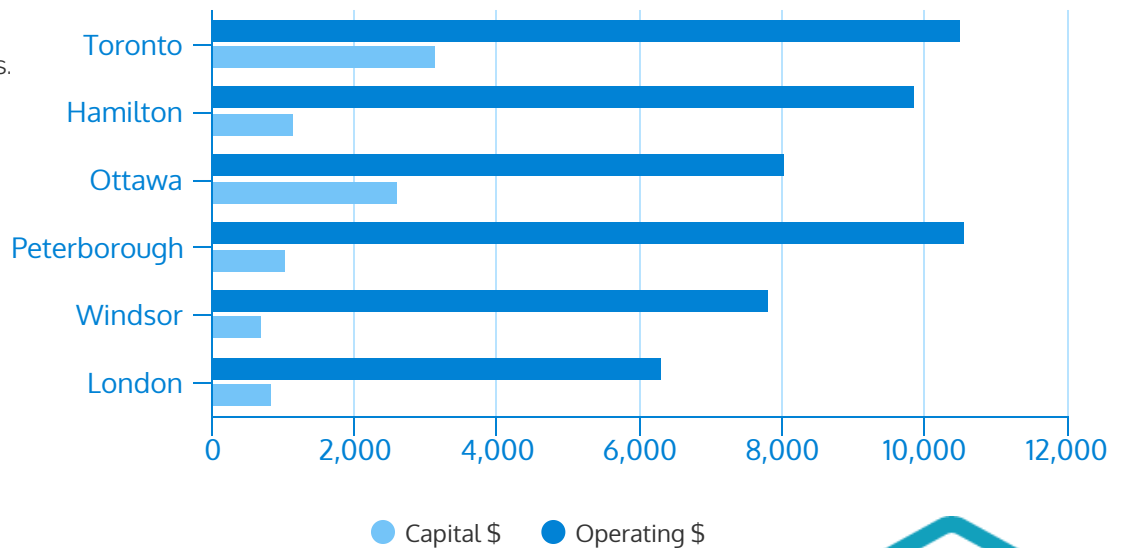
Compared to other Local Housing Corporations in Ontario
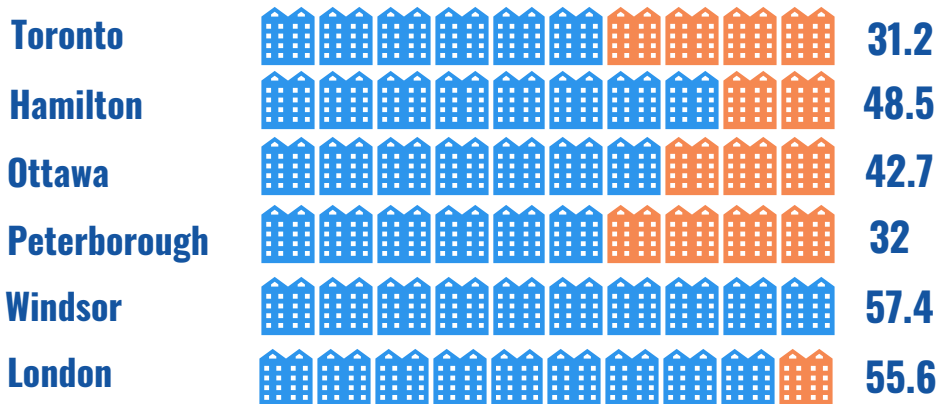# How Well is LMCH Funded?

Operating and Capital Investments (per year per unit)

LMCH receives a total of $7176/unit/ year for both capital and operating purposes.

LMCH is funded 16% less than the next lowest funded LHC reviewed and at 67% of the average operating investment of $9355/unit/year of other LHC's in Ontario.

Toronto
Hamilton
Ottawa
Peterborough
Windsor
London

0   2,000   4,000   6,000   8,000   10,000   12,000

● Capital $ ● Operating $

Units Supported per Staff Member

Toronto		31.2
Hamilton		48.5
Ottawa		42.7
Peterborough		32
Windsor		57.4
London		55.6

% of budget spent on Property Taxes

18.8%   2.7%   2.6%   20.5%   25.9%

Ottawa spends 0$ on property taxes making all funding available to support buildings and service tenants. Peterborough and Hamilton both spend less than 3% on taxes, while London spends over a quarter of operating funding on taxes, 6% more than the next highest taxed LHC in Windsor

LM
LONDON & MIDDLESEX
COMMUNITY HOUSING
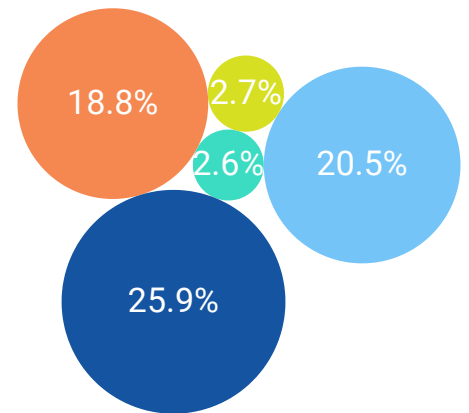
Every Operating Dollar is allocated to meet our Obligations to our Tenants and Community

Provide Administrative Service to RGI Tenants	Provide timely and responsive maintenance service to tenants	Maintain the quality and preserve the assets	Manage Social and Support needs for vulnerable populations	Extend the use of current homes and build more homes to meet need.	Address systemic barriers to housing for all

LONDON AND MIDDLESEX HOUSING CORPORATION

DECLARATION OF THE SOLE SHAREHOLDER
BY THE CORPORATION OF THE CITY OF LONDON

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APPENDICES

APPENDIX A – Accountability Rules

DECLARATION OF THE SOLE SHAREHOLDER

THIS DECLARATION OF THE SOLE SHAREHOLDER
Dated: June 20, 2011

FROM: THE CORPORATION OF THE CITY OF LONDON ("the City")

TO: LONDON AND MIDDLESEX HOUSING CORPORATION ("LMHC")

WHEREAS:

A.   LMHC is a social housing provider in the London/ Middlesex area, owning and operating approximately 3,282 social housing units contained within 42 properties.

B.   The City has a dual role in connection with LMHC:

   (i)   **Sole Shareholder.** The City is the sole legal and beneficial shareholder of LMHC, owning 100 common shares in the capital stock of LMHC.

   (ii)   **Service Manager.** The City is the designated service manager under the SHRA for the geographic area in which LMHC's Housing Portfolio is situate.

C.   Where a person is the sole beneficial shareholder of a corporation, the *Business Corporation Act R.S.O. 1990* c.B.16 ("OBCA") section 108 permits the shareholder to make a written declaration that restricts in whole or in part the powers of the directors to manage or supervise the management of the business and affairs of the corporation.

D.   The City in its capacity as the sole legal and beneficial shareholder of LMHC wishes to restrict the powers of the Directors to manage or supervise the management of the business and affairs of LMHC as provided in this Declaration.

IT IS HEREBY DECLARED THAT:

1.0   INTERPRETATION

1.1   **Meaning of Words.** Whenever used in this Declaration, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

   (a)   **"Accountability Rules"** mean the Accountability Rules issued by the Service

Manager dated June 20, 2011 and attached as Appendix A, as amended from time to time.

(b) **"Annual Information Return"** means the Ministry of Government Services, Ministry of Finance, Corporations Tax Branch Form 1 – Ontario Corporation, Annual Return form required to be filed under the Ontario *Corporations Information Act*.

(c) **"Annual Report"** has the meaning given in section 5.1.

(d) **"Auditor"** has the meaning given in section 6.3.

(e) **"Board"** means the board of directors of LMHC.

(f) **"Chair"** means the chair of LMHC.

(g) **"LMHC"** means London and Middlesex Housing Corporation, a corporation under the jurisdiction of the OBCA, having corporation number 2000509.

(h) **"Chief Executive Officer" ("CEO")** means the General Manager and Chief Executive Officer of LMHC or the person holding an equivalent office.

(i) **"Citizen"** means, with respect to a member of the Board or a candidate for such membership, an individual who is not a member of Council.

(j) **"City"** means The Corporation of the City of London.

(k) **"Confidential Information"** shall have the same meaning as is used in MFIPPA.

(l) **"Council"** means the council of the City.

(m) **"County Council"** means the council of the County of Middlesex.

(n) **"County of Middlesex"** means the Corporation of the County of Middlesex.

(o) **"Declaration"** means this shareholder's declaration as amended from time to time.

(p) **"Director"** means a director of LMHC.

(q) **"External Auditor's Findings Report"** means communication of matters identified by the Auditor during the financial statements audit which matters include misstatements, other than trivial errors, fraud, misstatements that might cause future financial statements to be materially misstated, illegal or possibly illegal acts or significant weaknesses in internal control.

(r) **"Financial Statements"** means, for any particular period, audited or unaudited (as stipulated in the Declaration), consolidated or unconsolidated (as stipulated in the Declaration), comparative financial statements of LMHC consisting of not less

than a balance sheet, a statement of income and retained earnings, a statement of changes in financial position, a report or opinion of the Auditor (in the case of audited financial statements) and such other statements, reports, notes and information prepared in accordance with generally accepted accounting principles (consistently applied) and as are required in accordance with any applicable law.

(s)   **"Housing Portfolio"** means all housing projects operated by LMHC.

(t)   **"Housing Project"** means all or part of the residential accommodation located in one or more buildings used in whole or in part for residential accommodation, including vacant land, if any, owned by LMHC.

(u)   **"MFIPPA"** means the Ontario *Municipal Freedom of Information and Protection of Privacy Act*, and regulations thereunder and any successor legislation thereto.

(v)   **"OBCA"** means the Ontario *Business Corporations Act* and regulations thereunder and any successor legislation thereto.

(w)   **"Officer"** means an officer of LMHC.

(x)   **"Person"** means an individual, sole proprietorship, partnership, unincorporated association, unincorporated organization, trust body corporate and a natural person in her or his capacity as trustee, executor, administrator or other legal representative.

(y)   **"PIPEDA"** means the federal *Personal Information Protection and Electronic Documents Act*

(z)   **"Resident Canadian"** means an individual, who is,

   (i)   a Canadian citizen ordinarily resident in Canada; or

   (ii)   a permanent resident within the meaning of the *Immigration Act* (Canada) and ordinarily resident in Canada.

(aa) **"Service Agreement"** means the Service Agreement between LMHC and the City dated August 1, 2002, as amended from time to time.

(aa) **"Service Manager"** means the City (in its capacity as service manager) as defined in the SHRA.

(ab) **"Shareholder"** means the City (in its capacity as the sole legal and beneficial shareholder of LMHC).

(ac) **"SHRA"** means the Ontario *Social Housing Reform Act,* 2000 and regulations thereunder and any successor legislation thereto.

(ad) **"Tenants"** means the tenants of LMHC (as that expression is defined in the Ontario *Residential Tenancies* Act, 2006 and regulations thereunder and any successor legislation thereto).

1.2 **Extended Meanings.** All words importing the singular number include the plural and vice-versa and words importing gender include all genders.

1.3 **Conflict between Service Agreement and Declaration.** In the event of a conflict between the provisions contained in the Service Agreement and the provisions contained in this Declaration, the provisions in the Service Agreement shall prevail.

1.4 **Conflict between By-Laws and Declaration.** In the event of a conflict between the provisions contained in the By-Laws and the provisions contained in this Declaration, the provisions in this Declaration shall prevail.

1.5 **Severability.** In the event that any provision of this Declaration shall be invalid, illegal or unenforceable, it shall not affect the validity, legality or enforceability of any other provision of this Declaration.

1.6 **Proper Law.** This Declaration shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

2.0 APPENDIX

2.1 **Appendix A.** The Accountability Rules attached as Appendix A shall be incorporated into and form part of this Declaration.

3.0 PURPOSES, OBJECTIVES AND PRINCIPLES

3.1 **Purposes.** This Declaration is made for the following purposes:

(a) **Recognize Board Authority.** Recognize the Board's authority to manage or supervise the management of the business and affairs of LMHC in accordance with this Declaration.

(b) **Communicate Shareholder's Requirements.** Provide the Board with the Shareholder's requirements regarding LMHC.

(c) **Accountability Framework.** Provide for a framework of accountability and responsibility between LMHC and the Shareholder.

(d) **Public Information.** Inform the public of the Shareholder's requirements regarding LMHC.

3.2 **Principles.** The principles upon which this Declaration are based are as follows:

(a) **Community Importance.** LMHC is integral to the infrastructure and overall well being of the community.

(b) **Responsibility and Prudence.** The business of LMHC should be carried on in a

prudent and responsible manner and as part of that:

    (i)   **Fulfill Housing Needs.** LMHC should provide quality, affordable housing accessible to those in need who are eligible for social housing.

    (ii)   **Legal Compliance.** LMHC should conduct its affairs in accordance with the law, including without limitation the SHRA.

    (iii)   **Contractual Compliance.** LMHC should conduct its affairs in accordance with its contractual obligations, including without limitation any applicable operating agreements.

    (iv)   **Sustainable.** LMHC's programs and services should be delivered on a sustainable basis, using the most appropriate methods and structures for doing so.

    (v)   **Sensitive.** LMHC should be sensitive to the fact that social housing primarily serves Tenants of low and moderate incomes.

    (vi)   **Consistent.** LMHC should ensure that its policies and programs are consistent with the principles set out in this Declaration.

    (vii)   **Accountable.** LMHC should be accountable for its delivery of social housing services and programs in accordance with the principles and objectives outlined in this Declaration.

3.3   **Objectives.** The objectives sought to be achieved by the Shareholder with this Declaration are as follows:

    (a)   LMHC will utilize its assets for the purposes of providing social housing.

    (b)   The assets of LMHC will be maintained in good repair and the usefulness of the assets will be maintained in order to provide quality affordable social housing.

    (c)   LMHC will meet the financial performance standards from time to time set by the Shareholder and the Board.

    (d)   LMHC will support and promote efforts aimed at providing Tenants with healthy, safe and sustainable communities.

    (e)   LMHC will ensure that Tenants will be protected from harassment, in an environment where human rights are upheld.

    (f)   Subject to the terms of this Declaration, LMHC will employ its own staff and LMHC will be responsible for the management of its Housing Portfolio, for making policy and operational decisions and for being accountable for such policy and operational decisions.

    (g)   LMHC will act to mitigate financial risks to the Shareholder, while service standards and levels are maintained or enhanced.

3.4 **Activities.** Subject to LMHC's financial resources and consistent with the overall principles and objectives outlined in this Declaration, LMHC may engage in any of the following business activities:

(a) Own, operate or have an ownership interest in rental housing and affordable-ownership housing and provide related services.

(b) Develop new affordable housing (subject to prior approval of the Shareholder and the Service Manager).

(c) Redevelop existing Housing Projects (subject to prior approval of the Shareholder and the Service Manager).

(d) Deliver program-related services on behalf of the Service Manager including but not restricted to rent supplement programs, the completion of applicant/tenant income testing functions and a housing registry or wait list.

4.0 BOARD MATTERS

4.1 **Board Responsibilities.** Subject to any matters requiring approval of the Shareholder pursuant to this Declaration, the Board shall manage or supervise the management of the business and affairs of LMHC in a manner consistent with the principles, objectives and other provisions outlined in this Declaration and the Accountability Rules. More specifically this shall include without limitation the following:

(a) Establishing the values, mission and vision for LMHC and preparing strategic plans.

(b) Establishing policies to guide the operations of LMHC.

(c) Approving an annual operating plan for LMHC.

(d) Approving an annual capital plan for LMHC.

(e) Managing and directing all labour and employee-relations matters.

(f) Monitoring the performance of LMHC in terms of its finances, costs, quality of Tenant services, building condition and community building.

(g) Recruiting, supervising and evaluating the CEO including setting employment terms and conditions.

(h) Communicating regularly to its key stakeholders on the performance and plans of LMHC.

4.2 **Officers.** The Board shall elect a Chair and other key Officers including the Treasurer from among its members, provided that the Secretary need not be a Director. In the event the Chair resigns or otherwise vacates the position of Chair prior to the end of her or his term, the Board shall elect a Chair from among its remaining Directors.

4.3 Conflict of Interest.

(a) **Board Compliance.** The Directors and Officers shall comply with all applicable conflict of interest law including without limitation:

    (i) *Municipal Conflict of Interest Act.*
    (ii) OBCA (section 132).
    (iii) SHRA Regulation 339/01 (sections 4 and 5).

(b) **Employee Compliance.** The Directors and Officers of LMHC shall ensure that LMHC employees comply with all applicable conflict of interest law and any related LMHC policy in respect of conflicts of interest.

4.4 Remuneration.
Except for remuneration from the City as approved by Council from time to time, the Directors shall serve as such without remuneration and no Director shall directly or indirectly receive any profit or payment of any nature from LMHC on any basis including without limitation in the capacity of Officer. The foregoing is provided that Directors may be reimbursed for reasonable expenses incurred by them in the performance of their duties as Directors.

4.5 Removal of Directors.
A Director may be removed from the Board by resolution of the Board for such reasons including, but not restricted to:

(a) Breach of the Director's obligations under the OBCA.

(b) Conflict of interest that cannot be resolved in any other manner satisfactory to the Board and the Shareholder.

(c) Engagement in activities that are deemed by the Board and/or Council to be inconsistent with the principles, objectives and other provisions of this Declaration.

(d) Inability to meet the eligibility criteria of a Board member as described in subsection 6.2(a) of this Declaration.

(e) Absence from three (3) consecutive meetings of the Board during any calendar year without prior written approval of the Board.

4.6 Staffing.
The Board shall hire a Chief Executive Officer and define policies under which the Chief Executive Officer will employ staff.

4.7 Regulatory Matters.

(a) ***Municipal Freedom of Information and Protection of Privacy Act* and the *Personal Information Protection and Electronic Documents Act*.** LMHC is subject to MFIPPA and PIPEDA, which requires the Board to appoint a "head" for the purposes of disclosing or refusing to disclose "records" or "confidential information", as those expressions are defined in the MFIPPA and PIPEDA.

LMHC shall appoint the Chief Executive Officer as the head of LMHC for the purposes of the MFIPPA.

(b) **Other Legislation.** LMHC is subject to a variety of legislation that governs its operations and which establishes responsibilities of the Board including without limitation the Ontario *Residential Tenancies Act*, the Ontario *Human Rights Code* and municipal property standards by-laws. In all such cases such legislation shall prevail over this Declaration where there is a conflict between this Declaration and such legislation. Should such a conflict occur, LMHC shall contact the Service Manager to discuss the manner in which the interests of the Shareholder may best be protected.

4.8 **Annual General Meeting.** The Directors of LMHC shall call an annual general meeting of LMHC not later than six (6) months after the end of LMHC's fiscal year.

4.9 **Payment of Auditor.** LMHC shall satisfy payment of the remuneration of the Auditor.

5.0 BOARD ACCOUNTABILITY

5.1 **Annual Report.** Within one hundred and fifty (150) days after the end of LMHC's fiscal year, the Board shall prepare and approve an "Annual Report" and submit the report to the Shareholder. The Annual Report shall include:

(a) Such explanations, notes and information as are required to account for any variances between the actual results from operations and the budgeted amounts set forth in the approved budget, and any material variances in the projected ability of any business activity to meet or continue to meet the financial objectives of the Shareholder.

(b) Information that is likely to materially affect the Shareholder's objectives.

(c) Information regarding any matter, occurrence or other event which is a material breach or violation of any law, including major findings of internal and other audits.

(d) Information on progress and accomplishments relative to the strategic business plan in place.

(e) Information regarding the performance of LMHC such that the Shareholder can determine that the strategic business plan has been respected.

(f) Information regarding the performance of LMHC such that the Shareholder can determine that this Declaration has been respected.

(g) Such additional information as the Shareholder may specify from time to time.

5.2 **Consistency with Other Reports.** LMHC's Annual Report shall be consistent with, but not in lieu of, other reporting that the Service Manager may require.

5.3   **Strategic Business Plan.** Every three (3) years the Board shall provide the Shareholder, with a strategic business plan for LMHC outlining goals, strategies and new directions for the following three (3) years.

5.4   **Financial Statements.** The Board shall deliver to the Shareholder, as soon as practicable and in any event within one hundred and fifty (150) days after the end of each fiscal year, the LMHC audited annual Financial Statements signed on behalf of the Board by two (2) members of the Board along with a copy of the Auditor's Report and the External Auditor's Findings Report and the management letter for consideration by the Shareholder. Further quarterly financial statements shall be delivered by the Board to the Shareholder not later than the second (2nd) month following the end of the quarter.

5.5   **Annual Information Return.** The Annual Information Return shall be submitted by the Board to the Shareholder within one hundred and fifty (150) days of LMHC's fiscal year end.

5.6   **Accounting.** LMHC shall adopt and use the accounting policies and procedures that may be approved by the Board from time to time and all such policies and procedures shall be consistent with Service Manager requirements and in accordance with generally accepted accounting principles and applicable regulatory requirements.

5.7   **Access to Records.** The Shareholder shall have unrestricted access to the books and records of LMHC during normal business hours. The Shareholder shall treat all information of LMHC with the same level of care and confidentiality as any Confidential Information of the Shareholder.

6.0   SHAREHOLDER MATTERS

6.1   **Matters Requiring Shareholder Approval under the OBCA.** LMHC shall not, without prior written approval of the Shareholder enter into any transaction or take any action that requires shareholder approval pursuant to the OBCA.

6.2   **Shareholder to Appoint Directors.** The Shareholder shall appoint the Board in accordance with the following:

(a)   **Eligibility for Board Membership.** To be eligible as a Director, an individual must not be statutorily disqualified from being a director under the OBCA or otherwise, and shall be a Resident Canadian, residing in or paying property taxes to the City or the County of Middlesex . In addition, members of Council and County Council who act as Directors:

(i)   Shall have been elected to such office by qualified electors pursuant to the provisions of the *Municipal Elections Act, 1996,* as amended or shall have been appointed as a member of Council pursuant to section 263 (Filling Vacancies) of the *Municipal Act, 2001*, as amended.

(ii)   Shall be approved as candidates for the Board by resolution of Council or County Council, as applicable.

(b) **Qualifications of Directors.** In appointing Directors to the Board, the Shareholder shall give due regard to the qualifications of Citizens with the aim of ensuring that the Board collectively represents a range of relevant expertise including with respect to:

    (i)   Social housing.

    (ii)   Community development.

    (iii)   Business and financial management.

    (iv)   Corporate governance responsibilities.

    (v)   Organizational development.

    (vi)   Labour relations.

    (vii)   Legal and/or legal aid experience.

    (viii)   Landlord and tenant and social services matters.

(c) **Composition of the Board.** The Board shall be composed of seven (7) Directors appointed by the Shareholder in accordance with the following:

    1.   Two (2) shall be members of London City Council.

    2.   One (1) shall be a member of Middlesex County Council.

    3.   Four (4) shall be citizens-at-large.

(d) **Appointment Process.**

    (i)   **Council Member Appointments.** Council members shall be appointed to the Board through a process approved from time to time by Council for such appointments.

    (ii)   **Other Appointments.** Other members of the Board who are not appointed to the Board through the appointment processes outlined in paragraph 6.2(d)(i) shall be appointed to the Board through a process approved by Council from time to time.

(e) **Vacancies.** Subject to section 124 of the OBCA (Directors and Officers: Vacancies), if a member of the Board ceases to be a Director for any reason, the Shareholder shall fill the vacancy created thereby as soon as reasonably possible from persons eligible for appointment as a Director pursuant to subsection 6.2(a).

(f) **Term.** The term of appointment for all Board members shall be for a term of three (3) years provided that Directors may be appointed for an additional one (1)

year term in order that their tenure on the Board shall be concurrent with the term of Council. Directors, if qualified may be re-appointed to the Board.

6.3 **Auditor.** The Shareholder shall appoint an auditor (the "Auditor") which auditor shall be licensed under the *Public Accountancy Act* and who shall be engaged to prepare and provide the Auditor's Report, the External Auditor's Findings Report and the Annual Information Return. The Auditor shall also be engaged to prepare a management letter for the purpose of indicating to LMHC specific ways to improve reporting and financial operations to help foster efficient management of LMHC resources. The management letter will also describe whether or not LMHC has corrected any identified deficiencies in legislative compliance and in internal controls.

6.4 **Other Matters Requiring Shareholder Approval.**

(a) **Corporate Issues.** Without the prior approval of the Shareholder, LMHC shall not:

(i) Create any debt.

(ii) Purchase or sell real property.

(iii) Proceed with redevelopment projects, or material changes in the number or distribution of rent-geared-to-income units, including changes to targeting plans.

(iv) Pass or amend any by-laws:

1. With respect to the composition or number of Directors or the term of Directors.

2. That are inconsistent with this Declaration.

(v) Take or institute proceedings for any legal reorganization of LMHC (OBCA section 186).

7.0 CONFIDENTIALITY

7.1 **Confidentiality.**

(a) **Confidentiality Exceptions.** The Directors, Officers and the Shareholder shall ensure that Confidential Information of LMHC is not disclosed or otherwise made available to any Person, except to the extent that:

(i) disclosure to the Shareholder's or LMHC's employees or agents is necessary for the performance of any of their duties and obligations under this Declaration; and

        (ii)   disclosure is required in the course of judicial proceedings or pursuant to law.

   (b)   **Requests to Disclose.** In the event any of the Directors, Officers and/or the Shareholder receives a request to disclose any Confidential Information pursuant to legal process of any kind, such Director, Officer and/or Shareholder shall notify LMHC promptly so that LMHC may seek a protective order or other appropriate remedy. In the event no such protective order or other remedy is obtained, any of the Directors, Officers and/or Shareholder shall furnish only that portion of the Confidential Information which any of the Directors, Officers and or Shareholder is/are advised by legal counsel is legally required and will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be afforded to the Confidential Information.

8.0 EXCHANGE OF INFORMATION

8.1   **Notice by LMHC.** Where Shareholder approval is required, LMHC shall deliver reasonable advance notice in writing of the need for such approval and shall provide such information as is reasonably necessary for the Shareholder to make an informed decision regarding the subject matter requiring approval.

8.2   **Governance.** All communication with respect to general governance matters between LMHC and the Shareholder shall be exchanged between the Chair and the Service Manager or their duly appointed designates.

8.3   **Operations.** All communication with respect to operational matters between LMHC and the Shareholder shall be exchanged between the Chief Executive Officer and the Service Manager or their duly appointed designates.

8.4   **General.** Any demand, notice or communication to be given under this Declaration and not otherwise addressed in this Declaration shall be in writing and signed by an authorized signatory and shall be personally delivered, mailed by prepaid mail, sent by facsimile or email as follows:

To: **The Corporation of the City of London**
       300 Dufferin Avenue
       P.O. Box 5035
       London ON, N6A 4L9

       Facsimile: (519) 661-5804

       Attention: Director of Municipal Housing

> **To:** **London and Middlesex Housing Corporation**
> 379 Dundas Street, Suite 207
> London ON   N6B 1V5
>
> Facsimile: (519) 434-2765
>
> Attention: General Manager& CEO

All demands, notices and communications shall:

(a)   if delivered personally, be deemed to have been received upon receipt;

(b)   if transmitted by facsimile or email, be deemed to have been given on the second (2nd) business day following the day they were sent; and

(c)   if mailed, be deemed to have been given on the third (3rd) business day following the date they were mailed.

In the event of disruption of normal postal service, notice may be made by personal delivery, facsimile or email only.

9.0 ENFORCEMENT

9.1 **Voting Power.** The Board and Shareholder shall at all times use their voting powers (whether expressed by way of vote or written consent) in accordance with the provisions of this Declaration and for the purposes of effectuating the same.

9.2 **Further Assurances.** LMHC shall, upon the reasonable request of the Shareholder do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts and assurances as may be required for the better carrying out and performance of all the terms of this Declaration.

10.0 REPEAL AND TERM

10.1 **Commencement.** This Declaration shall come into effect as of June 20, 2011 and continue in effect until terminated by the Shareholder.

10.2 **Amendment.** This Declaration may be amended solely at the discretion of the Shareholder. The Shareholder shall provide prior written notice to the Board of any such proposed amendments.

SIGNED by the sole legal and beneficial shareholder on the date first noted above.

The Corporation of the City of London

Per: _____
      Joe Fontana
      Mayor

Per: _____
      Catharine Saunders
      City Clerk

ACKNOWLEDGED by:

The London and Middlesex Housing Corporation

Per: _____
      Gordon Saylor
      Chair

Per: _____
      Secretary

CITY SOLICITOR'S
OFFICE
CITY OF LONDON

DATE: Aug 2/2011
APPROVED AS TO FORM ONLY

APPENDIX A

LONDON AND MIDDLESEX HOUSING CORPORATION

ACCOUNTABILITY RULES

London & Middlesex Housing Corporation
Accountability Rules – Appendix A

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ACCOUNTABILITY RULES

THESE ACCOUNTABILITY RULES ISSUED BY THE SERVICE MANAGER
Dated: June 20, 2011

FROM: THE CORPORATION OF THE CITY OF LONDON ("the City")

TO: LONDON AND MIDDLESEX HOUSING CORPORATION ("LMHC")

WHEREAS:

A.   LMHC is a social housing provider in the London / Middlesex area, owning and operating approximately 3,282 social housing units contained within 42 properties.

B.   The City has a dual role in connection with LMHC:

    (a)   **Sole Shareholder.** The City is the sole legal and beneficial shareholder of LMHC, owning 100 common shares in the capital stock of LMHC.

    (b)   **Service Manager.** The City is the designated service manager under the SHRA for the geographic area in which LMHC's Housing Portfolio is situate.

C.   Section 32 of the SHRA provides that the Service Manager shall establish accountability rules addressing the operation and activities of LMHC, including such matters as reporting requirements, budgeting and funding, the maintenance of housing projects, audits and investigations, the exchange of information and such other matters as the Service Manager considers appropriate to ensure the performance of LMHC's duties under the SHRA.

D.   The City in its capacity as Service Manager wishes to effect compliance with section 32 of the SHRA through these Accountability Rules.

THE SERVICE MANAGER HEREBY ISSUES THE FOLLOWING ACCOUNTABILITY RULES:

1.0   INTERPRETATION

1.1   **Meaning of Words.** Whenever used in these Accountability Rules, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

    (a)   **"Accountability Rules"** means these accountability rules.

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(b)   **"Auditor"** means the auditor of LMHC.

(c)   **"Board"** means the board of directors of LMHC.

(d)   **"LMHC"** means London and Middlesex Housing Corporation a corporation under the jurisdiction of the OBCA, having corporation number 1718200.

(e)   **"City"** means The Corporation of the City of London.

(f)   **"Council"** means the council of the City.

(g)   **"Declaration"** means the Declaration of the City as the sole legal and beneficial shareholder of LMHC dated June 20, 2011 as amended from time to time.

(h)   **"Financial Statements"** means, for any particular period, audited or unaudited consolidated or unconsolidated, comparative financial statements of LMHC consisting of not less than a balance sheet, a statement of income and retained earnings, a statement of changes in financial position, a report or opinion of the Auditor (in the case of audited financial statements) and such other statements, reports, notes and information prepared in accordance with generally accepted accounting principles (consistently applied) and as are required in accordance with any applicable law.

(i)   **"Housing Portfolio"** means all housing projects operated by LMHC.

(j)   **"Housing Project"** means all or part of the residential accommodation located in one or more buildings used in whole or in part for residential accommodation and includes vacant land, if any owned by LMHC.

(k)   **"Maintenance of Housing Projects"** means the management and maintenance of the Housing Portfolio, including all Housing Projects operated by LMHC.

(l)   **"MFIPPA"** means the Ontario *Municipal Freedom of Information and Protection of Privacy Act*, and regulations thereunder, as such statute may be amended or re-enacted from time to time.

(m)   **"OBCA"** means the Ontario *Business Corporations Act*, and regulations thereunder and any successor legislation thereto.

(n)   **"Other Programs"** means housing programs as identified by the Service Manager which are managed and/or administered by LMHC at the Service Manager's request.

(o)   **"Person"** means an individual, sole proprietorship, partnership, unincorporated association, unincorporated organization, trust body corporate and a natural person in her or his capacity as trustee, executor, administrator or other legal representative.

(p)   **"PIPEDA"** means the federal *Personal Information Protection and Electronic Documents Act*.

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(q)   **"Service Manager"** means the City (in its capacity as service manager) as defined in the SHRA.

(r)   **"Shareholder"** means the City (in its capacity as sole legal and beneficial shareholder of LMHC).

(s)   **"SHRA"** means the Ontario *Social Housing Reform Act*, 2000 and any regulations thereunder, and any successor legislation thereto.

(t)   **"Tenants"** means the tenants (as defined in the Ontario *Residential Tenancies Act* and regulations thereunder and any successor legislation thereto), of LMHC.

1.2   **Extended Meanings.** All words importing the singular number include the plural and vice-versa and words importing gender include all genders.

1.3   **Severability.** In the event that any rule or part thereof or any provision of these Accountability Rules shall be invalid, illegal or unenforceable, it shall not affect the validity, legality or enforceability of any other accountability rule or provision.

1.4   **Proper Law.** These Accountability Rules shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

2.0   PRINCIPLES

2.1   **Principles.** These Accountability Rules are based on the following principles:

(a)   Ensuring stable and predictable funding for LMHC to mitigate any impacts on Tenants from program funding decisions.

(b)   Acknowledging that the Service Manager will require timely information required to prepare budgets and fulfill its reporting obligations to the Province of Ontario and other agencies.

3.0   MANDATE

3.1   **LMHC Mandate.** LMHC's mandate shall be to house households with dependents (family), senior households and households without dependents (singles & childless couples) who are in need of rent-geared-to-income housing. LMHC shall not deviate from this mandate without the prior written consent of the Service Manager which consent will not be unreasonably withheld.

3.2   **Maintenance of Housing Projects.** LMHC shall be responsible for the maintenance of Housing Projects and shall ensure that its Housing Projects are well managed, are maintained in a satisfactory state of repair and are fit for occupancy.

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4.0   SERVICE LEVEL TARGETS

4.1   **Service Level Targets.** LMHC shall comply with service level targets which are from time to time established by statute and/or the Service Manager.

4.2   **Units Excluded.** For greater clarity, service level targets established by the Service Manager shall not apply to units managed by LMHC under the provincial Rent Supplement Homelessness Program or the Canada Ontario Affordable Housing Program.

4.3   **Alteration of Service Level Targets.** Subsequent to consultation with LMHC, the Service Manager may from time to time alter service level targets to effect compliance with SHRA requirements. In such event, the Service Manager shall deliver notice in writing to LMHC of any service level target changes and shall provide sufficient detail to enable LMHC to adjust its budget and related matters accordingly.

4.4   **Report on Service Level Targets.** LMHC shall monitor its service level targets monthly and report as requested by the Service Manager in a format acceptable to the Service Manager on LMHC's performance with respect to its service level targets.

4.5   **Deviation Prohibited.** LMHC shall not deviate from established service level targets without prior written consent of the Service Manager.

5.0   ADDITIONAL RESPONSIBILITIES

5.1   **Additional Responsibilities.**

(a)   **Additional Programs.** The Service Manager may, from time to time, request that LMHC perform certain functions and assume certain responsibilities, which may include without limitation:

    (i)   The operation of a waiting list system for applicants to social housing.

    (ii)   The operation of rent supplement programs.

    (iii)   The management of non-profit provider portfolios.

(b)   **Additional Functions.** In these and all other areas in which the Service Manager requests that LMHC perform functions that are not mandated functions of a non-profit provider under the SHRA, the Service Manager and LMHC shall enter into agreements that include:

    (i)   The level of funding to be provided for performance of additional functions.

    (ii)   The conditions and performance expectations of the Service Manager.

    (iii)   The accountability requirements of LMHC in undertaking such additional functions.

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(c)   **Consultation.** The Service Manager shall not impose on LMHC functions and obligations that are not identified in the SHRA and applicable operating agreements, or that are not outlined in these Accountability Rules without having consulted with and identified the administrative, operational and costs impacts on LMHC.

6.0   COMPLIANCE WITH LAW

6.1   **Compliance with Law.** LMHC shall ensure that all Articles, by-laws, resolutions, agreements and documents filed, made, confirmed, amended, entered into or signed by it do not contravene or conflict with any law including without limitation the SHRA.

7.0   PERSONNEL

7.1   **Employment and Related Matters.** LMHC shall abide by all relevant employment and occupational health and safety legislation in the conduct of its operations, and shall develop appropriate policies in areas recognizing its responsibilities as a public sector employer.

8.0   PROCUREMENT

8.1   **Tendering and Purchasing Matters.** LMHC shall establish tendering and purchasing practices that ensure that LMHC will manage all financial transactions in a transparent and open manner.

9.0   INSURANCE

9.1   **Risk Management Provision of Insurance Coverage.** LMHC shall maintain insurance including liability and such other coverages as may from time to time be mandated by statute and/or prescribed by the Service Manager.

9.2   **Provision of Insurance Coverage.** LMHC shall name the Service Manager as an insured under its comprehensive insurance policies.

10.0   BUDGETING AND FUNDING

10.1   **Annual Budget and Related Subsidy Request.** On or before the date(s) specified by the Service Manager, LMHC shall submit to the Service Manager in a format acceptable to the Service Manager:

(a)   **Budget.** A proposed budget in respect of the following calendar year.
(b)   **Subsidy Request.** A subsidy request supported by the proposed budget which subsidy request shall include the following:

(i)   Any proposed changes in staff complement, reclassifications, and merit salary increases.

(ii)   An estimate of expenditures to be incurred by LMHC in respect of the operation of the Housing Portfolio including a breakdown of such expenditures for each Housing Project, including the estimated cost of repairs, maintenance, improvements, utilities, insurance, administration and taxes.

(iii)   An estimate of the gross revenue to be derived from the Housing Portfolio including a breakdown for each Housing Project, from rentals and all other sources of revenue.

(iv)   An estimate of expenditures to be incurred by LMHC in respect to capital expenditures for each Housing Project.

(v)   Supporting reports to the capital budget setting forth by project the nature and type of capital expenditures proposed to be made in the following fiscal year.

(vi)   A five (5) year capital expenditure projection identifying the major expenditures by project, type and anticipated cost in each of the fiscal years.

10.2   **Subsidy Approval.** Upon review of any proposed budget and related subsidy request submitted by LMHC, the Service Manager may further develop the same and/or make recommendations with respect thereto, in which event LMHC shall cooperate to adjust the proposed budget and subsidy request accordingly. Thereafter the Service Manager may present the budget and related subsidy request to Council for approval at which time Council may approve the subsidy request or modify the subsidy request and approve such modified subsidy request.

10.3   **Finalized Budget.** Based upon the finalized subsidy request approved by Council, the Board shall approve a consistent finalized budget.

10.4   **Subsidy Payments.** The Service Manager shall deliver to LMHC the finalized approved subsidy on a monthly basis. In order to ensure that the flow of subsidy payments is consistent with budgetary requirements, LMHC is encouraged to provide the Service Manager with a statement of estimated monthly subsidy requirements. The Service Manager, in its sole discretion, may deliver to LMHC the monthly subsidy based upon such statement.

10.5   **Adherence to Finalized Budget.** The finalized budget shall govern LMHC's management of operations during the fiscal year for which the budget was prepared and approved and LMHC shall adhere to the finalized budget. Without limiting the generality of the foregoing LMHC shall:

(a)   **Not Exceed Budget.** In any fiscal year, LMHC shall not operate in a deficit and shall not incur, enter upon, contract, or become liable for expenditures beyond or

in excess of the net estimated revenues and expenditures set out in the finalized budget without the prior written consent of the Service Manager which consent will not be unreasonably withheld. More specifically but without limiting the generality of the foregoing LMHC shall not:

(i)   **Capital Subsidy.** Make capital expenditures in excess of the capital subsidy approved for the year, or such interim approvals as the Service Manager may determine.

(ii)   **Operating Subsidy.** Make operating expenditures in excess of the operating subsidy approved by the Service Manager for the year, or such interim approvals as the Service Manager may determine.

(iii)   **Other Subsidies.** Make other program expenditures in excess of the other program subsidies approved by the Service Manager for the year, or such interim approvals as the Service Manager may determine.

(b)   **LMHC Not to Under Spend.** LMHC shall in any year not spend any operating, capital or other program surplus subsidies as identified in the approved LMHC audited Financial Statements.

(c)   **LMHC Not to Re-Allocate.** LMHC shall not without the prior written consent of the Service Manager which consent will not be unreasonably withheld:

(i)   Utilize subsidies approved for operating expenditures on capital expenditures or Other Program expenditures.

(ii)   Utilize subsidies approved for capital expenditures on operating expenditures or Other Program expenditures.

(iii)   Utilize Other Program subsidies designated by the Service Manager as type-specific program funding for purposes other than those identified by the Service Manager.

10.6   **Budget Updates.** LMHC shall submit to the Service Manager budget updates in a format and frequency acceptable to the Service Manager.

10.7   **Audit.** The LMHC shall ensure that its Financial Statements are audited on an annual basis.

11.0   PRIVACY

11.1   **Regulations and Service Manager Policies.** Except for the provisions of the Declaration relating to *MFIPPA* and *PIPEDA,* LMHC shall, with respect to privacy, be regulated by the regulations passed pursuant to the *SHRA,* and such additional policies prescribed by the Service Manager from time to time and LMHC shall take all necessary steps to adopt as its own, the additional policies prescribed by the Service Manager.

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12.0   RECORD KEEPING

12.1   **Accounting and Reporting.** LMHC shall keep accurate records and accounts of all its transactions in accordance with instructions from time to time received by the Service Manager.

12.2   **Agenda and Minutes.** LMHC shall prepare an agenda for and maintain minutes of each meeting of the Board and shall deliver on a monthly basis a copy of each to the Service Manager.

13.0   REPORTING REQUIREMENTS

13.1   **Compliance with Service Manager Instructions.** LMHC shall submit all statements and reports required hereunder pursuant to instructions received from the Service Manager on the forms prescribed and on the dates set by the Service Manager along with such other reports as Service Manager from time to time deems appropriate within the time frames prescribed by the Service Manager.

13.2   **Annual Report.** Within one hundred and fifty (150) days after the end of LMHC fiscal year, the Board shall prepare and approve an Annual Report and submit the report to the Service Manager. The Annual Report shall include:

(a)   Such explanations, notes and information as are required to account for any variances between the actual results from operations and the budgeted amounts set forth in the approved budget, and any material variances in the projected ability of any business activity to meet or continue to meet the financial objectives of the Shareholder.

(b)   Information that is likely to materially affect the Shareholder's objectives.

(c)   Information regarding any matter, occurrence or other event which is a material breach or violation of any law, including major findings of internal and other audits.

(d)   Information on progress and accomplishments relative to the strategic business plan in place.

(e)   Information regarding the performance of LMHC such that the Service Manager can determine that the business plan has been respected.

(f)   Information regarding the performance of LMHC such that the Service Manager can determine that these Accountability Rules have been respected.

(g)   Information regarding the number of evictions each year, the rationale and the cost of such evictions.

(h)   Such additional information as the Service Manager may specify from time to time.

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13.2   Consistency with Other Reports. LMHC's Annual Report shall be consistent with, but not in lieu of, other reporting that the Service Manager may require.

14.0   EXCHANGE OF INFORMATION

14.1   Notice by LMHC. Where Service Manager approval is required, LMHC shall deliver reasonable advance notice in writing of the need for such approval and shall provide such information as is reasonably necessary of the Shareholder to make an informed decision regarding the subject matter requiring approval.

14.2   Governance. All communication with respect to general governance and policy matters between LMHC and the Shareholder shall be exchanged between LMHC Chair and the Service Manager or their duly appointed designate.

14.3   Operations. All communication with respect to operational matters between LMHC and the Shareholder shall be exchanged between LMHC Chief Executive Officer and the Service Manager or their duly appointed designate.

14.4   General. Any demand, notice or communication to be given under these Accountability Rules and not otherwise addressed by these Accountability Rules shall be in writing and signed by an authorized signatory and shall be personally delivered, mailed by prepaid mail, sent by facsimile or email as follows:

To: **The Corporation of the City of London**
       300 Dufferin Avenue
       P.O. Box 5035
       London, ON   N6A 4L9

       Facsimile: 519-661-5804

       Attention: Director of Municipal Housing

To: **London and Middlesex Housing Corporation**
       379 Dundas Street, Suite 207
       London ON   N6B 1V5

       Facsimile: (519) 679-7000

       Attention: General Manager & CEO

All demands, notices and communications shall:

(a)   if delivered personally, be deemed to have been received upon receipt;

(b)   if transmitted by facsimile or email, be deemed to have been given on the second (2nd) business day following the day they were sent; and

(c)   if mailed, be deemed to have been given on the third (3rd) business day following

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the date they were mailed.

In the event of disruption of normal postal service, notice may be made by personal delivery, facsimile or email only.

They shall be communicated in writing signed by an authorized signatory of the Service Manager; and

15.0 ACCESS TO PREMISES AND AUDIT REVIEWS

15.1 **Access to Premises and Audit Reviews.** Upon notification to LMHC, the Service Manager shall have full and free access at all times to LMHC Housing Portfolio and to the records, accounts, minutes of meetings, documents and files of LMHC for maintenance, audit review, operation enquiries or for any purpose, and make excerpts and transcripts of same.

16.0 BREACH

16.1 **Breach.** In the event of any material breach of these Accountability Rules or of Service Manager instructions thereunder by LMHC, the Service Manager shall immediately and formally communicate with the Board and request compliance. Should the Board decline or fail to comply, the Service Manager may do one or more of the following:

(a)   Suspend or restrict the internal signing authorities of LMHC.

(b)   Impose a Service Manager administrator on LMHC.

(c)   Notify the Shareholder and seek direction from the Shareholder.

(d)   Suspend all or some of the City subsidies.

(e)   Impose any such remedy as the Service Manager deems necessary in order to return LMHC to full program and/or legislative compliance.

London & Middlesex Housing Corporation
Accountability Rules – Appendix A

15

17.0 AMENDMENTS

17.1   **Amendments.** These Accountability Rules may be amended solely in the discretion of the Service Manager and LMHC shall comply with such amendments on the date such amendments are declared by Council and/or the Service Manager to be in force. The Service Manager shall provide prior written notice to the Board of any such proposed amendments.

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

LMHC Strategic Plan 2017–2020

May 2017

Whitesell & Company

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CHAIR MESSAGE

This is an important moment in the history of London and Middlesex Housing Corporation. Through the 2017-2020 LMHC Strategic Plan, we are redefining what we do and how we do it.

Building upon past accomplishments and a deep understanding of our communities, we are charting a new path that embraces shifting needs, pressures and opportunities. As a property-based Corporation and the largest social housing provider in the region, it is critical that we envision and plan for the renewal of our aging housing stock. At the same time, this strategic plan will guide our growing and indispensable role in our community's social architecture. Our tenants' dignity begins with housing and is often connected to the supports and services that we increasingly deliver. Fundamentally, the integration of our property services and supports is vital because our tenants matter.

Redefinition is never easy. Self-study, planning and implementation of the goals and priorities that we have described in this strategy will guide LMHC in the next three years and well beyond. I want to congratulate LMHC's Board and especially the CEO, the senior leadership team and their staff for their energy, insights and optimism for our ambitions. You will see both the spirit and intent of the 2017-2020 LMHC Strategic Plan to meet challenges head-on and to be a hub for leadership, partnership, collaboration and renewal in the City of London and Middlesex County.

Michael Buzzelli, PhD
Chair, LMHC Board

Josh Browne
CEO, LMHC

CEO MESSAGE

I am pleased to introduce LMHC's 2017-2020 Strategic Plan. Our plan represents a truly collaborative effort, designed to genuinely reflect the needs of the tenants and communities we serve. LMHC will deliver services using a new approach for a new era. The seven Strategic Goals detailed in this document will guide us as we reimagine, reposition and reinvent LMHC from a *Property Manager* to a *Housing Provider that CAREs.*

In the current economic and political environment, traditional public housing models and service delivery methods are strained beyond any acceptable limits. Growing tenant and community needs often remain unmet. LMHC's sole reliance on public funding to meet these escalating needs is not a financially sustainable approach. As such, LMHC will respond to these new and shifting challenges by turning challenges into opportunities.

We will reposition LMHC for success by creatively seeking alternate financing tools and revenue streams to better maintain the homes we offer, improve our supports and invest in our people. We will focus on the effectiveness of our operations by identifying and maximizing opportunities for innovation, implementing lean approaches and technology that will improve our services and communication.

Our strategic plan will change LMHC's role in the community by aligning the type and scope of support services that will engage, assist and empower our tenants. We will ensure that social and affordable housing is fully considered and represented in the political process by accepting our responsibility to advocate on behalf of our tenants and community partners.

These strategic initiatives will reinvent and refocus the way we manage our assets, support our tenants and grow our portfolio. This plan will build our reputation and establish trust and confidence in our organizational capacity for growth. With new leadership, a strong Board, a committed staff and guidance from the principles in this plan, LMHC will rise to new heights and make a difference. We invite you to explore our vision of the new LMHC – *We CARE.*

Introduction

The London & Middlesex Housing Corporation presents its latest strategic plan that will guide the organization through to the year 2020. This three-year LMHC strategic plan is different from all previous strategic plans in two significant ways. First, the strategy declares the corporation's intention to establish a new foundation for the future. This intention, supported by seven (7) strategic goals provides the architecture and scaffolding for the new direction. The foundation will be based upon regenerating, revitalizing and building new properties to house and, importantly, support the people of London and Middlesex County to help tenants experience safety, housing stability and a sense of community while living in LMHC properties.

Second, the process to develop this strategy was robust, intense and inclusive to achieve alignment of all stakeholders from the Shareholder to the LMHC Board to Tenants regarding the commitment to change how LMHC is governed and how it operates. Figure 1 is an illustration of the alignment that we have attained during this process and how the 2017-2020 Strategy is framed by its new Mission, Vision and Values.

This strategy is also different in how it is being presented. We have carefully captured and distilled the significant events during the past 16 years of LMHC' s history as a social housing provider. That context will help our stakeholders understand and support the changes that we have outlined in our seven strategic goals and, especially, the fourth goal to engage, assist and empower our tenants.

For added context and to acknowledge that we cannot get to where we want to be in three years without community partnerships, we have connected the LMHC strategy to several municipal plans that address homelessness, poverty, affordable housing and the City of London Strategic Plan, 2015-2019.

We have been candid in this document about the challenges that we are facing beyond the traditional SWOT technique that deals with internal and external variable – strengths, weaknesses, opportunities and threats. Our direct, revealing approach to describe our internal current reality will provide an evidence-based touchstone for the future.

Social housing is not the same as affordable housing. Affordable housing is open to a broader range of household incomes than social housing.Households do not have to be eligible for social housing to apply for affordable housing, though people who are eligible for social housing may also be eligible for affordable housing properties. LMHC wants to provide these housing forms (and more) to achieve mixed income profiles in new build properties as well as in some regenerated or revitalized properties. This will also provide LMHC with an improved income stream to support proactive operational initiatives and maintenance.

Many LHMC properties have reached the end of their useful lifetimes and need regeneration. Changing demographics are not well served by projects designed for the needs of

previous generations. For instance, 10 years ago, Wi-Fi would not have been considered an essential service and our aging population in London and Middlesex is living longer while their need for supports increase.

We have included an IT 'White Paper' in our strategic plan because information technology and systems will play an increasingly larger role in how LMHC conducts its business.[1] Technology will help the organization leverage its services while providing real-time information regarding its key performance indicators, metrics and measures. Having the right people with the right skills in the right positions will be essential for success while applying *lean* business techniques and tools to keep the overall staff count at an optimal level. LMHC currently has 56 permanent, full-time positions. The consultant made a preliminary estimate of additional staff that will be required to implement the strategy and the final number will be determined during the development of the Implementation Plan between July and December 2017.

The Directors, Managers and Staff of LMHC have been waiting for this opportunity to mobilize their initiatives and ideas. Culturally, we know that trust and commitment levels are variable because these elements have been measured along with three other dimen- sions of teamwork - conflict, accountability and results - that provide data points and a baseline reference. The people of LMHC are talented and eager for positive change so we will measure the five dimensions again at the end of 2017 to determine our progress with teamwork, especially cross-departmental teamwork.

The Local Housing Corporations in Ontario, including LMHC, are managed by 47 Service Managers and there is agreement that they do not have access to the right amount of capital that is necessary to repair and maintain current units to a consistent standard of repair, let alone develop a new supply of units that is sufficient to meet increasing demands. LMHC will work closely with the City of London, the Consolidated Municipal Service Manager and the new Housing Development Corporation to identify financial tools and tailored, best practices to give LMHC more financial flexibility to implement its strategic plan. Access to the City's VFA software for capital and asset tracking and analysis is an example of just one of the shared services that will add to LMHC's corporate core capabilities.

Mission

We provide and maintain homes in a safe and supportive environment to meet the needs of the people we serve in our communities.

Finally, LMHC exists for a reason that has been converted into our new Mission:

We provide and maintain homes in a safe and supportive environment to meet the needs of the people we serve in our communities.

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1   See Appendix C — IT White Paper.

Following one of the tenant focus groups, the consultant was approached by a middle-aged woman who had experienced severe physical and mental partner abuse before being placed as a priority tenant in one of the LMHC buildings. In a calm and direct tone of voice she said, "I have lived here for close to five years and I still marvel at the million-dollar location. I have made my apartment very pleasant and I have everything I need within walking distance while the bus stops out front and takes me wherever I want to go. The problem is that I haven't felt safe for the past few years because of some unruly people and the building condition has deteriorated. I don't want to move because this is my home. I hope that you have listened to us."

We are listening and We CARE.

Paul Roszell
Director
Assets & Property Services

"Solid foundations are a fundamental part of stable lives, properties and organizations. LMHC's hard work over the last decade has allowed us to build the solid foundation needed to transition our organization and properties. This will provide us with an exciting opportunity to further help stabilize our tenants' lives by providing better and more, affordable homes."

Andrea Topham, MBA
Director
Corporate Services

"It is evident that the social housing sector is at a critical precipice. We must evolve and innovate to overcome these significant challenges. Working together to implement LMHC's 2017-2020 Strategic Plan, we will leverage our experience to find new solutions, seize opportunities and spearhead change. We are doing this to provide sustainable and affordable housing and positive community impact."

Andrea MacKenzie
Director
Tenant Administration

"With our new strategic plan, LMHC is embarking on a transformative journey for our tenants, staff and Board members alike. Development is about transforming the lives of people, not just structures, and I am looking forward to being a part of the actualization of our new mission and vision. We are about to launch a fundamental shift in LMHC's business model while we refocus our goals and objectives to provide a positive impact in the lives of our tenants as well as the rest of our community."

Strategy 2017–2020

MISSION, VISION AND VALUES

The LMHC Mission is a statement that builds on the organizations role as a social housing provider by adding the critical component of a supportive environment. The provision of the right supports to the right people help to ensure sustained, healthy and stable tenancies. Whether the supports are delivered directly by LMHC or through community partnerships, this change to the Mission reflects the emerging reality of the changing demographic mix in LMHC properties.

LMHC exists for a reason that has been converted into our new Mission:

"We provide and maintain homes in a safe and supportive environment to meet the needs of the people we serve in our communities."

The LMHC Vision has two parts: 1) Vision Statement, and, 2) Values & Slogan. The Vision provides focus to the Mission Statement and is intended to align stakeholders, attitudes, perceptions, resources and actions while establishing the platform for the strategy. The 2017-2020 strategy and implementation plan are being developed to fulfill the Mission and Vision of LMHC.

The words that comprise the Vision are concise, precise and meaningful:

"We envision healthy homes and communities in London and Middlesex. Leading by example, LMHC will help make a difference and positively impact lives using housing as the foundation."

The Values of LMHC are being expressed as alliterate, binary combinations of single words. Those words have intrinsic meaning that direct the extrinsic actions and behaviours of the LMHC team. The exception is the final word, equity, that provides a foundation and summary of the Values. A good slogan is a transition statement that sums up and sets up the organizations strategy.

LMHC has used an acronym, CARE, for the slogan for impact and to provide a mnemonic for all stakeholders. The slogan will also provide a starting point in the development and implementation of a future communication strategy.

Mission

We provide and maintain homes in a safe and supportive environment to meet the needs of the people we serve in our communities.

Vision

We envision healthy homes and communities in London and Middlesex. Leading by example, LMHC will help make a difference and positively impact lives using housing as the foundation.

We CARE

Collaboration | **C**ommitment
Accountable | **A**ccessible
Respect | **R**esponsive
Equity | **E**xcellence

The following is an additional explanation about what it means to CARE.

Collaboration We recognize that no single person or idea can solve affordable housings complex challenges. We believe that people working together can create greater impact than any one individual or even one organization can accomplish alone. By coordinating with diverse community stakeholders and networks, we will pursue purposeful partnerships that are well designed and supported. We will work with tenants, partners and neighborhoods – listening, challenging and sharing – to better understand and respond to the needs of our tenants and communities.

Commitment We perform our duties with utmost commitment and regard to the high standards expected of a Local Housing Corporation to deliver social housing and supports. We are responsible to our tenants, our employees and our sole shareholder, the City of London. We commit to doing the right thing and we will reject professional and ethical shortcuts.

Accountable We are accountable for our actions. We accept responsibility for our performance and we share the results of our work in an open, honest and transparent manner. Demonstrating integrity and responsible stewardship of our resources, we expect the best of ourselves and our stakeholders — personally and professionally. We will cultivate individual and team accountability creating an environment where people can make a difference.

Accessible Access to services and supports positively impacts well-being, social participation, education, health and employment. Accessibility is important for our tenants' quality of life as it creates the potential to take advantage of opportunities for successful social mobility and to access health services, goods and services within the community. We will provide all services and information resources, regardless of technology, format, or methods of delivery, that are readily, equally, and equitably accessible to all tenants.

Strategy 2017–2020

Respect We respect people as individuals and create environments where fairness, trust and equitable treatment define how we work. We approach our work with a deep respect for different opinions and seek to find common ground. No matter how difficult the issue or circumstances, we treat those we encounter with respect and dignity. We insist on a culture of respect as the foundation of our work together and recognize that words and actions matter.

Responsive We provide the highest possible quality of responsive service informed by meaningful consultation and delivered in a professional manner. We will listen to our tenants and respond by putting proactive solutions in place to meet their needs in a creative and fiscally responsible manner.

Equity is the foundation of LMHC's Values. We value equity, inclusion, and dignity for all regardless of their background, point-of-view or position in life. Seeking to achieve fairness and justice for all, we will recognize the individual needs of tenants required to achieve and maintain housing stability, health and well-being. We will ensure the dignity of all people and we demonstrate the value of diversity through our honest, caring and ethical interactions and practices

Excellence We go above and beyond ordinary and strive towards the exceptional and extraordinary in each and everything we do. We pursue excellence by: nurturing and sustaining innovation and invention; achieving quality in our work, relationships, and outcomes; delivering on our mission, vision and values; providing better services to tenants; strengthening our credibility among tenants, decision-makers, and the public; delivering tangible results recognizing that excellence in creativity, problem solving and teamwork is critical to our success.

We CARE

Collaboration	**C**ommitment
Accountable	**A**ccessible
Respect	**R**esponsive
Equity	**E**xcellence

Strategic Goals and Objectives

Our seven strategic goals and objectives are as follows:

A.   Improve, Renew and Maintain the Homes that we offer

1) Develop an asset strategy with the intent to have "a shovel in the ground"

2) Ensure capital improvements relate to the annual capital plan and long term capital replacement strategy

3) Improve building conditions to make them more functional

B.   Invest in People to build long-term organizational capacity

1) Strategically align HR processes to support organizational goals and clarity

2) Align people, systems and functions to fulfill our growth strategy

3) Identify and develop leadership capacity among our People

4) Enhance our culture to support emotional health, physical safety and well-being

5) Grow a learning organization fostering pride, mutual respect and informed decision making

C.   Stake out our critical role in supporting housing stability and preventing homelessness

1) Inform and influence London housing policy, intake, waitlists, needs assessment and supports

2) Engage key community "stakeholders" to help them understand that LMHC is an integral part of the solution to prevent homelessness and support housing stability

3) Change the public narrative to better inform and gain support for LMHC services; positively influence perceptions and develop a broader narrative

4) Advocate for LMHC housing, supports and appropriate, sustainable funding

5) Advocate for housing system change, e.g., RGI, connecting supports to residents, legislation change

D. Engage, Support & Empower Tenants

1) Create tenant and housing stability by investing in support systems that will address the multiple complex needs of tenants

2) Create a Tenant engagement strategy

3) Implement tenant onboarding and education programs

4) Expand and improve tenant communication channels

E. Grow Organizational Effectiveness

1) Establish an Organizational Communication Strategy to addresses internal and external communication needs

2) Update and streamline organizational systems to offer better customer service and expand organizational capacity

3) Create a Governance Model to best support LMHC Operations

4) Develop an organizational evaluation framework

F. Establish long-term financial growth and stability

1) Develop a comprehensive financial plan

2) Fund the implementation of the Strategic Plan and create new funding tools and revenue streams to ensure ongoing financial sustainability

G. Maximize Information and Technology for Informed Decision Making

1) Create an information technology strategy that forms a digital business model for the way we work and provide digital services for our tenants and our people.

2) Utilize cloud based services where it will improve efficiency and is cost effective that enables our tenants to self-serve to our services.

3) Invest in IT to deliver high performing systems that meet the changing needs of the organization and our tenants, to drive efficiency and effectiveness.

4) Adopt, where appropriate, industry recognized standards to manage and protect our information technology assets, and to ensure services are efficiently and effectively managed and developed.

CONCLUSION

The LMHC Strategic Plan 2017-2020 is bold, pragmatic and achievable. Stage 1 of the strategic planning process was, at times, arduous as the planning team engaged in robust dialogue with stakeholders to gain understanding, support and alignment. The strategy is supported by extensive research that revealed evidence to support LMHCs need for change and how to change. Tenants were at the centre of all discussions because that is why LMHC exists.

The importance of Stage 2 in the strategic planning process cannot be over-stated. During the period from May to September 2017, the managers and staff will be engaged to help create the Implementation Plan that will be launched in October. The strategy will then be operational and will be continuously improved to achieve the Goals and Objectives by March 2020. At that time, LMHC will engage in the next, formal 3-year strategic planning process that will guide the organization until 2023.

London & Middlesex Housing Corporation
Board of Directors
Back Row: Darren Chapman, Sean Quigley, Michael Buzzelli.
Front Row: Vance Blackmore, Sarah Campbell, Marci Allen-Easton, Anna Hopkins
Absent: Larry Ducharme

STRATEGIC PLANNING METHODOLOGY

There are a plethora of valid strategic planning theories, techniques and tools available to leaders, organizations and consultants. The consultant worked closely with the Board and the CEO to select a methodology for LMHC that would challenge the accepted notions about what the process entailed, disrupt the status quo and, most importantly, make certain that the emerging strategic plan had a high probability for successful implementation.

One of the outcomes of the strategic planning process was a much clearer understanding regarding the boundaries between LMHC governance and operations. The Board contributed directly with the creation of the new Mission and the related discussions revealed that for the strategy to be successful, the Board needs to engage the Shareholder and be an active advocate on behalf of the corporation that they govern. The Board approved the Vision and Values that the CEO developed. The CEO, as the sole employee of the Board, is directed by the Board to implement the strategy. *Figure 1* illustrates the boundary between governance and operations.

LMHC Strategic Plan
Accountability

Figure 1

Board & CEO
- MISSION & VALUES
- VISION

LEADERSHIP

STRATEGY

CEO & LMHC Staff
- STRUCTURE & SYSTEMS
- TRENDS & INDICATORS
- EVENTS, DATA & METRICS

MANAGEMENT

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There were several components and phases to the strategic planning process that included the following activities:

- Project launch with the CEO and Board of Directors
- Internal interviews and focus groups
- Document review and research
- (3) 1-day strategy sessions with the Board, CEO, SLT and management
- Community consultation process, including individual City Council members
- Tenant interviews and focus groups
- Internal online staff survey
- (1) 2-day strategy session with the CEO and SLT
- (4) half-day strategy sessions with the CEO and SLT
- (3) Board updates presented by the consultant
- Board interviews (individual) to isolate and confirm strategic priorities
- Online survey with Board to determine priorities using Item Response Theory

The process began with the consultant seeking the *ground truth* about LMHC from over 50 managers and staff. This technique was used to comprehend, assess and evaluate LMHC across several dimensions using semi-structured, 1-hour, confidential interviews and, often, follow-up interviews to clarify and confirm information. Managers and staff

communicated their experience, expertise, accomplishments, challenges and organizational perceptions through their individual lens. The information that was collected through this process was collated, analyzed and validated through the document review and research as well as with senior leadership. The results constitute what people believe is (or has been) happening in LMHC and, when consistent with data points, facts and other evidence-based corroboration, their informed perspectives provide a powerful and highly accurate perception about LMHC current reality. Inconsistency between the ground truth and the fact-based evidence can also be informative and valuable for the strategic planning process.

The Board of Directors participated in (3) 1-day strategic planning sessions with the CEO, Josh Browne, the senior leadership team and members of the LMHC management team. These sessions were facilitated by the consultant between December 2016 and February 2017. The Board was introduced to the strategy models that would guide the development of the 3-year strategy, including the Mission, Vision and Strategy. During the final strategy session on February 25, the new Mission Statement was unanimously confirmed.

During the February 25 strategy session, the CEO offered a draft version of the Vision as a starting point but the strategy team was unable to reach consensus.[2] It was agreed that two members of the Board would meet with Josh and the consultant on March 13 to participate in the development of a final version of the Vision. In the interim, the consultant provided Josh with some guidelines, examples of vision statements and questions to consider in the creation of his second draft Vision.

The Board committee accepted the updated draft of the Vision during the March 13 meeting. The CEO and the consultant presented the Vision to the senior leadership team (SLT) during a 2-day strategy session on March 14-15. Additional changes were made during the SLT session that were deceptively simple but, indeed, critical to provide clearer, mutual understanding about the operational implications of the new LMHC Vision. The CEO also submitted a set of Values that provided a meaningful enhancement to the Vision. The rationale for the Vision and an explanation of the Values is outlined in the next section.

The strategic priorities for the next three years were determined by a lengthy, robust, textured process that involved *deep dive* discussions about LMHC strengths, weaknesses, opportunities and threats (SWOT). The elements of these discussions were distilled into 13 issues/priorities with definitions for each priority. The consultant sent the CEO and Board members an online survey that compared pairs of priorities in forced choice combinations using Item Response Theory.[3] Each combination for the forced choice comparison answered the question: "Which issue is more important for LMHC to be aligned to our mission and vision during the next 3 years?" The Board members were also

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2   The Vision was defined as a future-based current reality that guides decision making during the next three years.
3   Glencross, D.M. 2015. *The Basics of Item Response Theory.*

asked to rate the current performance of LMHC on a low-high scale of 1-9. *Figure 2*, the Strategic Opportunity Grid, is the product of the survey across the scales of *priority and performance.*

Figure 2   **London & Middlesex Housing Corporation
Strategic Opportunity Grid**

2017 - 2020
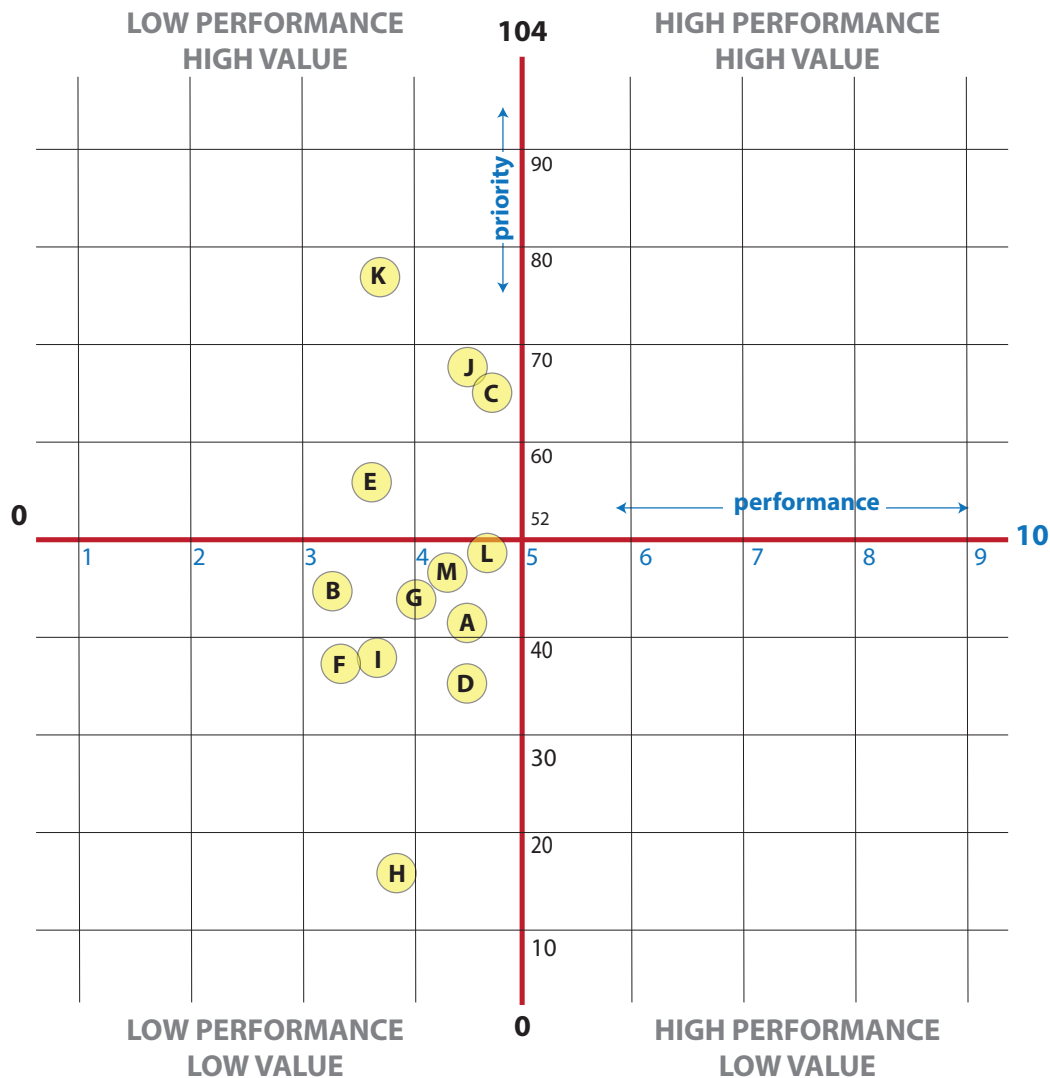
A - Maintenance	H - Changing Economics & Demographics
B - Communication Engagement	I - Housing Delivery Models
C - Human Resources	J - Financial
D - CRWs and Supports	K - Asset & Risk Management
E - LMHC Team - A Rightous Mission	L - Customer Service
F - Integrate Housing & Homelessness	M - Organizational Effectiveness
G - Engage, Assist and Empower Tennants	

13

The SOG was used as the starting point for the 2-day, offsite strategy session with the CEO and the three members of the senior leadership team. The Board's 13 SOG priorities were distilled into seven (7) Strategic Goals during this session on the premise that none of the priorities was unimportant.[4] Four, half-day strategy sessions were conducted in March and April to expand the Goals into strategic objectives and actions with short (2017-18), medium (2018-19) and long-term (2019-20) timelines. The matrix of goals, objectives, actions, timelines and progress constitute the *Performance at a Glance* document that accompanies this strategic plan.[5] The architecture and scaffolding for the strategic plan was completed at this point.

Figure 3 is a comprehensive breakdown of the LMHC strategic planning process through to implementation. It has taken almost six months to complete the first stage of this strategic plan. This is a pivotal moment — often called an *inflection point* — in the history of the organization. LMHC is asserting more control over its future direction, the financial framework that allows the organization to function at full capacity and the composition of its service offering that range from the type of properties in the portfolio to the scope of tenant supports.

Strategy to Implementation Figure 3

STAGE 01	STAGE 02	STAGE 03	STAGE 04	STAGE 05
Develop Strategy 2017-2020	Architect Changes	Develop Roadmap	Implement Solutions	Measure Success

STRATEGIC ARCHITECTURE

Implementation Plan

| Clarify Goals & Objectives | Assess Impact | Architect The Change | Identify The Gaps |

STRATEGIC ARCHITECTURE

| Nov 2016 - Jun 2017 | Jul - Dec 2017 | Jan 2018 - Mar 2020 |
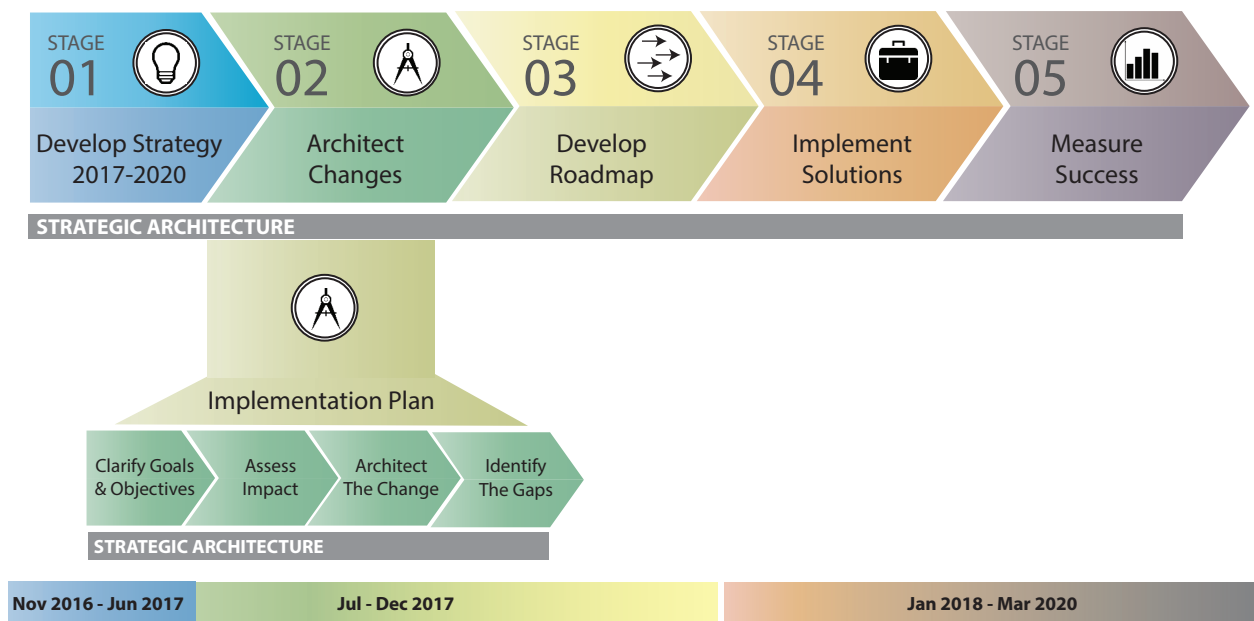
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4   The 13 priorities were accompanied by definitions and every word and phrase was carefully considered, distilled and included in the seven Strategic Goals.

5   Performance at a Glance is an evolved version of the Kaplan and Norton's Balanced Scorecard. Kaplan Robert S. & D.P. Norton 1996. *The Balanced Scorecard: Translating Strategy into Action.* Harvard Business Review Press. Anands. 2016. *Execution Excellence: Making Strategy Work Using the Balanced Scorecard.* Wiley.

Strategy 2017–2020

There is no single reason why LMHC was not able to fully implement its previous strategic plans. Nobody has been more disappointed than the Directors, Managers and Staff who have been frustrated by the organization's inability to significantly change the way that LMHC operates but it must be noted that they kept the organization viable in the face of enormous constraints for many years and, at times, without an Executive Director/CEO.

While there is no single cause for the 'failure to launch' the past strategies, the inconsistent CEO leadership over the past 16 years was a probable contributor. From a leadership perspective, it takes determination, skill and, indeed, luck to overcome organizational or system-level inertia. This relatively long strategic planning process was designed to "get it right" through a rigorous and productive engagement with the key stakeholders that included tenants, managers, staff, the shareholder, community partners, two levels of government and, of course, the Board of Directors. We have achieved alignment to the strategy and now it's time to architect the changes by translating strategy to implementation.

As *figure 3* illustrates, the period from July to December 2017 will be dedicated to developing the implementation plan and developing the strategy roadmap. This will include harmonizing the implementation plan with major Provincial projects that are underway as well as a review of initiatives that have been stalled due to lack of resources but still consistent with the new strategic direction.[6] The LMHC capital, financial and asset plans will be updated through access to the City's VFA capital planning and asset management software. Metrics and measures will be calibrated through this analysis and they will provide the data feed to the Key Performance Indicators.

There was another lesson from the last strategic planning cycle. The plan was never fully implemented because it was an extension of how the business had been conducted for many years and didn't require many strategic level changes. The 2017-2020 LMHC Strategic Plan will not be business as usual and it will follow the time proven mantra for strategic organizational success that *plans are useless, planning is indispensable*.[7]

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[6] The Provincial programs include but are not limited to the following: Social Housing Improvement Program (SHIP), Social Housing Apartment Retrofit Program (SHARP), Social Infrastructure Funding Program (SIF) and Social Housing Electrical Efficiency Program (SHEEP).

[7] Academics and military historians differ on the origin of the quote but most agree that it was a guiding principle for General Dwight D. Eisenhower and it was inculcated into post-war American industry.

LMHC Origins & Current Reality

The seeds of the LMHC organization were planted over 70 years ago as Canada's grateful response to the veterans of World War II when they returned in 1945. Public housing was built to house the veterans and their families and the building surge continued until the 1970s. A 2013 survey of 11 Local Housing Corporations (LHCs) in Ontario by the Housing Services Corporation (HSC) stated that the housing has entered late middle age and the average age of LMHC properties is now 46 years.[8] There are 47 Service Managers in Ontario and although LMHC is the largest public housing provider in the region, LMHC is a *medium* sized LHC when compared to the portfolios of the other corporations.

The Peterborough Housing Corporation buildings have an average age of 25 years and the newer buildings were developed under the Affordable Housing Program. The need for new affordable housing in London has been growing for many years. In 2016, the City of London mandated the new Housing Development Corporation (HDC) to develop new housing and to coordinate their strategy with LMHC, Social Services, the City's Homelessness initiative and the Service Manager.

LMHC was incorporated in 2001 and was formerly known as the London & Middlesex Housing Authority. The City of London is the sole shareholder. LMHC operates under the 2011 Housing Services Act, the Shareholder Agreement with the City of London and the Ontario Business Corporations Act. The LMHC Shareholder Agreement with the City is currently under review. LMHC maintains an arm's length operating relationship with the City Municipal Service Manager.

LMHC has 3,282 units across 31 properties in the City of London and Middlesex County ranging from scattered sites, single family dwellings to bachelor apartments in high rise buildings. Almost two-thirds of the units are 1-bedroom. All units are based on rent geared to income (RGI) lease agreements. LMHC receives 99% of its revenue from tenants and government — 52% and 48%, respectively.

The aging housing stock directly impacts LMHC operational expenses with utilities and taxes accounting for 49% of the total. This figure is not as high as Nipissing District Housing Corporation in North Bay at 61% but LMHC utilities and taxes are 14% more than City Housing Hamilton where the Southern Ontario climate conditions are similar and the average age of Hamilton's housing stock age is 10 years less than London.

In 2016, LMHC received approximately $2.5 million in additional funding through the Social Housing Improvement Program (SHIP) that will help reduce utility expenses through upgrading many building components, including: structure, building envelope (roofing, siding, brick repairs and waterproofing, windows, doors), electrical and mechanical systems. The building restoration initiatives will provide a significant reduction

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8   Survey of Local Housing Corporations, Housing Services Corporation, Phase 1 Results, Lisa M. Oliveira, September 2013. LMHC was part of a survey of 11 Local Housing Corporations that ranged in size from less than 1,000 units to more than 4,500 units including the Toronto Community Housing Corporation.

in operating expenses over time but it is critical that LMHC, in partnership with the new Housing Development Corporation, engages in urban regeneration to ensure a sustainable, community-based future for affordable housing. In short, regenerative design aims to rethink how buildings are designed, built and managed.[9]

Affordable housing includes social housing, supportive housing, housing with supports and, of course, market housing that does not exceed 30-32% of a household's gross income. The '30% rule' has its roots in public housing in the 1960s when governments calculated that the maximum rental outlay should be 25%. This percentage inched up to 30% in the 1980s and is still in use today as a guide for household budgeting. For a better perspective on housing affordability, the London Poverty Research Centre at King's determined that as of May 2016, a living wage in London is $15.53 or approximately $30,000 annually. That translates to $750 for rent leaving $1,300 for loan payments, credit card payments, transportation, child care, clothing, retirement savings, entertainment and, of course, food. The average market rent for a 1-Bedroom apartment in London (2015-16) is $787.[10]

The 2016 unemployment rate dropped to 5.9% in London from 9.2% in June 2013 when the predecessor to this strategic plan was generated. The challenge continues to be employment rates in the London Census Metropolitan Area (CMA). The employment rate has declined between 2005 and 2015 from 65.2% and 59.7% for people aged 15+ and before the recession, the employment rates were consistently above 60%.[11] The reality of under-employment and high market rents and other social factors including mental health and drug use are resulting in added downward pressure on the public housing system. LMHC is bearing a large burden of the housing pressure because it manages 41% of the total social housing units.[12] This does not account for the fact that the majority of other social housing providers have mandated targets to house both market and RGI tenants, thus creating mixed income communities.

In a 2-year period between January 2015 and January 2017, LMHC housed 358 individuals from the special priority list and 296 people from the local urgent category, of which 83% were previously homeless. A large percentage of these households require supports to varying levels to help sustain their tenancy. During that same period, LMHC housed 1,003 people.

Information Technology & Systems

One of the biggest challenges that LMHC has faced over the past year (2016-17) has been the transition from the YARDI information technology system to a new platform called, InSite, that was intended to enhance accounting as well as financial, human resource and asset planning. The transition has been difficult for managers and staff as they were required to enter data into both YARDI and InSite (called 'double tapping) until December 31, 2016 when InSite became the sole IT system. The challenges continue

9   Cole, Raymond J. and Oliver, Amy, Canadian Architect, The Next Regeneration, July 2012.
10   Ministry of Municipal Affairs, Ministry of Housing, 2016 Average Market Rents: http://bit.ly/2oj80zG
11   London Poverty Research Centre at King's, Jobs in London, povertyresearch.ca
12   LMHC manages 3,282 of 8,065 social housing units (41%); there are 63 other providers of social housing in London.

at the time of writing but the senior leadership team has committed to working out the InSite problems until March 2018 at which time a decision will be made to continue with the system or source a different IT solution.

Limited IT system functionality can reduce confidence in data analytics, reduce administrative effectiveness and negatively impact the capacity to manage internal and external business performance and reporting. Due to the importance of information technology for the future of LMHC, an IT 'white paper' was written by the Director of Corporate Services with input from the Information Systems Coordinator as part of this strategic planning process. The IT white paper is included in this document *see Appendix C* as a marker and baseline reference for the future.

Information Technology (IT) Systems across the 47 LHCs lack integration and analytical power. The LHCs have limited ability to share property management, asset management, financial, capital planning and tenant records. This situation limits analytical power, decision making and administrative effectiveness, e.g., capturing best practices and *lean* operational opportunities. Another example is that waiting list data is compiled differently in different regions of the Province with many variations in wait list metrics.[13] The Ministry of Municipal Affairs and Housing has called for an improved *tenant selection system* (wait lists) that will add flexibility for faster housing placement and enable greater tenant mobility.[14]

Housing | The Foundation of a Healthy Community

The City of London and Middlesex County in coordination with the other two levels of government are focused on building healthy communities for residents through every stage of the housing continuum from emergency homeless shelters to free market, home ownership. *Figure 4* illustrates many of the housing forms in the continuum. Since 2001, LMHC has been legislated to provide 3,282 social housing units for Londoners. This means that tenants who require financial assistance to have stable housing can find clean, safe and affordable accommodation in LMHC apartments and homes. The reality is that LMHC is much more than just a landlord. LMHC has been providing supports directly to tenants with complex needs and indirectly through agreements with community partners such as CMHA and London CAReS. By definition, that makes LMHC a supportive housing provider as well as a social housing provider.

Housing Continuum

Figure 4

EMERGENCY			RENTAL HOUSING					Home Ownership	
Homelessness	Emergency Shelter	Transitional Housing	Supportive Housing	Social Housing	Subsidized Rental	Affordable Rental	Private Market Rental	Affordable Ownership	Home Ownership
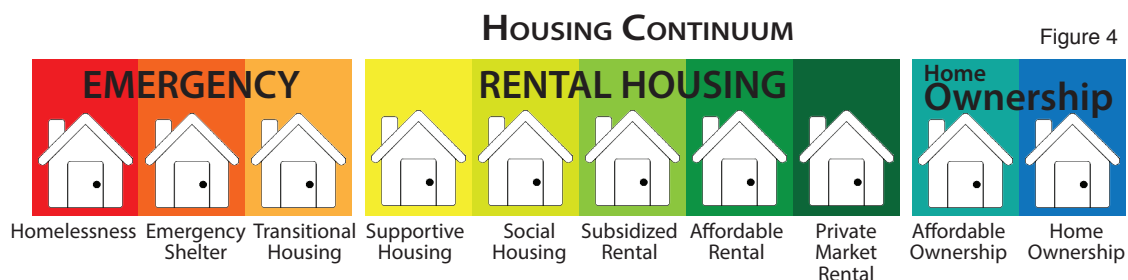
13 The 2013 LHC Survey author suggested that a meaningful waitlist metric would combine three measures: 1) Number of units available, 2) number of people on the wait list and the rate of unit turnover.

14 Ontario Long-Term Affordable Housing Strategy, March 2016

Previous LMHC strategic plans have directed internal financial and human resources to achieve the purpose or *raison d'être* of the organization through the lens of being only a landlord. That approach did not account for how much time, effort and cost was being invested in the community to prevent tenants from being evicted or providing supports for tenants with complex issues including severe mental illness that, in some situations, was exacerbated by substance use or street involved behaviour. LMHC has not been funded to practical levels to provide these essential services and the strain on the organization has been significant and has impacted LMHC's ability to be proactive in its service of tenants. This fact has been extremely frustrating and demotivating for staff because they do CARE.

"Supportive housing is a key element in enabling people with complex needs to find stable housing, lead fulfilling lives and live as independently as possible in their community." —Ontario Supportive Housing Framework, March 2017

The Ontario Supportive Housing Framework notes that London and other municipalities in Ontario are experiencing a fragmented system that results in people not being able to access the appropriate housing and supports that will enable people to live independently in their community.[15] Currently, there are 14 supportive, housing-related programs (with their own service systems) administered across four Ministries.[16] The probability of people "falling through the cracks" is high with a plethora of valid, anecdotal evidence based upon the first-hand experience of Londoners attempting to access the various systems.

LMHC resources have been further constrained during the past 12 years by the directive to provide housing for nine out of ten applicants (90%) who have special priority, urgent or high need situations.[17] This action has resulted in some LMHC properties having a high proportion of tenants with urgent needs. LMHC has limited input to the Housing Access Centre (HAC) waiting list process that is administered by the City's Housing Division. Certainly, the intent of the changes to the waiting list priorities in 2005 was to ensure an income mix in the social housing communities but that has not been the outcome for many LMHC properties.

Financially vulnerable or precariously housed people (without complex issues or special priority designation) on the waiting list comprise only 10% of the total households on the list and they have access to LMHC housing on a chronological basis, e.g. a sequential, time-based queue. Once again, the HAC administration of the housing placement priorities makes LMHC a de facto *supportive housing* landlord for many of its tenants even though the organization does not have direct access to the appropriate level of funding for the right level and types of supports or influence over the mechanism attached to HAC placements.

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15 Supports include: counselling, personal support, case management (for instance, Housing First Intensive Case Management), income support, assistance applying for appropriate social assistance, medication assistance and life skills training such as grocery shopping, meal preparation, money management and mindfulness.
16 Ministry of Housing, Ministry of Housing and Long-Term Care, Ministry of Community and Social Assistance, Ministry of Children and Youth Services
17 City of London Housing Division Notice — HDN #2005-90, May 5, 2005

City Relationship with LMHC
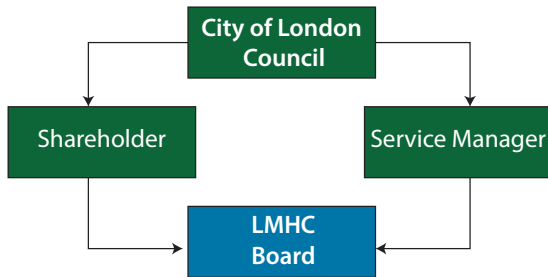
Figure 5

Figure 5 illustrates the relationship between the City, Shareholder, Service Manager and the LMHC Board.

LMHC's resolve to conduct its business differently is at the heart of this strategic plan. However, the issues attached to declining resources, lack of influence over the housing system, aging buildings and the challenge of serving tenants with complex needs have been expressed by LMHC managers and staff for over a decade.[18] These same concerns were expressed during a forum for leaders from the Local Housing Corporations that was facilitated in North Bay on May 30, 2016.

One of the barriers to transitioning to a new business platform has been the frequent turnover of Chief Executive Officers at LMHC since 2001. There have been eight Executive Directors (CEOs) not including the current CEO during that period. Four years was the longest tenure in this top position. The lack of consistent leadership and decision making combined with different leadership styles could account for much of the organizational inertia.[19]

LMHC staff are very responsive to emergency situations that arise in any of their 31 properties. These serious incidents range from fires, floods and acts of nature (snow, wind, excessive rain) to tenant injuries, tenant deaths and break-ins. The staff have worked seamlessly with London Police Services, the Fire Department and Emergency Medical Services to respond successfully to 28 incidents from January 2016 to March 2017. LMHC is the landlord to a community of a little more than 5,000 people — equivalent to the size of Petrolia, Ontario. The challenge is not to improve emergency response.[20] The challenge is to provide better service to tenants on a day-to-day basis when tenant needs are exceeding organizational capacity to keep up with repairs, prevent evictions and resolve social issues that are not included as part of the emergency responses. The need/capacity gap is, itself, an emergency.

18 LMHC Focus Groups Summary: How do we do housing differently? December 3, 2007.

19 The three Directors who report to the CEO have reported no fewer than seven (7) major, employee driven projects that have been shelved over the past several years due to lack of resources and/or direction to continue to the implementation phase. These false starts have contributed to a high level of skepticism about future changes.

20 Feedback gathered by the consultant from representatives of organizations that comprise the City's emergency response system confirm that LMHC managers and staff are excellent and timely in their response to emergencies on LMHC properties.

A sense of urgency arrived with the new CEO. Josh Browne was a manager with the City Housing Division and he knows from direct experience at the City that LMHC is not sustainable in its current form. Josh invited the Board of Directors to be deeply involved in the strategic planning process and the Board members are very aware of the organizational and housing sector issues.

The Board has endorsed the changes that the CEO has initiated with this strategic plan.

HOUSING, HOMELESSNESS & POVERTY

The highly successful City of London *Homeless Prevention System* has been in place through the Neighbourhood, Children and Fire Services Division since 2013. The Division has been responsible for several initiatives to respond to youth homelessness, street level women at risk, homes for women and people experiencing chronic homelessness through the application of evidence-based *Housing First* principles and methodology.[21] Employment and Social Development Canada provides funding to community-level programs through the Homelessness Partnering Strategy (HPS) to prevent and reduce homelessness.

The Housing Services Act (HSA) requires the Municipal Service Managers to develop housing and homelessness plans. London was one of the first municipalities to integrate housing and homelessness plans in the 2010-11 London Community Housing Strategy.[22] In the City of London, the Housing and Social Services Division is not directly managing homelessness initiatives.[23] While cooperation between the Divisions is evident, the integration of effort between housing, homelessness and social services is not directed or coordinated by a single, vertically integrated management team. According to the 2016 Ontario Long-Term Affordable Housing Strategy (LTAHS), there are over 20 independent housing and homelessness programs with their own funding rules that need to be consolidated and simplified for faster administration. Structural integration of housing and homelessness within the City of London Housing Division is a logical response to help "consolidate and harmonize" these programs.

LMHC continues to be committed to preventing homelessness and helping to end homelessness in London. *Housing* is the solution to homelessness and adequate housing is a human right as stated by the United Nations since 1948.[24] People who experience unresolved chronic homelessness will have a shorter lifespan due to serious physical and mental health challenges that are often accompanied by co-occurring issues such as sub-

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21 Ontario defines chronic homelessness as "…people who are currently homeless and have been for six months or more in the past year." The Province has committed to ending chronic homelessness by 2025.

22 The consultant leading the LMHC strategic planning process, Dr. John Whitesell, was a co-author of the London Community Housing Strategy. Dr. Whitesell also conducted program evaluations of London CAReS, The Salvation Army and Mission Services London. Dr. Whitesell is currently in the final stages of an evaluation of the CMHA Middlesex Housing First program.

23 The integration of housing and homelessness services under a single management team is cited as a best practice by the Ministry of Housing and Ministry of Municipal Affairs. Municipalities such as the Region of Waterloo, Windsor-Essex, Peterborough and Chatham-Kent are all integrated. Toronto uses the same organizational structure through their Shelter, Supports and Housing Administration Division.

24 Office of the United Nations High Commissioner for Human Rights. The Right to Adequate Housing. http://bit. ly/2otXML8

stance use. As a result, community emergency resources like hospital emergency rooms, police, paramedics and emergency homeless shelters are strained to adequately respond to men, women and youth with these health and mental health needs. Housing people first, without preconditions for tenancy, has proven to be a means of alleviating stress on the emergency system and significantly reducing cost.[25]

A continuous, emergency level response to chronic homelessness is very expensive and will not achieve a sustainable outcome. *Housing First* begins by helping to locate homes for their clients who have experienced chronic homelessness without pre-conditions. A team of Housing First professionals provides supports to the new tenants to help them sustain their tenancy through a process called, *intensive case management.* Each case worker is responsible for a maximum of 10 households and will assist with re-housing their clients who may not be able to sustain their original housing. Evidence from many communities from Vancouver to Medicine Hat to Toronto suggests that rapidly re-housing Housing First clients will help prevent additional episodes of long-term or chronic homelessness.

London CAReS and CMHA Middlesex have Housing First teams that work closely with their clients to find housing and then to support their clients with the objective of achieving a successful, sustainable tenancy. LMHC has Memos of Understanding (MOUs) with both organizations to rent housing to Housing First clients.[26]

In 2010-11, CMHA Middlesex partnered with London & Middlesex Housing Commission (LMHC) and they secured units scattered throughout an LMHC building to pilot a supportive living apartment model (SLA). The 22 units are permanent, fully furnished and rent is geared to income. To be eligible, individuals must be able to live independently and maintain basic daily living skills or agree to coordinated community care. Most importantly, a history of poor tenancy or having rent in arrears is not a barrier to eligibility. LMHC staff work directly and indirectly with CMHA to provide an additional level of coordinated support to the SLA tenants.

The Housing Services Act (HSA) mandates the 47 Service Managers to provide physical housing, but the HSA does not instruct LHCs about the need for community development or tenant support services. LMHC, through this strategic plan, has addressed this critical element in its new Mission, Vision and Values with a specific strategic goal *to engage, assist and empower tenants.* Enhanced housing and support services will help create stronger communities and LMHC will work with the Municipal Service Manager to build on its history of allocating resources and working with community partners to improve safety, communication, human and social services, education and job opportunities for tenants.

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25 Gulcur, L., Stefancic, A., Shinn, M., Tsemberis, S., & Fischer, S. (2003). Housing, hospitalization, and cost outcomes for homeless individuals with psychiatric disabilities participating in continuum of care and housing first programmes. Journal of Community & Applied Social Psychology, 13(2), 171–186.
26 The Evolution of the Supportive Living Model: A Business Case. Canadian Mental Health Association, Middlesex. http://bit.ly/2nNfcoY

London For All: A Roadmap to End Poverty

The City of London committed to ending poverty in one generation and detailed a plan in the document, *London For All: A Roadmap to End Poverty,* by the Mayor's Advisory Panel on Poverty.[27] The ethical motivation for giving priority to people experiencing poverty combines two key economic concepts that affect everyone regardless of their social-economic status: equity and efficiency.

> F. Scott Fitzgerald is claimed to have said, "the rich are different from you and me" to which Ernest Hemingway replied, "Yes, they have more money."[28]

Full-time employment has been flat for a decade from 2005 to 2015 with a net loss of 5,400 full-time jobs. This statistic is amplified by the fact that there was a 3.4% drop in Londoners of working age 25-64 years participating in the local work force.[29] The lack of income flowing to households in the city will exacerbate the financial pressures for people who are precariously housed and LMHC social housing can help prevent their homelessness — if there are affordable units available to accommodate the needs of individuals and families.

Poverty and housing are inextricably intertwined. Ending poverty will help to end homelessness and LMHC will continue to provide safe, affordable, clean housing. Of the 27 Goals mentioned in the Roadmap to End Poverty, over 30% directly or indirectly impact LMHC. Goal #17 is very specific about the future role of LMHC to help end poverty: "Leverage funding and invest in the regeneration of existing London and Middlesex Housing Corporation (LMHC) properties."

Goal #17 from the Roadmap to End Poverty was translated to the City of London's update to its strategic plan in November 2016. The update stated that LMHC will work with the new Housing Development Corporation (HDC) to establish a formal partnership team to design a regeneration plan for public housing with the intent to enhance current housing and create additional affordable housing. The update also specifies the following instructions to regenerate the public housing plan:

- Secure contract for tenant support strategy to facilitate tenant engagement in regeneration and mitigate impact to residents.
- Secure contract for regeneration related project development: 1) Overall Strategic Plan and 2) Site specific regeneration plan for initial priority sites.
- Initiate development activities. These will be subject to plans at priority sites with land studies, building plans and related budget requirements.

27   London For All: A Roadmap to End Poverty, March 2016. http://bit.ly/2o1pw8V
28   Ravallion, Martin. 2016. The Economics of Poverty: History, Measurement, and Policy. Oxford University Press.
29   Kerr, Don. London Poverty Research Centre at King's, University of Western Ontario. Placing Recent Employment Data Into Context: Looking at employment data from a longer term regional & demographic context. 2015

City of London
Strategic Areas of Focus
2015 - 2019

STRENGTHENING
Our Community

BUILDING
A Sustainable City

GROWING
Our Economy

LEADING
In Public Service

Figure 6

LMHC will provide the foundation for the community effort to end poverty in London by 2025 by providing clean, safe, affordable housing in new forms as well as revitalizing and regenerating current properties. Stable, affordable housing is the first step towards financial security, food security and improved mental and physical health. LMHC is the cornerstone of the housing continuum that elevates households out of the emergency response system.

City of London Strategic Plan 2015-2019

Figure 6 is an overview of the four strategic areas of focus that were detailed in the City Strategic Plan, 2015-2019. LMHC will play a significant role in three of the four areas of focus.[30]

LMHC Strategic Goals 2017-2020	City's Strategic Areas of Focus Connected to LMHC Strategy	City's Objectives Connected to Areas of Focus & LMHC Strategy
A. Improve, renew and maintain the homes that we offer B. Stake out our critical role in supporting housing stability and preventing homelessness C. Engage, Assist & Empower Tenants	Strengthening Our Community	2. Diverse, inclusive and welcoming community 3. Caring and compassionate services
A. Improve, renew and maintain the homes that we offer	Building a Sustainable City	1. Robust infrastructure 3. Strong and healthy environment 4. Beautiful places and spaces
A. Improve, renew and maintain the homes that we offer	Growing Our Economy	2. Urban Regeneration

As the previous table outlines, the London & Middlesex Housing Corporation is linked directly to the City's strategic plan as well as to the new Housing Development Corporation (HDC) through the Urban Regeneration objective.

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30 City of London Strategic Plan, 2015-2019. http://bit.ly/2okmoHD

In an update to its Strategic Plan in November 2016, the City of London directed LMHC to support tenants but no funding has been allocated for those services. LMHC will provide scope for the tenant supports required and present a funding request to the City. This will help households maintain their tenancy and avoid homelessness.

HDC is mandated to *create new partnerships to build, and support the building of, new affordable housing.*[31] One of the priorities for LMHC is to clearly define the relationship between the two City-owned corporations — LMHC and HDC — and to determine their respective roles and responsibilities as well as opportunities for partnership synergy. HDC will be responsible for developing new affordable housing as well as potential future social housing regeneration and, of course, LMHC will be a major partner and share the leadership role in that endeavour.

There are four plans that were delineated in the City's Strategic Plan that will involve both LMHC and HDC:

1) HDC Strategic Plan

2) Regenerating Public Housing Plan

3) Various Community Initiative Plans

4) The London Plan for Urban Regeneration

LMHC plays a critical role in helping to end homelessness in the City of London and is committed to working closely with the City Service Manager, the City Housing and Social Services Division, the Neighbourhood, Children and Fire Services Division and HDC to make that happen. Through this strategic plan, LMHC will revitalize, regenerate and operate new properties to provide affordable and supported housing for Londoners.

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31 Housing Development Corporation (HDC), Overview for Potential Board of Directors, Stephen, Giustizia, CEO — http://bit.ly/2ppPunz

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APPENDIX A—PERFORMANCE AT A GLANCE

London & Middlesex Housing Corporation
Société de Logement London & Middlesex

Performance Legend

✓ On or above target
✧ Caution
✗ Below target
– Not applicable or not available

2017 - 2020 Strategy Scorecard

Strategic Goal	Objective	Actions	PERFORMANCE at a Glance	Timeline	Short 2017 - 2018	Medium 2018 - 2019	Long 2019 - 2020
A.	**Improve, renew and maintain the homes that we offer**						
	1)	Develop an asset strategy with the intent to have "a shovel in the ground"					
		i.	Define components for the asset strategy, e.g., new property, revitalized property, regeneration of property				
		ii.	Analyze, contextualize and prioritize VFA data				
		iii.	Draft RFPs to identify asset management partner (framework for property evaluation, site identification, classification, growth opportunities, etc.)				
		iv.	Clarify roles and responsibilities with HDC by developing an MOU				
		v.	Seek out portfolio growth options for 'new build'				
	2)	Ensure capital improvements relate to the annual capital plan and long term capital replacement strategy					
		i.	Build upon and improve emergency, restoration, and demand maintenance strategy				
		ii.	Effectively track and monitor capital improvements				
	3)	Improve building conditions to make them more functional					
		i.	Cross reference and implement asset strategy				
		ii.	Make properties less institutional, more residential and part of mixed use communities				
B.	**Invest in people to build long-term organizational capacity**						
	1)	Strategically align HR processes to support organizational goals and clarity					
		i.	Conduct needs analysis and review current processes				
		ii.	Develop recruiting, onboarding, measurement and rewards to support employee advancement and growth				
	2)	Align people, systems and functions to fulfil our growth strategy					
		i.	Conduct staff, process, functional and departmental needs analysis				
		ii.	Identify skill gaps, current capacity and capabilities				
		iii.	Develop Human Resources plan: standardize People-related systems, annual work plans and performance measurements across departments and functions				
	3)	Identify and develop leadership capacity among our People9					
		i.	Implement a succession plan for staff				
		ii.	Create Board development and succession plan				
		iii	Create "pathways" between roles for skill and career development				
	4)	Enhance our culture to support emotional health, physical safety and well being					
		i.	Organize a cross-functional team to review the current Employee Assistance Program				
		ii.	Expand health, safety and wellness committee initiatives				

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

2017 - 2020 Strategy Scorecard

Strategic Goal	Objective	Actions	PERFORMANCE *at a Glance*	Timeline	Short 2017 - 2018	Medium 2018 - 2019	Long 2019 - 2020
C		**Stake out our critical role in supporting housing stability and preventing homelessness**					
	1)	Inform and influence London housing policy, intake, waitlists needs assessment and supports					
		i. Champion and support public policies that will increase the viability, availability, and accessibility of affordable and social housing through the corporate communication strategy					
		ii. Increase brand awareness through effective marketing and social media					
		iii. Leverage LMHC's expertise to inform the City's affordable and social housing policies and initiatives					
		iv. Support innovation by acting as a test site to pilot initiatives for programs and services that influence the broader affordable and social housing sector					
	2)	Engage key community "stakeholders" to help them understand that LMHC is an integral part of the solution to prevent homelessness and support housing stability					
		i. Identify the community tables that LMHC needs to be involved with, e.g. Age Friendly London, Child and Youth Network, OW/ODSP Advocates, SHOAC, London for All, Connectivity Table, etc.					
		ii. Encourage LMHC partners to advocate for the needs of our tenants					
		iii. Look within and outside LMHC for emerging leaders who can articulate the importance of quality affordable and social housing					
	3)	Change the public narrative to better inform and gain support for LMHC services; positively influence perceptions and develop a broader narrative					
		i. Articulate and illustrate LMHC's role in local and Provincial housing policy and development					
		ii. Equip Board members to ensure effective representation of new voices for quality affordable and social housing in communities throughout London & Middlesex County					
		iii. Assemble, maintain, and disseminate accurate data that increases community understanding of the needs of people living in London and Middlesex County					
	4)	Advocate for LMHC housing, supports and appropriate, sustainable funding					
		i. Host community roundtable discussions about housing issues to increase community interest, participation, and education in affordable and social housing					
		ii. Enhance London and Middlesex communities' awareness of the collective need for affordable housing, and LMHC's role in the housing continuum					
		iii. Work with government agencies, foundations, non-profits as well as community partners to promote the development and use of community space at our properties					

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

2017 - 2020 Strategy Scorecard

Strategic Goal	Objective	Actions	PERFORMANCE at a Glance	Timeline	Short 2017 - 2018	Medium 2018 - 2019	Long 2019 - 2020
	5)	Advocate for housing system change, e.g., RGI, connecting supports to residents, legislation change					
		i. Stay current on all federal and provincial housing policies					
		ii. Actively pursue available resources and best practices to support our mission/vision and influence housing policy through active participation in the Canadian Housing Partnership and LHC Forum					
		iii. Educate local, provincial, and national audiences about housing needs in London and Middlesex and how those needs are both unique and typical of communities across the Province					
		iv. Participate in the modernization of the Provincial social housing framework					
D	**Engage, Assist & Empower Tenants**						
	1)	Create a Tenant engagement strategy					
		i. Community development—Implement focus groups, surveys, i.e. Hamilton Housings conversation cafés					
		ii. Community revitalization, building/site enhancement projects					
		iii. Implement pilot to re-establish tenant associations and social clubs					
		iv. Conduct Town halls and facilitate tenant working groups					
	2)	Foster housing stability by providing tenant onboarding and education programs					
		i. Improve our internal capacity to identify residents who are at risk through Independent Living Assessments (ILAs), needs assessments, home visits					
		ii. Develop deeper, actionable knowledge about tenant demographics and required supports					
		iii. Pilot monthly tenant information sessions					
	3)	Expand and improve tenant communication channels					
		i. Investigate the viability of a Tenant-Board advisory committee					
		ii. Develop alternative communication tools and for greater access to LMHC administration					
		iii. Create a multi-faceted tenant feedback strategy to help determine "How we are doing"					
E	**Organizational Effectiveness**						
	1)	Establish an Organizational Communication Strategy to address internal and external communication needs					
		i. Redesign LMHC's website					
		ii. Produce organizational video to rebrand LMHC					
		iii. Finish the on-hold Communication Strategy project					
		iv. Define guidelines for response times to tenant and other inquiries					
		v. Recruit necessary resources to implement the Communication Strategy					

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

2017 - 2020 Strategy Scorecard

Strategic Goal	Objective	Actions	PERFORMANCE at a Glance	Timeline	Short 2017 - 2018	Medium 2018 - 2019	Long 2019 - 2020
	2)	Update and streamline organizational systems to offer better customer service and expand organizational capacity					
		i.	Develop and IT strategy using recommendations offered in Appendix C				
		ii.	Take part in City of London's Six Sigma training program				
		iii.	Perform a process and workflow review				
		iv.	Maximize shared services with the City				
		v.	Determine feasibility for a pilot of an enhanced cross-functional, customer service team model				
	3)	Create a Governance Model to best support LMHC Operations					
		i.	Review and implement PWC recommendations to develop a Board Governance framework that includes roles and responsibilities, committee structures, policies and best practices for board meetings and agenda creation				
		ii.	Ensure legislative compliance by establishing Board and organizational standards				
	4)	Develop an organizational evaluation framework					
		i.	Collect, assemble and analyze data to ascertain a baseline for finance, maintenance, customer service and tenant engagement/support				
		ii.	Establish monthly, quarterly and annual benchmarks				
		iii.	Develop an ongoing performance dashboard to evaluate operations and governance				
F		**Long-term financial growth and stability**					
	1)	Establish a comprehensive financial plan					
		i.	Reengineer annual business financial planning process to a "building level up" approach				
		ii.	Develop a cohesive long-term financial plan that aligns LMHC's capital and operating budgets by the next City of London multi-year budget cycle				
	2)	Fund the implementation of the Strategic Plan and create new funding tools and revenue streams to ensure ongoing financial sustainability					
		i.	Advocate with sole shareholder to have more financial autonomy, manage reserves and ensure separation of alternate income streams from annual, municipal funding stream				
		ii.	Secure additional sources of revenue, e.g., charitable status, social enterprise, professional services, consulting, etc.				
		iii.	Access and leverage new and existing federal and provincial housing programs and utility incentives				

London & Middlesex Housing Corporation

Société de Logement **London & Middlesex**

2017 - 2020 Strategy Scorecard

Strategic Goal	Objective	Actions	PERFORMANCE at a Glance	Timeline	Short 2017 - 2018	Medium 2018 - 2019	Long 2019 - 2020
G			**Maximize Information and Technology for informed decision making**				
	1)		Create an information technology strategy that forms a digital business model for the way we work and provide digital services for our tenants and our people				
	2)		Utilize cloud-based services where it will improve efficiency and is cost effective that enables our tenants to self-serve to our services.				
	3)		Invest in IT to deliver high performing systems that meet the changing needs of the organization and our tenants, to drive efficiency and effectiveness.				
	4)		Adopt, where appropriate, industry recognized standards to manage and protect our information technology assets, and to ensure services are efficiently and effectively managed and developed.				

APPENDIX B—LMHC STRATEGY TO IMPLEMENTATION

LMHC
Strategy to Implementation

STAGE 01	STAGE 02	STAGE 03	STAGE 04	STAGE 05
Develop Strategy 2017-2020	Architect Changes	Develop Roadmap	Implement Solutions	Measure Success

STRATEGIC ARCHITECTURE

- Finalize Goals, Objectives, Actions
- Articulate current state
- Identify strategy impacts
- Map strategy - Scorecard
- Board approval

- Organize changes from Stage 2 into Roadmap
- Compare current reality to target architecture and work plans
- Identify necessary changes
- Identify leverage points
- Communication Strategy

- Provide high level scope definition to Board
- Provide framework for requirement acceleration
- Finalize work plans and initiate project management tracking system

- Provide end-to-end tracking, metrics and KPIs
- Dashboard for CEO, SLT and Board

Implementation Plan

Clarify Goals & Objectives	Assess Impact	Architect The Change	Identify The Gaps

STRATEGIC ARCHITECTURE

- Map strategy

- Identify strategy impacts

- Engage managers and staff
- Develop target architecture
- Translate how strategy will be organized
- Develop work plans

- Compare current to target architecture and work plans
- Identify necessary changes
- Identify leverage points

Nov 2016 - Jun 2017	Jul - Dec 2017	Jan 2018 - Mar 2020

APPENDIX C

— INFORMATION SYSTEMS, TECHNOLOGY AND DATA UTILIZATION

Analysis and Recommendations for Growth 2017-2020

Submitted by:

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Jason Flanagan
Information Systems Co-ordinator

CONTENTS

Strategy 2017–2020

EXECUTIVE SUMMARY

Increasingly, Information Technology (IT) plays a significant role in the effective management of Social Housing. Quick access to reliable data enables social housing providers such as London & Middlesex Housing Corporation (LMHC) to better understand and serve tenant's complex needs, ensure staff safety, and evaluate, monitor and regenerate aging capital infrastructure. These are core capabilities that are paramount to long-term viability, staff well-being, and optimal client service.

The effective use of information systems, data and technology requires more than the implementation of hardware and software. The ability for an organization to leverage technology for future success depends both on the technology deployed and the organizational capacity to best utilize such deployments. The use of IT poses significant challenges for many public sector organizations, as they "stand at a crossroads of large systems that have powered their agencies for decades and the latest wave of cloud, social, and mobile technologies."[32] LMHC finds itself at just such a crossroads.

Before LMHC can over overcome technology hurdles inherent with the public sector, a better understanding of its current IT infrastructure and capacity is needed. The following offers a high-level analysis of LMHC's current IT model in terms current deployments, future needs analysis and staff capacity vis-à-vis IT comprehension and utilization. After the analysis, the proposed plan and priority matrix will better position LMHC to leverage IT, allowing the corporation to optimize its use of data and technology to achieve future sustainability and growth.

ANALYSIS

LMHC's present IT model was implemented in the early 2000's, evolving since then to include new technologies. LMHC blends in-house, and cloud-based infrastructures and services, using a measured approach, which aligns with current IT standards for small and medium-sized businesses.[33] This approach has allowed the organization to adhere to budgetary limitations while gaining some benefit from technological advances. A detailed description of LMHC's specific hardware, software and cloud-based deployments is outlined on page x. Despite the focus on integrating innovation with existing legacy systems, LMHC's model does not currently optimize efficiency nor easily support further automation, agility or organizational growth. The analysis contained herein will outline the current solutions in place, and identify gaps and future needs for each of the following categories:

Hardware	Software	Staff Considerations
On-Site Security	Tenant Services	Communications

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32 White and Russell, "Tech Trends 2015: The Fusion of Business and IT, A Public Sector Perspective," 12.
33 Laracuenta, Managing information technology: Advice for growing SMBs, para. 4.

Hardware

LMHC utilizes a fully Dell computing environment for client hardware, and Apple iPhones for mobile connectively. Laptops follow a four-year refresh cycle, desktops a five-year cycle, with both holding full warranties for their projected life. Mobile phones are generally deployed 1-generation behind the most recent Apple release, are replaced on a four-year rotation and under full supplier warranty.

LMHC's approach to IT hardware is very traditional; with staff utilizing corporately provided laptops, desktops or bulky tablets, depending on their mobility requirements. Many devices are underutilized; a laptop or tablet is purchased, but rarely leaves a desk because it's too heavy, too big or just unnecessary.

Software

One of the strengths of LMHC's software solution is that it has a small footprint – it does not require excessive computing power, and software requirements are minimal. However, the size does impede growth. There are gaps in the new ERP system, document, inventory and corporate task management.

ERP System – HSC InSite

HSC InSite offers a solid social housing ERP system at an affordable price. However, InSite does not offer a solution to manage capital projects or provide long-term asset planning. Many of the challenges associated Phase 1 of InSite were not software based, but rather due to the implementation plan. Most of the challenges "could have been avoided with additional resources, systematic planning, broader participation, better communication, employee feedback, effective training and knowledge transfer." [34] Phase 2 of the InSite implementation provides additional staff tools that are integral to realize the efficiencies of the program.

Document Management

To move its strategic plan forward, LMHC will have an increased need to greater collect, process and analyze data. The organization has yet to move towards digital document management. The tenant administration and finance departments heavily depend on paper files. Tenant and finance files are large, cumbersome, take up valuable office space and require both in-house and external storage facilities. Staff do not fully accept the viability of a paperless office, and often still transmit data via fax machine.

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34   Browne, "LMHC Staff Report #ET2017-01," 13.

44

INVENTORY MANAGEMENT

LMHC currently stores inventory for maintenance repair items at a central storage location in the basement of one its high-rise buildings, using inventory cards to keep track of the items and a faxing system to order inventory for each of the sites. While the process of tracking inventory is controlled from a loss management perspective, the process is heavily reliant upon staff time. The current system also prohibits accurate allocation of supplies to each site, thereby negatively impacting LMHC's desire to move to a property-based budgeting system.

CORPORATE TASK AND PROJECT MANAGEMENT

Currently, LMHC has no overarching, standard methodology of managing projects or tracking tasks across the organization. Each reoccurring meeting has separate action items, and staff must keep track of deliverables independently.

STAFF CONSIDERATIONS

Considerable staff turnover in the last decade has had an impact on moving the IT needle. There have been five CEO's and two Directors in charge of IT, each with different appetites for technological innovation. As such, it has been complex to move significant technological change forward.

Staff IT Readiness

LMHC staff express excitement over new technologies. However, most staff have not had much exposure to significant technological change, and hence approach such change with skepticism, which is especially true and when reinforced in a group setting.

The InSite implementation has been the organization's most significant technological advancement in 5 years, leaving behind a legacy ERP system developed in the mid-1990's. Not surprisingly, given staff's resistance to change and lack of exposure to up-to-date technology staff engagement in the program has been low, with many remaining truculent about the change. This resistance has been compounded by a lack of formal IT training opportunities, resulting in the condition of 'only knowing what they know' contributing to staff frustration, and has limited the organization's ability to optimize technological advancements.

IT Staffing

The IT department has had three different Information System Coordinators and changed from a 2-person manager/technician style department to a single coordinator role over the past decade. The transition to a single full-time Information Systems Coordinator saw the role downsized with a focus on maintaining LMHC's network, client hardware, minimal software and staff training support. However, mobile technology has increased the number of supported client devices by 144 units. The IS Coordinator is also tasked with other areas outside the scope of the original role including ongoing InS-

ite implementation support, video equipment support and replacement, site door security hardware and software support, and elevator and building telephone lines.

ON-SITE SECURITY

Proper video surveillance systems offer enhanced property security, give tenants piece of mind and can deter crime and violence. LMHC's has employed an ad-hoc, reactionary method to installing video equipment in buildings. Much of the equipment deployed has reached far beyond its useful life cycle.

CUSTOMER SERVICE

LMHC falls far behind the latest digital customer service trends. Currently, many tenants must come into the office for service that could easily be accomplished online or via text. Maintenance requests are a key example. Tenants are required to call a dedicated phone line to report maintenance needs; the phone line is under-resourced and often experiences high call volumes, longer than ideal wait times, and abandoned calls.

This can negatively impact a tenant's ability to access repairs and create economic adversity. Some tenants cannot afford both a landline and a mobile phone, and many rely on pay as you go services, which require the purchase of service time up front. Texting and access to free Wi-Fi is a viable option to conserve these pre-purchased time credits.

A long wait time for someone with a home phone or a mobile phone contract, is merely an inconvenience, a long wait time for someone experiencing poverty using a pay as you go mobile phone creates a hardship. Tenants may be forced to decide between the cost of the call and the need of the repair. A preliminary examination of call logs show that 32 % of callers abandon the process, representing an average 3,960 abandoned calls annually.

COMMUNICATIONS

LMHC does not currently have a communications strategy in place to govern the use of technology throughout the organization. There are some policies in place. However, as identified below, policies are outdated, and gaps exist within the current framework.

Policies

LMHC currently has both a computer usage and an Internet and Electronic Communication policy. The two documents were written more than ten years ago and are not entirely relevant to current technological and digital communication needs.

LMHC Website and Social Media

Websites and Social Media provide the public sector with opportunities to deliver information and services to clients and have the potential to garner trust and improve organizational performance. [35] LMHC has had a social media presence since 2013. However, it has never been actively or strategically utilized until recently. Staff have of late used the corporate Twitter account to promote both LMHC and its partnering agencies. LMHC's current website is over five years old, not easily updated and difficult to navigate. An RFP process is underway to procure a new website, with current design trends, future development, and business process improvements in mind.

Email Signatures

LMHC undertook a project to unify the look and feel of its email signatures in 2013, developing guidelines to standardize email signature across corporately issued devices. The process is not automated and relies on staff. As such, there is some occasional deviation from the standard which is hard to police.

Graphic Standards

In 2015, a graphics standards document was developed to outline the design and colour elements of LMHC's logo and usage parameters.

Digital Communication

Staff currently struggle with internal communication, primarily utilizing email and Skype for business. While Skype does offer the ability for instant messaging, the uptake amongst staff has been low, and it is not a resource that is widely utilized.

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35 Song and Lee, "Citizens' Use of Social Media in Government, Perceived Transparency, and Trust in Government," 2.

RECOMMENDATIONS

Investing in IT allows and organizations to enjoy improved efficiencies and greater cost savings, "on average, a $1 increase in per capita IT budget is associated with a $1.13 reduction in per capita operational expenses."[36]Staff training, InSite, IT Staffing, Capital Asset Planning, Document Management, Customer Service, and Strategic IT Planning all warrant deeper consideration, as such, recommendations for each follow the chart below which offers higher-level recommendations. It is important to note that the recommendations found herein were informed through a cursory analysis of currently employed hardware and software. It is vital before the roll out of any new solution, LMHC resources a more in-depth hardware and software review, regarding a needs and impact assessment of: (a) any new solution on the others already employed; (b) staff training requirements; (c) support requirements.

Hardware & Software		Software	
Issue	**Recommendation**	**Issue**	**Recommendation**
Under Utilization	Conduct Market research and staff testing to find more suitable device. May include a broader issuing of light-weight devices.	IT Staff Time	Implement a Mobile Device Management solution to remotely configure hardware, software, system upgrades and secure daa on lost devices.
Effective Usage	Utilization of a shared device for specific tasks— a laptop for day-to-day computing but a common iPad for unit inspections a few times a year.	Surveillance Systems	Put a proactive software support plan in place.
Lobby Systems	Replacing the paper-based signage with updatable electronic systems and on-site digital name boards with potential integration into the EnterPhone sytsems.	Internal Communication	Source a telephony solution that tethers office and mobile phones with integrated communication tools such as Skype or Slack.
Surveillance Systems	A managed project defining the requirements and standards for video systems.	Email Signatures	Procure customizable software to automatically add signature line to all sent email.
Inventory Control	Investigate the feasibility of an InSite inventory module, or 3rd party add-on.	**Communications**	
Cost/ Efficiency	Reconfiguring dedicated fax, Hydro meter and laundry machine analog lines, moving DSL service to the fax phone line, Hydro meter and laundry machines off the fax line onto internet connections. Thus allowing LMHC to remove the DSL dry-loops.	**Issue**	**Recommendation**
Task/Project Management	Purchase and implement basic project management software and integrated task management software.	Graphic Standards	As LMHC works through it's strategic plan and gives it is important to update its graphic standards document to ensure relevance and staff awareness.
Internet Connectivity	Developplan to address under utilization of internet connections with lack of connectivity at other sites while expanding guest (tenant) Wi-Fi access	Policies	Update the Internet and Computer Usage policies into one policy with balancing legislated privacy expectations, staff produictivity, the protection of corporate data and the freedom to use technology appropriately within the paradigm of today's blended work/life dynamic.

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36 Min-Seok Pang, Tafti, and Krishnan, "Information Technology and Administrative Efficiency in U.S. State Governments: A Stochastic Frontier Approach.," 1081.

STAFF TRAINING AND SKILLS DEVELOPMENT

It was identified in the analysis section that potentially staff are resistant to technology adoption due to lack of exposure. Given that "technology acceptance is an important factor in ICT-enabled organizational change projects"[37], a strong emphasis on staff training is advisable. Increasing staff's knowledge and exposure would allow tech advancements to come from within staffing groups rather than be pushed outward from the IT department, consultants or the Senior Leadership Team.

The following recommendations are aimed at better preparing and engaging staff to embrace and understand emerging technology:

- Developing an IT skills matrix outlining necessary IT functions for each position and associated training program to provide staff the skills to succeed;
- Factoring IT skills into the hiring processes;
- Facilitating basic computer, iPhone, and tablet hardware training;
- Identifying technical training during the annual performance review process;
- Further exploration of City of London shared services training options;
- Offering LMHC software refresher training on an ongoing basis.

IT STAFFING

Although LMHC is not large enough for two full-time IT roles, current pressure points may impede the organization's capacity to move forward with any new initiatives. IT industry staffing ratios for the support of both servers and end users; excluding fax machines, phone lines, and software implementations, are around 50 staff + associated hardware/software to 1 IT staff member"[38]. LMHC falls outside this standard. A part-time IT person to assist the currently IS Coordinator would result in more timely responses to simple yet time-consuming issues, proactive hardware maintenance, increased staff training, project management, and strategic planning capabilities as well as allow staff to maintain a healthy work/life balance.

INSITE PHASE 2

The most significant features offered by Phase 2 are: improvements to the unit turnover process, dynamic reporting, and the use of the correspondence module. LMHC is well equipped to implement Phase 2 initiatives. The *lessons learned* from the first phase have been documented, problem solved and clearly communicated. Despite earlier explained reluctance, most staff understand that Phase 2 will provide the following efficiencies:

- E-mobile inspections app running on staff iPhones which will standardize the inspection process and streamline paperwork;
- The unit turnover process will move from various Excel spreadsheets onto the InSite dashboard for real-time status identification;

37 Meier, Ben, and Schuppan, "ICT-Enabled Public Sector Organisational Transformation: Factors Constituting Resistance to Change.," 316.
38 "IT Benchmark Blog – IT Staff to User Ratio."

- Tenant documents will be automatically and saved to an electronic file;
- Attachments can be mailed, printed, faxed or emailed directly from InSite, drastically reducing LMHC's file server storage needs and quite possibly removing the need for tenant paper files.

CAPITAL ASSET PLANNING

As mentioned in the analysis section, HSC InSite does not currently offer Construction management or capital asset planning capabilities. Initial market research has indicated that LMHC will need to employ two separate software solutions, one to track construction projects and costs associated with ongoing capital projects, and a second to assist with long-term capital planning.

Construction Management

LMHC is currently utilizing Yardi Enterprise Construction Management to manage some of the financial requirements of its capital projects, but this is not a long-term solution. It is important that LMHC continues to advocate with HSC for either a construction management module for InSite or the development of an add-on or integrated secondary software solution.

VFA

Through shared services with the City of London, LMHC has access to VFA capital planning and asset management software. In conjunction with a property assessment completed in 2016, VFA offers significant property specific data which will assist in property revitalization and long-term capital asset planning. However, the dataset is so large that LMHC does not have the internal capacity for meaningful analysis. To develop a comprehensive long-term capital asset plan using VFA data, LMHC will need to employ outside resources and support.

IoT

The Internet of Things (IoT) offers LMHC great opportunity in the coming years to incorporate technological advancement into properties. During revitalization projects, LMHC will need to keep technology needs in mind. IoT devices and systems can offer untold efficiencies with building components such as mechanical systems, lighting, security and door entrances.

Document Management

Phase 2 of InSite will standardize LMHC's tenant and vendor documentation. However, it will not address all inbound documents. Thus, a procedure should be implemented to scan incoming documents and attach each to the electronic InSite file. InSite will also not capture other internal administrative documents. The development of a document storage policy and a Document Management Solution would allow LMHC to better manage these documents. Options include:

- Microsoft SharePoint – LMHC currently has SharePoint licensing and storage through it's commitment to Office365.
- Xerox DocuShare – LMHC currently leases photocopiers through Xerox. Xerox DocuShare would be a viable option due to the established integrations between Xerox software and current LMHC hardware.
- Windows Server file shares – The current LMHC storage system still holds merit. However, it is somewhat difficult to find and share relevant documents. LMHC would need to perform some "housekeeping" to best utilize current systems. A new file classification method would need to be developed. Redundant and 'old' data would need to be archived in a separate location, and a new a file structure would need to be created.

Customer Service

Most services available to the public have some form of online access, and customers have come to expect this. LMHC tenants are no different. Public sector organizations can see significant benefits to "investing in a comprehensive public-sector digital transformation"[39]. LMHC has fallen behind in this capacity and needs to give its tenants better access to services through a structured and easy to use online portal. Ideally, the portal would facilitate most functions that currently require an office visit or a call to the maintenance line. While a portal would not to replace current customer service delivery methods, it would offer enhancements, particularity for tenants with mobility issues. The most promising tenant portal system is Rent Café by Yardi. HSC is currently trying to acquire access to Rent Café software; however, does not have a firm timeline for availability, and it is plausible that Rent Café may never become available for InSite. Thus, LMHC should explore alternate platforms or 3rd party add-ons to provide web-based services. This exploration is best conducted in partnership with HSC, as HSC hosts LMHC's InSite data. LMHC should also aim to make online services accessible to those without a computer or device via secured computing devices accessible at all buildings.

Main office self-service options should also be made available. To avoid long line-ups, a staff notification system and a self-service option for scanning and submitting documents could be easily implemented.

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39   Dilmegani, Korkmaz, and Lundqvist, "Public-Sector Digitization," para. 1.

STRATEGIC INFORMATION SYSTEMS

An IT department that is aligned with an organization's strategic direction is best positioned to add value and assist with effectiveness. In a small organization like LMHC, the IT department can more readily glean information. Yet, there are still opportunities for disconnects between IT initiatives and overarching organizational needs.

Data

LMHC's data collection and analysis processes are very complex and onerous. There are several business processes that are run outside of the ERP software, which makes analysis very manual and time-consuming. While IT can help capture and process data, it is not always in the best position to identify the corporation's data analysis needs.

There's a gap between the "ownership and stewardship of data. IT may not always know where the value resides in data, while executives on the business side may not understand the intricacies of data storage and management"[40].   LMHC needs to clearly define its data needs with governance, leadership and IT working in conjunction.

IT Steering Committee

Many midsized to large sized organizations have put IT Steering Committees(ITSE) in place, which helps to close the ownership, stewardship gap. An ITSE is an administrative body that reviews, monitors and prioritizes major IT projects. LMHC would benefit from such a body that could be tasked to:

- Align IT projects with overall organizational strategies;
- Clearly define organizational data needs;
- Investigate and recommend reporting mechanisms such as governance and operational dashboard reports;
- find business solutions that optimize new or existing technology in the organization;
- Set priorities for the coming year to enable effective budgeting.

Fundamentally an ITSC is most effective when it meets and speaks to broad projects and sets high-level direction; not department specific requirements so terms of reference would need to be established.

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40   Berez, Callahan, and Wegener, "Building IT Capabilities to Deliver Better Insights," para. 6.

NEXT STEPS

LMHC faces a lot of technological ground to make up in the next five years. The current IT state notwithstanding, LMHC is well positioned to advance technologically due to (1) the development of a new multi-year strategic plan; (2) the implementation of a new ERP system (3) a redesign of the corporate website; and (4) leadership's commitment to engage in innovation.

The prioritization matrix seen below categorizes the items from the recommendation sections into the feasibility of project completion and overall strategic fit.

HIGH

Future Potentials

IT Steering Committee

Top Priorities

LMHC Staff Training

Insite Phase 2

Corporate Project Planning Software

VFA Long-Term Asset Planning Analysis

Corporate Document Management

Virtual Customer Service Initiatives

Construction Management Migration from Yardi

Surveillance Equipment/Software

Feasibility

Potential Cuts

Back Burners

LOW

Strategic Fit

HIGH

The matrix was developed using the following ranking criteria and weight scale

Ranking Criteria	Description	Weight
Alignment with Goals	How aligned is this project to corporate goals & objectives?	25%
Cost/Benefit	Does this initiative have a solid cost/benefit?	10%
Project Cost	Is this project relatively low-cost?	25%
Technical Risk	What is the probability of overcoming the technical challenges of the project?	5%
Resources - Financial	Do we have the financial resources to execute this initiative?	20%
Resources - People	Do we have the skills & bandwidth to execute this initiative?	15%

Regardless of the choice of new IT projects, there are several requirements that will help to ensure success:

1) Each department must participate in the needs analysis, research, and evaluation of potential IT solutions;

2) LMHC must be willing to incur the initial and ongoing costs of appropriate technological solutions which will involve both investments of both staff time and financial resources;

3) The LMHC IT department must be involved in the IT project starting from the discovery process through to implementation;

4) Each project must have a project manager who is responsible for the overall planning, implementation, and documentation of the project.

CONCLUSION

LMHC's current IT framework is adequate for the time being, but will drastically hold the corporation back as it tries to evolve. Despite challenges with the recent ERP implementation, LMHC staff remain excited about new technology and see value in exploring more effective and efficient means to accomplish day to day tasks. Through a thoughtful, well planned and measured approach, LMHC can leverage technology to support the organization's future sustainability, growth and success in fulfilling its mission to provide and maintain HOMES in a safe and supportive environment to meet the needs of the people we service in our communities.

Strategy 2017–2020

CURRENT IT INFRASTRUCTURE

Network Hardware

Type	Details
Servers	2 Dell Servers running VMWARE esxi 6.5 for hosing virtual servers
File server	1 Dell NAS server for file storage
Switches	1 Cisco Catalyst 3 switch for core switching
Security	Dell SonicWALL firewall and perimeter security solution

Server Software/Cloud Services

Type	Details
Virtual Server	VMWare esxi 6.5 hosts managed by VMWare VCenter Server
Virtual Server	Running Windows Server 2012R2
Yardi ERP	A legacy ERP system running on Windows Server 2003R2 and SQL Server 2000
Microsoft Office	Microsoft Office 365 used for Email, SharePoint and Skype for Business
ADP	HR management, time and attendance tracking and payroll processing
Safety Line	Safety solution for staff working onsite alone
HSC InSite	New ERP software for tenant management, financial management and property maintenance and management

Client Hardware

Type	Details
Laptops	Client laptops are Dell Latitude 5000 or 7000 series
Desktops	Client desktops are Dell Optiplex 3000 series
Smart Phones	Any LMHC staff member that are required to leave the office as part of there job function, and all Maintenance Repair staff, are provided with an Apple iPhone
Mobile Phones	Resident Contacts are equipped with a traditional 'non-smart' style of cell phone
Desk Phones	All office staff have an office telephone
Tablets	Remote staff not equipped with a laptop, utilize high impact resistant tablets
Printers/Faxes	Most LMHC properties are equipped with a fax machine, and most CRW offices are equipped with a printer
Internet Connectivity	All high-rise apartment buildings in the city of London have an internet connection and wireless access point in the CRW's office

Client Software

Type	Details
Operating Systems	All computers are running Microsoft Windows 7, 8.1 or 10
Office Suite	All computers are running Microsoft Office Standard 2010 or 2016
Communication	All office users have access to Microsoft Skype for Business
Safety Line	40 staff have been enrolled in SafetyLine accessed primarily through a mobile app, but also accessible via website
HR, Time & Attendance, and Payroll	All staff use ADP either through mobile app or website to track time and attendance, vacation and pay remittances. The software is also used for HR data management.
ERP	All staff access HSC InSite using their computer, tablet or through the Mobile Maintenance App on the iPhone. Yardi Enterprise is used by most office staff primarily for historic tenant and property information. LMHC transitioned to InSite on January 1, 2017, which has left Yardi Enterprise in a mostly archived state

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APPENDIX D

HISTORY OF THE PUBLIC HOUSING PROGRAM 1945 - 2016

A History of Social Housing In Ontario
1945 - 2016
Source: Ontario Non-Profit Housing Association (ONPHA)

Federal Government Initiatives
Provincial Government Initiatives
Municipal Government Initiatives

1945
1950

Veterans Housing (now sold off)

1964

1975

Public Housing developed predominantly by the Ontario Housing Corporation (OHC) and managed by Local Housing Authorities; 84, 145 units created.

The Province of Ontario and **Municipalities** provided partial assistance for rent supplements (some to private landlords) and also some grant money to lower operating costs for 10-15 years

1978

First full Federal *Social Housing Program* began

Federal Government took the lead in funding and administering social housing in Ontario; 52, 189 units created.

1985

Federal Government stopped its federal program when recession set in and interest rates shot up to about 20%, making its funding to lower mortgage costs very expensive

The Province started housing programs that it funded exclusively. 37844 units were created between 1986 and 1995

1986

Federal Government's funding role diminished under the *Federal/Provincial social housing program (1986-1992)*. CMHC offset a percentage of the costs of the F/P Program

The Provincial Government took over the lead role in funding and administering social housing in Ontario under the Federal/Provincial program (1986-1992). During this period, 30998 units were created.

1992

The newly-elected **Provincial Government abruptly cancelled the provincial housing program,** but continued to make limited housing funding available for supportive housing.

1995

1993

Federal Government announced that it would no longer fund any new social housing.

First extended period without government funding for new affordable housing for fifty years. Virtually no non-profit housing was developed in Ontario between 1996 and 2000.

1996

1999

Federal Government off-loaded administration and funding of social housing to Ontario through the signing of the federal/provincial agreement.

2000

Federal Government's new *National Homelessness Initiative* started to provide funding for the *Supporting Community Partnerships Initiative (SCPI)*, which was targeted at transitional housing for the homeless. This funding was being administered by select municipalities.

58

continued

2001

Province devolves funding and administration of existing social housing to 47 Municipal Service Managers but keeps responsibility for supportive housing (now with Ministry of Health/LTC and MCSS).

Federal Government returned to the funding of housing development programs and announced $680 million for an *Affordable Housing Program (AHP)* to be administered by provinces which provide matching funding.

2002

In its agreement with the Federal Government, the Provincial Government pledged only $2,000/unit, passing on responsibility for the other $23,000/unit of matching funds to municipalities, nonprofits and charities.

Federal Government signed an agreement with Ontario under the *Canada/Ontario Affordable Housing Program* pledging $245 million or $25,000/unit over 5 years to build 10,500 units of "affordable housing." in funding and administering social housing in Ontario; 52, 189 units created.

2003

Announcement of *Ontario Pilot Program* of 2,000 units under Canada/Ontario (Municipal) Affordable Housing Program

Federal Government announced another $115 million for the *Canada/Ontario Affordable Housing Program* for Ontario.

2005

Strong Start Program: approximately 1,500 units are released to fast-track new housing proposals. The next "Wave 1" allocation of 5,230 is allocated among all 47 SMs. For the Strong Start and "Wave 1" projects, Ontario matched the Federal contribution.

2007

The Province allocated $392 million in funding to SMs for affordable housing including $127 million for **DOOR** (construction and rehabilitation), $185 million for **ROOF** (27,350 housing allowances) and $80 million for Urban Aboriginal Housing.

Federal Government replaced National Homelessness Initiative with *Homelessness Partnership Strategy*, which aimed to build and improve upon the initiative by focussing on a "HousingFirts" approach to homelessness, and funding is renewed every 2 years (current program expires in March 2014).

2008

Social housing providers became eligible for Infrastructure Ontario loans for capital investments (federally funded housing co-operatives excluded).

2009

Province renewed $5 million Rent Bank and made it permanent.

The Federal Government provides $110 million funding for the Mental Health Commission of Canada's At Home/Chez Soi research project. The study examines the effect of Housing First interventions for homeless individuals in five cities. In 2013 the Province pledged $4 million to extend the funding for Toronto Participants. A report on the outcomes of the study was released in 2014

Federal and Provincial Governments committed a combined investment of over $1.25 billion for social and affordable housing in Ontario over the next two years; $704 million was allocated for *Social Housing and rerofit Program (SHRRP)*; $545 million to extend *Canada-Ontario Affordable Housing Program (AHP)*, including funding for seniors and persons with disabilities. Economic stimulus was the priority for this funding.   59

2013

2010

The Province's **Long Term Affordable Housing Strategy** confirmed the devolution of social housing to municipalities, and required community-based local planning of housing and homelessness services including social housing in Ontario.

2011

The *Housing Services Act, 2011* sets basic Provincial policy directions while giving service managers greater flexibility and control in the planning and delivery of housing and homelessness services including social housing administration.

Investment in Affordable Housing (IAH) for Ontario: Federal and Provincial Governments will provide $480.6 million over 4 years for affordable housing creation and repair, rent supplements and housing allowances. Social housing market rent units eligible for rent supplements/housing allowances. All social housing ineligible for repair dollars.

2012

Province consolidates funding for five homeless-related programs into the Community Homelessness Prevention Initiative (CHPI), administered by MMAH. CHPI provides Service Managers with flexible funding that they can direct towards emergency shelter solutions, housing with supports, homelessness prevention, or other service and supports depending on greatest need.

2014

As part of Ontario's Poverty Reduction Strategy 2014-2019, the Province allocated $16 million to create 1,000 new supportive housing spaces. The Province also announces a funding enhancement of $42 million for the CHPI for 2014-2015.

The Federal and Provincial Governments commit $801 million to extend funding for the investment in Affordable Housing (IAH) Program for five years. Eligible programs include affordable homeownership, renovation, rent supplements and housing allowances, and the creation of affordable rental housing. Social housing units are ineligible for repair dollars. The extension ends on March 31, 2020.

2016

March 2016:
Long-Term Affordable Housing Strategy

60

Strategy 2017–2020

The first low-income housing in Canada was built by municipalities, such as Toronto and Halifax, without help from senior levels of government. It wasn't until 1949 that the National Housing Act (NHA) launched public housing as a joint federal/provincial partnership to acquire and develop land and to design, build and operate public housing projects. The federal/provincial partnership shared initial capital costs and operating losses on a 75 per cent/25 per cent basis respectively. From the 1950s through to the 1960s public housing was owned and operated by the Canada Mortgage and Housing Corporation (CMHC), a Federal agency.

As majority owner, CMHC had the responsibility for approving, planning and designing public housing projects, although the management and administration of the projects and the program's clients were in most cases taken on by the provinces. The Section 79 Federal/Provincial Program removed the municipalities from any significant role in the delivery of public housing; yet municipalities were often the most affected by the program both in terms of its benefits and problems.

Amendments of the NHA in 1964 led to the introduction of a new program— the Section 81/82 Regular Public Housing Program. These amendments also introduced the Section 82 Provincially-Financed Public Housing Program. Under Section 81, loans were offered by CMHC to municipalities and provinces/territories for up to 90 per cent of the capital costs of public housing projects. Section 82 authorized CMHC to absorb 50 per cent of operating losses associated with public housing projects for a period not exceeding 50 years.

Provincial interest and program take-up increased with the introduction of this new program as the initial capital cost of building projects was only 10 per cent (versus 25 per cent under the Section 79 program) and the provinces/territories retained ownership of the projects (unlike the Section 79 program). The dramatic increase in the use of these programs under the NHA provided a strong impetus to provinces and territories to establish housing agencies of their own.

In 1964, the Ontario Government formed the Ontario Housing Corporation (OHC) which took on the responsibility for the provision and management of public housing. OHC was established under the Ontario Housing Corporation Act and was funded through rental income and subsidies from the provincial and federal government.

OHC public housing projects were developed across Ontario to meet the needs of families and seniors unable to secure adequate housing in the private rental market. Local Housing Authorities (LHAs) acted on behalf of the OHC as local delivery agents for Public Housing. In many cases, this involved transferring ownership of municipally-initiated social housing projects to the Provincial level. OHC gave policy direction, managed the operating and capital budgets and funded Local Housing Authorities.

 While municipalities initially contributed a small cost-share of operating costs and had representation on the Local Housing Authority Boards, the municipal role was otherwise quite limited. In the late 1970s and early 1980s, however, there was a resurgence of in-

terest and activity among municipalities in Ontario. Changes to the NHA provided legal and financial mechanisms by which municipalities (as well as other community-based not-for-profit organizations) could form non-profit housing corporations and build and operate social housing projects.

The projects differed from public housing operated by OHC in that these usually incorporated a mix of tenants paying rent-geared-to-income rents and those paying market rents, whereas OHC projects were 100 percent rent-geared-to-income. Federal and Provincial funding formulas enabled projects to be built and operated with no direct municipal contributions. Largely due to the success of these projects, OHC built the last public housing in 1978.

In the early 1990s, the Federal Government terminated funding for the development of any new social housing, leaving the Province of Ontario as one of the few provinces to unilaterally fund new social housing development. After the 1995 provincial election, provincial funding for the development of permanent social housing was ended, leaving Ontario without any senior government financial resources for the development of social housing.

Subsequently, in an announcement that surprised both the municipal and social housing sectors, the provincial government stated its intention to transfer responsibility for both administration and the ongoing funding of social housing to the municipal level. The responsibilities were assigned to 47 municipal service organizations called Consolidated Municipal Service Managers (in short, Service Managers or SMs).

Through the signing of the Federal-Provincial Social Housing Agreement on November 15, 1999, the federal government allowed the Province to devolve social housing to municipalities. The Social Housing Reform Act, 2000 (SHRA), transferred responsibility for social housing, including public housing, to municipal Service Managers and District Social Services Administration Boards (DSSABs) – which deliver community services in mainly rural and remote areas that lack an upper tier municipality such as a County or Region.

The SHRA required that all 47 SMs and DSSABs establish Local Housing Corporations (LHCs) to own and operate the social housing stock. In some cases, Service Managers expanded the LHC to include not just public housing but also the mixed-income Municipal Non-profit Housing agencies.

The result is that Ontario's social housing program, formerly operated under the "command and control" of a single provincial ministry, has been "municipalized" to 47 local authorities.

Excerpt from: Survey of Local Housing Corporations, Housing Services Corporation, Phase 1 Results, Lisa M. Oliveira, September 2013Wharnclif

APPENDIX E

OUR PROPERTIES

OUR PROPERTIES

Dundas

Wharncliffe

Limberlost

Tecumseh

Baseline

Hale

Allen Rush

Bella

Commissioners

Boullee

Glencoe

STAFF REPORT 2019-33

TO: Board of Directors, London & Middlesex Community Housing

FROM: Norman Turner – Director, Assets and Property

SUBJECT: Vacancy and Turn-Over Management Plan

DATE: June 14, 2019

RECOMMENDATION:

That, on the recommendation of the Director of Assets and Property and Director of Tenant Services, with concurrence of the Chief Executive Officer, the following report on LMCH's Vacancy Management Plan **BE RECEIVED** for information.

STRATEGIC ALIGNMENT:

This report is consistent with LMCH's new Strategic Plan with particular connection to our strategic goals of "*Improve, Renew and Maintain the Homes we offer.*" And *"Grow Organizational Effectiveness"*

BACKGROUND:

LMCH has had a vacancy benchmark of 3% historically. This is equivalent to 98 units. Historically vacancy and turn-over was managed within the maintenance teams assigned to specific buildings.

As the state of units at vacancy became increasingly damaged compounded by the aging of finishes within units, the extent of restoration required to bring units back to safe and adequate standards added pressure to the process. In response, LMCH established a specialized restoration crew to manage vacant units with dedicated resources tied to the effort. This change of approach, however, coincided with significant changes to management and staff, making the make ready process less efficient initially.

Through analysis, the following are noted as relevant factors in understanding the current state of unit restoration:

- HR: changes in Director, Manager and personnel (training, equipping and setting standards)
- HR: Staff member sick leave, Staff position vacant
- PROCESS: unclear, technology gaps for tracking purposes, contractors communication patterns created backlog at critical points

- UNIT STATUS AT VACANCY: increasingly units have been returned to LMCH requiring significantly more work to become rentable. Current vacant units are categorized with a nearly 50/50 split between level 1 restoration (100% manageable in house) and level 2/3 restorations meaning they require higher levels of construction and repair, often involving contractors or significant allocation of staff time.
- DEMAND FOR URGENT WORK ORDERS FOR OCCUPIED UNITS: 47% of work orders in the first quarter of 2019 were designated URGENT meaning our service expectation is to respond to these within one day. As work order numbers overall increase by approximately 12% annually, the additional resource strain of Urgent status work orders requires staff to be deployed to address these needs in advance of restoration priorities.

Current State

The results are as noted in Graph 1.1 below. The number of vacant units have increased each month since October 2017 by an average of 6 units. Upon further analysis, Table 1.2 one can see that the challenges exist on both the restoration and tenant placement sides. However, once units are ready, the tenant placement team has typically been able to fill the units within thirty (30) days on average. LMCH recognizes that to improve the entire process, evaluation and adjustments can be made to improve the vacancy process from anticipating vacancy to anticipating ready units.

Graph 1.1 Vacancy report Year over Year
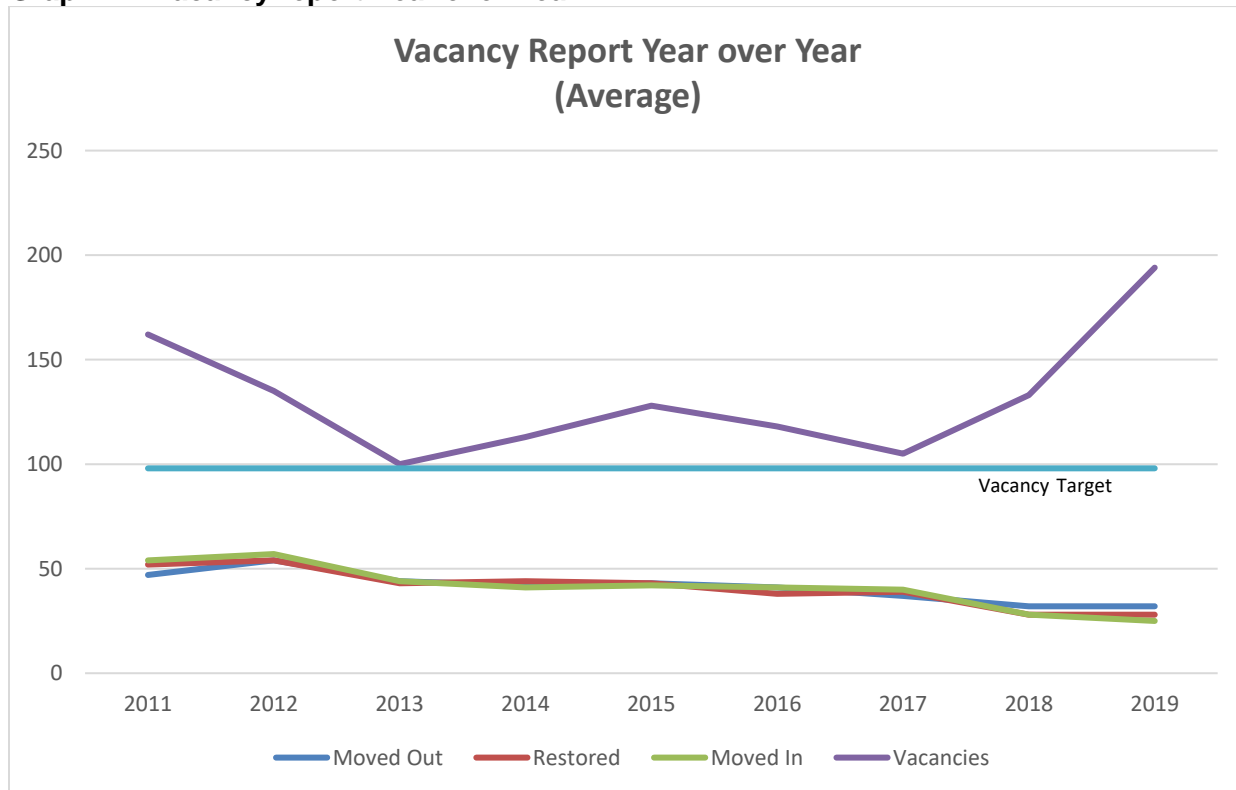
Table 1.2 Analysis of Vacancy Gap Development

	Running total backlogged vacant units + 100 V.T.	Total increase vacant units	Average # Units moved into vacancy increase during quarter
Q4 2017	28	28	9/ month
Q1 2018	14	-14	- 5/ month
Q2 2018	35	21	7/month
Q3 2018	57	22	7/month
Q4 2018	65	8	3/month
Q1 2019	98	33	11/month
Q2 2019*	57	-41	-14/month

*Projected figures for Q2 ending June 30 2019

The total number of vacant units is 172 of which 54 units that are rent ready and un-occupied and 118 are in progress of being restored. By the end of June 2019, it is anticipated that 58 will be restored (28 using contractors and 30 using internal staff) and 40 are anticipated to be rented.

Our goal is to reduce our acceptable vacancy to 2%, which is approximately 66 units. We believe that this is achievable provided the reduction in overall move-outs and the potential for maintaining the current temporary restoration staffing level. Additionally, we would like to reduce our vacancy average from vacated to rented to 60 days as opposed to our current average of approximately 120 days.

ACTION PLAN:

London is experiencing a housing crisis, by addressing the backlog of vacant units and improving our process, we anticipate housing over 300 households from the waitlist by the end of Q4 2019. Our Action Plan, empowered by direction from the service manager to do what it takes to fill units, will ensure we reach these goals and set us on as sustainable path for restoration moving forward.

Tenant Placement will require additional resources to increase the number of leases signed each month and to facilitate more move ins. We have allocated an additional resource to this effort to support efficiency and meet or exceed our targets in filling units as stated in this report. Additionally, we have begun implementing "Rent Smart" training for tenants and will continue offering this throughout 2019. All new tenants will be invited to participate as we believe that this education will add to housing stability. Finally, we will add Community Development resources through short term contracts to support high needs buildings with larger numbers of vacant units to support welcoming and community stabilization as new community members join these buildings. All of this, is important to supporting the filling and stabilizing of units as we turn out more in a short period of time.

LONDON & MIDDLESEX
COMMUNITY HOUSING

1.3 Graphic: Restoration Turn-Over Strategy
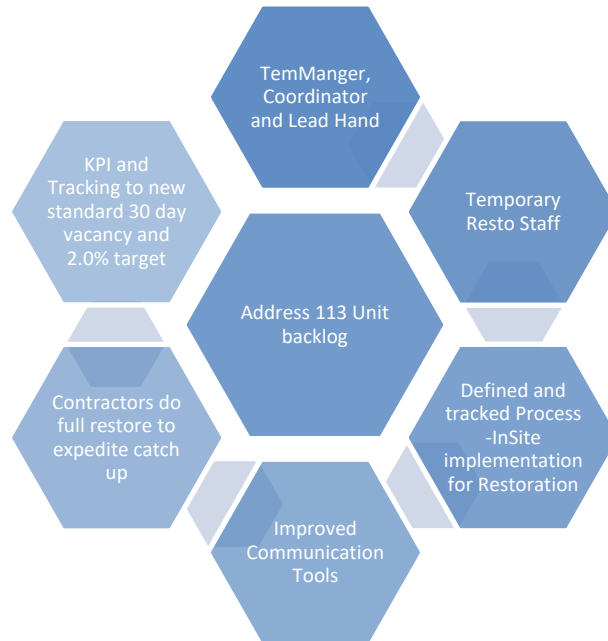
Leadership and dedicated staffing: Unit restoration management has been vested with the Manager of Capital Projects and Construction with the assistance of a dedicated Lead Hand and a Vacancy Coordinator to focus exclusively on unit restoration and turnover.

Filling Staff Vacancies and Adding Temporary Staff Resources: Four new maintenance/repair team members (two permanent, two temporary) were hired in May 2019. They will focus on unit restoration as part of their onboarding and until we are caught up on readied units.

Process Improvement and In-Site Implementation: The unit restoration and turnover process was reorganized in the first quarter of 2019. (Appendix A June 12 Restoration Tracking Sheet) and will be reviewed in the fall 2019 using Lean principles, tools and techniques.

A strategy has been defined for identifying the extent of service required in vacant units. Units are categorized on a scale of 1 – 4, 1 being easily turned over by a site based Maintenance/Repair (M/R) Staff member to a level 4 which requires significant remediation, typically beyond the capacity of in house staffing. InSite is the property management software & asset management system used by LMCH. The mobile app portion currently used is being enhanced to provide M/R team members with real-time information about next steps, next assignment to streamline time management and provide data to management on each step of resto work completed. (Appendix B, Insite Implementation Plan)

Improved Communication Tools: There are multiple hand offs and communication points between various departments and contractors throughout the vacancy and leasing process. By clearly articulating the process identifying the early signals and building timelines and expectations for communication and follow up, with the Coordinator as the single point for communication, accountability and predictability are improved.

Contractors Engaged to Address Complex Restoration Units: Rotational contractors have been allocated to units requiring higher levels of remediation with timelines associated to the delivery of the completed units. We anticipate that we will utilize contractors for approximately 50 units as part of the vacancy and turn over management plan.

Establishing a "New Normal" KPI and Benchmark: This focus on unit completion will continue to be a priority until all units have a 60 day turnaround after pest clearance.

The vacancy allowance target has been revised, with a new target of 2%. Based on the new unit restoration process and data below, LMHC is anticipating reaching the new vacancy allowance target by the end of the 4th quarter of 2019.

Graph 1.4 Projected Outcomes by end of Q4 2019

Anticipated Impact of Action Plan in Achieving 2% Vacancy by Q4 2019 and Housing 300 New Tenants.
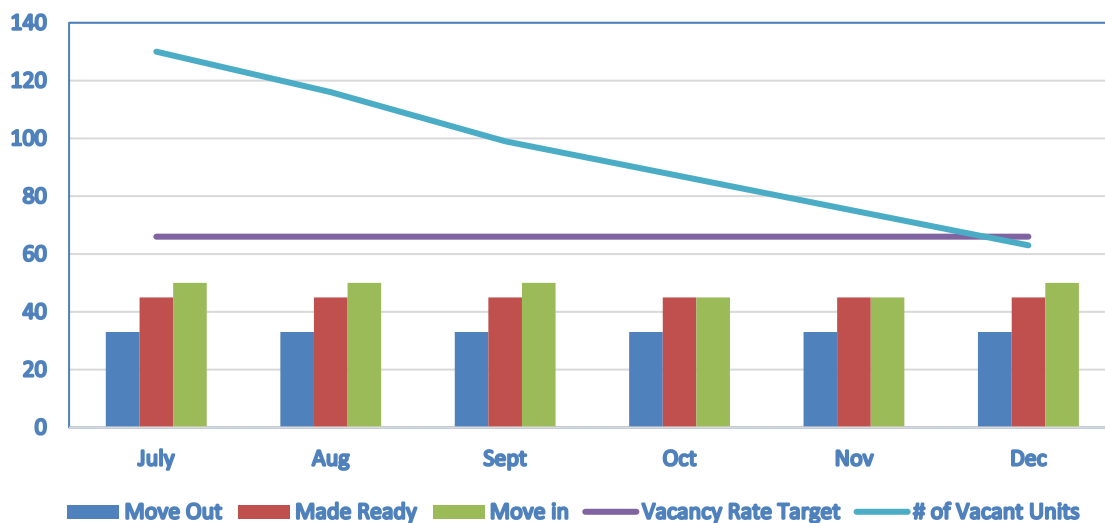
FINANCIAL IMPACT:

Restoration is part of our operational budget each year, however, in order to address the backlog and the cost implications tied to the root causes of this backlog (staffing, levels of needed repairs and asset age) additional costs are anticipated to expedite and address the current vacancy gap. The costs are divided between in house personnel additions for temporary contracts, and Contractors who will expedite the restoration process for higher need units.

Intervention	Cost	Description
2 Temporary Restoration Crew Staff	$80,000	Salaries, benefits, training and personal protective equipment and uniforms.
Contractor Allocation for Full turn over	$250,000	$5,000/unit on average x 50 units to assist in expediting back log of units.
Material and Supplies budget	$110,000	$2,200/ unit average to bring units to standard for 50 units above budgeted for 2019 year based on move out trends.
Tenant Placement Support	$35,000	8 months additional resource to support increased monthly offers and move ins.
Tenancy Support and Stabilization	$30,000	6 months Additional Community Development staffing in high needs buildings to support new tenancies and ensure stabilization of buildings with large influx of new tenants.
Total	$505,000	Additional to currently budgeted

With an average rental rate of $320 we can anticipate rental revenue to increase as well during this period of time. This may result in $204,000 more rental revenue to offset some of the cost in implementing this strategy.

CONCLUSION:

LMCH is committed to providing safe and healthy homes and to ensuring access to our homes by improving the restoration and vacancy process. The benefits of this vacancy and turn-over management plan address issues of organizational effectiveness, team collaboration and accountability in ensuring results.

The benefits for our community are significant as we will house in the last two quarters of 2019 almost as many new tenants as LMCH housed in all of 2018 (335).

PREPARED BY:	PREPARED BY:
SARAH CAMPBELL, DIRECTOR, COMMUNITY ENGAGEMENT	**BILL LESLIE, MANAGER, CONSTRUCTION AND CAPITOL PROJECTS**

REVIEWED & SUBMITTED BY:	REVIEWED & SUBMITTED BY:
NORMAN TURNER, DIRECTOR OF ASSETS AND PROPERTY	ANDREA MACKENZIE, DIRECTOR OF TENANT SERVICES
REVIEWED AND RECOMMENDED BY:	
JOSH BROWNE, CEO	

Attachments:

Appendix A: June 12 Resto Tracking Sheet
Appendix B: InSite Implementation Plan

STAFF REPORT 2019 - 41

TO: Board of Directors

FROM: Norman Turner, Director of Asset Management & Andrea Mackenzie Director of Tenant Services

SUBJECT: Unit Vacancy and Turnaround Strategy Update

DATE: September 4, 2019

RECOMMENDATION:

That, on the recommendation of the Director of Asset Management with the concurrence of the Chief Executive Officer, the Board receive the report for information purposes.

PREVIOUS REPORTS PERTINENT TO THIS MATTER:

Staff Report 2019 – 33 Vacancy Report

STRATEGIC ALIGNMENT:

This report is consistent with LMHC's new Strategic Plan with particular linkage to our strategic goal of "*Improve, Renew and Maintain the Homes we offer".*

BACKGROUND:

On the 21st of August KPMG issued their findings following the review of Housing Services within the City. The report although relying on historic data and failing to mention that an action plan had already been approved to address the issue received significant internal and external scrutiny.

The CEO of LMCH has directed that a further plan be advanced to outline short and long term measures to build on the work already done to address the vacancy issue and achieve the targets of 3% vacancy by the end of September and 2% by year end.

The report compared vacancy rates with a number of other LHC's but failed to recognize that the vacancy rate is calculated somewhat differently in those LHC's and that many of them have the ability to "shutter" units in both the short term and long term, which LMCH typically only does to accommodate strategic initiatives. This disparity of reporting is addressed in the recommendations.

ANALYSIS and OPTIONS:

The vacancy statistics as at the time of drafting the report (31st August 2019 are as follows:

Classification	Units	Percentage (based on 3282)
Vacant (Includes Not Pest Cleared)	**144**	**4.38%**
Unavailable For Restoration (Awaiting Pest Clearance)	**27**	**0.82%**
Restored (Excluding agreed Leases)	**57**	**N/A**
Restored Available & On Offer	**41**	**N/A**
Units In Progress	**60**	**1.8%**
Total Available & In Process	**128**	**3.9%**
True Vacancy (Excludes Pest Held and Future Leased)	**101**	**3.07%**

The following table demonstrates the improvements made since the issue and action plan were reported at the end of May 2019

2019	J	F	M	A	M	J	J	A
Move Outs	-59	-19	-27	-23	-36	-30	-31	-29
Restored Units	35	12	25	41	46	45	49	35
Move Ins	28	21	23	26	40	30	31	50

Staff have the following recommendations to address the issues raised and already identified.

Data and information

In conjunction with Finance provide a portion of 1 FTE to concentrate on providing solid data and metrics (Identified as a core business need for all departments). Staff continue to improve in-house reporting (tracking sheet) and as an interim measure provide specific additional data out of this report, pending the implementation of the InSite solution to automate the make ready process.

Harmonize reporting basis with other LHC's particularly differentiating between "rentable" and "non-rentable vacant units". Non rentable units would include total losses or units requiring "back to the studs" levels of renovations or those which have not been pest cleared. Currently this "non–rentable" class of units represents more than half of both Toronto and Hamilton's total vacancy figure.

Non-rentable units would also technically include those units which have been offered and accepted but where the lease is not actually signed. This is usually a function of timing around tenants giving notice and being able to provide last month's rent.

Note that the plan contained in SR 2019 – 33 called for a 60 day turnaround *after* being cleared.

InSite

Housing Services Corporation in conjunction with LMCH are developing a "Make Ready Process" based on the operational process of LMCH and leveraging the InSite software to better track work orders and processes and automate various Maintenance and Repair processes which impact the restoration process. The latest report from HSC is appended to this report.

Process

The unit turnover process has two distinct component parts firstly restoration and secondly tenant placement.

Going forward regular cross team meetings are being put in place specifically to tactically address the needs of TP in terms of sites that are lacking stock, over stocking in locations and also feedback from tenants and deficiencies.

If appropriate human resources are granted as outlined below then a more comprehensive turnover plan will be engaged which will increase front and back end quality control and provide earlier notification of problem units so mitigation strategies can be called up in advance (debris, intense pest control, remediation, sharps removal, etc). A clearer expectation can be set ahead of time with the departing tenants to help them avoid chargebacks as well.

Included in the recent KPMG report were suggested process related elements:

(i)   identify the root cause of LMCH's challenges with respect to unit turn-around and overall vacancy;

(ii)   identify potential opportunities for enhancements to customer experience;

(iii)   identify potential opportunities for synergies and operational efficiencies through the integration of common functions with the City (e.g. income verification, administrative and back office functions); and

(iv)   Quantify the resource requirements necessary to support streamlined processes.

Item (i) is the subject of detailed consideration in 2019 – 33 but resource shortage financial and personnel remains an issue.

Customer experience (ii) is obviously enhanced by having units refurbished to a much higher standard and indeed it could be argued that a comprehensive restoration though more costly in dollars could be effected more quickly as there would be no need to patch up floors or cupboards and to try and coax one last flip out of 40 year old elements.

LMCH will continue to provide Rent Smart education for both future and current tenants and will also continue to engage with new tenants through our System Navigators to provide an initial welcome to their new site and the distribution of welcome packages for each new household.

LMCH is open to support from the City, closer cooperation with the Housing Access Centre for example might provide for speedier turnover or appropriate rentals. As one example there is no simple way to match an applicant and a heavily modified unit resulting in delays in our ability to identify applicants. Currently for example there are 5 fully modified units that are vacant and we have not been able to identify any individuals on the waitlist that are approved for these specific sites.

Resources are discussed more fully hereunder (iv) however most of the issues revolve around resourced based shortages or units turned back in very poor condition. Process improvements are planned but are no substitution for adequate resourcing.

Resources

There are immediate and longer term resource needs.

In the short term, more difficult restorations have been passed to contractors which will have a financial implication. Existing management staff are also devoting time to the process even though restoration is outside of their area of responsibility.

Tenant Services is supporting the Tenant Placement team with a seconded coordinator who facilitates sourcing and booking potential tenants, this role has become very important and has been a major factor in our ability to increase the number of units we have been able to rent in August. This coupled with a need for a better interface between the departments would support this role as an FTE.

Tenant Services has reached out to staff at the Housing Access Center (HAC) with a goal of restarting regular meetings between our two organizations to identify areas where we can find efficiencies, improve communication and identify areas that can provide more fulsome support to the coordinators with the regular maintenance and "cleaning up" of the current waitlists, and additionally through better identification of individuals in need of modified units. The first meeting is scheduled for later this month.

Two temporary M/R staff have been hired to improve capacity however it should be noted that in addition to retaining these two staff an additional resources will be sought as part of the resource plan and MYB.

The rationale is that in the first instance these staff will assist in reducing vacancy levels and maintaining our target level.

In the longer term the asset management strategy sets out a more comprehensive restoration specification and requirements of government funding programs would require 20% of units to be accessible going forward this coupled with an average increase of 2000 work orders a year would make a compelling case for making those roles permanent.

The restoration process is currently managed by the Construction Manager with the assistance of a coordinator. Even if the needs of the asset management plan are ignored the manager currently oversees 60 capital projects, recurring contracts such as fire protection, asbestos management, etc., and numerous small projects such as unit modifications, asphalt repair or replacement, technical contingency work and so on.

There is a clear need for an additional supervisor strictly focused on the restoration turnover function especially if a more stringent quality control regime and cost recovery model is to be incorporated within an already stressed system. Additional resources to support this need will be sought as part of the MYB.

Minor restorations are also handled by the individual site M/R staff as a partial adjunct to their core function of work orders and building operations. These staff are managed by the operational managers.

The operational managers FTE count is two with an acknowledgement that a third is essential to ensure an adequate field coverage is maintained. These resources will form part of the MYB staffing ask which will include filling the existing vacancy (currently serviced by rotating acting assignments)

In terms of outside resources approximately one third of all units are returned in a condition beyond "level one" with a cost implication from $5000 to over $100,000 in a fire loss.

In unit numbers this equates to 120 -150 units annually and as such 100 units a year may reasonably be beyond the scope of the in house team resulting in an operational cost of $500,000 as a minimum.

Notwithstanding the cost of servicing these badly damaged units some of this cost may be absorbed through the asset management and regeneration strategy and this financial burden will potentially be partially shared through those initiatives.

Implementation

Current efforts have focused with some success on implementing the action plan already advanced in June through 2019 – 33. Additionally Asset Management departmental staff have been used to further advance the plan.

Additional M/R resources have been re-focused to further assist. Administrative support for the Tenant Placement team has been re-tasked from other duties with significant success. Throughout the remainder of the year the implementation of the make ready process will be undertaken although significant benefits are not expected until F2020.

Additional staffing resources will be sought as part of the MYB request and it should be noted that reduction of vacancies to the target level is achievable (assuming current trends in vacation) however 2% as a vacancy rate is going to require additional resources to maintain at a level which is below industry norms.

FINANCIAL IMPACT:

Simple restoration (contracted out) will continue to be in excess of $500k per annum although the funding envelope may shift from restoration to regeneration as comprehensive portfolio wide restorations are carried out (subject to approval of the MYB capital plan)

For the remainder of F2019 Only the Restoration Supervisor and additional PSM would be additional costs the other HR requirements are covered through temporary staffing currently in place.

CONCLUSION:

It is unfortunate that the KPMG report did not give credit for reductions in vacancy and process improvements already actioned between their data extraction and the time of the report. SLT or operational staff were not interviewed and no actual assessment was carried out into the actual process that was so roundly criticized.

It is however opportune that the report now provides the opportunity to measure our vacancy rates against other LHC's on an "apples to apples" basis which will no doubt show LMCH in a significantly better light.

REVIEWED & SUBMITTED BY:	REVIEWED & SUBMITTED BY:
NORMAN TURNER, DIRECTOR OF ASSETS AND PROPERTY	**ANDREA MACKENZIE, DIRECTOR OF TENANT SERVICES**
REVIEWED AND RECOMMENDED BY:	
JOSH BROWNE, CEO	

Attachments:

Detail breakdown of Capital Allocations, Expenditures and Point in Time Status – Q2 Results
LMCH on target to deliver $10.7 M in Capital projects in 2019

2019 Capital Actuals vs Budget as at June 30, 2019

Project #	Active	Project Type	Budget Year	Funding	Property	Project Description	2019 Approved Budget	Spent in 2019	Remaining Budget	Committed	Non-Committed	Total Spend Remaining	Forecasted Total Spend	Over (Under) Forecast vs. Expected Total Spend
SHAIP														
2018-0002	Active		2019	SHAIP	Dundas	Cladding	1,000,000	-	1,000,000	696,111	303,889	1,000,000	1,000,000	-
2018-0012	Active		2019	SHAIP	McNay	MUA Replacement	160,000	125,031	34,969	153,830	(118,861)	34,969	160,000	-
2018-0029	Active	Mechanical	2019	SHAIP	Walnut	MUA Replacement	250,000	20,370	229,630	223,130	6,500	229,630	250,000	-
2019-0002	Active		2019	SHAIP	Dundas	Solar Walls	87,277	-	87,277		87,277	87,277	87,277	-
2019-0024	Active		2019	SHAIP	Dundas	Lighting Upgrades	50,400	-	50,400	717	49,683	50,400	50,400	-
2018-0042	Active		2019	SHAIP	Dundas	MUA Replacement	160,000	4,462	155,538	200,100	(44,562)	155,538	160,000	-
2019-0002	Active		2019	SHAIP	Baseline	Solar Walls	225,301	3,721	221,580	8,125	213,455	221,580	225,301	-
2019-0024	Active		2019	SHAIP	Baseline	Lighting Upgrades	58,400	-	58,400	717	57,683	58,400	58,400	-
2019-0024	Active		2019	SHAIP	Kent	Lighting Upgrades	70,400	-	70,400	717	69,683	70,400	70,400	-
2018-0001	Active		2019	SHAIP	Kent	Cladding	1,250,000	-	1,250,000	2,032,386	(782,386)	1,250,000	1,250,000	-
2018-0001	Active		2019	SHAIP	Kent	Solar Walls	110,655	-	110,655		110,655	110,655	110,655	-
2018-0044	Active		2019	SHAIP	Kent	MUA Replacement	200,000	6,041	193,959	18,400	175,559	193,959	200,000	-
2018-0043	Active		2019	SHAIP	Simcoe	MUA Replacement	170,000	9,667	160,333	154,400	5,933	160,333	170,000	-
2019-0024	Active		2019	SHAIP	Simcoe	Lighting Upgrades	45,400	-	45,400	717	44,683	45,400	45,400	-
2019-0002	Active		2019	SHAIP	Simcoe	Solar Walls	222,958	3,721	219,237	8,125	211,112	219,237	222,958	-
2019-0024	Active		2019	SHAIP	McNay	Lighting Upgrades	63,000	-	63,000	717	62,283	63,000	63,000	-
2019-0002	Active		2019	SHAIP	McNay	Solar Walls	161,520	3,721	157,799	8,125	149,674	157,799	161,520	-
2019-0024	Active		2019	SHAIP	Walnut	Lighting Upgrades	52,400	-	52,400	717	51,683	52,400	52,400	-
2019-0002	Active		2019	SHAIP	Walnut	Solar Walls	128,398	3,722	124,676	8,125	116,551	124,676	128,398	-
2019-0019	Active		2019	SHAIP	Walnut/McNay/Simcoe/Kent	Energy Audit - Post Project	10,000	-	10,000	9,795	205	10,000	10,000	-
2019-0020	Active		2019	SHAIP	All Sites	Project Management	250,000	44,421	205,579		205,579	205,579	250,000	-
2019-0025	Cancelled		2019	SHAIP	Baseline	MUA Mod	-	2,372	(2,372)		(2,372)	(2,372)	-	-
SHAIP Continge	Active		2019	SHAIP	All Sites	Contigency	540,000	-	540,000		540,000	540,000	540,000	-
2019-0029	Active		2019	SHAIP	All Sites	Architechture and design	100,000	-	100,000		100,000	100,000	100,000	-
Special Projects														
2018-0003	Active	Site Work	2018	LDN	All	Exterior Lighting Redesign Project	929,000	156,353	772,647	716,423	56,224	772,647	929,000	-
2017														
2017-0047	Open-final invoices	Building Ext.	2017	C-17	345 Wharncliffe Rd., London	Elect. Rm. Roof Replacement	10,000	-	10,000		10,000	10,000	10,000	-
2017-0049	Completed	Mechanical	2017	C-17	30 Baseline Rd., London	Fire Panel Replacement	33,000	33,670	(670)		(670)	(670)	33,000	-
2017-0050	Completed	Mechanical	2017	C-17	200 Berkshire Dr., London	Fire Panel Replacement	35,000	34,891	109		109	109	35,000	-
2018														
2018-0004	Active	Building Int.	2018	C-18	Various	Universal Access Upgrades	50,000	13,568	36,432	33,342	3,090	36,432	50,000	-
2018-0005	Active	Building Int.	2018	C-18	Family Sites	Bathroom Rebuilds	25,000	7,049	17,951		17,951	17,951	25,000	-
2018-0008	Active	Building Int.	2018	C-18	85 Walnut St, London	Lounge Upgrades	14,000	16,386	(2,386)	-	(2,386)	(2,386)	14,000	-
2018-0009	Active	Building Int.	2018	C-18	Marconi Blvd Semis	Exterior Lighting Upgrade	5,000	-	5,000	-	5,000	5,000	5,000	-
2018-0010	Done	Building Int.	2018	C-18	241 Simcoe St, London	Elevator Modernization	22,000	25,204	(3,204)	-	(3,204)	(3,204)	22,000	-
2018-0013	On hold	Mechanical	2018	C-18	Various High Rise Sites	LEAC Shield	61,000	-	61,000	-	61,000	61,000	61,000	-
2018-0014	Active	Building Ext.	2018	C-18	Southdale Rd Townhomes, London	Exterior Windows & Doors	564,000	584,993	(20,993)	97,852	(118,845)	(20,993)	564,000	-
2018-0015	Active	Building Ext.	2018	C-18	Boullee St, London	Exterior Windows & Doors	564,000	215,389	348,611	172,658	175,953	348,611	564,000	-
2018-0018	Done - invoice o/s	Electrical	2018	C-18	345 Wharncliffe Rd N, London	Fire Panel Upgrades	59,000	14,023	44,977	4,785	40,192	44,977	59,000	-
2018-0019	Done - invoice o/s	Electrical	2018	C-18	304 Oxford St, London	Fire Panel Upgrades	58,000	13,453	44,547	3,411	41,136	44,547	58,000	-
2018-0020	Active	Electrical	2018	C-18	High Rise Sites	Electrical Systems Review	49,000	5,994	43,006	91,790	(48,784)	43,006	49,000	-
2018-0022	Active	Regulated Chan	2018	C-18	Various Sites	Asbestos Re-assessment	17,000	1,265	15,735	23,504	(7,769)	15,735	17,000	-
2018-0023	Active	General	2018	C-18	Various High Rise	Technology Contingency	103,000	34,021	68,979	-	68,979	68,979	103,000	-
2018-0034	Active	Building Ext.	2018	C-18	Boullee	Exterior Doors	327,000	12,430	314,570	350,233.26	(35,663)	314,570	327,000	-
2018-Tech		IT	2018	C-18	Corporate Office	New Server	147,000	15,367	131,633		131,633	131,633	147,000	-
2018-AMP	Done - o/s inv?	AMP	2018	C-18	Corporate Office	Asset Mgmt Plan - HSC Consult	25,000	-	25,000		25,000	25,000	25,000	-
2019														
2019-0001	Active		2019	C-19	Southdale	Door Replacements	425,000	18,940	406,060	303,478	102,582	406,060	425,000	-
2019-0039	Not Started		2019	C-19	Tecumseh	Fire Alarm Panel Replacement	125,000	-	125,000		125,000	125,000	125,000	-
2019-0003	Not Started		2019	C-19	Walnut	Generator Replacements	80,000	-	80,000		80,000	80,000	80,000	-
2019-0037	Not Started		2019	C-19	Baseline	Generator Replacements	80,000	-	80,000		80,000	80,000	80,000	-
2019-0038	Not Started		2019	C-19	McNay	Generator Replacements	80,000	-	80,000		80,000	80,000	80,000	-
2019-0004	Active		2019	C-19	Various High Rise Sites	Lobby Upgrades	80,000	13,512	66,488	60,151	6,337	66,488	80,000	-
2019-0005	Active		2019	C-19	High Rise Sites	Corridor Painting	80,000	-	80,000		80,000	80,000	80,000	-
2019-0006	On hold		2019	C-19	Albert	Boiler Replacement	110,000	-	110,000		15,000	15,000	15,000	95,000
2019-0007	Active		2019	C-19	William	Boiler Replacement	110,000	-	110,000		50,000	50,000	50,000	60,000
2019-0008	Active	Mechanical	2019	C-19	Various High Rise Sites	Elevators - Operations	100,000	7,043	92,957	92,957		92,957	100,000	-
2019-0009	Active		2019	C-19	County	Windows/Doors	30,000	-	30,000		30,000	30,000	30,000	-
2019-0010	Not Started		2019	C-19	High Rise Sites	Balcony Study	30,000	-	30,000		30,000	30,000	30,000	-
2019-0011	Active		2019	C-19	Various Sites	Asphalt - Parking lots and pathways	50,000	-	50,000		50,000	50,000	50,000	-
2019-0012	Active		2019	C-19	William	Major Elevator Upgrade	200,000	-	200,000	44,100	155,900	200,000	200,000	-
2019-0013	Active		2019	C-19	Various Sites	Universal Access Upgrades	75,000	-	75,000		75,000	75,000	75,000	-
2019-0014	Active		2019	C-19	Various Sites	Physical Security Upgrades	75,000	59,401	15,599	25,599	(10,000)	15,599	75,000	-
2019-0015	Active		2019	C-19	Various Sites	Bathroom Rebuilds	50,000	8,120	41,880		41,880	41,880	50,000	-
2019-0016	Active		2019	C-19	Various Sites	Unit Flooring	275,000	116,855	158,145		158,145	158,145	275,000	-
2019-0017	Active		2019	C-19	Various Sites	Technology Contingency	150,000	-	150,000		150,000	150,000	150,000	-
Reallocation Required														
Funds to be reallocated											155,000	155,000	155,000	(155,000)
Approval Received During Q1														
2016-0029	O/S Invoices		2016	C-19	202 McNay Street, London	Balcony Restoration		(1,771)	1,771			-	(1,771)	1,771
2017-0021	O/S Invoices		2017	C-19	202 McNay Street	Fire Panel Upgrades		924	(924)			-	924	(924)
2018-0046	O/S Invoices		2018	C-19	580 Dundas Street	Locking System Upgrade	-	3,940	(3,940)			-	3,940	(3,940)
2018-0007	O/S Invoices		2018	C-19	580 Dundas St & 345/349 Wharncliffe Rd	Front Entrance Upgrades		13,344	(13,344)			-	13,344	(13,344)
2018-0016	O/S Invoices		2018	C-19	Ellen ST	Lock replacements		766	(766)			-	766	(766)
2018-0021	O/S Invoices		2018	C-19	39 Tecumseh Ave, London	Surveillance System		3,472	(3,472)			-	3,472	(3,472)
2018-0045	O/S Invoices		2018	C-19	Simcoe St	Lock Installation	-	7,327	(7,327)			-	7,327	(7,327)
2018-0016	O/S Invoices		2018	C-20	136 Albert St, London	Suite Lock System		4,956	(4,956)			-	4,956	(4,956)
Totals							10,668,109	1,668,133	8,999,976	5,545,236	3,487,697	9,032,933	10,701,066	(32,957)

Connecting to LMHC strategic objectives

LONDON & MIDDLESEX COMMUNITY HOUSING

"We provide and maintain homes in a safe and supportive environment to meet the needs of the people we service in our communities"

	Organization	Finance	Tenant Services	Community Development	Property Services	Regeneration & Capital
Strategic Objective	Creating a Healthy & Effective Organization	Establish long-term financial growth and stability	Engage, Support and Empower Tenants	Safe & healthy communities	Improve, Renewal and Maintain the homes we offer	Revitalizing how we manage our properties
Outcome	Sustainable housing portfolio	Realizing financial and physical infrastructure sustainability	Responding to tenant needs (better service to tenants)	Creating healthier communities (safer communities)	Improving and maintaining buildings (returning the housing stock to good repair); Buildings are clean and well maintained	quality homes Tenants living in clean and well-maintained buildings
Metrics	• Sick time Vacation time • Incidents Grievances CARE Conversations % completed • Staff turnover; New Hires	• Manageable Costs • Rent Arrears; Rent Arrears %; Rent Arrears per unit • Surplus/(Deficit) • Average Days Monthly Closed	• Complaints • Referrals Calls Answered; Calls Dropped • Housed • Walk-ins • Managed Arrears • Move-outs • Evictions • Average Time to Lease	• Average length of tenancy (% by number of years) • Community partners meetings • Tenant Group Meetings • Tenant Run Activities	• Work orders • Average WO Response Time • Vacancy Rate • Vacancy Loss • Average Unit Turnover Time • Building Audit • Average Days Vacant • Inactive Units	• FCI – NT (% of Building in Range) • % Capital Spent vs Approved • % of projects started - BL • % of projects completed • # Total of projects

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