



# **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.

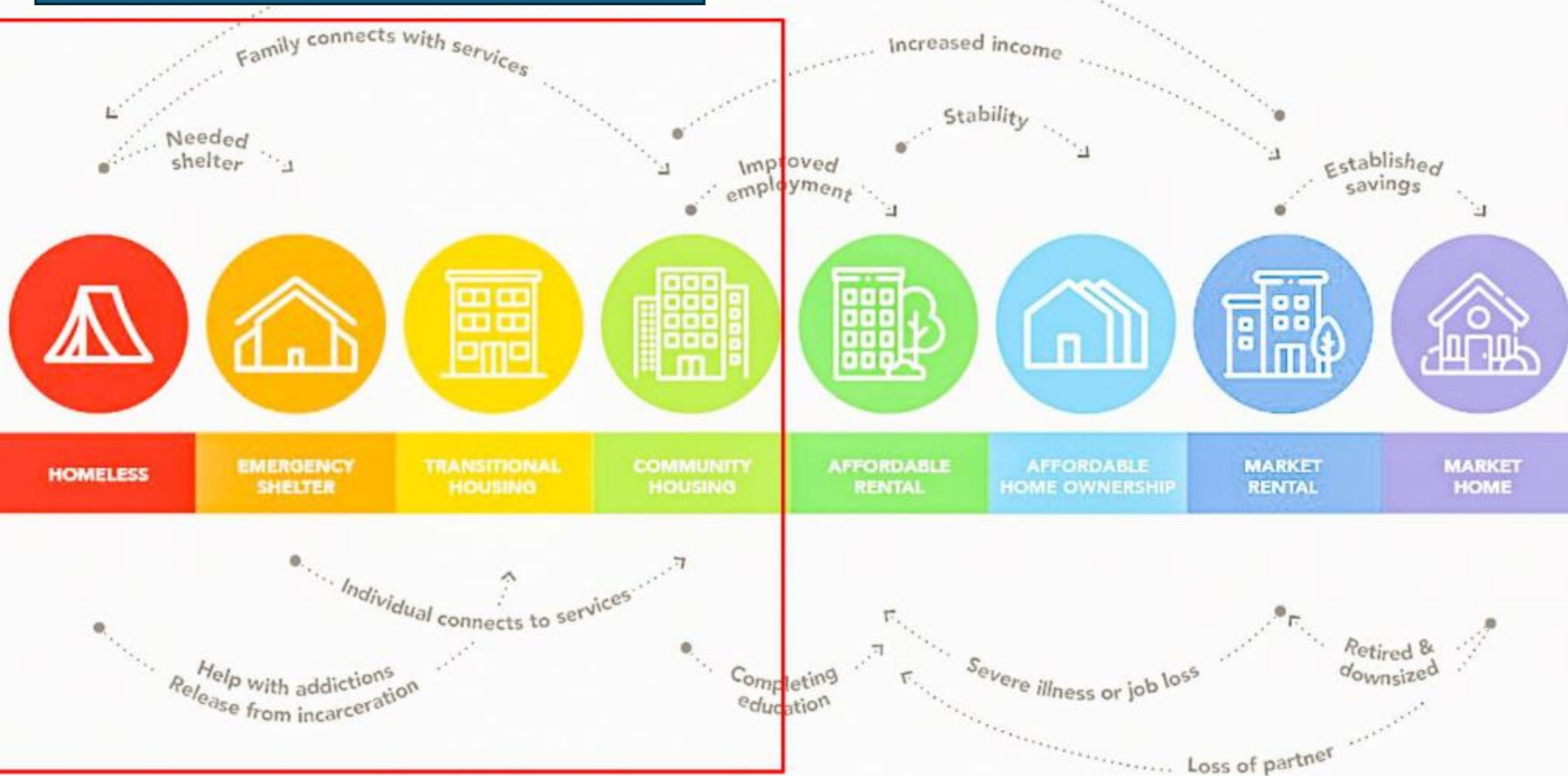
Foster  
Collaboration and  
Efficient Housing  
Operations

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

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## 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.

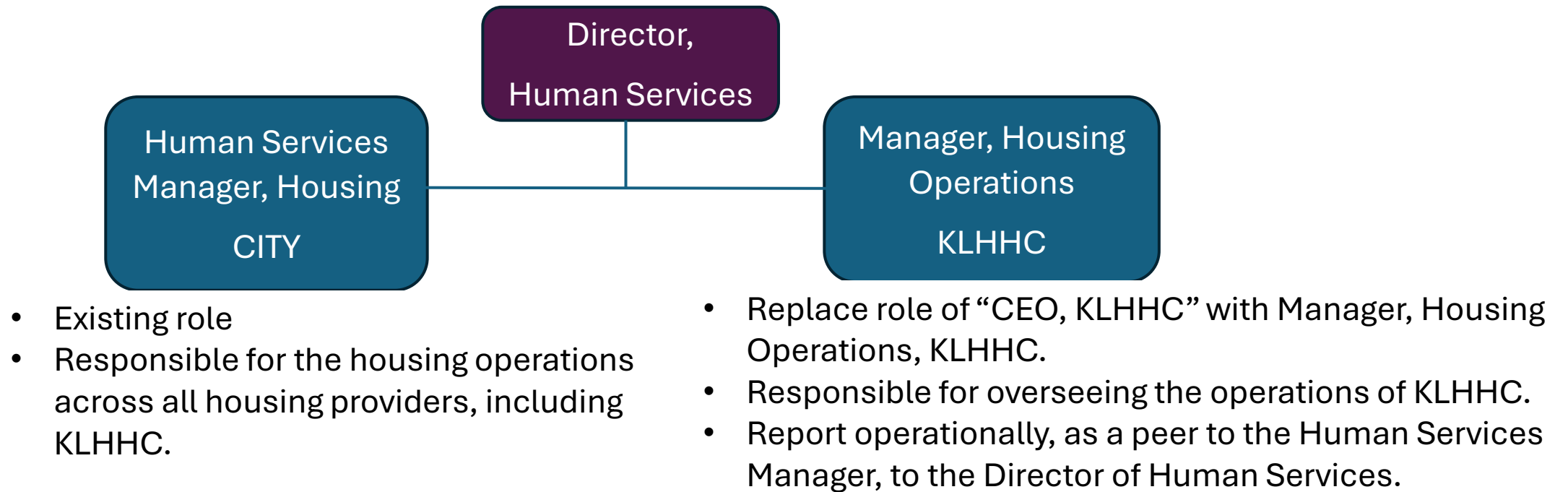
# 5. Foster Collaboration and Efficient Housing Operations

- 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)

