



<b>TO:</b>	<b>CHAIR AND MEMBERS COUNCIL HOUSING LEADERSHIP COMMITTEE MEETING ON APRIL 3, 2014</b>
<b>FROM:</b>	<b>SANDRA DATARS BERE, MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES, AND DEARNESS HOME</b>
<b>SUBJECT:</b>	<b>A (DRAFT) BUSINESS PLAN FOR A HOUSING DEVELOPMENT CORPORATION (HDC)</b>

**RECOMMENDATION**

That, on the recommendation of the Director of Housing, with the concurrence of the Managing Director of Housing, Social Services, and Dearness Home, the following actions be taken with respect to a proposed Housing Development Corporation (HDC):

- a) the attached *A (Draft) Business Plan for a Housing Development Corporation for the City of London* **BE RECEIVED**; and
- b) Civic Administration **BE DIRECTED** to meet with key stakeholders engaged in affordable housing development to inform a final business plan which will be referred back to Council Housing Leadership Committee at its meeting of May 12, 2014.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

In January, 2013, Municipal Council approved a recommendation from Council Housing Leadership Committee (CHLC), through Community and Protective Services (CPS), to explore the viability of creating an independent housing development corporation (HDC) to advance outcomes related to affordable housing.

SHS Consulting was recruited in June 2013 and an internal corporate resource team was established to help guide the project. In September 2013, SHS Consulting and partner organizations provided an update on the scope, practices in other jurisdictions, and parameters and issues related to affordable housing development.

In November 2013, CHLC received an interim report confirming the need for more affordable housing development and outlining specific considerations and options for an HDC approach.

The proposed HDC plan is identified in the *Homeless Prevention and Housing Plan 2010-2024* as a mechanism to achieve objectives within the *London Community Housing Strategy, 2010*.

*Note: Due to timing, this report and attached business plan are being concurrently submitted to Council Housing Leadership Committee (April 3, 2014) and Community and Protective Services Committee (April 7, 2014).*

**BACKGROUND**

**An HDC:**

A housing development corporation (HDC) is an independently incorporated entity, typically positioned to work with the private sector and with government to advance housing development strategies and actions within a geographical region.



**Attached Report:**

***A (Draft) Business Plan for Housing Development Corporation for the City of London***

The attached business plan highlights the case for an HDC based on the needs, capacity, and value proposition related to the creation of more affordable housing stock throughout London, regeneration of public housing, and increasing the sustainability of related resources.

The proposed HDC plan is one of many strategies addressing affordable housing needs. It is focused on responding to the growing need for available affordable housing throughout London.

**Affordable Housing Actions and Ongoing Needs:**

London has been a leader in the creation of new affordable rental stock through a variety of municipal/ provincial/federal programs and funding - administered through Housing Division as the Service Manager. Recognizing this work, the need for an HDC to further advance development of new affordable housing rental units in London is based on:

- London's growth, especially within populations in affordable housing need;
- Low vacancy rates, especially within housing stock at or below average market rents;
- Minimal development of low cost market rent units (outside of City incentive programs);
- The need to rehabilitate public housing sites and potentially assist social housing providers in their related redevelopment plans; and
- The need for focused and sustained competency, capacity, and tools related to affordable housing development across London.

**Legislative and Local Policy Context:**

The use of a municipal corporation to advance affordable housing development is recognized within provincial affordable housing options and guidelines. The governance conditions, mandate, and tools would need to conform within the associated corporations act and relevant sections of the Housing Services Act, 2011. An HDC would be bound by the Municipal Act as it relates to the creation of development corporations, special purpose/subsidiary bodies, and capital facilities agreements.

The City's Municipal Procedures By-law as well as service arrangements used with other agencies, boards, and commissions would similarly apply to the HDC. The role of the City as Service Manager would remain intact with only those activities related to housing development being independently managed through the proposed HDC.

**Alignment with Public/Social Housing Redevelopment:**

On February 27, 2014 the Board of London & Middlesex Housing Corporation (LMHC) directed that a strategic project be initiated to plan their long term and staged redevelopment of aging housing complexes. This work would be done in partnership with the City as supported through the proposed HDC mandate, plan, and development tools.

Such work of a proposed HDC could also support other social housing providers interested in exploring regeneration opportunities. These actions are included within the proposed HDC plan and are aligned within the broader role, targets, and competencies of an HDC.

**Next Steps:**

The following are the next steps in the HDC project plan:

1. Review the draft business plan with select sector and agency lead stakeholders;
2. Define implementation details needed to create an HDC;
3. Report back to CHLC on May 12, 2014 with a final report and HDC business plan; and
4. Subject to Municipal Council approval in June 2014, implement an HDC.\*

\* Implementation details will be further described as part of the May 12 report and final plan.



**HDC Implementation Considerations:**

The draft HDC plan identifies a start-up period aligned with anticipated Provincial/Federal funding. It also recommends a transitional period and project framework to support implementation activities such as developing articles of incorporation, establishing a shareholder direction/accountability rules, recruiting board members, and creating the initial business tools and administrative practices.

**Financial and Service Considerations:**

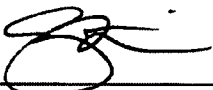

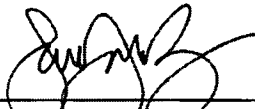
The attached draft plan reflects no municipal funding implications related to the 2014 approved budget. Proposed incentives within the plan are based on the advancement of tools currently used in London and other jurisdictions. The initial role of the HDC will be to work with implementation teams on detailed plans and projections based on current pro-forma estimates.

**Conclusion:**

The proposed HDC plan establishes the tools, capacity, and organizational independence required by an HDC to deliver on its mandate. It respects the City's role as Service Manager and as shareholder. Although the activities of an HDC will vary based on local projects, priorities, and opportunities; the proposed HDC plan is focused on the desired outcome - developing new affordable housing throughout London.

**Acknowledgement:**

The attached business plan acknowledges the dedicated support and guidance provided by community stakeholders, other local jurisdiction representatives, the consulting team, and the Corporate Resource Committee (CRC). Membership of the CRC was identified by the Senior Leadership Team and its delegates. Members are identified in the attached plan.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
	
<b>STEPHEN GIUSTIZIA MANAGER, HOUSING SERVICES</b>	<b>LOUISE STEVENS DIRECTOR, MUNICIPAL HOUSING</b>
	<b>CONCURRED BY:</b>   <b>SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING AND SOCIAL SERVICES AND DEARNESS HOME</b>

**Attachment: A (Draft) Business Plan for a Housing Development Corporation for the City of London**

- C. Corporate Resource Committee  
Senior Leadership Team