

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee

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

Subject: Housing Collaborative Initiative (HCI) – Update

Date: May 2, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development the following actions be taken:

- a) that Civic Administration **BE DIRECTED** to bring London's implementation of the Housing Collaborative Initiative Project into alignment with City of London technology and project management best practices;
- b) the project Governance Group **BE REQUESTED** to approve a strategy outlining how future legislative changes will be addressed and communicated to the project governance team and back to City Council;
- c) the Governance Group **BE REQUESTED** to approve a revised set of project requirements to be used as the basis of all future project activity; and
- d) that Governance Group **BE REQUESTED** to provide quarterly updates to City Council until the completion of the project, and
- e) the following report on the Housing Collaborative Initiative for the implementation of an Integrated Housing Solution software system, **BE RECEIVED** for information.

Executive Summary

In 2014, the City of London entered into an agreement with seven other Service Managers¹ to procure, develop and implement a coordinated housing system. The software is intended to simplify the data entry and access to information on housing provider performances, program funding, client demographics, asset management, subsidy allocation, operational reviews along with standardizing reporting templates to the Province. The proposed software was to be developed to manage housing waitlists, rent supplements, provide a portal for housing providers, and provide reporting tools to simplify annual reporting to the Province.

The project has a complex arrangement with the eight Service Managers with varying shares of software costs based on the total number of units as of 2011. There is also a project manager funded through the arrangement that has been working on the project since 2015 and has been retained based on knowledge of the custom application through bi-annual renewals. Additionally, London & Middlesex Community Housing plays a role as the administrator of London's contract with the consultant through a shared services agreement with the City. To date the software has been partially rolled out in two of the partner municipalities: Hamilton and the Region of Waterloo. One municipality, Regional Municipality of York, has subsequently dropped out of the consortium.

In the Spring of 2023, following a local media inquiry, Civic Administration has undertaken a review of the status of the project. Several issues have been identified and based on these findings four proposed actions have been brought forward for Committee's consideration.

¹ Housing Service Manager is an organization responsible for managing the delivery of social housing programs and services to low-income individuals and families in a particular geographic area.

Linkage to the Corporate Strategic Plan

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

Housing and Homelessness

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

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

Strategies:

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

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

Well-Run City

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

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

Strategy:

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

Analysis

1.0 Discussion and Considerations

1.1 Previous Reports Related to this Matter

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

1.2 Background – 2011 to present

December 2011

As part of the Social Housing Reform Act, 2000 (Act) the new legislation required municipalities to assume responsibility for social housing programs previously administered by both the Canada Mortgage and Housing Corporation (CMHC) and the Province. At the time, there was no supporting information technology (IT) platform or

system provided to Service Managers. With the need for an information technology system, Service Managers had to develop, create, purchase IT systems or find alternative solutions in order to support their business operations.

The majority of Service Managers still use a combination of Excel, Access and Adobe PDF files to manage their information needs. The lack of a secure centralized database has exposed Service Managers and the Province to considerable risk with decentralized data, incompatibility of data formats, data integrity and weak audit trails. This non-systematic use of information reduces administrative effectiveness and capacity to manage internal and external business performance and reporting.

As the onset of the project, London was the lead municipality, and played a large role in forming a consortium of eight Service Managers, including London, Windsor, Hamilton, Waterloo, Municipality of Chatham-Kent, Region of York, Halton Region, and Ottawa. The consortium was formed under the name Housing Collaborative Initiative (HCI) to develop a custom-made Information Technology solution. A report was submitted to Council's Community Services Committee December 19, 2011, informing Council of the creation of this consortium.

NOTE: The City of London's Information Technology Services division has had limited involvement in this project and was not involved in project management or project governance. A significant recommendation in Section 4 of this report is to align the future project tasks associated with implementation to the City of London's technology and project management best practices.

April 2013 to January 2014

In April 2013, Municipal Council endorsed the collaboration and subsequently approved a financial contribution of up to \$200,000.

In January 2014, Council passed a By-law to approve the Consortium Agreement – Housing Collaborative Initiative and delegate authority to the Managing Director, Housing Social Services and Dearness Home or her/his designate to execute all further Agreements on behalf of the City of London with respect to the Housing Collaborative Initiative.

The Consortium Agreement outlined the obligations, rights and responsibilities of the Governance Group members and outlined the financial obligations of the Service Managers. Responsibility for ongoing maintenance and licensing was transferred to the Governance Group. The proposed software was to be developed to manage housing waitlists, rent supplements, provide a portal for housing providers, and provide reporting tools to simplify annual reporting to the Province.

January 2014 to January 2017

The City of London entered into the HCI Consortium Agreement, with Council's approval in January of 2014. The agreement set out the parameters of the HCI and included Regional Municipalities of York and Waterloo, Hamilton, Halton, Chatham-Kent, Ottawa, Windsor and London. London and Halton continue to act as co-chairs of Governance Group that review and approve all project decisions related to scope and cost of the software and implementation.

In February 2015, through a procurement process undertaken by the City of Ottawa to hire full-time project manager / project coordinator, BSA Consulting was selected and agreed on by the Governance Group of the HCI. A 2-year Information Technology Consulting Agreement was entered into and the activities include:

- Pre-implementation, project planning, prepare HCI environment, database setup, setup, data validation and UAT, testing and training.

In March 2015, following a competitive bid process for a software developer, Arcori was engaged to complete the project in partnership with the HCI. The HCI Agreement

includes conditions to guide the evaluation of the RFP by the Governance Group including guidance on how to assess the proposal, expectations for attendance at meetings. The HCI agreement also identified the of Region of Waterloo as the lead for the software procurement, which was carried out in alignment with their procurement rules for transparency and fairness.

A change order agreement was signed in 2016 to clarify the work associated with business process mapping and user stories of various facets of the original scope.

January 2017 to March 2023

In 2017, the City of Ottawa, Halton and Windsor hired full-time positions to support the development of the new software.

At that time, London & Middlesex Community Housing (LMCH) was providing oversight as a technical resource partner guiding the implementation of the software. With business process expertise on the day-to-day operational activities associated with waitlists and rent supplements, having LMCH guide the consultant was advantageous to the City. The shared services agreement also gave the City the ability to use any excess capacity in the BSA Consulting's professional services to support implementation within the Housing Division. This relationship will be clarified as part of the update report to Committee in Q3.

All project activities associated with the delivery of the software for each of the partners are reviewed and approved by the Governance Group of the HCI. During the period from 2017 to 2019 the Governance Group met about once a month to discuss outputs of the software development by Arcori with the guidance of BSA. At the time, many of these meetings were in-person or through teleconference. In order to provide specific guidance to the software vendor, a series of working groups were established to help focus discussions on the Rent Supplement, Waitlist, Finance and Risk Management modules of the software.

As the different modules were made available for implementation, each member of the Consortium took the software back to their respective Housing and IT departments to work through testing, align with local business processes, etc. From there, questions are brought back to the Governance Group for discussion and agreement on how to articulate challenges or issues to the vendor (Arcori). Both Hamilton and the Region of Waterloo have implemented the software to date and are actively working with it.

With the assistance of BSA, London has begun assessing a detailed testing document with many different use cases. This document is currently under review by pertinent staff in Housing Stability Services and Municipal Housing Development to understand resourcing and scope of the work.

In May of 2022, the Regional Municipality of York left the HCI. It is unclear at this time why they chose to exit the HCI and further review will be undertaken and reported to Committee.

Further review is underway to determine the scope of activities between 2020 and 2022. There is lack of readily available project management documentation related to this period.

April 2023

In April of 2023, a member of London's local media contacted the Municipal Housing Development team inquiring about the project and the overall status. This prompted the new leaders in the housing area to undertake a review on the status of the project. The preliminary findings are outlined in section 2 of this report.

2.0 Preliminary Review Findings and Identified Issues

The following section identifies the key issues and findings at this time, noting that Civic Administration intend to report back to Council on a more detailed project status in Q3 of 2023.

Issue 1: Lack of Alignment with City of London's Technology and Project Management Best Practices

Current technology projects, that Information Technology Services is aware of and involved with, undergo a thorough review and project discovery process to scope out project deliverables and ensure an appropriate governance team and a defined project schedule. As this project is being undertaken by a consortium of municipalities, led by an independent Governance Group, the current project does not align with the City of London's current approach to execute technology projects. To ensure success with London's implementation of the Housing Collaborative Initiative, the implementation of the project needs to be aligned with current technology and project management processes.

***Proposed Action 1:** Bring London's implementation of the project back into alignment with City of London technology and project management best practices.*

Issue 2: Legislative Environment Complexity

Over the progression of the project time frame there has been a substantial amount of regulatory change. These regulatory changes have led to changes to project scope and business requirements. Even if industry project management best practices were followed this project would have required significant change requests whenever new legislation was changed. In order to manage these changes effectively, industry project management best practices will ensure that project requirements and scope are addressed appropriately and communicated to the Governance Group and back to City Council.

***Proposed Action 2:** The project Governance Group approve a strategy outlining how future legislative changes will be addressed and communicated to the Governance Group and back to City Council.*

Issue 3: Complexity of the Multi-Municipal HCI Software Project

Each member of the Housing Collaborative Initiative Consortium has their own historical approach to managing housing data and their own unique internal information technology systems. Each municipality also has their own Housing Stability Plan with unique needs and targets. Working with a large group of municipalities with varying systems and priorities can be extremely challenging when creating a custom-made software product. To ensure that the project can move forward in an effective way that manages these issues and concerns it is recommended that the HCI's Governance Group revisit the original project scope and provide clear and agreed upon business requirements moving forward. These requirements would then be the basis for all future work and project management activities moving forward.

***Proposed Action 3:** Housing Collaborative Initiative Consortium Governance Group review and approve a revised set of project requirements to be used as the basis of all future project activity.*

Issue 4: Lack of Council Communication on the Status of the Project

As noted in the previous sections, the last project update on this project was submitted to Council in February 2015. In order to ensure appropriate communication to Council and ensure accountability of the Housing Collaborative Initiative Consortium Governance Group regular reporting on the status of this project is essential.

Proposed Action 4: Require reporting of the activities of the Housing Collaborative Initiative Consortium Governance Group quarterly until the completion of the project.

3.0 Financial Consideration

Project Procurement

Based on the preliminary review to date it appears that any procurements related to this project are in alignment with the City’s procurement process and policies for the selection of software and consulting services. Below is a list of the procurements to date:

- *Original Consortium Agreement*

Section 14.4 (g) of the Procurement Policy applies to the selection of the software provider under the Council approved Consortium Agreement and subsequent public procurement process run through the Region of Waterloo.

- *Project Manager Initial Assignment*

Section 14.4 (g) of the Procurement Policy applies to the selection of the Project Manager (consultant) under the Council approved Consortium Agreement and subsequent public procurement process run through the City of Ottawa.

- *Project Manager Contract Renewals*

The contract renewals are managed through the London-Middlesex Community Housing Corporation, and although the continuation of the work aligns with the City’s Procurement Policy 14.4 (d) where the consultant has intimate knowledge of a custom software system; from a City procurement perspective LMCH’s policy would apply.

Project Costs to Date

Through a high-level review of the project, the following represents costs paid through the City of London associated with the project to date.

Table 3: Project Costs to Date

Who	Output / Task	Approx. Costs London Share	HCI Total
Arcori (Software Development)	Software procurement selected through competitive process, includes hosting fees. Currently holding back a portion of the contract until project delivery.	\$226,000	\$1,970,224
Iron Mountain / NCC	Software related data storage service.	\$8,700	
BSA Consulting (Project Management)	Project coordination, management, and consulting fees (paid through LMCH). Other cities reimburse annually for their share.	Pre-2017 \$12,650 2017 – 2022 \$114,400	Pre-2017 \$115,000 2017 – 2022 \$520,000
TOTAL		\$361,750	\$2,605,224

The table above outlines a total expenditure of \$361,750 by the City of London and the total cost shared with other the HCI municipalities. A cost sharing framework was developed by the Governance Group as part of the original agreement for both the project management and software development portions of the project. Through LMCH,

London has been paying the consulting fees since 2017 with reimbursement by the other municipalities on an annual basis.

Further review is underway to confirm London's share of the total project costs and an update will be provided as part of the next project update to Committee in Q3.

4.0 Next Steps and Project Timeline

As noted in Section 3 a series of proposed actions are recommended to ensure the success of this important project.

- 1) Bring London's implementation of the Housing Collaborative Initiative Project into alignment with City of London technology and project management best practices.
- 2) Request the Governance Group approve a strategy outlining how future legislative changes will be addressed and communicated to the project governance team and back to City Council.
- 3) Request the Governance Group to approve a revised set of project requirements to be used as the basis of all future project activity.
- 4) Request the Governance Group to provide quarterly updates to City Council until the completion of the project.

Despite the challenges identified, the intended outcome of the software will add value to the administration of community and affordable housing at the City of London.

Simplifying the reporting to the Province is a big component where the information required for the Service Manager Annual Information Report can be extracted from one system as opposed to a number of different departments pulling data from a series of spreadsheets. By bringing the project into alignment with the City's various procedures and strategies, value can be added to provision of social and community housing.

The City currently has a version of the software and is undertaking preliminary assessment prior to embarking on a full testing plan. The two members of the HCI that have implemented the software, include Hamilton and the Region of Waterloo who have offered to share lessons learned on technical components of the program in support of the HCI and overall project delivery. Civic Administration will provide an update to committee in Q3 of 2023.

Conclusion

In 2014, the City of London entered into the Housing Consortium Initiative with 7 other municipalities. Since that time, the project has advanced to a point where the City of London is preparing for the testing of the software with guidance of the project coordinator selected by the HCI's Governance Group.

In the Spring of 2023, following a local media inquiry, Civic Administration has undertaken a review of the status of the project. This review has identified several issues and based on these findings four proposed actions have been brought forward for committee's consideration.

- 1) Bring London's implementation of the Housing Collaborative Initiative Project into alignment with City of London technology and project management best practices.
- 2) Request the Governance Group approve a strategy outlining how future legislative changes will be addressed and communicated to the project governance team and back to City Council.
- 3) Request the Governance Group to approve a revised set of project requirements to be used as the basis of all future project activity.
- 4) Request the Governance Group to provide quarterly updates to City Council until the completion of the project.

Civic Administration are planning an update to Council in Q3 of 2023 on the progress of the HCI, software implementation and the status of the 4 actions outlined above.

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