

REGENERATION

HOUSING OUR FUTURE | JUNE 2019



LONDON & MIDDLESEX COMMUNITY HOUSING

Defining our vision, goals and principles to improve
and grow sustainable community housing

DEFINING REGENERATION

Our regeneration strategy is the future of social housing: moving away from the divested, unsustainable, and stigmatized concept to create a strengthened and sustainable community housing system. LMCH's regeneration strategy reimagines community housing to include a range of housing options for those living in the gaps of conventional housing markets, and provides sustainable social supports to improve community outcomes for more residents. Community housing can expand beyond the strictly defined rent-geared-to-income (RGI) social housing to include supportive, modernized, social and affordable rental housing.

Regeneration means we have the ability to support those who are the most vulnerable and are seeking long-term shelter, to those seeking affordable home ownership. A new, more diverse portfolio of housing types can create new opportunities for choice, community building and societal inclusion. Stable, supportive and inclusive housing provides residents with a solid foundation that encourages and maximizes positive citizen engagement. Urban regeneration inherently generates a unique opportunity for community housing providers, such as LMCH, to create homes, community and belonging for people with diverse needs.

For LMCH, regeneration is defined in two ways:

Social Revitalization: Engages and supports tenants. Transitions buildings into more supportive and inclusive communities and collaborates with partners to advance housing and whole-life stability.

Site Regeneration: Supports sensitive growth and change in our neighbourhoods so that they are sustainable and prosperous over the long term.

By definition, regeneration is renewal. LMCH acknowledges its strategic change from landlord to community housing provider, as articulated by its Strategic Plan 2017-2020, to be a clear direction and a critical step towards our regeneration objectives. The plan identifies the shift LMCH from a legacy Ontario Housing Provider with constrained resource capacity to a true Community Housing Provider as the catalyst for regeneration. A cultural and operational transformation through regeneration will provide the best outcomes for future housing and tenants.

REGENERATION VISION STATEMENT



We envision transformed and strengthened community housing through vibrant, connected and sustainable neighbourhoods in London and Middlesex County, creating a better tomorrow for those we serve.

THE TIME TO ACT IS NOW

The need for affordable, accessible and supportive housing is high in our community and our RGI system is unsustainable. LMCH's assets are aging and with the current level of capital funding, the capital deficit will exceed \$400 million in the next 10 years.

Housing has become an increased area of focus in London, where the vacancy rate for rental housing was 2% in 2018, and the cost for a one-bedroom apartment continues to rise from the 2018 monthly average of \$900 (CMHC, 2019). London and Middlesex County are not alone in these challenges, and thus, municipal, provincial and federal governments have turned their attention to housing.

The London Plan, our city's growth blueprint for the next 20 years, identifies and prioritizes the renewal of social housing stock and includes provisions for increased affordable housing. Additionally, the City's Civic Administration is pursuing planning tools (policies, permissions, and authorities) that align with the outcomes in the City's 2020-2024 Strategic Plan for renewed and increased housing stock.

These plans and initiatives, combined with the National Housing Strategy, administered by the Canada Mortgage and Housing Corporation (CMHC), and the Provincial Government's plan to modernize social housing and invest in community housing, can be leveraged to execute within LMCH's regeneration strategy.

There are many reasons to consider regenerating social housing. Primarily, the social housing system in Ontario has proven to be unsustainable and poorly funded (Pomeroy, 2017). The physical infrastructure is becoming a significant liability due to disrepair and a lack of significant investment over many decades.

Regeneration also includes social revitalization - community development activities, joined with asset management, through renovation and maintenance of LMCH's current housing stock. Tenant- and community-led initiatives help foster healthy, safe homes and neighbourhoods, and create new opportunities to counter the negative impacts of poverty on health.

Social regeneration is dependent on LMCH's ability to extend the life and use of our building assets and properties.

If LMCH wants to return its buildings to perfect condition (FCI value of 0) within 10 years, it needs to complete \$456 million in capital projects. In order to maintain its current standard, \$22.3 million in annual capital spending is required. The current capital funding level is \$2.2 million.

Many of the high rise locations are already at maximum density and enjoy provisions that would be near impossible to replicate, much less improve. In these sites, regeneration may explore zoning and community uses, such as medical, retail and other community building permissions.

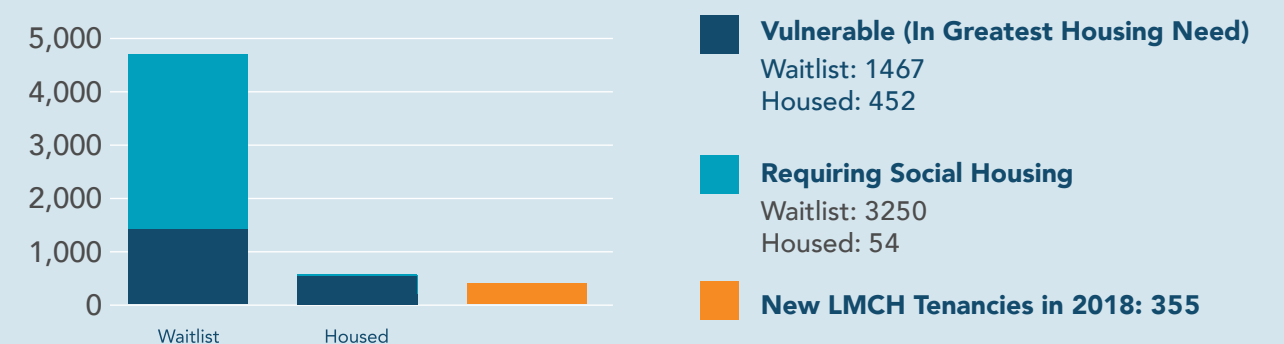
At other sites where there is more land available, such as our family townhouse sites, regeneration is critically tied to land use opportunities. With an average open space coverage of 60%, these sites provide the greatest opportunity for site regeneration.

Regeneration could be activated in a number of ways, including:

- Redeveloping underutilized parcels of land or sites;
- Retrofitting or upgrading existing units and sites to make them more operationally efficient;
- Making accessibility improvements to better meet a shifting demand for housing; and,
- Making changes to existing land use and tenant mix.

Regeneration activities will allow LMCH to more effectively manage its land portfolio and improve the quality of housing services. Through the availability of affordable rental options that support people across their lifespan, LMCH's regeneration will create a diverse tenant base.

Social Housing Waitlist Data and Housing Response in London & Middlesex in 2018 Data points:





GOALS AND OBJECTIVES

"We shape our buildings; thereafter, they shape us."

Winston Churchill

Our regeneration goals are clear: to build communities, homes and lives by adding diversity, services and resources to our neighbourhoods. Outlining our intentions at the outset of the process ensures that our purpose, outcomes, and success can be planned and evaluated for each site regeneration and social revitalization project.

Our objectives are as follows:

To increase the number of homes LMCH provides and expand beyond RGI-mandated housing to include affordable and supportive housing, and even market and/or innovative home ownership options.

To transform the pathways into housing through informed policies and processes that improve housing stability and create the conditions to support the right person in the right place.

To care for and engage stakeholders by working together to manage the impact of regeneration and strive to create positive outcomes for all.

To create healthy homes and communities that integrate physical design, tenant diversity and affordability in vibrant neighborhoods that eliminate stigma.

“The regeneration of LMCH properties is monumental in our city and county. It is critical that it serves all, including the most vulnerable in our community. This is a long-term project and over time, opportunities, needs, best practices and resources may change. It is our belief that the following principles will ensure a balanced and cohesive regeneration framework to provide consistency as we address the housing need now and in the future. Public housing is municipal infrastructure; investment in public housing is an investment in our community.”

Josh Browne, CEO
London & Middlesex Community Housing



GUIDING PRINCIPLES

LEAD ORGANIZATION

LMCH will be the leader in public housing regeneration in London and Middlesex County that focuses on our mission “to provide and maintain homes in a safe and supportive environment to meet the needs of the people we serve in our communities.”

LMCH takes responsibility for leading regeneration activities. As the largest social housing provider in the London area, the intention is to increase our services within our portfolio and through partner organizations. As LMCH becomes adept at the principles, tools and activities of regeneration and revitalization, the organization will share its learning with other social and affordable housing providers.

DECISION MAKING

The decisions of today will impact the homes and lives of future tenants. Current demands, along with critical demographic, research and modeling information will inform planning.

Decisions will involve tenants and community participation to ensure transparency and clarity when it is possible. LMCH will only share and discuss decisions when there is a reasonable likelihood that they can be acted on in a predetermined time frame.

COMMUNICATION

LMCH will ensure all stakeholders are engaged and informed through frequent and transparent communication. As part of the regeneration strategy, LMCH recognizes that public engagement and participation are necessary to achieve its goals.

Communication is the key to successful relationships. LMCH is committed to having clear pathways for communication, participation and feedback throughout all regeneration activities.

Great outcomes in regeneration require early engagement, participatory research, and community co-creation. Communication is a two way process. Throughout regeneration, LMCH will communicate to the public and ensure that it creates times, spaces and mechanisms to listen and capture feedback from the public.

PORTFOLIO MIX

LMCH will create homes and communities that reflect the needs and diversity of its tenants by ensuring the built form and social supports provide equitable opportunities to participate in the community.

Portfolio mix means that LMCH responds to the diverse circumstances of the people it serves through a range of housing options.

Portfolio mix is the means for LMCH to administer housing options beyond Rent-Geared-to-Income (RGI), with some sites as 100% affordable market, mixed RGI or a combination of affordable and rent supplement. A mix of tenancies and incomes associated with these various housing options provides economic sustainability and social diversification. Overall, a person-centred approach allows people to access homes across their lifespan and economic circumstances, while building lasting connections to their neighbours and the broader community.

TENANT ENGAGEMENT

LMCH will meaningfully engage and involve tenants throughout the regeneration process. The organization is committed to engaging all tenants and providing opportunities for them to be consulted, involved, and empowered throughout the site and community improvement process.

One of the goals of LMCH's regeneration plan is to mitigate the negative impacts of this process on tenants' lives. A high level of engagement and an empowerment approach will provide tenants with the information and resources to help them decide how to respond to these impacts.

LMCH acknowledges that this process is difficult for tenants; therefore, it will provide a decision-making framework that involves tenants as much as possible and acknowledges the significant challenges that regeneration may create for tenants.

COMMUNITY PARTNERS

LMCH regeneration is dependent on strong partnerships and this is a cornerstone of our approach.

LMCH will need the community to support regeneration through formal (agencies and organizations) and informal (neighbourhood and community engagement) efforts throughout the process, including the participation of building contractors and development organizations. A champions table made up of a group of civic administrators, will help LMCH plan, engage, finance and execute all aspects of site regeneration. Other partners will assist with identifying and engaging appropriate tools throughout the process.

ITERATIVE PLANNING

Plans will be iterative, long-term, and continuously evaluated against LMCH's regeneration principles to ensure they are still applicable to the needs of our communities. LMCH recognizes the significance, value and long-lasting impacts regeneration can have on our community.

LMCH anticipates that there will be learnings, capacity development, emerging best practices and shifts in opportunities during our regeneration efforts. The organization intends to be agile so we can take advantage of new opportunities while building on tested methodologies.

SUSTAINABILITY

Sustainability is a goal, driver and principle of all regeneration activities. As LMCH builds sustainability into its projects, the stock becomes more stable and can anticipate growth, making stronger communities.

The rejuvenated or newly developed homes will be environmentally, socially and financially sustainable to create healthy and safe neighbourhoods with more diverse tenants.

FINANCIAL INSTRUMENTS

Financial sustainability is a critical measure for the feasibility of any project. LMCH will leverage its assets and manage its debt while pursuing mixed sources of revenue with its shareholder's support. All sources of viable, predictable and appropriate funding will be pursued and considered so that LMCH can address any gaps in the range of housing options.



WHERE DO WE BEGIN?

Regeneration is a marathon, not a sprint. LMCH's clear vision, goals, objectives and its guiding principles will direct us as we begin to identify sites and design concepts.

Regeneration does not happen in isolation. Important informative and supportive work is underway at the municipal level with the City of London's Homelessness Prevention and Housing Plan, Review of Service Delivery and Housing and the Affordable Housing Development Planning Toolkit. The National Housing Strategy and Ontario's Community Housing Renewal Strategy will also affect our work.

LMCH has undertaken significant work to deliver planning documents for our core business that support regeneration and will be finalized in 2019. They will provide definition, detail and clarity to every area of our work, including asset management, finance, site regeneration, resource management and community development and tenant engagement.

LMCH has the vision & mission to support robust regeneration.
We have developed the organizational and operational components to make regeneration reality in London and Middlesex

REGENERATION STRATEGY

SITE REGENERATION & DEVELOPMENT

STRATEGIC RESOURCE PLAN

ALIGNING RESOURCES WITH MISSION & STRATEGY

FINANCIAL PLAN

SUSTAINABLE BUSINESS MODEL

COMMUNITY DEVELOPMENT AND TENANT ENGAGEMENT STRATEGY

SOCIAL REVITALIZATION

ASSET MANAGEMENT PLAN

RESTORE, REVITALIZE & MAINTAIN

STRATEGIC PLAN 2017-2020

MISSION VISION & VALUES

The policies and people who will help us get there

City of London Strategic Plan

The London Plan

City of London Planning Department

National Housing Strategy-CMHC

Community Partners & Strategic Partnerships

Tenants, Community Members, Neighbourhoods



Housing Development Corporation London (HDC) has been designed to assist in the building process from planning to finance and development process. They act as a consultant to the site regeneration process.



Together we can address the housing needs in our community where 45.6% of renters in London live in homes that cost more than 30% of their income.



The City of London is critical to support regeneration in its roles as:

Shareholder:

- Amend Shareholder Agreement
- Permit leveraging of properties for financing
- Allow LMCH to hold own reserves

Service Manager:

- Homeless Prevention & Housing Program
- Allow LMCH to hold diverse housing options
- Improve assessment and information sharing to ensure low barrier access to most appropriate housing option

NEXT STEPS

To prioritize regeneration efforts and create a structured and evidence-based evaluation of sites, a site evaluation tool has been developed. The tool includes traditional housing development principles and social housing specific considerations.

Four categories of consideration were established: land use planning, social aspects, financial feasibility of development, and asset management. Within each category of consideration specific metrics prioritize and rank sites according to the criteria defined in each section. The following is a high-level review of the criteria.

Land Use Planning

These metrics inform, rather than prescribe, site evaluation; however, together with the other metrics, these considerations include an evaluation of land use opportunity.

The evaluated criteria are defined by the 6 Cs.

Consistency

How well do the policies of the London Plan work with or serve to advance our goals for regeneration?

Capacity

How well is LMCH utilizing its land? Can current sites physically support greater density?

If LMCH chooses to proceed with a regeneration activity on a site, is there sufficient capacity “in the pipes” to accommodate its regeneration goals, which anticipate a greater variety of built forms and increased levels of residential density? Can municipal infrastructure support greater density?

Compatibility

In as much as a regeneration activity must be sensitive to, compatible with, and a good fit within the surrounding neighbourhood, the character of the neighbourhood is

critically important when considering a regeneration activity.

Connectivity

How walkable is the neighbourhood? To what degree is the family site connected to the larger community? Are the goods and services typically required on a daily or weekly basis provided if private transportation is not an option?

Complexity

The studies and background reports required to support and advance site regeneration.

Cooperation

Opportunities may exist to advance and align a regeneration activity with a planned municipal initiative.

Social Aspects

Average Townhouses Refusal Rate Per Vacant Unit

This measure evaluates how many refusals a vacant unit had before being rented. This can showcase stigma, security issues and lack of desire from our tenant base.

Number Of Onsite Supports

This identifies where LMCH currently lacks onsite community supports and where strong partnerships are actively working to create a healthy and vibrant community.

Vacancy Rate

The vacancy rate helps LMCH understand where families are looking to live and why they may favour one site over another.

The Number of Requests For Transfer Per Unit Per Year

This number tells us how many tenants would like to change communities due to safety concerns or other issues occurring on the site.

The Percentage of Households with Priority Status Entering the Site (from Jan. 1, 2010)

This metric highlights how LMCH’s communities have changed over time with the creation of Special Priority Placement and the Urgent Status 9/10 local rule.

Financial Feasibility

Appraised Value Per Hectare

The 2018 appraised property value was divided by the number of hectares to determine the property value per hectare.

The lower the value per hectare, the greater the priority for regeneration because there is space to intensify and/or the existing housing has the greatest need for investment.

Net Gain (Loss) Of Bedrooms Based On Current Planning Permissions

LMCH is cognizant of the need to preserve larger units. Consideration of the net gain (loss) of bedrooms through regeneration (based on current planning permissions) is included in the site evaluation tool. The higher the net gain in bedrooms, the greater the priority for the site because LMCH can house more people while limiting displacement due to regeneration.

Cost Per Bedroom On Site

The maximum delivery of beds (based on permitted planning density) using the most economical approach helps LMCH find homes for as many people as possible.

Asset Management

Current FCI Score

An important metric for understanding the state of a property is the Facility Condition Index (FCI). An FCI value can be computed for each property by dividing the total cost of all maintenance that is deferred and scheduled to occur within the current year and the next two calendar years by the total asset replacement value. The derived value will always range from 0 to 1. An FCI rating of zero (0) indicates that the building is in perfect condition and that nothing needs to be replaced. An FCI rating of 1 indicates the opposite: every component in the building needs to be replaced. Therefore, the higher the FCI score, the poorer the condition of an asset, and the greater the priority for regeneration.

REGENERATION ACTIVITIES TIMELINE

2014: LMCH Board of Directors approved motion to consider family sites within the LMCH portfolio for regeneration potential.

2015: The Housing Development Corporation is established by the City of London with a mandate to support LMCH regeneration.

2017: LMCH articulated a new vision, mission and values as part of its Strategic Plan. These are the seeds of internal regeneration and the strategy specifically identifies regeneration activities.

2018: LMCH & HDC delivered an overview of the regeneration process and activities to be completed before site regeneration. City Council receives a report with the anticipated plan to come in 2019.

2019: LMCH updates City Council on the regeneration plan, including the vision, goals and principles. Site evaluation criteria are provided for approval before identifying regeneration sites.

2019-2020: Champions table to be struck. Family sites to be evaluated, presented and discussed for feasibility and opportunity. Results to be reported back for endorsement by City Council.

2020-2021: Community engagement and tenant co-design process to develop full site plans, including phased implementation and costing for funding applications and approvals.

ACKNOWLEDGEMENT OF SIGNIFICANT CONTRIBUTION TOWARD THIS PLAN:

London & Middlesex Community Housing:

Marisa Banuelos
Josh Browne
Sarah Campbell
Tim Smuck
Norman Turner

Housing Development Corporation:

Stephen Giustizia
Brian Turcotte

City Of London - Housing Division:

Douglas Calderwood-Smith
Dave Purdy



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