

The Corporation of the City of Kawartha Lakes
Agenda
Joint Social and Housing Services Advisory Committee Meeting

JAC2025-03

Tuesday, July 15, 2025

Ad-Hoc Committee Meeting - 1 - 2 PM

Electronic Participation Meeting

Members:

Mayor Bob Carter, Township of Minden Hills
Deputy Mayor Jennifer Dailoux, Township of Algonquin Highlands
Councillor Dan Joyce, City of Kawartha Lakes
Deputy Mayor Charlie McDonald, City of Kawartha Lakes
Deputy Mayor Cecil Ryall, Municipality of Highlands East
Councillor Pat Warren, City of Kawartha Lakes

Accessible formats and communication supports are available upon request. The City of Kawartha Lakes is committed to accessibility for persons with disabilities. Please contact AgendaItems@kawarthalakes.ca if you have an accessible accommodation request.

1. Call to Order
2. Adoption of Agenda
3. Disclosures of Pecuniary Interest
4. Housing Operational Review Findings and Recommendations -
Presentation
Judy Lightbound of Housing Services Corporation
5. JAC2025-14 Housing Operational Review Findings Report 3 - 72
6. Next Meeting
September 17, 2025, Minden and electronic participation
7. Adjournment

Joint Social and Housing Services Advisory Committee

REPORT JAC2025-14

Meeting Date: July 15, 2025

Meeting Time: 1:00 p.m.

Meeting Place: Electronic Video Meeting

Subject: Housing Services Operational Review Findings and Recommendations

Author Name and Title: Cheryl Faber, Director, Human Services

Recommendation(s):

That Report JAC2025-14, "Housing Services Operational Review Findings and Recommendations" Report, be received.

That the Housing Services Corporation "Housing Operational Review Findings and Recommendations" presentation as presented, be received;

That the findings of the Housing Operational Review be endorsed in order to move forward for approval to City of Kawartha Lakes Council, as the Shareholder for Kawartha Lakes Haliburton Housing Corporation; and

That upon Shareholder approval, staff be appointed to establish an implementation plan with the required resources and budget over the remainder of 2025 and into 2026 in order to follow through on the recommendations outlined in the final Operational Review report.

Director

Other

Background:

This report provides a brief overview of the Housing Services Organizational Review that Housing Services Corporation (HSC) was retained to conduct.

The review included taking a further look at the roles and responsibilities of both the City of Kawartha Lakes as Housing Services Manager (also known as the legislated Consolidated Municipal Service Manager by the province) and the Shareholder for KLHHC, as well as that of KLHHC as the Community Housing Provider. The review included the following components:

- Review the results of the implementation of the 2020 Governance and Operational Review recommendations;
- Identify what has worked well and where there have been challenges;
- Review the roles and responsibilities of both the City as Service Manager and KLHHC as Housing Provider, within the new operating framework offered by recent regulatory changes;
- Consider how best to support the strategic goals of both entities through a coordinated and integrated approach; and
- Recommend an operating structure that will best support the goals for both the City and KLHHC.

An attached presentation (Appendix A) with more information will be shared at the July 17, 2025 JAC meeting, along with the attached draft Operations Review Report (Appendix B). The recommendations provide further clarity of the needs and roles as they pertain to the Service Manager for Housing Services and their accountability for KLHHC as the Service Provider, the role of the County of Haliburton as funder / partner and City Council as the funder and the Shareholder for KLHHC.

Rationale:

Leading into this project and as confirmed through the fulsome engagement of this project, clarity around roles and responsibilities was the number one identified need for all parties involved. Confusion, overlap, lack of defined accountabilities, the need for further clarity, duplication, and more had led to inefficient operations between parties and the various roles each were accountable for. Since the 2020 Governance and Operational Review that HSC had delivered for the City at that time, much still needed to be implemented or fully administered given the fact a pandemic hit and all focus became meeting the basic needs of the most vulnerable.

By way of re-engaging HSC to conduct this Operational Review, it provided the platform to fully understand the current state and be able to outline exactly what is needed for the future state, one that is structured and designed to meet the current demands and future capacity challenges in the housing system (today and for tomorrow).

The following six (6) key findings have been identified with recommendations to be implemented in order to help bring structure, collaboration and coordination back to our Housing Services partnership between the Service Manager, KLHHC our largest housing provider, the City as the Shareholder and the County of Haliburton as a partner/funder.



The KLHHC Board met on June 4, 2025 and received the same presentation and update on the recommendations and findings of the Operational Review prepared by HSC. The following motions were put forth:

That the “Housing Services Corporation Housing Operational Review Findings and Recommendations” Report, June 2025”, be received;

That the Housing Services Corporation “Operational Review – Housing Operations: Findings and Recommendations presentation as presented, June 4, 2025” be received;

That the findings of the Operational Review presentation be endorsed in order to move forward for approval to City of Kawartha Lakes Council in Q3 (2025), as the Shareholder for KLHHC; and

That upon City approval, the Interim Chief Executive Officer / Director, Human Services staff will establish an implementation plan with the required resources and budget over the remainder of 2025 and into 2026 through the appropriate channels and will update the Board as required.

Following the KLHHC Board meeting, an update was provided to staff of the County of Haliburton. HSC provided an overview of the findings and recommendations and conversation ensued in relation to needs of the County, the funding model and obligations of the Service Manager to help inform the partnership agreement refresh as outlined in this review.

Engagement of the JAC Committee is a key step to ensure the recommendations outlined in the report align with appropriate direction moving forward. As noted in this report, the recommendation brought before JAC is similar to that brought before the KLHHC Board and would demonstrate alignment to the Shareholder.

In order to execute on these findings, Council as Shareholder needs to accept and approve the findings in order for KLHHC Staff to implement and refresh the appropriate Board By-Laws, Service Level Agreements and ensure the structure moving forward is in alignment with the Articles of Incorporation. A Shareholder meeting for KLHHC is set for July 22, 2025.

Following the discussion at the July 22, 2025 Shareholder meeting, the HSC Housing Operations Review Report will be finalized by HSC and shared accordingly.

Other Alternatives Considered:

Based on the findings and recommendations to date, further detail within an implementation plan will need to be established. This level of detail will inform the alternatives to be considered including any structural changes as required, along with the appropriate governing documentation and corresponding agreements to support the realignment.

Financial Considerations:

The completion of this project in 2025 will conclude the Operational Review special project undertaken within the Human Services Department. Should City Council as Shareholder recommend and provide final approval with the development of an implementation plan, special project financial supports will be required within the 2026 City of Kawartha Lakes budget to further operationalize the work.

Consultations:

Kawartha Lakes Haliburton Housing Corporation Board
Gary Dyke, Chief Administrative Officer, County of Haliburton
Judy Lightbound, Managing Director, Housing Services Corporation
Ron Taylor, Chief Administrative Officer, City of Kawartha Lakes
Sara Beukeboom, Director, Corporate Services, City of Kawartha Lakes

Attachments:

Attachment A Housing Services Corporation Presentation – July 2025
Attachment B HSC DRAFT Housing Operations Review Report – June 23, 2025

Director: Cheryl Faber
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E-Mail: cfaber@kawarthalakes.ca



OPERATIONAL REVIEW – HOUSING OPERATIONS

Presentation to the Joint Advisory Committee for
Housing and Social Services

July 15, 2025

Agenda

- Project Scope
- Engagement Approach & What was Heard
- Sector Scan & Summary of Best Practices
- Key Themes & Associated Actions
- Discussion of Next Steps

Project Scope

HSC has undertaken an organization review of the housing operations across both the City and KLHHC to:







- Review the results of the implementation of the 2020 Governance and Operational Review recommendations.
- Identify what has worked well and where there have been challenges.
- Review the roles and responsibilities of the City as Service Manager, City as KLHHC shareholder, and KLHHC as Housing Provider.
- Consider how best to support the housing goals of both the City and KLHHC through a coordinated and integrated approach.
- Recommend an operating structure for the housing function.

Engagement Approach

January/February
2025



April/May
2025

-  Project Launch with staff and KLHHC Board
-  Examination of Strategies, policies, reviews and draft operational documents
-  Individual Interviews – City, County & KLHHC leadership
-  Engagement Session – Management Team
-  Individual Interviews - KLHHC Board
-  Sector Scan

Staff and Board : What was Heard

CLARITY

Planning

Long-term housing system planning has not been undertaken by the City which prevents clear direction and a coordinated approach to housing development.

Role Definition

Lack of clarity on roles across the Housing Operations at KLHHC and the City;

- KLHHC as a corporate entity,
- KLHHC board of directors,
- City as Service Manager,
- City as Shareholder, and
- County as partner.

City/KLHHC Relationship

KLHHC operates as an independent agency within the City's structure, which has created an unintended barrier to collaboration and operating efficiencies.

Sector Scan

HSC held one-on-one interviews with the Director within the service manager structure responsible for housing operations in the following organizations.

- Halton Region, responsible for Halton Community Housing Corporation.
- City of London, responsible for London Middlesex Housing Corporation
- City of Peterborough, responsible for Peterborough Housing Corporation.
- Peel Region, responsible for Peel Housing Corporation.
- York Region, responsible for Housing York.

Sector Scan Summary of Best Practices

ROLE OF LHC

For all service managers interviewed, including those with an “independent” LHC (i.e., not shared staff) the role of the LHC is operationally focused with property and asset management being identified as the primary mandate. Any “strategic” discussions are focused on capital planning, asset management/maximization, resident engagement and supports. New development on behalf of the service manager is the service manager role, and is not part of the LHC mandate.

LHC BOARD

The composition of the LHC board in most cases was consistent with that of KLHHC, with City / Regional councillors appointed by the Chair to the Board.

Sector Scan Summary of Best Practices (cont'd)

FINANCIAL PLAN

Service managers have not yet developed long-term financial plans for their LHC; however, they all indicated an interest in increasing market and affordable rent options for their LHC to support sustainability, build inclusive communities and support revenue generation.

DEVELOPMENT

Dedicated service manager staff are driving new housing development, not the LHC. That includes building the pipeline of housing options, applying for funding programs, seeking partnerships and supports, building design, zoning, and pro forma development. The LHC is responsible for project management post-build where appropriate.

Sector Scan Summary of Best Practices (cont'd)

HOMELESSNESS

Service managers have not identified homelessness as a local housing waitlist priority. The LHC is being used to house those exiting from homelessness but not as a priority and primarily those with lower acuity/lower need for support services. Attention is being paid to adding/funding supports with community partners where higher acuity individuals are housed.

AGREEMENTS

All organizations interviewed have a Shareholder Direction in place with their LHC. Where LHC staff are service manager employees, there is also some form of shared services agreement in place. Some have cost charge-back mechanisms and others do not.

Key Themes & Associated Actions

1.

Develop a
Housing Plan

2.

Define the Role
of KLHHC

3.

Build Housing
Development
Capacity

4.

Confirm KLHHC's
Role in Housing
those with Complex
Care Needs

5.

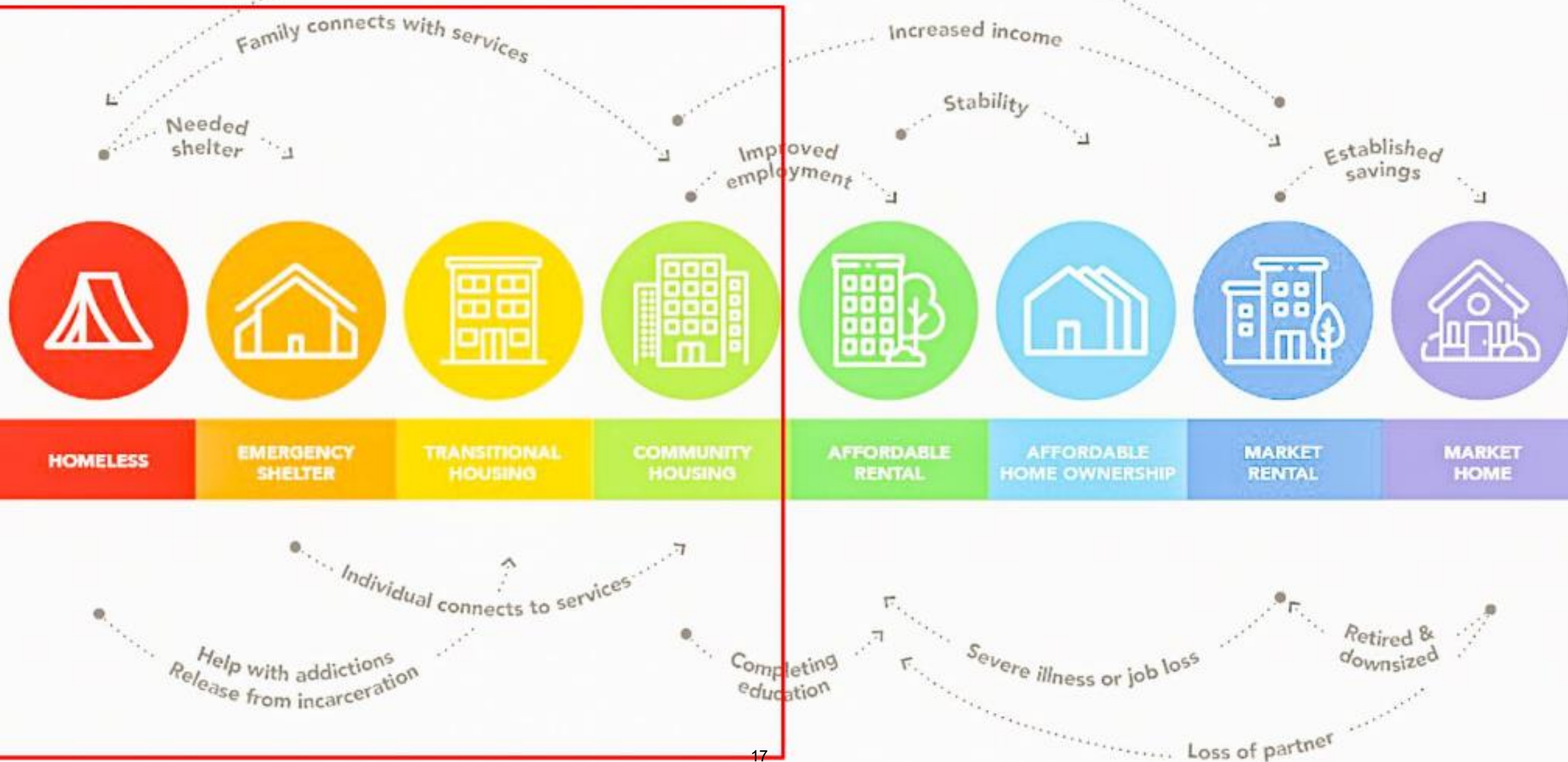
Foster
Collaboration and
Efficient Housing
Operations

6.

Engage the
County in this
Process

GOAL=
CLARITY

Focus of Housing Plan



1. Develop a Housing Plan

The Service Manager must identify the priorities it has for new development investment (i.e., emergency, transitional, community housing, affordable housing).

- Sets clear direction on the priorities for housing investment and where on the housing continuum it wishes to lead new development.
- Supports creating a long-term funding plan linked to the development priorities, including impact on tax levies, required reserves and strategy for debenturing.
- The funding plan will facilitate a conversation between the City and County on the balance between development outcomes and funding resources, based on clear roles and accountabilities.
- Council should consider creating a Housing Reserve Fund and allocating funds annually to the Reserve with the goal of having capital when needed to support developing or accessing funding to develop low-to-moderate affordable and housing options with supports.

1. Associated Actions

IDENTIFY A HOUSING PLAN: The need to set direction on priorities for new housing investment is critical and foundational.

It does not need to be a full “Plan”; can be a staff report that is developed based on the results of the Housing and Homelessness Plan refresh.

- Ensure funding opportunities are maximized.
- Align public expectations with what is achievable.
- Provide clarity to City, County and KLHHC staff.
- Ensure sufficient housing development staff capacity is built to meet Council expectations.

HOUSING RESERVE FUND: Seek Council approval to establish and annually fund a Reserve for use as capital to build low-to-moderate affordable and supportive housing.

This Reserve may take years to fully fund but establishing it now will support the achievement of the Housing Plan.

2. Define the Role of KLHHC

- There is confusion at both the Board and staff level on the City's expectations for the work of KLHHC: regarding both scope (who they house) and mandate (development and growth and/or quality of operations and asset management).
- The sector scan suggests KLHHC should be focused on delivering high quality property/asset management and resident services.
- This changes the focus of the KLHHC board from strategy and new housing development, to focusing on creating and overseeing the delivery of a capital strategy, asset management/maximization plan, preventative maintenance and contract management, resident engagement approach etc.

2. Associated Actions

CONFIRM THE KLHHC MANDATE: Confirming the role of KLHHC as “Property and Asset Manager” is a foundational piece which will allow a number of activities to be undertaken:

- Enables a review of the role, authority and structure of the KLHHC board.
- Supports discussion/decisions about filling any board vacancies (may not be necessary as may wish a smaller board).
- Update the job description for the KLHHC CEO (or equivalent) to reflect changes to KLHHC’s mandate (i.e., focus on property and asset management) and removal of the housing development-lead role.
- Supports the development of a Shareholder Direction to document the role and expectations of the Board, as well as its level of authority and how information is to be communicated both to and from KLHHC and the City.
- Facilitates a review and update of KLHHC corporate documents, i.e., the by-laws, policies, AGM standard agenda/materials, and board orientation package.

3. Build Housing Development Capacity

- There is a disconnect between the goals of the City to increase affordable and attainable housing and the organizational capacity to deliver on those goals.
- Currently, there is no department that is responsible for driving new low-end of affordable housing development.
- Pursue building housing development staff capacity within the City's Housing Operations;
 - pipeline identification and growth management,
 - funding strategies/applications aligned with City strategic plan and processes, and
 - partnership engagement to foster development.
- The City's Development Services are not able to provide the dedicated staff supports necessary to identify land, partners, funding, and design of new affordable housing or options for housing with supports.

3. Associated Actions

BUILD INTERNAL HOUSING DEVELOPMENT CAPACITY: Council has expectations with regard to new affordable housing development that cannot be achieved within the current KLHHC or City (housing or development services) staffing structure.

New City (not KLHHC) staff resource(s) are needed to build partnerships, relationships and undertake asset and land review to build a pipeline for housing development.

This pipeline will likely take years to build but the results will lead to creating a more complete housing system in the City and County, using various housing forms, subsidies and partners.

INTERNAL INTEGRATION: Using sector best practices, this role should sit within Housing Operations at the City, however, it can and should work closely with Development Services, Corporate Services, Corporate Assets and KLHHC.

Proposed Housing Development Process Map

CITY COUNCIL

- Set Housing Plan targets and priorities for the City as Service Manager.



JOINT ADVISORY COMMITTEE FOR HOUSING & SOCIAL SERVICES

- Advise on achieving the housing targets through an integrated and coordinated approach.



CITY HOUSING OPERATIONS

- Identify and deliver long-term plan to achieve Housing Plan targets and priorities.



NEW HOUSING DEVELOPMENT ROLE (CITY/SERVICE MANAGER)

Coordinate between City divisions (Development Services, Corporate Services, Corporation Assets and KLHHC) to:

- Identify a rolling pipeline and manage a growth strategy for housing (“red box”),
- Identify sites, assemble land, initiate pre-development activities (i.e., zoning, site studies),
- Explore funding strategies, identify equity contributions, and complete funding applications and proposals within the City’s priorities, policies and practices.
- Continued partnership engagement (private, social services, municipal, non-profits).



Decision Tree

City to determine the purpose for the new housing asset; emergency, transitional, supportive, deeply affordable, and/or low-moderate affordable.

City to determine which entity will own and/or property manage the housing asset (e.g., KLHHC, Non-Profit, Co-op, City, Private or Community Partner).

KLHHC to own
or property
manage new
housing .



City Housing Development Role to lead, through coordination with KLHHC and other required City partners, as appropriate:

- Undertake Proforma and identify project viability model
- Undertake community engagement
- Oversee and manage procurement
- Finalize the building design
- Confirm financing, contributing partnerships, services and/or operational partnerships
- Oversee the construction management
- Manage the Move in process
- Assume ongoing operations

4. Confirm KLHHC Role in Housing those with Complex Care Needs

- KLHHC housing assets are increasingly housing residents that have complex care needs.
- KLHHC buildings were not necessarily designed for this purpose and may lack the design features that enhance security and on-site support services key to resident success.
- KLHHC's expertise is as a property manager, not a supportive services provider, the City must invest in forming partnerships to create housing options with support for those with complex care needs (i.e., transitional and permanent housing with long-term supports).
- Until such time as new permanent housing, designed with embedded long-term supports to meet higher acuity needs, is built KLHHC must continue to be used, and its role potentially expanded.

4. Associated Actions

PROVIDE ADEQUATE SUPPORT TO KLHHC : At this time, the City needs KLHHC to play a significant role housing those with complex care needs. It is important to ensure that there is then adequate the funding for KLHHC to reflect potentially higher operating and capital costs and to allow them to hire external support services.

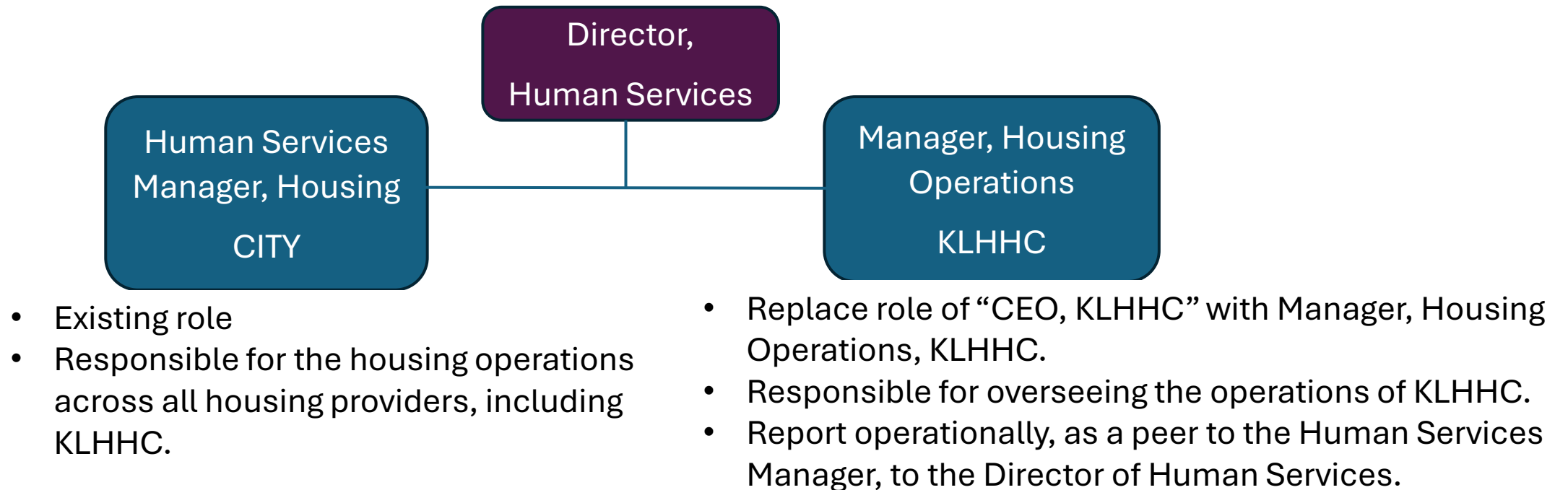
While KLHHC is playing this role, there should be no expectation that KLHHC can generate sufficient revenue to cover its costs. People with complex care needs may struggle with mental health and addictions related behaviours that can adversely impact other tenants and the property. Potential impacts include increased operating costings, insurance claims resulting in higher premiums, tenant complaints and reputational impacts which could make it challenging to fill vacancies.

5. Foster Collaboration and Efficient Housing Operations

- The City as Service Manager needs to play a stronger, more defined role with KLHHC and the County.
- Stronger strategic and operational alignment between the City and KLHHC should be built into the management model of the City.
- City must clearly articulate its reporting expectations of KLHHC to ensure it is meeting its provincial requirements.
- KLHHC's access to City services should be improved, including those provided by the service manager; i.e., community support worker.

5. Associated Actions

BUILD STRONGER ALIGNMENT THROUGH PEER-LEVEL ROLES WITHIN THE HOUSING OPERATIONS



POTENTIAL COUNCIL, COUNTY & BOARD RELATIONSHIPS

Director,
Human Services


- Reports on Housing Operations (City and KLHHC) to **Council**.
- Quarterly/semi-annually engages with the **County** staff and provides pro-active updates.
- Provides service manager updates to KLHHC **Board**.

Human Services
Manager, Housing
CITY

- Provides staff reports on City Housing and Homelessness activities to **Council**.

Manager, Housing
Operations
KLHHC

- Provides staff reports on KLHHC activities to the **Board**.
- Ensures the **Board** is meeting its legal requirements*.



FINALIZE A SERVICES AGREEMENT: Document the reporting required by the City and the services that KLHHC can expect as a division within the City. The creation of such an agreement can facilitate internal conversations to identify opportunities for improved integration of services where possible.

6. Engage the County in this Process

- The County plays a role as partner and funder to the service manager function, however their role and ability to engage with or influence activities of the service manager is unclear.
- The County currently receives limited pro-active information from the City as service manager to support such items as budget, strategy or policy decisions.
- Reviewing the results of new Housing and Homelessness Plan, and considering actions against the Themes identified in this review are opportunities to engage with the County;
 - Clarify what the City believes it must do as service manager, particularly with regard to housing development,
 - Review Housing Plan priorities, and associated funding needs,
 - Review the role of KLHHC, particularly in homelessness response (and funding needs),
 - Discuss building housing development staff capacity.

6. Associated Actions

CREATE A HOUSING SERVICES AGREEMENT: between the City as service manager and the County as partner/funder to clarify the role of the City as service manager, expectations for service delivery, note how costs are allocated to the County (both operating and capital investments), review reporting and timelines, and include the mandate of the Joint Advisory Committee for Housing and Social Services. Regularly review and update to ensure it is meeting its intended goals.

ONGOING COMMUNICATION: Identify opportunities to proactively communicate with the County on budget, strategy or policy decisions, noting the balance point between expected achievements and funding.



QUESTIONS?

Discussion of Next Steps

- Presentation of Findings Report to Council and Shareholder (July 22, 2025)
- Finalization of Implementation Plan (July 31, 2025)

OPERATIONAL REVIEW – HOUSING OPERATIONS

Summary of Findings and
Recommended Actions

DRAFT as at June 23, 2025

Land Acknowledgement

The City of Kawartha Lakes respectfully acknowledges that we are situated on Mississauga lands and the traditional territory covered by the Williams Treaties.

We are grateful for the opportunity to work here, and we thank all the generations of people who have taken care of this land - for thousands of years. We recognize and deeply appreciate their historic connection to this place. We also recognize the contributions of Métis, Inuit, and other Indigenous peoples, both in shaping and strengthening this community and country as a whole. This recognition is connected to our collective commitment to make the promise and the challenge of Truth and Reconciliation real in our community.

Acknowledgements

The Operational Review-Housing Operations has been undertaken on behalf of the City of Kawartha Lakes. This document is the result of a collaborative process and would not have been possible without the active involvement of the City's leadership and management teams, the members of the Kawartha Lakes and Haliburton Housing Corporation ('KLHHC') Board of Directors, management team and staff, and the staff and leadership at the County. The findings were also support by the sector peers who participated in the sector scan. We thank all who participated by making the time to share their perspective. Each person played an important role in shaping the findings and the recommendations.

Table of Contents

Project Overview	5-6
Project Scope	7
Context	8
Engagement Approach	9
Staff and Board – What We Heard	10
Sector Scan	11-13
Key Themes and Associated Actions	14-36
Looking Forward	37

Project Overview

Background

In 2020, Housing Services Corporation (“HSC”) was engaged by the Kawartha Lakes and Haliburton Housing Corporation (“KLHHC”) to undertake a Governance and Operational Review with the goal to:

- Review the corporate structure, operations and governance of KLHHC to ensure that these structures were aligned to support the achievement of the corporation’s Strategic Plan (2020-2029).
- Ensure KLHHC had the necessary organizational and governance structure to support driving an ambitious goal to double the number of units it owns and manages within 10 years; and to diversify and expand its business offerings.
- Make recommendations based on good practice, policy, process and system improvements.

In 2020, KLHHC was facing a change in leadership and there was a strong interest in making final recommendations that ensured that the corporation was appropriately structured to see the achievement of the Strategic Plan through this transition.

Project Overview

Context

Several significant events have taken place since the completion of the Governance and Operational Review in 2020, most notably the development by the City of Kawartha Lakes (the “City”) of an updated Housing and Homelessness Plan which will identify housing targets and goals for 2025-2030.

Project Scope

HSC has undertaken an organization review of the housing operations across both the City and KLHHC to:

- Review the results of the implementation of the 2020 Governance and Operational Review recommendations.
- Identify what has worked well and where there have been challenges.
- Review the roles and responsibilities of the City as Service Manager, City as KLHHC shareholder, and KLHHC as Housing Provider.
- Consider how best to support the housing goals of both the City and KLHHC through a coordinated and integrated approach.
- Recommend an operating structure for the housing function.

Context

Roles and Responsibilities

The devolution of community housing to the municipal level in 2002 has established defined roles and responsibilities of the City as Service Manager, KLHHC as a local housing corporation and the City as the sole shareholder of KLHHC.

Service Manager	Local Housing Corporation	Sole Shareholder
<p>Responsible for the funding and administration of the housing system under the Housing Services Act, 2011.</p> <p>A Service Manager must:</p> <ul style="list-style-type: none">• Develop a 10-year Housing and Homelessness Plan.• Meet provincially set service level standards for # of RGI and modified units.• Provide Service Manager Annual Information Return to the province.• Manage the wait list system.• Ensure RGI compliance.• Provide the LHC with “sufficient” funding to provide RGI units and maintain a “satisfactory” state of repair.	<p>Formed when the historic Ontario Housing Corporation portfolio of public housing was devolved and 47 LHCs were created.</p> <ul style="list-style-type: none">• LHCs are incorporated under the Ontario Business Corporations Act.• This housing stock was transferred to the Service Managers with no capital reserves• LHCs are mandated to provide as many 100% RGI units “as possible”.• LHCs do not have mortgages but federal/provincial debentures.• No funding formula is in place for LHCs, often funded based on subsidy to cover the operating deficit.	<p>The City is the sole shareholder of the LHC. As such, it is responsible for:</p> <ul style="list-style-type: none">• Ensuring OBCA compliance.• Reviewing and approving financial statements.• Holding an annual shareholder meeting.• Appointing the corporate auditor.• Approval of by-laws.• Adherence to any Shareholder Direction in place.

Engagement Approach

January/February
2025



April/May
2025



Project Launch with staff and KLHHC Board



Examination of Strategies, policies, reviews and draft operational documents



Individual Interviews – City, County & KLHHC leadership



Engagement Session – Management Team



Individual Interviews - KLHHC Board



Sector Scan

Staff and Board : What was Heard

CLARITY

PLANNING

Long-term housing system planning has not been undertaken by the City which prevents clear direction and a coordinated approach to housing development.

ROLE DEFINITION

Lack of clarity on roles across the Housing Operations at KLHHC and the City;

- KLHHC as a corporate entity,
- KLHHC board of directors,
- City as Service Manager,
- City as Shareholder, and
- County as partner.

CITY/KLHHC RELATIONSHIP

KLHHC operates as an independent agency within the City's structure, which has created an unintended barrier to collaboration and operating efficiencies.

Sector Scan

HSC held one-on-one interviews with the Director within the service manager structure responsible for housing operations in the following organizations.

- Halton Region, responsible for Halton Community Housing Corporation.
- City of London, responsible for London Middlesex Housing Corporation
- City of Peterborough, responsible for Peterborough Housing Corporation.
- Peel Region, responsible for Peel Housing Corporation.
- York Region, responsible for Housing York.

Sector Scan - Observations

ROLE OF LHC

For all service managers interviewed, including those with an “independent” LHC (i.e., not shared staff) the role of the LHC is operationally focused with property management being identified as the primary mandate. Any “strategic” discussions are focused on capital planning, asset management/ maximization, resident engagement and supports. New development on behalf of the service manager is not part of the LHC mandate.

FINANCIAL PLAN

Service managers have not yet developed long-term financial plans for their LHC; however, they all indicated an interest in increasing market and affordable rent options for their LHC to support sustainability, build inclusive communities and support revenue generation.

DEVELOPMENT

Dedicated service manager staff are driving new housing development, not the LHC. That includes building the pipeline of housing options, applying for funding programs, seeking partnerships and supports, building design, zoning, and pro forma development. The LHC is responsible for project management post-build where appropriate.

AGREEMENTS

All organizations interviewed have a Shareholder Direction in place with their LHC. Where LHC staff are service manager employees, there is also some form of shared services agreement in place. Some have cost charge-back mechanisms and others do not.

Sector Scan - Observations

LHC BOARD

The composition of the LHC board in most cases was consistent with that of KLHHC, with City / Regional councillors appointed by the Chair to the Board.

SERVICE MANAGER REPORTING

Service managers are not doing operational reviews of their LHCs but are receiving Annual Information Returns (AIRs), financial reporting (i.e., bad debt, arrears, vacancy, subsidy reconciliation etc.) from their LHC regularly.

HOMELESSNESS

Service managers have not identified homelessness as a local housing priority. The LHC is being used to house those exiting from homelessness but not as a priority and primarily those with lower acuity/lower need for support services. Attention is being paid to adding/funding supports where higher acuity individuals are housed.

DEDICATED HOMELESSNESS SUPPORT

Staff in the service manager housing department are dedicated to work closely with those operating in the homelessness space to link services, maximize funding and support access to housing solutions (not all of which are service manager delivered housing options).

Key Themes & Associated Actions

1.

Develop a
Housing Plan

2.

Define the Role
of KLHHC

3.

Build Housing
Development
Capacity

4.

Confirm KLHHC's
Role in Housing
those with Complex
Care Needs

5.

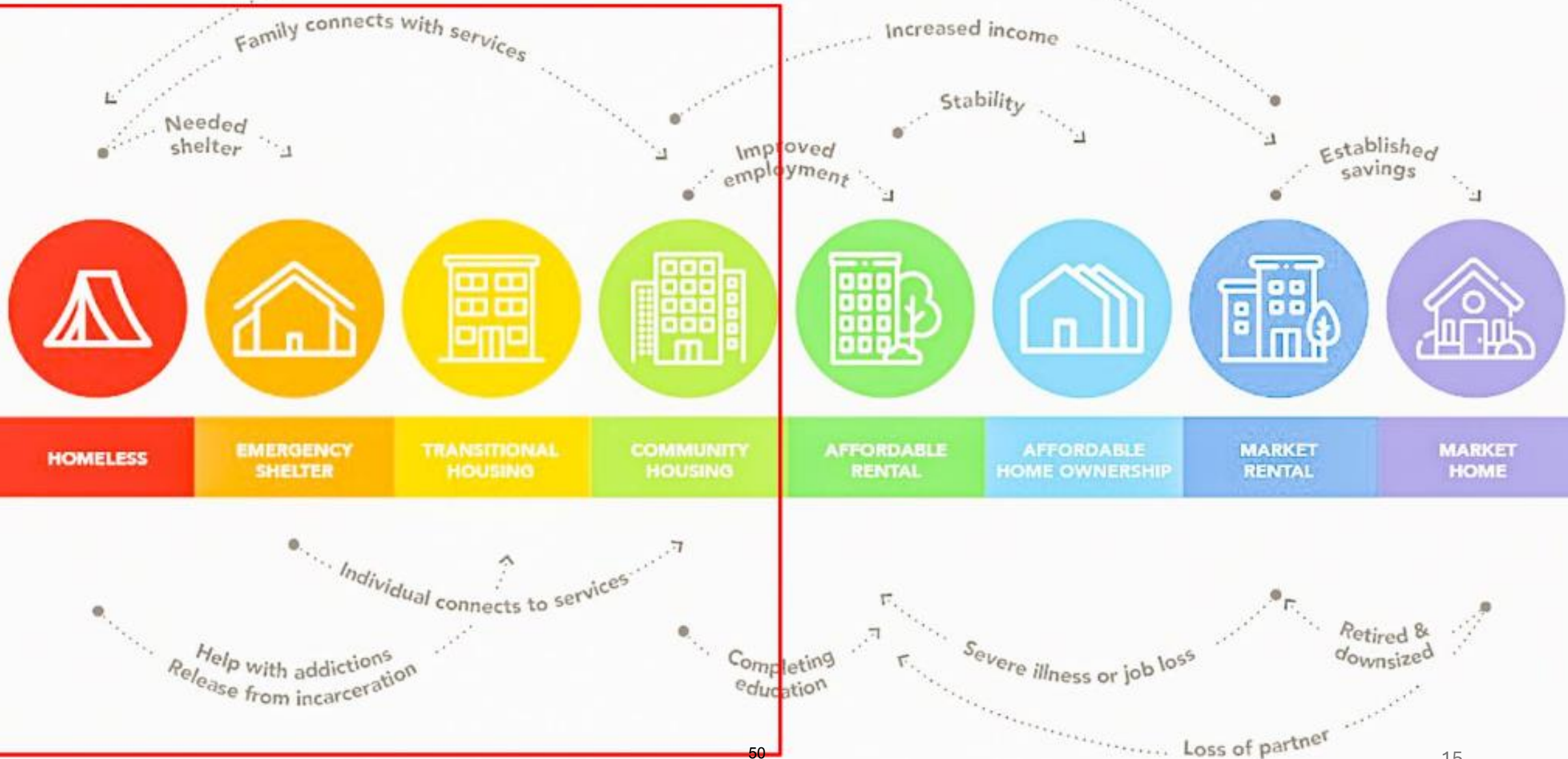
Foster
Collaboration and
Efficient Housing
Operations

6.

Engage the
County in this
Process

**GOAL=
CLARITY**

FOCUS OF HOUSING PLAN



1. Develop a Housing Plan

The Service Manager must identify the priorities it has for new development investment (i.e., emergency, transitional, community housing, affordable housing).

- Sets clear direction on the priorities for housing investment and where on the housing continuum it wishes to lead new development.
- Supports creating a long-term funding plan linked to the development priorities, including impact on tax levies, required reserves and strategy for debenturing.
- The funding plan will facilitate a conversation between the City and County on the balance between development outcomes and funding resources, based on clear roles and accountabilities.
- Council should consider creating a Housing Reserve Fund and allocating funds annually to the Reserve with the goal of having capital when needed to support developing or accessing funding to develop low-to-moderate affordable and housing options with supports.

1. Associated Actions

IDENTIFY A HOUSING PLAN: The need to set direction on priorities for new housing investment is critical and foundational.

It does not need to be a full “Plan”; can be a staff report that is developed based on the results of the Housing and Homelessness Plan refresh.

- Ensure funding opportunities are maximized.
- Align public expectations with what is achievable.
- Provide clarity to City, County and KLHHC staff.
- Ensure sufficient housing development staff capacity is built to meet Council expectations.

HOUSING RESERVE FUND: Seek Council approval to establish and annually fund a Reserve for use as capital to build low-to-moderate affordable and supportive housing.

This Reserve may take years to fully fund but establishing it now will support the achievement of the Housing Plan.


2. Define the Role of KLHHC

- There is confusion at both the Board and staff level on the City's expectations for the work of KLHHC: regarding both scope (who they house) and mandate (development and growth and/or quality of operations and asset management).
- The sector scan suggests KLHHC should be focused on delivering high quality property/asset management and resident services.
- This changes the focus of the KLHHC board from strategy and new housing development, to focusing on creating and overseeing the delivery of a capital strategy, asset management/maximization plan, preventative maintenance and contract management, resident engagement approach etc.

2. Associated Actions

CONFIRM THE KLHHC MANDATE: Confirming the role of KLHHC as “Property and Asset Manager” is a foundational piece which will allow a number of activities to be undertaken:

- Enables a review of the role, authority and structure of the KLHHC board.
- Supports discussion/decisions about filling any board vacancies (may not be necessary as may wish a smaller board).
- Update the job description for the KLHHC CEO (or equivalent) to reflect changes to KLHHC’s mandate (i.e., focus on property and asset management) and removal of the housing development-lead role.
- Facilitates a review and update of KLHHC corporate documents, i.e., the by-laws, policies, AGM standard agenda/materials, and board orientation package.



SHAREHOLDER DIRECTION: Once a decision is made about the City both KLHHC and the board, it is critical that this be documented to ensure consistent understanding by all parties. The creation of a Shareholder Direction is recommended to identify the role and expectations of the Board, as well as its level of authority and how information is to be communicated both to and from KLHHC and the City.

3. Build Housing Development Capacity

- There is a disconnect between the goals of the City to increase affordable and attainable housing and the organizational capacity to deliver on those goals.
- Currently, there is no department that is responsible for driving new low-end of affordable housing development.
- Pursue building housing development staff capacity within the City's Housing Operations;
 - pipeline identification and growth management,
 - funding strategies/applications aligned with City strategic plan and processes, and
 - partnership engagement to foster development.
- The City's Development Services are not able to provide the dedicated staff supports necessary to identify land, partners, funding, and design of new affordable housing or options for housing with supports.

3. Associated Actions

BUILD INTERNAL HOUSING DEVELOPMENT CAPACITY: Council has expectations with regard to new affordable housing development that cannot be achieved within the current KLHHC or City (housing or development services) staffing structure.

New City (not KLHHC) staff resource(s) are needed to build partnerships, relationships and undertake asset and land review to build a pipeline for housing development.

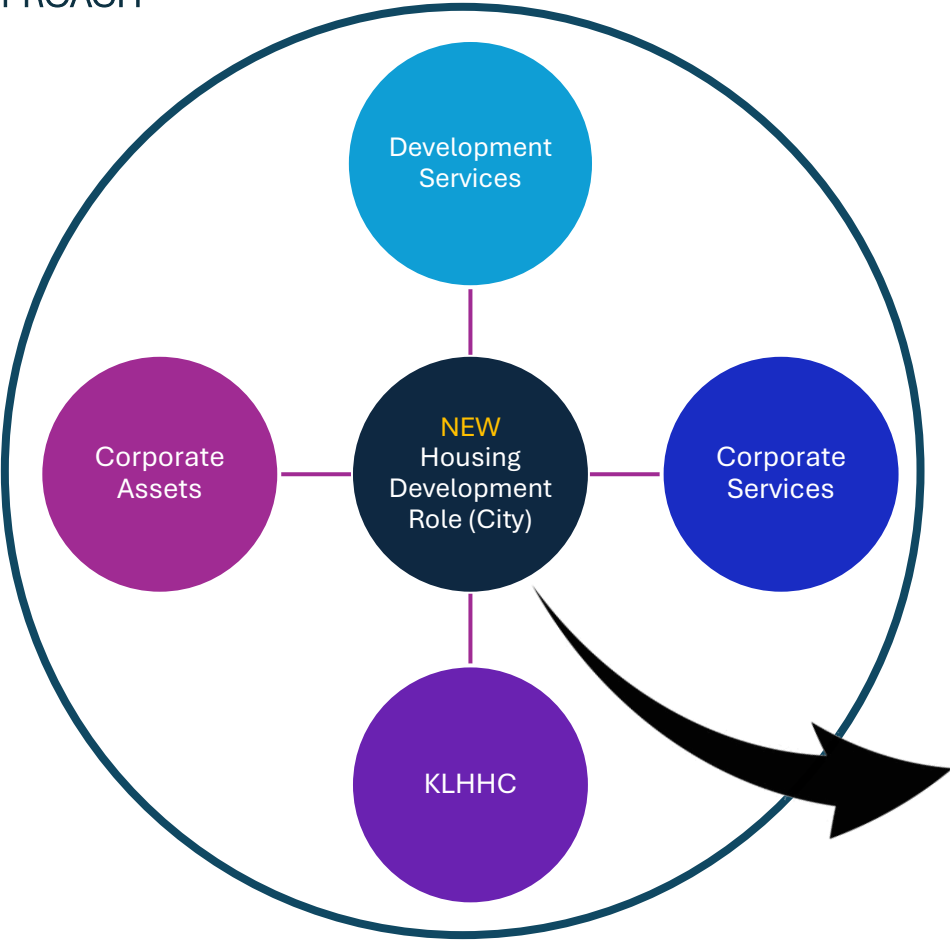
This pipeline will likely take years to build but the results will lead to creating a more complete housing system in the City and County, using various housing forms, subsidies and partners.

INTERNAL INTEGRATION: Using sector best practices, this role should sit within Housing Operations at the City, however, it can and should work closely with Development Services, Corporate Services, Corporate Assets and KLHHC.

Proposed Housing Development Process Map



COORDINATED
“HUB AND
SPOKE”
APPROACH



NEW HOUSING DEVELOPMENT ROLE
(CITY/SERVICE MANAGER)

Coordinate between City divisions to:

- Identify a rolling pipeline and manage a growth strategy for housing (“red box”),
- Identify sites, assemble land, initiate pre-development activities (i.e., zoning, site studies),
- Explore funding strategies, identify equity contributions, and complete funding applications and proposals within the City’s priorities, policies and practices.
- Continued partnership engagement (private, social services, municipal, non-profits)



Once a site has been identified and necessary zoning and site studies are completed and potential funding sources are identified, then the **City to determine the purpose for the new housing asset**; emergency, transitional, supportive, deeply affordable, and/or low-moderate affordable.



Based on site use, partner opportunities and funding strategies, the **City to determine which entity will own and/or property manage the housing asset** (e.g., KLHHC, Non-Profit, Co-op, City, Private or Community Partner).



IF KLHHC OWNERSHIP or
PROPERTY MANAGEMENT IS
DETERMINED THEN:

Future KLHHC
Housing
Development
Activities



City Housing Development Role to lead, through coordination with KLHHC and other required City partners, as appropriate:

- Undertake Proforma and identify project viability model
- Undertake community engagement
- Oversee and manage procurement
- Finalize the building design
- Confirm financing, contributing partnerships, services and/or operational partnerships
- Oversee the construction management
- Manage the Move in process
- Assume ongoing operations

4. Confirm KLHHC Role in Housing those with Complex Care Needs

- KLHHC housing assets are increasingly housing residents that have complex care needs.
- KLHHC buildings were not necessarily designed for this purpose and may lack the design features that enhance security and on-site support services key to resident success.
- KLHHC's expertise is as a property manager, not a supportive services provider, the City must invest in forming partnerships to create housing options with support for those with complex care needs (i.e., transitional and permanent housing with long-term supports).
- Until such time as new permanent housing, designed with embedded long-term supports to meet higher acuity needs, is built KLHHC must continue to be used, and its role potentially expanded.

4. Associated Actions

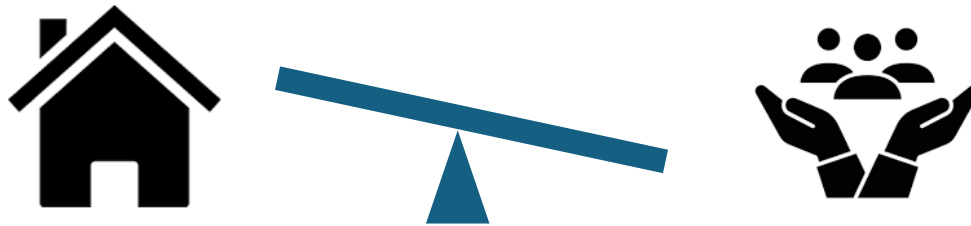
IDENTIFY LONG-TERM ROLE FOR KLHHC: The sector scan suggests a growing desire in the housing sector to foster more LHC financial self-sustainability by increasing the number of market/affordable units to, in effect, self-subsidize the RGI units over time. However, this cannot be the case or the expectation of KLHHC are increasingly housing those with complex care needs.

The City must use KLHHC because sufficient transitional and permanent housing with long-term supports does not exist in the City or County to meet existing need. However, as investments are made in partnering to develop more permanent housing solutions with long-term resident support services, a balance between low-end of affordable housing and housing with supports can be achieved.

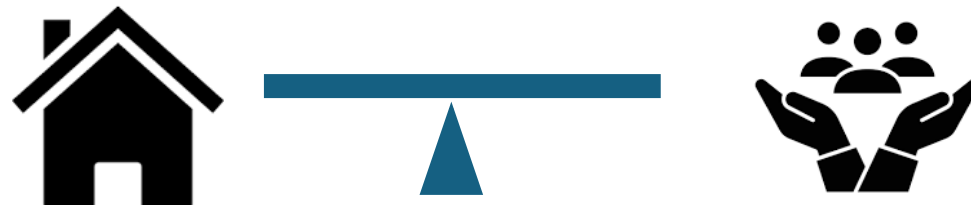
The City must determine, and communicate, to KLHHC what the long-term role for KLHHC will be in housing those with complex care needs.

Housing those with Complex Care Needs

The **CURRENT MODEL** is heavily reliant on KLHHC due to limited options for permanent housing with supports in the City or County to meet need.



However, as investments are made in partnering to develop more dedicated and supported housing options, a closer **BALANCE** between low-end of affordable housing and housing with supports can be achieved



People housed in the right place, with the right supports at the right affordability level

PROVIDE ADEQUATE SUPPORT TO KLHHC : At this time, the City needs KLHHC to play a significant role housing those with complex care needs. It is important to ensure that there is then adequate the funding for KLHHC to reflect potentially higher operating and capital costs and to allow them to hire external support services.

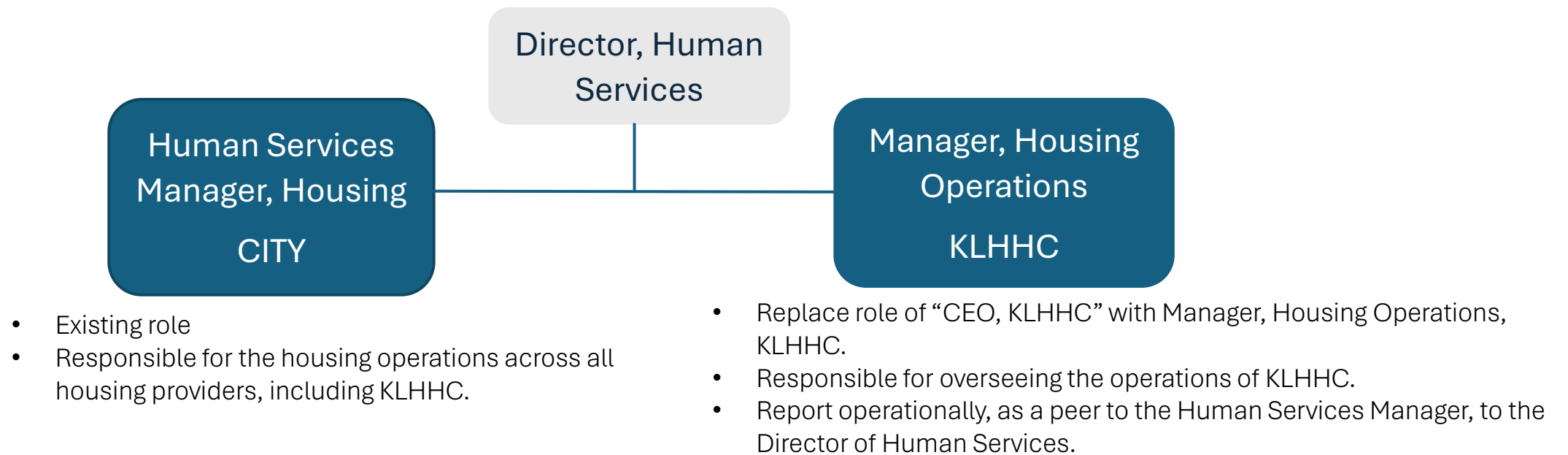
While KLHHC is playing this role, there should be no expectation that KLHHC can generate sufficient revenue to cover its costs. People with complex care needs may struggle with mental health and addictions related behaviours that can adversely impact other tenants and the property. Potential impacts include increased operating costings, insurance claims resulting in higher premiums, tenant complaints and reputational impacts which could make it challenging to fill vacancies.

5. Foster Collaboration and Efficient Housing Operations

- The City as Service Manager needs to play a stronger, more defined role with KLHHC and the County.
- Stronger strategic and operational alignment between the City and KLHHC should be built into the management model of the City.
- City must clearly articulate its reporting expectations of KLHHC to ensure it is meeting its provincial requirements.
- KLHHC's access to City services should be improved, including those provided by the service manager; i.e., community support worker as well as City corporate support, i.e., IT, City Clerk, Finance and Risk Management

5. Associated Actions

BUILD STRONGER ALIGNMENT THROUGH PEER-LEVEL ROLES WITHIN THE HOUSING OPERATIONS



POTENTIAL COUNCIL, COUNTY & BOARD RELATIONSHIPS

Director,
Human Services

- Reports on Housing Operations (City and KLHHC) to **Council**.
- Quarterly/semi-annually engages with the **County** staff and provides pro-active updates.
- Provides service manager updates to KLHHC **Board**.

Human Services
Manager, Housing
CITY

- Provides staff reports on City Housing and Homelessness activities to **Council**.

Manager, Housing
Operations
KLHHC

- Provides staff reports on KLHHC activities to the **Board**.
- Ensures the **Board** is meeting its legal requirements*.

CREATE A DEFINED REPORTING STRUCTURE: KLHHC staff currently report operational information to the KLHHC board but must also begin to share information such as the Annual Information Return (AIR) to the service manager. The City must establish clear expectations with regard to the type of reporting required, when and why.

FINALIZE A SERVICES AGREEMENT: Document the reporting required by the City and the services that KLHHC can expect as a division within the City. The creation of such an agreement can facilitate internal conversations to identify opportunities for improved integration of services where possible.

6. Engage the County in this Process

- The County plays a role as partner and funder to the service manager function, however their role and ability to engage with or influence activities of the service manager is unclear.
- The County currently receives limited pro-active information from the City as service manager to support such items as budget, strategy or policy decisions.
- Reviewing the results of new Housing and Homelessness Plan, and considering actions against the Themes identified in this review are opportunities to engage with the County;
 - Clarify what the City believes it must do as service manager, particularly with regard to housing development,
 - Review Housing Plan priorities, and associated funding needs,
 - Review the role of KLHHC, particularly in homelessness response (and funding needs),
 - Discuss building housing development staff capacity.

6. Associated Actions

CREATE A HOUSING SERVICES AGREEMENT: between the City as service manager and the County as partner/funder to clarify the role of the City as service manager, expectations for service delivery, note how costs are allocated to the County (both operating and capital investments), review reporting and timelines, and include the mandate of the Joint Advisory Committee for Housing and Social Services. Regularly review and update to ensure it is meeting its intended goals.

ONGOING COMMUNICATION: Identify opportunities to proactively communicate with the County on budget, strategy or policy decisions, noting the balance point between expected achievements and funding.

Looking Forward

The City of Kawartha Lakes is poised to set a new vision and develop outcomes for the housing and homelessness system through the creation of a new ten-year plan. It is therefore timely to consider the roles that the City and County can play in setting a strategy to meet future housing need, the role that the Service Manager plays as housing system manager, and the role that KLHHC plays as the largest housing provider in the City and County. The Operational Review – Housing Operations has considered feedback from impacted staff, board members and senior leaders and has explored best practices from across the sector. The recommendations outlined in the Review are intended to be practical, achievable and reflective of the challenges and opportunities that currently exist. Implementation considerations form the basis of next steps with the goal to redefine and refine the housing operations activities across the City and KLHHC to ensure that housing goals are not only met but met by the organization best positioned to achieve the goal.

The overall goal of this work is to ensure staff within the City and KLHHC have clarity in their priorities and their roles, so that they can work collaboratively and cooperatively to build a strong housing system that meets the needs of City of Kawartha Lake and County of Haliburton residents.