

Strategic Priorities and Policy Committee

Report

18th Special Meeting of the Strategic Priorities and Policy Committee
September 16, 2019

PRESENT: Mayor E. Holder (Chair), S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, A. Hopkins, P. Van Meerbergen, S. Turner, E. Peloza, A. Kayabaga, S. Hillier
ABSENT: Councillors M. van Holst, S. Lehman
ALSO PRESENT: A. Barbon, G. Barrett, B. Card, S. Corman, B. Coxhead, S. Datars Bere, M. Johnson, G. Kotsifas, L. Livingstone, C. Saunders, M. Schulthess, and J. Taylor.

The meeting is called to order at 4:03 PM.

1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

2. Consent

None.

3. Scheduled Items

None.

4. Items for Direction

4.1 City of London Housing Service Review: Proposed Action Plan

That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer and Managing Director, Housing, Social Services and Dearness Home, the following actions be taken with respect to the City of London Housing Service Review:

- a) the staff report dated September 16, 2019, and the subsequent updated report, BE RECEIVED;
- b) Option 3 identified in the reports, noted in a) above, BE APPROVED;
- c) the Civic Administration BE DIRECTED to take all necessary steps to implement the above-noted Option 3;
- d) the Civic Administration BE DIRECTED to report quarterly to Municipal Council with a status and progress update on the implementation of Option 3;
- e) the City Clerk BE DIRECTED to make the necessary arrangements to bring forward the appropriate by-laws to implement actions identified in Option 3; and
- f) the Civic Administration BE DIRECTED to report back to Corporate Services Committee on the feasibility of using the same approach taken for affordable housing to reduce the effective tax rate for London Middlesex Community Housing (LMCH) buildings to be equivalent to the residential tax rate, including any amendments that may be necessary to the Municipal Housing Facilities By-law to do so;

it being noted that the Strategic Priorities and Policy Committee received communications dated September 12, 2019 from D. Astolfi and J. Atkinson, and received verbal delegations and the attached submissions

from the Housing Development Corporation and the London & Middlesex Community Housing.

Motion Passed

Voting Record:

Moved by: Mayor E. Holder

Seconded by: S. Lewis

That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer and Managing Director, Housing, Social Services and Dearness Home, the following actions be taken with respect to the City of London Housing Service Review:

- a) the staff report dated September 16, 2019, and the subsequent updated report, BE RECEIVED;
- b) Option 3 identified in the reports, noted in a) above, BE APPROVED;
- c) the Civic Administration BE DIRECTED to take all necessary steps to implement the above-noted Option 3;
- d) the Civic Administration BE DIRECTED to report quarterly to Municipal Council with a status and progress update on the implementation of Option 3; and,
- e) the City Clerk BE DIRECTED to make the necessary arrangements to bring forward the appropriate by-laws to implement actions identified in Option 3.

Yeas: (7): Mayor E. Holder, S. Lewis, M. Salih, J. Morgan, P. Van Meerbergen, E. Pelozza, and S. Hillier

Nays: (6): J. Helmer, M. Cassidy, P. Squire, A. Hopkins, S. Turner, and A. Kayabaga

Absent: (2): M. van Holst, and S. Lehman

Motion Passed (7 to 6)

Moved by: J. Helmer

Seconded by: S. Lewis

That Civic Administration BE DIRECTED to report back to Corporate Services Committee on the feasibility of using the same approach taken for affordable housing to reduce the effective tax rate for London Middlesex Community Housing (LMCH) buildings to be equivalent to the residential tax rate, including any amendments that may be necessary to the Municipal Housing Facilities By-law to do so.

Yeas: (13): Mayor E. Holder, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, A. Kayabaga, and S. Hillier

Absent: (2): M. van Holst, and S. Lehman

Motion Passed (13 to 0)

Moved by: M. Cassidy

Seconded by: A. Kayabaga

That the communications dated September 12, 2019, from D. Astolfi, Canadian Mental Health Association Middlesex, and J. Atkinson, London Poverty Research Centre, Kings University, BE RECEIVED.

Yeas: (13): Mayor E. Holder, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, A. Kayabaga, and S. Hillier

Absent: (2): M. van Holst, and S. Lehman

Motion Passed (13 to 0)

Moved by: S. Hillier

Seconded by: M. Salih

That the following actions be taken with respect to the delegation request from Housing Development Corporation:

- a) the communication dated September 10, 2019, from S. Giustizia, Housing Development Corporation, with respect to a request for delegation, BE RECEIVED for information;
- b) the delegation request from Housing Development Corporation BE APPROVED to be heard at this time; and
- c) that pursuant to section 36.3 of the Council Procedure By-law, the delegation from Housing Development Corporation BE PERMITTED to speak for 15 minutes with respect to the City of London Housing Service Review: Proposed Action Plan.

Yeas: (12): Mayor E. Holder, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, A. Hopkins, P. Van Meerbergen, E. Pelozza, A. Kayabaga, and S. Hillier

Absent: (3): M. van Holst, S. Lehman, and S. Turner

Motion Passed (12 to 0)

Moved by: A. Kayabaga

Seconded by: E. Pelozza

That the following actions be taken with respect to the delegation request from London & Middlesex Community Housing:

- a) the communication dated September 12, 2019, from S. Quigley, London & Middlesex Community Housing, with respect to a request for delegation, BE RECEIVED for information;
- b) the delegation request from London & Middlesex Community Housing, BE APPROVED to be heard at this time; and
- c) that pursuant to section 36.3 of the Council Procedure By-law, the delegation from London & Middlesex Community Housing BE PERMITTED to speak for 15 minutes with respect to the City of London Housing Service Review: Proposed Action Plan.

Yeas: (13): Mayor E. Holder, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, A. Kayabaga, and S. Hillier

Absent: (2): M. van Holst, and S. Lehman

Motion Passed (13 to 0)

5. Deferred Matters/Additional Business

None.

6. Adjournment

Moved by: S. Turner

Seconded by: A. Kayabaga

Motion to adjourn.

Yeas: (13): Mayor E. Holder, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, A. Kayabaga, and S. Hillier

Absent: (2): M. van Holst, and S. Lehman

Motion Passed (13 to 0)

The meeting adjourned at 6:43 PM.



**Housing Development Corporation, London (HDC)
Board of Directors**

Mayor Holder and Members of City of London Municipal Council
Sitting as Strategic Priorities and Policy Committee (SPPC) and as Sole Shareholder of HDC
For the SPPC Special Meeting of September 16, 2019

City Hall, 300 Dufferin Avenue
PO Box 5035
London, ON N6A 4L9

Dear Mayor and Members of Municipal Council:

**REGARDING: HDC RESPONSE TO COUNCIL (AS SOLE SHAREHOLDER) ON THE
HOUSING SERVICE REVIEW**

Civic Administration has provided Municipal Council with a plan and options reflecting bold strategies to build a stronger municipal housing system. ("Housing Service Review - Proposed Action Plan", SPPC, Sept. 16, 2019). The Board and Staff of HDC share in the importance of this outcome.

In late 2016, Municipal Council appointed the members of the HDC Board as stewards to oversee the start-up of HDC, as a new municipal service corporation and as a progressive and focused response to helping create more new and regenerated housing units in London and Middlesex. The start-up activities of HDC were guided by the Council approved business plan that positioned HDC as an external driver and an internal partner to creating more affordable housing. In other words, HDC was established to work with the City and its many service areas and with others in the community and beyond to incubate and deliver new housing solutions as well as the tools and resources needed to make them happen.

To date, the HDC Board and Staff have been able to exceed those actions while also enabling new affordability programs and policies, including those identified in the London Plan, and those recently adopted within Council's new Strategic Plan that still require budget consideration. Since its appointment and staff recruitment, HDC has been able to deliver on its plan to be a specialized body with a focused intent to affordable housing, leveraging new funding, and supporting the creation of more housing for those in need. This includes over 80 units of market housing and 45 units of (height and density) "bonused" housing created through its unique incubation and negotiation practices. HDC also continues to advance in its mandate to activate lands and other resources toward future housing projects.

It is this "future-focus" to housing development that defines the value proposition of HDC. The future of affordable housing will rely on harnessing the combined efforts and resources of municipal services, private developers, non-profit housing providers, new funding tools, community organizations, and support service providers (across other sectors) - all working together.

...2



**Housing Development Corporation, London (HDC)
Board of Directors**

2.

It is within this context that the HDC Board received the summary findings of the KPMG review. Disputing the KPMG report would only detract from Council's proposed directions, yet it cannot go without some redress. The report reflected measures, risks, and comments related to HDC that were misaligned with the directions, actions, impact, and value of the organization. The HDC Board met with Civic Administration on these concerns to ensure that the tools, processes, and relationships created by HDC were understood and, more importantly, can be retained within any future changes that may occur.

Subject to Council's consideration, the options proposed by Civic Administration remove the current HDC governance structure as a means to building a more responsive municipal housing system. The HDC Board and Staff share in the need for this strong housing system. HDC has participated and led discussions related to these interests and has endeavored to only work together to support these goals.

The HDC Board hopes that Council, Civic Administration, and all Londoners recognize the contributions made and importance of retaining the work of the specialized HDC body, with its highly skilled staff and resources, to further advance their work with the City and with the community. Within whatever directions emerge, the members of the HDC Board remain willing to work with Civic Administration so that the gains made, projects underway, organizational culture established, outcomes achieved, and the value gained by HDC can continue within the emerging system.

Members of the HDC Board and Staff remain available to respond to Civic Administration and Council.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dick Brouwer", is written over a light blue horizontal line.

Dick Brouwer, Chair on behalf of the Board of Directors
Housing Development Corporation, London (HDC)



1) Leadership based on Collaboration

2) LMCH Path Forward

PRESENTATION TO SPPC • September 16, 2019

CAPACITY

LMCH has roughly 50% of the Staff complement that Ontario Housing had for London & Middlesex pre-devolution in 2000. Our Assets are now 50 years old on average, with funding stagnant and regulations that are restrictive.



LMCH WE CARE



PROGRESS & PROCESS

Doing more with what we have:

- Operational Plans to substantiate and provide clarity on implementation over next 4 years: Strategic Plan, Regeneration Strategy, Asset Management Plan, Tenant Engagement and Community Development Framework, Financial Plan, Strategic Resource Plan
- LEAN and Continuous Improvement
- Insite Optimization
- Key Performance Indicators
- Pilot on Pest Control
- Zero-based budgeting
- Document Management System: improving paper processes
- Enterprise Risk Management
- Project Management System
- Service Standards and Metrics
- Eviction Prevention and Housing Stabilization Strategy
- Social Procurement Policy



PATH FORWARD

To provide the best social housing we can within financial and operational constraints

We provide homes for nearly 5000 people in London and Middlesex.

In our 2020-2023 Multi Year Budget Request, we articulate a need for an average year over year increase of 17% on operating, and an investment of 8 times the current annual capital allotment:

4 year Capital Request: \$ 71.4M

Begins to meaningfully address critical capital requirements

4 Year Operating Request: \$69.6 M

Brings LMCH operating budget more closely in line with average revenue for Local Housing Providers across the province.

LMCH WE CARE





PATH FORWARD

Leadership in Housing

- 350 New Units through City of London Strategic Plan
- Regeneration strategy ready to action
- Renew and Repair CMHC funding
- Aligning and inviting other service providers into our buildings to ensure supports
- Focusing resources on the tenant experience and housing stock



VACANCY

TURN AROUND GOAL of 60 days average

- Accounts for variety of levels of repair to create the average
- Recognizes legislative constraints in filling units from wait list



LMCH will achieve 2% vacancy by end of 2019, filling over 4,000 units.

LMCH WE CARE



Housing matters
People matter *more*

LMCH WE CARE



CAPITAL SPENDING

- 10.7M in capital to be spent in 2019
- 5.7M of this is Provincial dollars
- Capital reserves are held by the city and the way money flows creates a 4-6 month delay in committed, spent and actual reserves remaining
- There are clearly defined rules for Capital v. Operational expenditures
- The 2.2M annual capital allocation has not grown in over a decade while the buildings have continued to age
- The Asset Management Plan outlines critical expenditures over the next four years to address aging building infrastructure

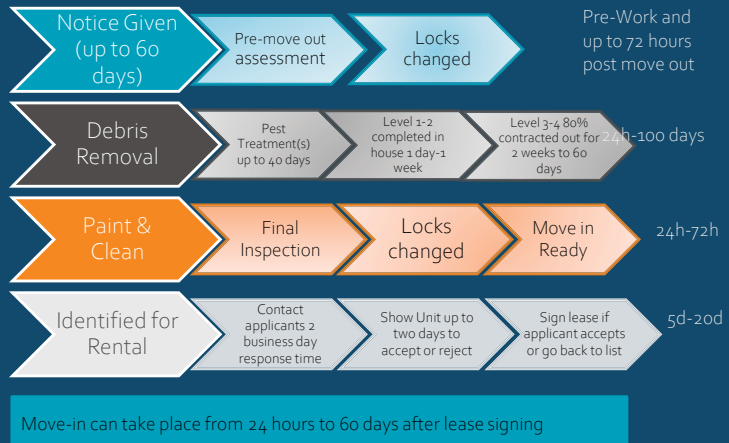


VACANCY

WE CAN address vacancy, however, we must be realistic

- o PESTS
- o DEBRIS
- o LEVEL OF REPAIR
- o UNIT REPAIR STANDARDS
- o TENANT ONBOARDING UNDER RGI AND WAITLIST CRITERIA

all play a role in # of days to turn a unit around.



PATH FORWARD

A noticeable step towards sustainable community housing.

What does this kind of INVESTMENT buy?

4 year Capital Request:

\$71.4M

- LIFE SAFETY SYSTEM PROJECTS
- BUILDING SYSTEM REPLACEMENTS
- UNIT HOUSING STANDARDS
- RE-CAPITALIZATION OF ASSETS
- EXTENDED SERVICE OF CURRENT HOUSING STOCK

4 Year Operating Request:

\$69.6 M

- SAFETY AND SECURITY OF SITES & TENANTS
- 300% INCREASE IN ON SITE SERVICE & SUPPORT
- SERVICE STANDARDS AND METRIC REPORTING TO DELIVER
- CAPACITY TO DELIVER CAPITAL PROJECTS & REGENERATION



PATH FORWARD

A noticeable step towards sustainable community housing.

4 Year Operating Request: \$69.6 M

Brings LMCH operating budget more closely in line with average revenue for Local Housing Providers across the province.

LMCH Current Operating	22.2 M
LMCH MYB Operating	29.5 M
Other Provincial LHC	31.9 M
AMR - London CMA	35.9 M



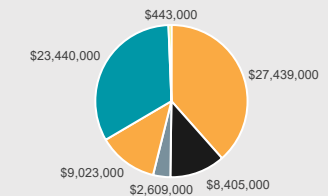
PATH FORWARD

A noticeable step towards sustainable community housing.

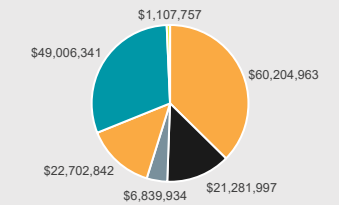
4 Year Capital Request:

\$71.4M

Four Year Capital Investment Breakdown



10 Year Capital Investment Breakdown



PATH FORWARD

Connecting to LMHC strategic objectives

Appendix G: KPI Framework



"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 →	<ul style="list-style-type: none"> Sick time Vacation time Incidents Grievances CARE Conversations % completed Staff turnover; New Hires 	<ul style="list-style-type: none"> Manageable Costs Rent Arrears; Rent Arrears %; Rent Surplus/(Deficit) Average Days Monthly Closed 	<ul style="list-style-type: none"> Complaints Referrals Calls Answered; Calls Dropped Housed Walk-ins Managed Arrears Move-outs Evictions Average Time to Lease 	<ul style="list-style-type: none"> Average length of tenancy (% by number of years) Community partners meetings Tenant Group Meetings Tenant Run Activities 	<ul style="list-style-type: none"> Work orders Average WO Response Time Vacancy Rate Vacancy Loss Average Unit Turnover Time Building Audit Average Days Vacant Inactive Units 	<ul style="list-style-type: none"> FCI – NT (% of Building in Range) % Capital Spent vs Approved % of projects started - BL % of projects completed # Total of projects¹

