

Board Members:

Phil Squire- Chair

Gary Bezaire

Shawn Lewis

Hadleigh McAlister

Mayor Grantham

Cara Awcock

Kathleen Savoy

Gregory Thompson

LMCH Leadership

Paul Chisholm,
CEO

Andrea Mackenzie,
Director of Tenant
Services

Christine Poirier,
Senior Manager,
Property Services

Dirk Volschenk,
Manager of Human
Resources

John Krill,
Director, Asset
Renewal

Sunil Ghai,
Interim Director of
Finance

PUBLIC AGENDA

**LONDON & MIDDLESEX COMMUNITY HOUSING
(LMCH)**

Board of Directors Meeting

**Corporate Boardroom
1299 Oxford Street East, Unit 5C5
London, Ontario, N5Y 4W5**

Thursday, May 23, 2024

5:30 PM – 8:00 PM

Item	Lead	Time
1. Call to Order	P. Squire	5:30
2. Recognition of Indigenous Peoples and Lands Statement	P. Squire	
3. Completion and Acceptance of Agenda	P. Squire	
4. Disclosure of Interest	P. Squire	5:35
5. Approval of Minutes of Previous Meetings a. March 21, 2024, Public Minutes	P. Squire	
6. Communications:	P. Chisholm	
7. Delegations None		
8. Presentations None		
9. Consent Agenda Items: a) Staff Report 2024- 12 CEO Report	P. Chisholm	5:50
10. Reports and Business b) <u>Finance, Audit, and Risk Committee Reports for Information reports overview given by Committee Chair</u> I. FAR-2024- 08 Senior Manager of Asset Management Update II. FAR-2024- 09 Q1 2024 Capital Project Update Report III. FAR-2024- 10 CMHC Q1 2024 Update IV. FAR-2024- 11 Reimagine Quarterly Update V. FAR- 2024- 13 Q1 2024 Key Performance Indicators VI. FAR- 2024- 14 Q1 2024 Financial Results	Committee Chair	

Finance Committee Reports for Approval		
c) Staff Report 2024- 13 2023 Audited Financials	T. Whittingham	
d) Staff Report 2024-14 Reimagine Phase 2 Update	A. Mackenzie	
e) Staff Report 2024- 15 Security Contract Extension		
f) People Service and Housing Presentation	LMCH Leadership Team	
g) <u>PSH Human Resources Reports for Information</u>	D. Volschenk	
I. PSH- 2024-07 Human Resources Manager Update		
h) <u>PSH Tenant Services Reports for Information</u>		
I. PSH- 2024-08 Director of Tenant Services Update	A. Mackenzie	
II. PSH- 2024-09 Community Safety Unit Status Report and KPI Review	T. Rudow	
III. PSH- 2024-10 Update Community Development and Tenant Engagement Strategy	L. Luther	
i) <u>PSH Property Services Reports for information</u>		
I. PSH- 2024-11 Q1 Vacancy Report	C. Poirier /A. Mackenzie	
II. PSH- 2024-12 Work order and service report 2024 Q1 Overview	C. Poirier	
III. PSH- 2024-13 Integrated Pest Management Update	C. Poirier	
11) In-Camera: None		
12) New Business/ Enquiries: None	P. Squire	
13) Meeting Adjournment	P. Squire	8:00pm

Recognition of Indigenous Peoples and Lands Statement

London & Middlesex Community Housing provides housing on the traditional lands of the Anishinaabek (AUh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Adda-won-da-run).

We acknowledge the local First Nations communities in this area, the territory of the Chippewa (CHIP-I-WAA) of the Thames, the Oneida (OH-NY-DUH) of the Thames, and the Munceey (m-UH-n-s-ee) Delaware Nation.

We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. Today, the City of London & Middlesex County is home to many First Nations, Métis and Inuit people. We are grateful to have the opportunity to work and live in this territory.

BOARD OF DIRECTORS PUBLIC MEETING MINUTES

March 21, 2024, at 5:30 p.m.

London & Middlesex Community Housing

Boardroom, 1299 Oxford Street East, Unit 5C5, London, Ontario, Canada

Board Members in Attendance:

Shawn Lewis

Phil Squire, Board Chair

Gary Bezaire

John Corboy

Hadleigh McAlister

Mayor Grantham

Kathleen Savoy

Cara Awcock

Senior Leadership in Attendance:

Paul Chisholm, CEO

Christine Poirier, Senior Manager
Property Services

Trevor Whittingham, Senior Manager
Asset Management

** Virtual Attendance via Zoom*

1. Call to Order	P. Squire called the meeting to order at 5:31 p.m.
2. Recognition of Indigenous Peoples and Lands	<p>P. Squire provided the recognition address at 5:31 p.m.</p> <p><i>We would like to begin by acknowledging the treaty territory of the Anishnaabeg, which is defined within the pre-confederation treaty known as the London Township Treaty of 1796. Throughout time, this region has also become the current home to the Haudenosaunee and Lenni-Lenape Nations.</i></p>
3. Completion and Acceptance of the Agenda	Regarding the completion and acceptance of the agenda, MOVED by H. McAlister, seconded by C. Awcock, PASSED 5:32 p.m.
4. Disclosures of Interest	P. Squire called for conflict-of-interest declarations with respect to the agenda. No conflicts - of- interest were declared at 5:32 p.m.

5. Approval of Board Meeting Minutes	Regarding the Board Meeting Minutes of February 15, 2024. MOVED by C. Awcock, seconded by Mayor Grantham, that the Minutes BE ACCEPTED and APPROVED , item CARRIED at 5:32 p.m
6. Communications	None
7. Delegations	None
8. Presentations	None
9. Consent Items a. Staff Report 2024- 05 CEO Report	Report overview given by P. Chisholm. MOTION to RECEIVE the report for Information MOVED by Mayor Grantham, seconded by C. Awcock, All in Favour, PASSED at 5:36 pm Vacancy Management continues to be below the 3 % target, 36 units a month is the target still being worked towards. Need to address the increase in the unit move outs, LMCH is monitoring this as we go forward. Reimagine Southdale Groundbreaking, LMCH staff did great work to make this possible. 2 staff retiring 35 years Denise McRae, and Nancy Strickert 43 years, recognizing their work over the years in supporting tenants and LMCH as an organization, LMCH will be doing an employee recognition in April, years of Service event.
10. Reports and Business PSH Report for Information	People Service and Housing Committee Report for Information reports overview given by Committee Chair, J. Corboy I. PSH- 2024-02 Senior Manager of Property Service Update II. PSH-2024-03 Director, Tenant Services Update III. PSH- 2024-04 Work Order and Service Requests for Q4 2023 4. 22-2023 Vacancy Report - The committee met and reviewed vacancy reporting, and the

<p>FAR Committee Reports for Information</p>	<p>committee voted and agreed that reporting would be done quarterly.</p> <ul style="list-style-type: none"> -Committee reviewed security and how progress can be measured while maintaining tenant's privacy. -New Security Manager, is doing good work in ensuring security is effective. <p>MOTION to RECEIVE the report for information, MOVE by J. Corboy, seconded by C. Awcock, PASSED at 5:41 pm</p> <p><u>Finance, Audit, and Risk Committee Reports for Information, overview given by Committee Chair.</u></p> <p>I. FAR- 2024- 02 Q4 2023 Draft Unaudited Financials II. FAR- 2024- 03 Q4 2023 KPI report</p> <ul style="list-style-type: none"> - The committee determined that the Chair duties will alternate between the Board Chair and Vice Chair until the new Board member is onboarded. - Bad Debit and revenue projections discussed. Revenue increased, and the building maintenance line increased. Rent forgiveness went from under 900k in 2022, to 1.4 million in 2023. We will work with the Auditor on revenue certainty. <p>P.Squire, MOVED to RECIEVE the FAR reports for information, seconded by H. McAlister, All in Favour, PASSED at 5:46 pm</p>
<p>c) Staff Report 2024-07 Update of Workplace Violence, Harassment, and Sexual Harassment Policy</p>	<p>Report overview given by P. Chisholm</p> <p>The policy is reviewed annually, we engage with the JHSC, and perform an environmental scan for policy changes and updates. At the PSH Committee meeting the Policy and Forms were discussed, requesting that the Board Approve the Policy and Forms be provided for Information.</p> <p>MOTION to APPROVE the Policy, MOVED by C. Awcock, seconded by J. Corboy, All in Favour PASSED at 5:48 PM.</p>

d) Staff Report 2024- 08 Spending Approval for Prior Year Capital Budgets	Report overview given by T. Whittingham MOTION to APPROVE the report and recommendations, MOVED by C. Awcock, seconded by Mayor Grantham, All in Favour, PASSED at 5:49 pm.
e) Staff Report 2024-09 Contract Award – Albert Street Elevator Modernization	Report overview given by T. Whittingham MOTION to APPROVE the report and recommendations, MOVED by Deputy Mayor Lewis, seconded by G. Bezaire, All in Favour, PASSED at 5:50 pm.
f) Staff Report 2024-10 Self Insurance Reserve Fund	Report overview given by P. Chisholm MOTION to APPROVE the report and recommendations, MOVED by Deputy Mayor Lewis, seconded by G. Bezaire, All in Favour, PASSED at 5:50 PM
g) Staff Report 2024- 11 2024 Multi-Year Budget Update	Report Overview given by P, Chisholm. Multi-Year Budget increase to the operating budget was approved, and Phase 2 Reimagine was Approved., - Business case 21 Reiterations funds, does this include county projects, these are funds for the entire portfolio county included. MOTION to RECEIVE the report for information, MOVE by Deputy Mayor Lewis, seconded by C. Awcock, ALL in Favour, PASSED at 5:54 pm.
11. In-camera	None
12. New Business	None
13. MEETING ADJOURNMENT	MOTION to ADJOURNED , moved by C. Awcock, seconded by G. Bezaire, ALL in Favour PASSED at 5:56 pm.

Phil Squire, Chair

Paul Chisholm, CEO

**CEO Report
Staff Report 2024- 12**

TO: LMCH Board of Directors

FROM: Paul Chisholm, Chief Executive Officer

SUBJECT: CEO Update

DATE: May 16, 2024

PURPOSE:

The purpose of the report is to provide updates to the Board on the status of key initiatives previously approved, introduce items that may come before the Board in future meetings, and provide updates on meetings, events, or operational activities that may be of interest to the Board.

RECOMMENDATION:

That the CEO Update report **BE RECEIVED** for information.

UPDATES:

Update to Quarterly Performance Reporting

LMCH is in the process of revising the approach to quarterly reporting. As we work through the implementation plan for the strategic plan we will identify key milestones, and service standards and refine Key Performance Indicators to provide improved reporting on key operational metrics and strategic objectives. A sample approach is provided as an attachment to the Q1 KPI report in this package. The plan is to finalize the template and approach for a presentation of the Q4 2024 KPI report.

LMCH Space Planning

LMCH's main office is located at 1299 Oxford Street until June 1, 2026. This is a leased property that LMCH has occupied for almost 8 years. LMCH will need to advise the landlord (Oxford Centre Ltd c/o Westdell Development Corporation) before December 1, 2025, if LMCH intends to further extend the lease.

The landlord has submitted a development plan to the City of London that was approved in December 2023. The intent is to convert most of this site into high-density residential housing. The current plan will have a new residential building built next to the current LMCH Office space impacting parking for staff/visitors and in the longer term, the current space occupied by LMCH will be demolished and replaced with parkland.

LMCH staff and space requirements continue to increase as we strengthen operations, increase tenant support, and build additional capacity for Asset Renewal. LMCH will continue to promote the use of secondary office space across the housing portfolio including 170 Kent Street (Asset Management Team) and the addition of community offices at the Wharncliffe site (January 2025) and the Southdale site (2027). LMCH will need to engage in workforce space planning in the coming year to prepare options for the long term that could include increased hybrid/remote work options, adding office space to future LMCH regeneration projects, or leasing/purchasing office space to support operations.

A report will come back to the Board in Late 2024 to provide an update on this matter.

Upcoming Opportunities for the Board of Directors

ONPHA Conference

Each year the Ontario Non-Profit Housing Association (ONPHA) holds an annual conference for the community housing sector in Ontario. The conference focuses on matters impacting housing providers in the province. The conference assists staff and Board members in improving their understanding of current issues and showcases innovation in the sector that they can bring back to their communities.

The conference is scheduled from November 7-9, 2024 in Ottawa. LMCH has set aside two spots for Directors interested in attending the conference.

Site/Project Tours

LMCH staff are working with Project Teams to identify opportunities to provide site tours to assist the Board in understanding the work of the organizations, needs across the communities, and the impact of investments approved by the Board.

Project tours being planned include the work to improve the accessibility of units funded through the CMHC Repair and Renew Program and a site visit to the Reimagine Southdale Site.

Senior Staffing updates

New Director Asset Renewal

I am happy to report that **John Krill** joined LMCH as Director of Asset Renewal on **Monday, April 29**. John has extensive experience in the facilities, utilities, trades' service, and construction sectors across Canada as a professional engineer, he will provide support to the Asset Team while providing strategic leadership to LMCH.

I want to thank Trevor Whittingham for his leadership in Asset Management and across the organization over the past year as we realigned the organization to strengthen our approach to leading Asset Renewal.

Temporary Director of Finance

LMCH has engaged a Temporary Director of Finance effective Thursday, April 11 for a period of 3-6 months. **Sunil Ghai** is an experienced leader in corporate financial management in both the public and private sectors. He has worked at the provincial level, with Children's Aid Societies, and with municipal government. With 25 years plus of experience, he will provide support to the finance team while providing strategic leadership on key initiatives. LMCH will initiate a recruitment to fill this role in the coming weeks.

PREPARED BY:
PAUL CHISHOLM, CHIEF EXECUTIVE OFFICER

**Senior Manager of Asset Management Update
FAR-2024- 08**

TO: LMCH Finance Audit and Risk Management Committee

FROM: Trevor Whittingham, Senior Manager of Asset Management

SUBJECT: Senior Manager Monthly Update

DATE: May 2, 2024

PURPOSE:

The purpose of this report is to provide the LMCH Finance Audit and Risk Management Committee with an update on the status of the work happening within the Asset Management Division.

RECOMMENDATION:

That the LMCH Finance Audit and Risk Management Committee **RECEIVE** the May 2024 Senior Manager update report for information.

UPDATES:

Human Resources Update

This will be the final Senior Manager update that the Board receives, as the new Director of Asset Renewal has recently joined the organization. John Krill comes to us with significant experience with large Facility Management service organizations and will be a significant asset to LMCH. Going forward John will sit as a member of the Senior Leadership Team and will be responsible for reporting on the activities of the Asset Management team.

While it has been a pleasure working with the Board over the last 14 months, I look forward to assuming my permanent role as a Project Manager and being able to focus on delivering improvements for our tenants.

Contracts Issued in Q1 2024

Following the changes to the Procurement Policy which were approved by the Board in mid-2023, senior leadership is now able to engage contractors without bringing each individual contract award to the Board for approval.

In the interest of transparency, the following is a list of construction contracts, issued against the capital budget, which the corporation has entered into since the beginning of 2024. All contracts were within the respective project budget allocations, which have been communicated to and approved by the Board previously.

Project Number and Name	Scope	Vendor	Contract Value (before tax)	Project Budget
2023-0021 – Albert St Elevator Modification	Modernization of two elevators, including all mechanical, electrical, and controls. Also upgrading cab interiors to the latest accessibility codes	Atta Elevator	\$462,000	\$500,000
2023-0043 - Contingency	Replacement of fire panel and annunciator at Commissioners site	Troy Fire and Life Safety	\$37,475	\$172,000
2023-0043 - Contingency	Replacement of fire panel and 349 Wharncliffe	Troy Fire and Life Safety	\$40,760	\$172,000
2023-0045 – Dorchester Exterior Door Replacement	Replacement of the original front door and side door into mechanical room with more modern, robust doors	Westminster Glass and Mirror	\$29,887	\$37,000
2024-0006 – Baseline Heating Valve Replacement	Replacement of failed control valves on baseboard radiators throughout 30 Baseline. Many valves have seized which is causing temperature control issues in units and is a significant waste of energy	JTS Mechanical	\$70,000	\$100,000
2024-0015 – Bella Eavestrough Replacement	Replacement of existing eavestroughs and damaged downspouts which are performing poorly	A1 Unique Installations	\$14,500	\$25,000

In addition to the large contracts issued above, we have engaged consultants to work on the design of a number of projects and have issued small-value POs to several vendors for materials and services. These commitments all fall within each Project Manager's spending authority, so will not be called out individually.

The CMHC project has also engaged several vendors with high-dollar-value contracts over the last three months. These contracts will be discussed in a separate report.

At the time of this report, we have an additional 7 tenders active on the Bids and Tenders portal. We anticipate issuing contracts for all of these scopes in May and early June and will report on those commitments in future meetings.

Reimagine Southdale

Construction on Phase 1 of Reimagine Southdale is proceeding at a very encouraging pace. Jackman construction is slightly ahead of the projected schedule which was submitted at the start of construction. All of the foundation has been poured, and first-floor structural steel has begun to be erected. Because the building is being constructed with pre-cast floors and walls, the structure should grow rapidly over the next few months. All of LMCH is excited to watch the building take shape over the summer.

Work to upgrade the exterior of the existing townhomes has also begun. The contractor has completed siding upgrades on the block of units right at the corner of Millbank and Southdale, and it has made a big difference to the appearance of the building. Shortly the contractor will be moving south to the next townhome block and will be working counterclockwise throughout the rest of the site over the remainder of 2024. Upgrades to pedestrian walkways will also start shortly.

We have also begun the planning work for Phase 2 of the Reimagine project. We have completed the initial analysis of zoning and site plan considerations and envision having a minor variance before the City's Planning Committee sometime this summer. There will be a separate report coming to the Board with a recommendation on engaging a consultant team to lead us through the design of Phase 2. We hope to be shovel-ready for Phase 2 in early 2025.

Capital Project Update

The Asset Management team is making good progress on a number of capital projects. Below is a high-level update on several jobs.

Recently completed and minor deficiency cleanup:

- Hale elevator modernization
- Dundas elevator modernization
- Commissioners elevator modernization
- Baseline generator replacement
- Tecumseh electrical upgrades

Completion is expected within the next month

- Baseline Rd. elevator modernization
- William St. electrical upgrades
- Dundas St. electrical upgrades
- Kent St. generator replacement
- Albert St. front vestibule modification

Recently started construction

- Dorchester elevator modernization

Ongoing or soon-to-begin construction

- Simcoe elevator modernization – completion expected mid-June
- Walnut St. generator and electrical panel replacement – completion expected mid-June
- William St. elevator modernization – expected to begin in early June
- Albert St. elevator modernization – construction expected late fall
- Boullee parking lot lighting upgrades
- Baseline heating valve replacements

Out for Tender or In-Design

- Boullee backyard step leveling
- Allan Rush chimney repairs
- Oxford concrete and railing repairs
- Parking lot expansions at Head, Ellen, York
- Roof replacement at York St
- Parking lot replacement at Dorchester
- Relocation of the laundry room at Albert St
- Roof replacement at Commissioners

PREPARED and SUBMITTED BY:
TREVOR WHITTINGHAM, SENIOR MANAGER OF ASSET MANAGEMENT

Q1 Capital Projects Update - FAR-2024- 09

TO: LMCH Finance Audit and Risk Management Committee

FROM: Trevor Whittingham, Senior Manager of Asset Management

SUBJECT: Capital Work Update Report

DATE: May 2, 2024

PURPOSE:

The purpose of this report is to inform the LMCH Finance Audit and Risk Management Committee of the status of the organization's capital projects and provide highlights of the achievements of the Asset Management team over the last quarter.

RECOMMENDATION:

That the LMCH Finance Audit and Risk Management Committee **RECEIVE** the May 2024 capital work update report for information only.

BACKGROUND:

In accordance with the LMCH Asset Management Plan (AMP) and City of London approved Multi-Year Budget (MYB), the LMCH capital program addresses asset and infrastructure maintenance, renewal, and replacement in a way that enhances the condition and lifespan of our buildings as well improves the functionality of spaces as much as possible. In all projects, we attempt to minimize tenant impact during the implementation of the project and improve the tenant experience once the work is complete.

Capital Project Status Review

2020 Capital Budget

Projects Proposed	39
Projects Completed	32
Projects Cancelled	5
Projects In Progress	2

The Baseline generator project which was opened during the last quarterly update has now been completed. The building is now supported by a brand-new natural gas generator, which should significantly improve the resiliency of the building.

The two remaining projects from the 2020 Capital year and both major electrical upgrades at Walnut St. The two projects are running concurrently and completed by the same contractor. There were a few design issues that were recently resolved, so this project should be forward again with completion expected at the end of Q2.

2021 Capital Projects

Projects Proposed	38
Projects Completed	29
Projects Cancelled	5
Projects In Progress	3

There are three projects which remain open for the 2021 capital year. One is a minor lobby finish improvement, for which we have already purchased material and just need to complete the installation. A generator replacement project at Kent St also remains in progress. This project is substantially complete, and the contractor is addressing issues discovered through the commissioning of the new generator. Once the manufacturer has resolved these issues, there will be about 2 days of work left on site. This project is anticipated to be completed by the end of Q2.

The final in-progress project is the replacement of parking lot lighting at Bouleee St which is progressing slowly. LMCH continues to work with the contractor and consultant to regain momentum and complete this project.

2022 Capital Projects

Projects Proposed	36
Projects Completed	16
Projects Cancelled	5
Projects In Progress	9
Projects In Design	4
Projects On Hold	2

Progress over the last quarter includes reaching substantial completion on three of our seven elevator modernization projects. We currently have three others in active construction, and one scheduled to begin in June.

After supply chain delays of approximately a year, LMCH is pleased to see progress on three major electrical upgrade projects. Work is complete at the Tecumseh site, and about half complete at William St. Materials are on site at Dundas and should be ready to proceed soon after William is completed.

2023 Capital Projects

Projects Proposed	47
Projects Completed	12
Projects Cancelled	8
Projects In Progress	10
Projects In Design	6
Projects Not Yet Started	11

LMCH has been able to move a number of projects forward this quarter. Recently completed projects include finalizing the addition of access controls to common areas at several high-rise buildings, and a few urgent fire alarm replacement projects (which were done through our contingency fund)

There are also many projects with RFPs currently on the market. We anticipate issuing contracts for four of these projects by the end of Q2, with construction to follow soon afterward.

The projects which have not yet been started are all major electrical upgrades. Our first step is to tender the design component of these projects, which should happen within the next two months. Once a design consultant has been engaged, we should be able to tender for construction sometime in late 2024.

2024 Capital Projects

Projects Proposed	33
Projects Completed	0
Projects Cancelled	0
Projects In Progress	13
Projects In Design	4
Projects Not Yet Started	16

We have made good progress on a number of the projects in the 2024 capital plan. LMCH has awarded construction contracts for three jobs, and have active tenders on another two. We will leverage the RFP for design consultants noted above to move ahead a number of the electrical projects included in the 2024 Capital Budget.

PREPARED and SUBMITTED BY:
TREVOR WHITTINGHAM SENIOR MANAGER, ASSET MANAGEMENT

CMHC Q1 2024 Update - FAR-2024- 10

TO: LMCH Finance Audit and Risk Management Committee

FROM: Trevor Whittingham, Senior Manager of Asset Management

SUBJECT: CMHC Q1 – 2024 Summary Report

DATE: May 2, 2024

PURPOSE:

This report is to provide an update to the LMCH Finance Audit and Risk Management Committee on the CMHC Program, and the status of key projects with the allocated budgets representing the secured funding of \$40,136,090 through CMHC.

RECOMMENDATION:

It is recommended that the LMCH Finance Audit and Risk Management Committee **RECEIVE** this report for information.

BACKGROUND:

LMCH began collaborating with CMHC in 2019 to define projects that meet the CMHC requirements under the Renovation, Repair, and Renew funding program. The program developed by LMCH team members followed the guidelines of the National Housing Co-Investment Fund – “Minimum Environmental & Accessibility Requirements – Repairs and Renewals”. The criteria requirements include increasing accessibility in common areas and retrofitting 20% of the unit’s interior in order to meet accessibility requirements, while also achieving 25% energy savings and GHG reductions by year-end 2027.

On February 25, 2021, CMHC confirmed to LMCH that the provided documentation met the criteria for funding. The City of London, denoting its commitment to the program, agreed to act as guarantor on June 16, 2021.

On November 25, 2021, LMCH, in conjunction with the City of London (COL) as guarantor, executed the loan agreement with CMHC for \$40,136,090. The funding allocation consists of \$ 15,533,989 as a forgivable loan and \$24,602,101 repayable loan with the City of London guaranteeing \$37,000,000.

PROJECT UPDATES:

The funding can be categorized into three divisions: Energy, Accessibility, and Site Improvements, though some projects may impact more than one category.

Energy

Energy Management System:

Work for a new energy management system was postponed at the Dundas Site in 2022 due to wiring conditions at the property. A variety of mockups have taken place to trial the options available for the installation of the Demtroys system which are currently installed at 7 of the CMHC high-rise properties. The scope has been finalized and includes the replacement of all valve actuators at the baseboard heaters. Tender drawings are being developed by Callidus Engineers with the anticipation of tender issuance in June 2024.

Furnace Replacement

The furnace replacement tender at Huron, Boullee and Marconi family sites has been awarded to L.G Home Comfort Inc. The contract will be executed at a value of \$1,081,963.70 which includes a cash allowance of \$15,000. LMCH will hold an owner's contingency of \$107,869. The contingency is for the potential purchase of a 10-year \$70,000 warranty with the remaining funds to manage any unknown site conditions. The total budget value of \$1,194,352 is within the original budget value submitted as part of the 2024 CMHC Budget approval.

The scope includes the removal of existing furnaces and auxiliary equipment and the installation of new 96.5% AUE high-efficiency furnaces and programmable thermostats. Undersized boot returns will be replaced at non-compliant units, as well as the installation of new valves and venting to meet current code requirements. L.G Home Comfort will be completing three mockups at the recreation units at each site prior to project commencement to finalize methodology and ensure any possible unseen site conditions are exposed. The timeline for construction is anticipated at 4 weeks with start dates under review to ensure no impact on paving works occurring at Huron and Boullee.

Save On Energy Retrofit Program - IESO

The Save on Energy Retrofit Program conducted by ClearResults is a beneficial opportunity for both LMCH and our residents. The program consists of an audit of all residences determining if criteria are met for the complimentary replacement of fridges, air conditioners, freezers, and dehumidifiers. Tenants will receive clothes drying racks, incandescent bulb replacements to LED and have an opportunity to replace their power bars.

An open house occurred at the pilot property of 202 McNay, with a very strong turnout and enthused tenants supporting the project. Per initial feedback from the audit, it is anticipated that over 181 fridges will be replaced with this program at McNay. Delivery schedules are to be reviewed with the anticipation of a July install date. If ClearResults can increase the number of auditors, we anticipate completing the remaining seven CMHC high-rises in Q3.

Sensor Lighting:

Sensor lights were installed at CMHC high-rises; meeting both accessibility and energy efficiency criteria. The installation of the sensors in lounges, laundry, and storage rooms is a cost-effective solution to meet the height requirements for accessibility whilst ensuring lights are not left on in unoccupied spaces. The dual sensors react to both movement and sound, ensuring lights are not turned off when areas are in use.

Future Projects:

- Furnace replacement at Allan Rush and Pond Mills – 2025.
- Water heater tanks to be replaced - 2027.

Accessibility Common Areas & Site Improvement Updates

Repaving Projects:

Tender submissions were received for the Pond Mills, Boullee, and Huron family site repaving and accessibility projects. The cost to complete the scope of works for these three sites is within the 2024 budget numbers submitted as part of the Board package Nov. 2023. A bid recommendation will be submitted with anticipated construction start at the end of June. The scope of work will include the repaving of hard surfaces at parking lots, driveways, and some paths. Pond Mills and Huron will have the basketball courts repaved and accessible parking spots with curb ramps and tactile will be included.

Accessible Kitchen Retrofits:

The design-build contract award to Grand River Modular for four of the public kitchens has dissolved. The pricing of the kitchens did not meet budget expectations. The Kitchen Loft has completed a walk-through of the sites and will be issuing pricing and recommendations in the coming weeks.

Q3 Upcoming Works

- 349 Wharncliffe Lounge Construction
- A refresh of high-rise laundry rooms to address accessibility requirements to coincide with a potential new equipment leasing agreement.

Accessibility / Barrier-Free Requirements – In Suite

LMCH currently has various levels of retrofits in units that have occurred over the years to meet the on-demand accessibility requests of the residents. CMHC funding provides the opportunity to develop a systematic and consistent program to meet future tenant needs. Implementing a complete program of modifications will ensure LMCH has an inventory of accessible units to meet growing demands rather than completing reactive retrofits in response to a specific tenant request.

The unit accessibility modifications program will be rolled out to the designated CMHC high-rise properties over the next three years. Revisions to the schedule have occurred several times due to unforeseen site conditions and staffing resources. With the completion of invasive investigations and a new site, the supervisor works to complete unit retrofits to commence Feb. 2024.

The anticipated schedule is listed below; the schedule is dependent on tenant move-outs.

Accessible Units	Simcoe	Mc Nay	Kent	Walnut	Baseline	Dundas	345 & 349 Wharncliffe
Total to be Retrofitted	35	88	65	75	82	20	51
Start Up		6			2	5	2
Under Construction	5			7			6
Completed		1		6	2		6
2024 to be Retrofitted	14	40	30	30	25	20	30
2025 to be Retrofitted	21	47	35	32	30		15
2026 to be Retrofitted				13	23		

TENANT IMPACT:

Tenant impact varies from project to project. Notice of projects is sent to tenants 60 days in advance to provide general impact, anticipated disruptions, and scope of the project. As project commencement ramps up, updates are provided to the tenants. For more complex projects information sessions may be held to provide one-on-one details of the project. Tenants are provided with contact details to ask any questions via email.

FINANCIAL IMPACT

Budget estimates were submitted for the CMHC program contract. On a quarterly basis, submissions are made to CMHC to confirm our spending to date and more accurately project future spending. Interest on the repayable portion of the loan is calculated only on actual spending and is locked in on an annual basis.

CMHC Quarterly Draw and Funds received:

Draw 1 – 10 Received	Repayable 61%	\$3,968,026
	Forgivable 39%	\$2,536,935
Draw 11 Processing	Repayable 61%	\$241,306
	Forgivable 39%	\$154,279
Total		\$6,900,546

LEGAL IMPACT / RISK MANAGEMENT:

- To mitigate additional costs for faulting on the leasing agreement, hot water tank replacements have been moved to 2027.
- All tender responses for construction projects require the submission of WSIB, insurance, and any relevant certificates. Projects are reviewed individually for surety and bonding requirements.
- Updated project-specific abatement plans prepared by Pinchin will be included in tender requests.
- Excess soils regulation 406/19 came into effect on Jan. 1, 2023. Under this regulation soil testing can be required for the dumping of 'excess soils' when completing excavation works. Due to the large volume of paving works occurring, it is prudent to be aware of additional costs that may stem from soil contamination.

PREPARED and SUBMITTED BY:	STAFF CONTACT:
Trevor Whittingham, Senior Manager of Asset Management	Wendy Groves, Construction and Project Manager • Assets and Property Services

**Reimagine Southdale Q1 – 2024 Update
FAR- 2024-11**

TO: LMCH Finance Audit and Risk Management Committee

FROM: Trevor Whittingham, Senior Manager of Asset Management

SUBJECT: Reimagine Southdale Q1 – 2024 Summary Report

DATE: May 2, 2024

PURPOSE:

This report is to provide an update to the LMCH Finance Audit and Risk Management Committee on the Reimagine Southdale project.

RECOMMENDATION:

It is recommended that LMCH Finance Audit and Risk Management Committee **RECEIVE** this report for information.

BACKGROUND:

LMCH has been working and collaborating with the City of London and various consultants to define the program requirements for Reimagine Southdale and develop comprehensive site regeneration plans that may be staged over the immediate, short, and long term to be sustainable and minimize impacts on tenants.

In March of 2021, LMCH engaged a local Architecture firm to complete concept drawings, concentrating on a preliminary design. These drawings were utilized to engage internal and external stakeholders to progress the overall design and project goals.

In October of 2021, procurement was completed to secure an Architect for the Reimagine project. After an extensive tender process, CGS Architects was selected as the Architect of record for the Reimagine Southdale Project.

LMCH along with our design team have completed the planning process with the City of London to include an approved Zoning Bylaw Amendment and Site Plan Approval Demolition Permit and LMCH currently have the full Building Permit Application under final review with the City of London.

On August 3rd, 2023, LMCH issued an RFQ – Request for Quotation to prequalified General Contractors.

This RFQ was for Phase 1, the first six (6) story, 53-unit apartment building, with community uses over much of the ground floor. The building consists of one-, two-, three- and four-bedroom units, including 20% barrier-free units. Sitework includes all surface parking, extensive landscape improvements, and the demolition of 18 existing townhouses. The remaining 103 existing townhouse units will receive new siding, landscaping, fencing, and hardscape. With the completed Request for Qualifications the approved General Contractors was based on the low price at the close of our Request for Quotation. In October of 2023, Jackman Construction was the winning Contractor for Phase 1 and approved in Staff Report 2023-51.

PROJECT UPDATES:

In October of 2023, Jackman Construction mobilized on-site. Remediation and demolition of 18 existing townhome units was completed in Dec 2023.

Throughout the first quarter of 2024, significant progress has been made. Underground site services have all been installed; footings and foundations have all been poured; and the complete slab on grade has been installed. Installation of structural steel began in mid-April. As the project design leverages pre-cast concrete sections for the wall and floors, the building is starting to shape, and progress is visible weekly on-site.

Work to replace the siding of the existing townhomes began in April. The contractor had a bit of a learning curve, and we had some minor water damage to remediate, so the work has taken longer than initially scheduled. At this point, ten of the 103 townhomes have been replaced with new aluminum siding, and the contractor will be moving to the next block of units in the next two weeks.

TENANT IMPACT:

LMCH recognized that consistent tenant communication and engagement are crucial throughout the regeneration project. To support this, LMCH created a communication strategy and plan to guide key messaging, engage with tenants, and gather feedback for the project. Important elements of the plan are grounded in the goals of the project. Key audiences have been identified and community engagement to gather feedback is ongoing.

London & Middlesex Community Housing has made a clear commitment to residents of the Southdale community to support each family impacted by regeneration. Fair and effective tenant relocation and resettlement consider the special circumstances of each household affected by the REIMAGINE Southdale project.

Over the course of construction, there will be impacts to the tenants regarding noise and dust. The Contractor will be installing dust mitigation measures where possible. The General Contractor will also be limited to construction noise between the hours of 7:00 am and 6:00 pm per the City of London Construction Noise Bylaw. We will also be taking additional measures with our General Contractor to ensure site safety for our tenants and General Contractor is a number one priority.

As part of the Reimagine project the remaining 103 townhomes will be receiving exterior upgrades to include new siding, landscaping, and upgrades to hardscape areas.

Schedule:

Jackman continues to stay on the Project Schedule with a completion date of June 2025.

FINANCIAL IMPACT

On January 26, 2023, the City of London approved the 2023 Budget Amendment #P-9 providing \$30M to complete the first phase of LMCH Regeneration Plan. This amount is intended to cover Reimagine Southdale Phase 1, as well as the development of a future regeneration roadmap.

As shown in the table below, LMCH remains on budget, with a considerable safety margin for the entire Regeneration project. A detailed Reimagine Phase 1 budget, along with spending to date, can be found in Appendix A. Of note, there is more than \$1M in construction contingency built into this budget, and in the near future we are expecting to receive credits from the general contractor for a reduction in project scope.

Total construction change orders to date are 0.01% of the initial construction contract. A table of change orders is found in Appendix B.

	Expected Budget	Spending to Date
Total Regeneration Budget	\$ 30,000,000	\$ 30,000,000
Funds to Develop Regen Plan Prior to 2021	-\$ 292,228	-\$ 292,228
Phase 1 Reimagine Budget		
Soft Costs (consultants, salaries, etc) for Phase 1	-\$ 2,001,624	-\$ 1,641,051
City of London Planning Fees	-\$ 1,268,441	-\$ 74,693
Phase 1 Construction Budget	-\$ 23,804,400	-\$ 1,825,652
Phase 1 Contingency	-\$ 1,190,220	-\$ 2,521
Phase 1 Misc Allowances (furniture, playground, electrical)	-\$ 639,000	\$ -
Minor Disbursements	-\$ 32,000	-\$ 13,196
Taxes Payable	-\$ 419,005	-\$ 32,131
Incentive and Seed Funding	\$ 153,000	\$ 153,000
Funds Remaining for Future Regeneration Planning	\$ 506,081	\$ -

ATTACHMENTS:

Appendix A -Reimagine Southdale - Budget Summary - April 30, 2024

Appendix B: Construction Budget & Change Orders to date:

PREPARED and SUBMITTED BY:	STAFF CONTACT:
Trevor Whittingham Senior Manager, Asset Management	Scott Roberston, Project and Construction Manager

APPENDIX A Budget Summary
Reimagine Southdale Q1 – 2024 Update
FAR- 2024-11

Updated April 30, 2024			
DESCRIPTION	PHASE 1 Budget	Spent to Date	Remaining
Soft Cost - CGS - Prime Architect and sub-consultants	\$1,143,662.13	\$983,088.52	\$160,573.61
Soft Cost - Consultants and LMCH Salary's	\$857,962.16	\$657,962.16	\$200,000.00
COL Planning and Permit Fees	\$1,268,441.42	\$74,693.00	\$1,193,748.42
Expenditures prior to March 2021 (Prior to SR Start Date at LMCH)	\$292,228.00	\$0.00	\$292,228.00
Construction Cost (GC)	\$21,433,000.00	\$1,825,651.91	\$19,607,348.09
Renovation of existing townhouses (148 Units)	\$2,371,400.00	\$0.00	\$2,371,400.00
Contingency Construction (Change Orders)	\$1,190,220.00	\$2,520.82	\$1,187,699.18
Effective HST - 1.7602%	\$419,005.05	\$32,131.47	\$386,873.58
LMCH - Inspection and Testing Allowance	\$100,000.00	\$0.00	\$100,000.00
FFE	\$200,000.00	\$0.00	\$200,000.00
Playground Equipment	\$180,000.00	\$0.00	\$180,000.00
Separate Electrical Meters	\$159,000.00	\$0.00	\$159,000.00
Printing, presentation rendering, banners, animations	\$10,000.00	\$4,567.00	\$5,433.00
Backyard Cleanup	\$10,000.00	\$956.68	\$9,043.32
Ross Towing	\$5,000.00	\$1,210.91	\$3,789.09
Groundbreaking Phase 1	\$7,000.00	\$6,460.98	\$539.02
Enbridge Savings by Design	-\$50,000.00	\$0.00	-\$50,000.00
CMHC - Seed Funding	-\$103,000.00	\$0.00	-\$103,000.00
Total	\$ 29,493,919	\$ 3,589,243	\$ 25,904,675

12.17% of Phase 1 Budget Spent

APPENDIX B
Reimagine Southdale Q1 – 2024 Update
FAR- 2024-11

Construction Budget & Change Orders to date:

Initial Construction Contract Value (Jackman)	\$23,804,400.00
Change Order No.	Amount
01 – Additional tree protection	\$21,585.84
02 – Additional foundation waterproofing	\$4,375.92
03 – Additional footings around the elevator shaft	\$5,789.61
04 – Change to window glazing	\$43,535.60 (Credit)
a05 – Additional site electrical and changes to the garbage chute	\$14,304.82
Total Change Orders to Date (April 24, 2024)	\$2,520.59
Current Construction Contract Value	\$23,806,920.59
Invoiced to Contract to Date (April 24, 2024)	\$1,857,787.03

Q1 Key Performance Indicators Report FAR-2024- 13

TO: LMCH Finance Audit and Risk Management Committee

FROM: Paul Chisholm, CEO

SUBJECT: Key Performance Indicators (KPIs)

DATE: May 7, 2024

PURPOSE:

To provide information to the LMCH Finance Audit and Risk Management Committee on Key Performance Indicators.

RECOMMENDATION:

That the following report on Key Performance Indicators be received for information by the Committee and forwarded to the Board of Directors.

BACKGROUND:

LMCH staff identified Key Performance Indicators that provided an overview of key metrics, including, staffing levels, financial health, vacancy, eviction and capital expenditures. These metrics are currently being reviewed and revised by LMCH staff to bring back a revised set of metrics to support improved information sharing and reflect performance against service standards being developed and additional critical business areas. The plan is to improve the KPI reporting through the course of 2024 by adding new measures each quarter. A sample format is provided in Appendix B for Committee comment.

Data Revisions:

Over the course of KPI reporting LMCH identified the need to modify the reporting approach. The most recent change of note is that, as of Q1 2024, LMCH no longer reports on hiring related to Business Case-19 as these staff have all been hired and are already included in the headcount numbers.

Appendix A: LMCH BOD KPI summary, with unaudited, preliminary Q1 2024 data.


Appendix B: Data dictionary for LMCH BOD reported KPIs.

Appendix C: Sample format for Quarterly Performance Report

SIGNATURE:

PREPARED and SUBMITTED BY:	REVIEWED and CONCURRED BY:
AHMAD MIAN BUSINESS ANALYST	PAUL CHISHOLM CHIEF EXECUTIVE OFFICER

Appendix A: LMCH Board of Directors KPI Summary

 LONDON & MIDDLESEX COMMUNITY HOUSING	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Avg. 2024	Avg. 2023
Category/Metrics	Current Quarter	Previous Quarter					
Human Resources KPI Metric Summary^							
Full Time Staff	89	88	87	83	85	89	86
Full Time Equivalent (FTE) ^Q	90.05**	90.05	88.81	84.4	86.36	90.68	87.66
Finance, Information Technology and Data Science KPI Metric Summary							
Surplus/(Deficit)	(\$596,519)	(\$33,364)	\$392,802	\$235,357	(\$502,204)	N/A	N/A
Rent Arrears	\$952,863	\$829,424	\$913,096	\$962,814	\$1,094,658	\$952,863	\$829,424
Rent Collection Percentage	73.70%	93.81%	90.92%	85.58%	69.21%	73.70%	83.14%
Percentage of Tenants in Good Financial Standing	78.91%	80.19%	79.21%	79.74%	80.07%	78.91%	79.23%
Tenant Services KPI Metric Summary							
Total Evictions*	11	12	18	19	20	11	69
Units Leased	63	98	87	109	84	63	378
Property Services KPI Metric Summary							
Total Vacant Units	69	87	118	117	139	69	121*
Total Vacancy Rate	2.10%	2.65%	3.60%	3.56%	4.24%	2.10%	3.70%
Cost of Vacancy [†]	\$64,800	\$76,680	\$102,060	\$96,660	\$117,720	\$64,800	\$98,280
Capital KPI Metric Summary							
Percentage Spent vs Approved Budget*	51.59%	61.54%*	52.93%*	47.22%*	36.77%*	51.59%	61.54%
FCI Score	-	-	-	-	-		
Q Derivation excludes On Call Manager Hours **Used Avg. Overtime for March FTE Q Derived from KPMG 'Cost of Vacancy' Metric. *Percentage Spent vs Approved Budget has been updated for 2023. ^ Business Case 19 Hire is no longer reported as it has been completed							

Appendix B: LMCH Board of Directors KPI Data Dictionary

Human Resources KPI Metric Summary

Full Time Staff – The number of full-time employees at the end of the reporting period

Full Time Equivalent (FTE) – Quarterly average FTE based on overtime hours, with respect to work (paid) days for a given period

Business Case 19 Related Hires – The number of accumulated LMCH staff related to Business Case 19 for a given period.

Finance, Information Technology and Data Science KPI Metric Summary

Surplus/(Deficit) – The amount leftover / (excess of expenditure) compared to budget for a given period.

Rent Arrears – Total money owing by tenants for rent, for a given period.

Rent Collection Percentage – The percentage of tenant rent collected with respect to amount owing, year-to-date for a given period

Percentage of Tenants in Good Financial Standing – The number of tenants who are current with rent charges for a given period

Tenant Services KPI Metric Summary

Total Evictions – The total number of evicted LMCH tenants for a given period.

Average Length of Tenancy for Current Tenants – The time duration as an LMCH tenant (Current) for a given period

Units Leased – The total number of units rented for a given period.

Property Services KPI Metric Summary

Total Vacant Units – The total number of vacant units for a given period.

Total Vacancy Rate – The percentage of the total vacant units with respect to our total LMCH portfolio count (3282) for a given period

Cost of Vacancy – The cost due to lost rent revenue on vacant units for a given period

Capital KPI Metric Summary

Percentage Spent vs Approved Budget – $(\text{Money Spent} / \text{Approved Budget}) \times 100\%$

For projects with anticipated spend within the reporting year

FCI Score – The percentage within each FCI score status ("Excellent", "Very Good", "Good", "Fair", "Poor", "Deficient") for a given period.

Board of Directors Quarterly Performance Report:



Q1 2024

Period Ended March 31, 2024

PSH Committee:

May 14, 2024



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Section 1

Executive Summary

The 2024 1st Quarter Performance Report provides highlights of London Middlesex Community Housing (LMCH) strategic and operational performance for the January, February, and March period. The quarterly performance report evolves on a continuing basis as metrics are identified and data collected and analyzed. The report shows our key performance indicators and conforms to the reporting requirements of the Board of Directors.

1st Quarter 2024 – Overview

- Q1 2024 showed a vacancy rate that has remained below LMCH's target of 3% and has been reduced by 50% year-over-year.
- Units in active restoration have decreased by 18 and now sit at 40.
- Average days in restoration has entered the "Yellow" for the first time since quarterly records have been reported. This is a positive trend that LMCH will continue to focus on in Q2 2024.
- Average days to commit the unit (23) has remained in the Green in Q1 2024. This metric has remained constant over the past five (5) quarters.

Q1 2024 - Performance Scorecard Vacancy


Outcome	Strategy	#	Measure	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Turnover Process in a Timely Manner	Improve Unit Time in Restoration and Days to Commit Unit	1.1	Maintain Vacancy Rate (%): Target = 3%	4.2%	3.6%	3.6%	2.7%	2.1% ▼
		1.2	Average # of Days to Commit the Unit: (From Vacant to Leased) Target = less than 33 days on average over the Quarter	19	18	16	17	23 ▲

Legend:

G	Expected results achieved
Y	Results moderately below expectations
R	Results far below expectations

Outcome	Turnover Process in a Timely Manner	
Strategy	Improve Unit Time in Restoration and Days Vacant	
Measure	1.1	Vacancy Rate (%) Units Available to Rent

Performance Measure Definition & Calculation	Performance Thresholds	
<p>The performance measure for "Vacancies" tracks the percentage of unoccupied housing units relative to the total number of units available within LMCH. This KPI is calculated by dividing the number of currently vacant units by the total number of units in the development, then multiplying the result by 100 to express it as a percentage.</p> <p>LMCH has set a service standard of 3% vacancy rate</p>	G	Green = Less than 3%
	Y	Yellow = 3% - 4%
	R	Red = Greater than 4%

Summary Analysis of Results	Status	G
<p>Q1 2024 has shown the lowest vacancy rate over the previous 12 months while also being down 50% year-over-year. The steady decline in vacancies is due to the new operational plan put in place by Property Services.</p> <p>Units in active restoration have decreased to 40 from 58 in the previous quarter. This is the lowest results achieved over the past 5 quarters.</p> <p>Total units restored in Q1 2024 was 81, down from 94 in the previous quarter. This metric helps to explain why LMCH was able to maintain their vacancy rate sub 3%.</p> <p>Average number of days in restoration dropped from 105 to 88 days throughout Q1 2024.</p>	Trend	
	<p>Notes: Results for this period are green with 2.1% of units found to be vacant.</p>	

Business Impact / Implications	A high vacancy rate correlates to less individuals and families being removed from the waitlist and placed within LMCH units. Additionally, a high vacancy rate can significantly impact LMCH's financial stability due to lost revenue and increased operational costs.
Management Actions	<p>Property Services has created and implemented KPI's and made them visible to Property Services Managers so they can track their progress in real time.</p> <p>Property Services implemented a strategy to complete all vacancies that appear each month while also completing additional units in their backlog to continue to maintain or exceed the 3% target.</p>
Assumptions	<ul style="list-style-type: none"> Barring no major emergencies including fire, flood, natural disasters, etc., the plan continues to be achievable. There are seasonal variables that can affect the vacancy rate where the summer months can have higher rates due to less staff due to vacations, higher move-out rates by tenants, and the seasonality of pests which will slow down the turn rate for treatment.


Count (Units)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Total units in Active Restoration	1.2%	1.8%	2.5%	2.7%	3.1%
Total units Vacant and ready	0.9%	0.9%	1.1%	0.9%	1.1%
Total	2.1%	2.7%	3.6%	3.6%	4.2%

Age of Units Restored in Period (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days (last day of quarter)	3	1	1	1	1
16-30 days (last day of quarter)	3	4	3	4	2
31-60 days (last day of quarter)	4	10	7	9	6
61-90 days (last day of quarter)	9	2	12	5	10
91+ days (last day of quarter)	7	12	15	10	20
Total units restored	81	94	102	96	112
Average # of days in restoration	88	105	108	103	126

Age of Units in active Restoration (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days (last day of quarter)	4	5	12	18	16
16-30 days (last day of quarter)	5	13	9	14	11
31-60 days (last day of quarter)	10	10	21	23	20
61-90 days (last day of quarter)	9	14	14	4	12
91+ days (last day of quarter)	12	16	25	29	43
Total units in Active Restoration	40	58	81	88	102
Average # of days in restoration at end of Quarter	84	80	85	100	100

Outcome	Turnover Process in a Timely Manner	
Strategy	Improve Unit Time in Restoration and Days Vacant	
Measure	1.2	Average # of Days to Commit the Unit: (From Vacant to Leased)

Performance Measure Definition & Calculation	Performance Thresholds	
“Average # of Days to Commit the Unit” measures the average time a renovated unit takes to be leased. This metric helps assess the efficiency of our leasing process and removing potential tenants from the waitlist.	G	Green = less than 33 days on average over the Quarter
	Y	Yellow = 34 to 50 days
	R	Red = 51+ days

Summary Analysis of Results	Status	G
In Q1 2024, the average number of days to commit the unit has stayed consistent over the past four quarters. The average number of days currently sits at 23 which is up year-over-year from 19 days in Q1 2023.	Trend	
	Notes: This has been a consistent metric for LMCH over the past year.	

Business Impact / Implications	Minimizing the average number of days to commit a unit is crucial for LMCH as it enhances cash flow and operational efficiency. Quick unit turnover aids in accurate financial forecasting, allows for efficient resource allocation, and reduces risks associated with vacant units. Overall, it strengthens LMCH's financial stability and reputation.
Management Actions	Tenant Placement begins the matching process of the unit once Property Services deems the unit to be “rent ready”. Tenant Services begins the process of matching potential individuals from the housing waitlist with vacant units available. This process includes showing the unit to the potential tenant and completing all paperwork including the signing of a lease with LMCH. Tenant Services has been consistent with their ability to lease units within the timeframe set out by LMCH.
Assumptions	Some tenants may reject the available unit for a variety of reasons which will add extra time to the placement process. In addition, circumstances may arise with the unit that may force Tenant Services to return the unit to Property Services to rectify the issue. This will prevent the unit from becoming available to individuals on the housing waitlist.

Age of Units Leased in the Period (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days (last day of quarter)	12	22	15	23	20
16-30 days (last day of quarter)	6	4	11	10	8
31-60 days (last day of quarter)	4	3	3	3	6
61-90 days (last day of quarter)	0	1	0	1	0
91+ days (last day of quarter)	0	0	0	1	1
Total units Leased	63	98	87	109	84
Average # of days to commit the unit. (From Vacant to Leased)	23	17	16	18	19

Age of Units Vacant and Available (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days	19	16	22	16	24
16-30 days	1	4	5	8	4
31-60 days	8	6	7	4	9
61-90 days	0	2	0	0	0
91+ days	1	1	3	1	0
Total units Vacant and ready	29	29	37	29	37
Average # of days vacant and ready (Unit has not been leased, still available)	18	19	21	17	11

Q1 2024 Financial Results
FAR- 2024-14

TO: LMCH Finance Audit and Risk Management Committee

FROM: Bushra Walji, Finance Manager

SUBJECT: Q1 2024 Financial Results

DATE: May 07, 2024

PURPOSE:

The purpose of this report is to share the unaudited financial results for LMCH for the period ending March 31, 2024.

RECOMMENDATION:

That the March 31, 2024, Financial Performance Results, and its Operating Summary Report be RECEIVED for information.

REASONS FOR RECOMMENDATIONS:

The following report provides a high-level analysis of LMCH's March 31, 2024, Operating Financial Results. The YTD operating results on March 31, 2024 ended with a deficit of (\$596,519) compared to YTD budget deficit of (\$332,206).

Operations Revenue

Total Rent revenue showed an unfavorable variance of (\$163,967) overall compared to the YTD 2024 budget with the primary reason being the underfunding received in the first quarter from the city.

Municipal Base Funding: This includes the amount of monthly funding received from the city. In the first quarter we were expecting to receive funding based on the annual provisional budget of \$16,266,288 for 2024, however, the actual funding received was short by (\$397,409). This shortfall will be addressed in second quarter payments from the city.

*LMCH Finance, Audit, and Risk Committee Meeting
May 9, 2024*

Rent Revenue: Rent revenues showed a favourable variance of \$117,609 due to the lower-than-YTD budgeted rent forgiveness. The actual rent forgiveness for the first quarter was \$ 166,667 compared to the YTD budget of \$360,425. We will monitor the trend for Rent revenue considering it may change with upcoming updates to the forgiveness amount.

Tenant Recoveries: Showed unfavourable variance of (\$12,333). This means that Maintenance charges back and Moveouts were lower than anticipated.

Interest Revenue: This had a favourable variance of \$18,761 as a result of the Bank of Canada's interest rate hikes. From Jan 1, 2024 interest rates have increased ~¾% which resulted in increased bank interest on deposits held.

Expenditures

Total expenditures showed an unfavorable variance of (\$112,341) compared to the YTD 2024 budget.

Salaries, Wages, and Benefits had a favorable variance of \$283,186 due to vacancies in various positions in the first quarter.

Building, Maintenance, Materials, and Services had unfavorable variance of (\$89,748). A review of this category indicates several program areas as overspent including Building General (\$134,202), Heating and Ventilation (\$84,051), Painting (\$54,014), Plumbing (\$33,156), Elevators and Electricals with (\$23,508) and (\$25,074) respectively offset by underspending in Pest Control \$146,979 and Waste removal \$29,191.

Utilities had unfavourable variance of (\$281,972) in this first quarter due to higher electricity costs (\$132,021) and higher natural gas costs (\$176,004), variance in utilities is seasonal and is expected to be reduced through the spring and summer seasons.

Administration costs including Legal, Consulting, and Human resources expenses have unfavourable variance of (\$67,012) due to costs of annual memberships which are paid in the first quarter, and supplies and communication costs.

Please see the attached report for a detailed analysis.

Appendix A – March 31, 2024, Operating Results

SIGNATURE:

PREPARED and SUBMITTED BY:	REVIEWED and CONCURRED BY:
BUSHRA WALJI MANAGER of FINANCE	PAUL CHISHOLM CHIEF EXECUTIVE OFFICER

Appendix A – March 31, 2024, Operating Results

FINANCIAL OPERATIONS RESULTS

As at March 31, 2024

	2024	2024	Variance	% age	Provisional	Actuals
	YTD Actuals	YTD Budget	From Budget	Variance	2024 Budget	2023
REVENUES						
RENT REVENUES	3,623,154	3,505,545	117,609	3%	14,022,180	13,402,172
TENANT RECOVERIES	22,722	35,056	(12,333)	-35%	140,222	160,857
NET BAD DEBT WRITE OFF	(135,117)	(245,388)	110,272	-45%	(981,553)	331,647
ANTENNA LICENSES	41,554	41,833	(279)	-1%	167,333	164,107
INTEREST	26,261	7,500	18,761	250%	30,000	182,588
SUNDRY & OTHER REVENUE	53,618	54,205	(587)	-1%	216,821	283,377
MUNICIPAL BASE FUNDING	3,669,163	4,066,572	(397,409)	-10%	16,266,288	14,676,651
TOTAL REVENUES	7,301,356	7,465,323	(163,967)	-2%	29,861,291	28,615,512
OPERATING EXPENDITURES						
SALARIES, WAGES & BENEFITS	1,876,107	2,159,294	283,186	-13%	8,637,175	7,792,335
TENANT SERVICES						
SECURITY	169,546	175,450	5,904	-3%	701,800	591,646
SOCIAL & REC PROGRAMS	16,892	31,500	14,608	-46%	126,000	62,697
TENANT SERVICES	186,438	206,950	20,512	-10%	827,800	654,343
MAINTENANCE, MATERIALS & SERVICES						
ROOFING	7,734	11,284	3,550	-31%	45,135	28,755
BUILDING GENERAL	460,393	326,191	(134,202)	41%	1,304,765	1,352,485
CLEANING	262,934	259,795	(3,140)	1%	1,039,178	1,133,170
PEST CONTROL	39,752	186,731	146,979	-79%	746,924	548,847
ELEVATORS	54,558	31,050	(23,508)	76%	124,200	137,368
ELECTRICAL	63,886	38,813	(25,074)	65%	155,250	207,105
EQUIPMENT	9,647	10,350	703	-7%	41,400	22,031
LANDSCAPING & PARKING LOT MTCE.	5,681	57,287	51,606	-90%	229,146	286,728
MOLD	22,090	16,010	(6,081)	38%	64,038	44,505
SNOW REMOVAL	496,568	516,667	20,099	-4%	737,567	772,713
LIFE SAFETY SYSTEMS	72,194	77,625	5,431	-7%	310,500	296,647
HEATING & VENTILATION	137,522	53,471	(84,051)	157%	213,885	269,098
PLUMBING	173,397	140,241	(33,156)	24%	560,962	654,349
PAINTING	150,790	96,777	(54,014)	56%	387,106	553,831
VANDALISM	13,541	18,051	4,510	-25%	72,204	94,217
WASTE REMOVAL	74,309	103,500	29,191	-28%	414,000	383,860
SUNDRY MATERIALS & SERVICES	(7,526)	3,881	11,407	-294%	15,525	17,011
TOTAL MAINTENANCE, MATERIALS & SERVICES	2,037,470	1,947,722	(89,748)	5%	6,461,784	6,802,721
UTILITIES						
ELECTRICITY	550,122	418,101	(132,021)	32%	1,672,405	1,724,818
WATER HEATER RENTAL	42,325	63,481	21,155	-33%	253,922	248,215
WATER	418,317	423,215	4,899	-1%	1,692,861	1,639,400
NATURAL GAS	521,004	345,000	(176,004)	51%	1,380,000	1,125,786
ENERGY SAVINGS REBATE	0	0	0		0	39,328
TOTAL UTILITIES	1,531,769	1,249,797	(281,972)	23%	4,999,187	4,698,891

2024	2024	Variance	% age	Provisional	Actuals
YTD Actuals	YTD Budget	From Budget	Variance	2024 Budget	2023

	2024 YTD Actuals	2024 YTD Budget	Variance From Budget	% age Variance	Provisional 2024 Budget	Actuals 2023
PROPERTY						
INSURANCE	308,319	309,500	1,181	0%	1,238,000	1,061,607
MUNICIPAL TAXES	1,364,809	1,386,321	21,513	-2%	5,545,285	5,434,420
TOTAL PROPERTY	1,673,128	1,695,821	22,693	-1%	6,783,285	6,496,027
ADMINISTRATION						
CORPORATE						
FINANCE	18,974	30,035	11,060	38%	120,138	120,138
HR	63,357	44,273	(19,084)	43%	177,093	177,093
L&C	95,693	76,467	(19,226)	25%	305,868	303,206
OFFICE	116,989	124,626	7,637	-6%	498,503	479,114
OTHER	20,539	17,113	(3,426)	20%	68,731	74,175
TOTAL CORPORATE	315,552	292,514	(23,039)	1%	1,170,334	1,153,727
TRANSPORTAION & COMMUNICATION						
TELECOM	77,240	63,876	(13,364)	21%	255,502	277,314
TRAVEL & TRANSPORTATION	25,530	14,287	(11,243)	79%	57,148	103,158
OTHER	1,140	2,070	930	-45%	8,281	22,395
TOTAL TRANSPORTAION & COMMUNICATION	103,910	80,233	(23,678)	30%	320,931	402,867
SUPPLIES & EQUIPMENT						
EQUIPMENT	11,886	7,197	(4,689)	65%	28,787	28,787
OTHER	148,609	133,002	(15,607)	12%	532,010	508,201
TOTAL SUPPLIES & EQUIPMENT	160,495	140,199	(20,296)	14%	560,797	536,989
TOTAL ADMINISTRATION	579,958	512,946	(67,012)	9%	2,052,061	2,093,583
TOTAL OPERATING EXPENDITURES	7,884,870	7,772,529	(112,341)	1%	29,761,291	28,537,900
EXTRAORDINARY LOSS						
Extraordinary Loss	13,005	25,000	11,995	48%	100,000	110,976
TOTAL EXTRAORDINARY LOSS	13,005	25,000	11,995	58%	100,000	110,976
NET SURPLUS (DEFICIT)	(596,519)	(332,206)	(264,313)	80%	100,000	33,364

**2023 Audited Financial Statements
STAFF REPORT- 2024- 13**

TO: LMCH Board of Directors

FROM: Sunil Ghai, Interim Director of Finance and Corporate Services

SUBJECT: 2023 Audited Financial Statements of LMCH

DATE: May 16, 2024

PURPOSE:

To present the Draft Audited 2023 Financial Statements and Audit Findings Report to the LMCH Board of Directors, to receive approval of these statements.

RECOMMENDATION:

That the Board of Directors:

1. **RECEIVE** and **APPROVE** the attached 2023 Audited Financial Statements.
2. **Recommend** the approval of the 2023 Audited Financial Statements to the Board of Directors.
3. **Authorize** LMCH staff to take necessary steps to give effect to the above recommendation.

BACKGROUND:

LMCH is subject to an annual external financial audit in accordance with Canadian Public Sector Accounting Standards (PSAS), which KPMG completed as part of the City of London financial audit. As the City of London is the sole shareholder of LMCH, the audited results are consolidated into the City of London's financial results. KPMG completed the audit of 2023 results in April 2024 without any complications.

AUDIT FINDINGS:

All audit procedures were completed as planned, no unadjusted misstatements and no significant findings were identified during the audit. In the opinion of KPMG, the financial statements are in accordance with Canadian PSAS and present fairly the financial position of LMCH as of December 31, 2023, in all material respects (Appendix A LMCH Draft AFR 2023).

There are presentation differences between the external financial statements and LMCH's internal financial statements that are used to determine our surplus or deficit reported to the City of London. Per the audited financial statements, LMCH reported

an annual surplus of \$6,851,951 versus the previously reported surplus of \$1,533,288. Refer to Appendix B, 2023 Financial Statements Comparison with Operations Statement and Appendix C, 2023 Draft Audited Financial Statements.

The major difference between the external and internal financial statements is the treatment of capital assets. Internally capital assets are defined as spending incurred on approved capital projects which are funded through the City of London's capital project allotment or alternative sources of capital funding such as Public Housing Major Upgrades, Infrastructure Gap, CMHC and CMHC Co-Investment. Externally capital assets are determined based on specific criteria set out by the Canadian Public Sector Accounting Board (PSAB) that are assessed on an asset-by-asset basis. LMCH internally reports operating spending and capital spending separately whereas the external financial statements include capital spending and accumulated amortization on the assets within the statement of operations.

As required by the Canadian Public Sector Accounting Standards, LMCH made changes to its accounting policies and adopted new standards retroactively to January 1, 2023 – PS 1201 Financial Statement presentation, PS 2601 Foreign Currency Translation, PS 3401 Portfolio Investments and PS 3450 Financial Instruments. These new standards did not have any significant implications on LMCH financial statement preparations.

However, LMCH had to make disclosures based on PS 3280 Asset Retirement Obligations (ARO), which establishes the accounting and reporting for legal obligations associated with the retirement of tangible capital assets controlled by the corporation. This liability can apply to tangible capital assets either in productive use or no longer in productive use. As a result of applying PS 3280, an asset retirement obligation of \$36,316,420 (2022-\$36,316,420) was recognized as a liability in the Statement of Financial Position.

The external financial audit completed by KPMG resulted in the following audit opinion as per the Independent Auditors' Report and will be forwarded to the City of London for consolidation purposes.

"In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2023, and its results of operations, its change in net debt and its cash flows for the year that ended in accordance with Canadian public sector accounting standards."

ATTACHMENTS:

Appendix A: LMCH Draft AFR 2023

Appendix B: 2023 Financial Statements Comparison with Operations Statement

Appendix C: 2023 Draft Audited Financial Statements

PREPARED and SUBMITTED BY:	NAME: SUNIL GHAI, Interim Director FINANCE AND CORPORATE SERVICES
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London & Middlesex Community Housing Inc.

Audit Findings Report
for the year December 31, 2023

KPMG LLP

Licensed Public Accountants

Prepared as of May 1, 2024 for presentation on May 9, 2024

kpmg.ca/audit

KPMG contacts

Key contacts in connection with this engagement



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Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

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Appendices

The purpose of this report is to assist you, as a member of the Board, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Audit highlights

Status

We have completed the audit of the financial statements ("financial statements"), with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.



Audit risks and results - significant risks

No matters to report based on procedures performed to address the presumed fraud risk from management override of controls.

Materiality

Materiality of \$900,000 (2022 - \$800,000) was determined based on preliminary total expenses resulting in an audit misstatement posting threshold of \$45,000 (2022 - \$40,000).

Significant unusual transactions

The Corporation was required to adopt PS3280 Asset Retirement Obligation standard. This resulted in a liability of \$36m recorded on January 1, 2022. The standard was implemented using the modified retrospective approach with prior period restatement.

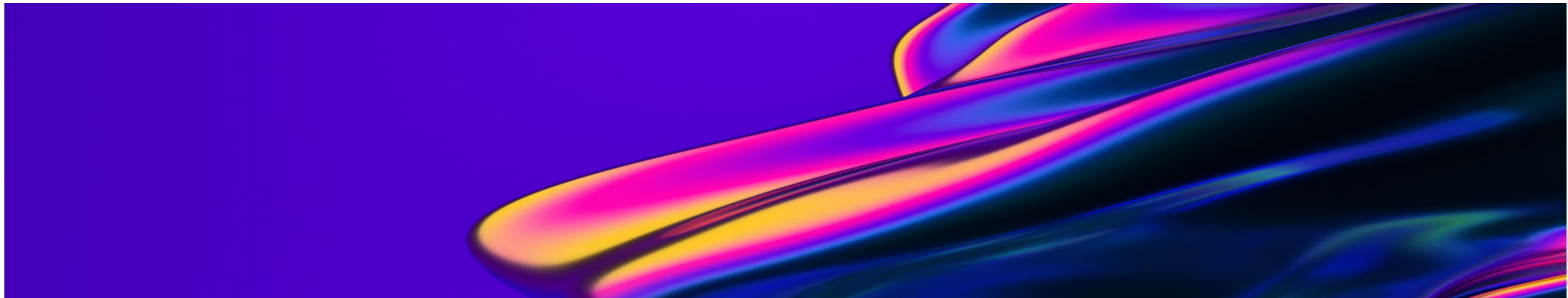
Corrected misstatements

The management representation letter includes all misstatements identified as a result of the audit, communicated to management, and subsequently corrected in the audited financial statements. However, there were no misstatements identified during the audit of the 2023 financial statements.



Control deficiencies

No control deficiencies identified.





Status

As of May 1, 2024, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- Final Partner and Manager review
- Completing our discussions with the Board of Directors
- Obtaining evidence of the Board of Director's approval of the financial statements
- Final review and documentation of audit file
- Receipt of the signed management representation letter
- Receipt of legal confirmation
- Receipt of related party confirmation

We will update the Board of Directors, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditor's report will be dated upon completion of any remaining procedures.





Misstatements

Corrected misstatements include financial presentation and disclosure misstatements. A list of corrected misstatements is included in the Management Representation Letter in the appendix to this report.



Impact of corrected misstatements – none noted for 2023

- Discuss the effect on the financial reporting process
 - Discussion about the cause of the corrected misstatements (e.g. control deficiencies)
 - Discussion about that the matters underlying the corrected misstatements (e.g. control deficiencies) could potentially cause future-period financial statements to be materially misstated.

Uncorrected misstatements include financial presentation and disclosure omissions.



Impact of uncorrected misstatements – none noted for 2023

- No uncorrected misstatements were identified as a result of the audit procedures performed.



Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.



Control deficiencies – Significant deficiencies

No significant deficiencies identified.



Other financial reporting matters

We also highlight the following:



Financial statement presentation - form, arrangement, and content



No matters to report.



Concerns regarding application of new accounting pronouncements



See details in appendices relating to upcoming changes in the Public Sector Accounting Standards. No concerns noted at this time with respect to the Entity's ability to implement.



Significant qualitative aspects of financial statement presentation and disclosure



No matters to report. The Corporation was required to adopt new accounting standards relating to Asset Retirement Obligations and Financial Instruments. The required note disclosures have been added to the financial statements as applicable.



Audit quality - How do we deliver audit quality?

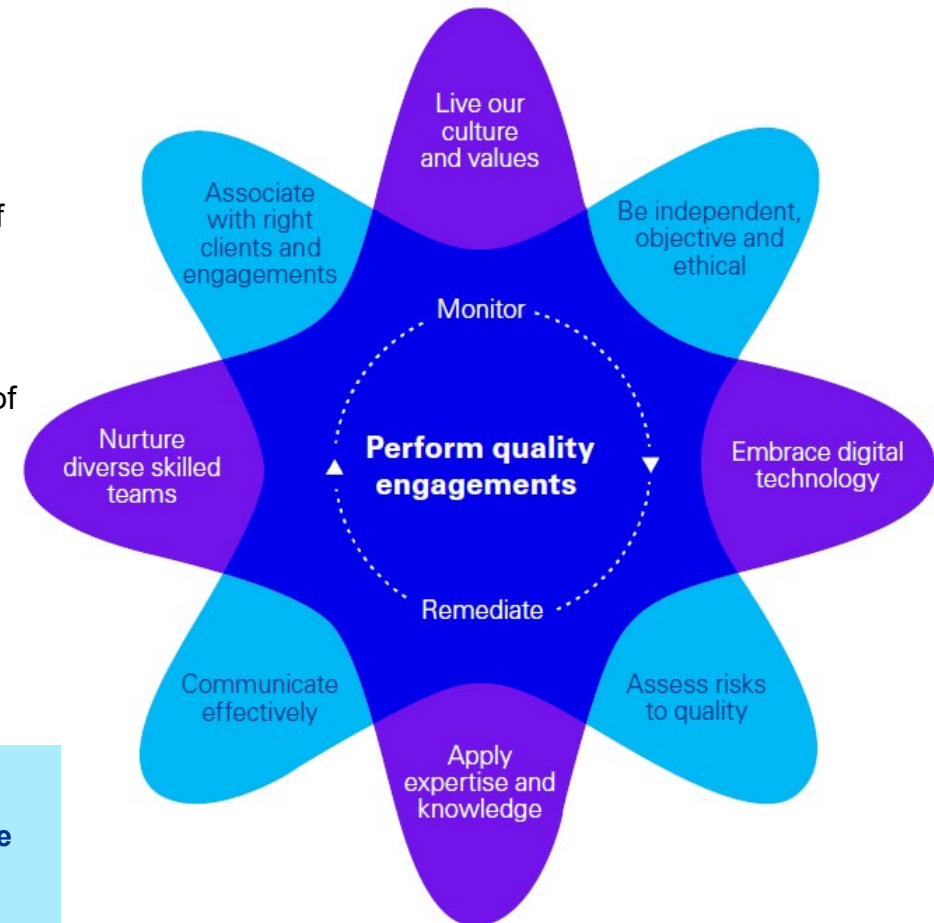
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.



Appendices

A

Required communications

B

Newly effective and upcoming changes to accounting standards

C

Audit and assurance insights

D

Fraud prevention

E

Environmental, social and governance (ESG)



Appendix A: Management representation letter

Provided in following slides

KPMG LLP
1400-140 Fullarton Street
London, ON N6A 5P2

Date

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of London & Middlesex Community Housing Inc. (“the Entity”) as at and for the period ended December 31, 2023.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated January 1, 2023, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.

- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others
 where such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Non-SEC registrants or non-reporting issuers:

- 11) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 12) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

Bushra Walji, Finance Manager

Paul Chisholm, CEO

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.



Appendix A: Auditors' report

Provided in following slides

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of London & Middlesex Community Housing Inc.

Opinion

We have audited the financial statements of London & Middlesex Community Housing Inc. (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

We draw attention to Note 3 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 3 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion such adjustments are appropriate and have been properly applied.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

London, Canada

Date



Appendix B: Newly effective and upcoming changes to accounting standards

Standard	Summary and implications
Revenue	<ul style="list-style-type: none"> The new standard PS 3400 <i>Revenue</i> is effective for fiscal years beginning on or after April 1, 2023. The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Purchased Intangibles	<ul style="list-style-type: none"> The new Public Sector Guideline 8 <i>Purchased intangibles</i> is effective for fiscal years beginning on or after April 1, 2023 with earlier adoption permitted. The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles. Narrow scope amendments were made to PS 1000 <i>Financial statement concepts</i> to remove the prohibition to recognize purchased intangibles and to PS 1201 <i>Financial statement presentation</i> to remove the requirement to disclose purchased intangibles not recognized. The guideline can be applied retroactively or prospectively.



Appendix B: Newly effective and upcoming changes to accounting standards

Standard	Summary and implications
Public Private Partnerships	<ul style="list-style-type: none"> The new standard PS 3160 <i>Public private partnerships</i> is effective for fiscal years beginning on or after April 1, 2023. The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the public private partnership ends. The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project. The standard can be applied retroactively or prospectively.
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.



Appendix B: Newly effective and upcoming changes to accounting standards

Standard	Summary and implications
Financial Statement Presentation	<ul style="list-style-type: none"> • The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted. • The proposed section includes the following: <ul style="list-style-type: none"> • Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. • Separating liabilities into financial liabilities and non-financial liabilities. • Restructuring the statement of financial position to present total assets followed by total liabilities. • Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). • Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. • A new provision whereby an entity can use an amended budget in certain circumstances. • Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position. • The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.



Appendix B: Newly effective and upcoming changes to accounting standards

Standard	Summary and implications
Employee benefits	<ul style="list-style-type: none"> • The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. • The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard. • Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. • The proposed section PS 3251 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively. • This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. • The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.

Appendix C: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Accelerate 2023

The key issues driving the audit committee agenda in 2023.

Momentum

A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

KPMG Climate Change Financial Reporting Resource Centre

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.



Appendix D: Fraud Prevention

75%

of Canadian small and medium-sized businesses were impacted by internal or external fraud (such as credit card fraud, fraudulent cheques, false invoices, or identity fraud by hijacking bank accounts) in the past year.*

**based on a February 2023 KPMG in Canada survey of more than 500 small and medium-sized enterprises across Canada*



The unfortunate reality is that fraud is no longer a question of “if?” but “when?”.

Organizations that effectively monitor and swiftly detect and respond to potentially damaging situations such as these are better placed to deal with them quickly and successfully, while reducing adverse financial, reputational or operational impact.

Based out of our London office, **Tyler Reavell** is a Senior Manager of KPMG in Canada’s Forensic Services practice in Southwestern Ontario. With over 10 years of professional experience, Tyler assists clients in achieving and maintaining business integrity through the prevention, detection, and investigation of fraud and misconduct.

Tyler has worked with Canadian organizations of all sizes and various industry sectors. Tyler’s professional experience includes fraud risk management, investigations of employee and corporate fraud for the purposes of criminal complaints, civil litigation, insurance claims and employment matters, tracing of misappropriated funds, review, design and implementation of internal controls in relation to fraud risks, business valuations for the purpose of disputes, and preparation of insurance and court-ready expert reports, for civil and criminal proceedings in Ontario.



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Tyler is the designated Forensic Risk Consulting advisor working as part of your KPMG engagement team. He will be happy to support your organization’s needs for Forensic Services. You can contact Tyler directly or through your KPMG audit team.



Appendix E: Environmental, Social and Governance (ESG)

The Importance of Sustainability Reporting



Sustainability Reporting – Who is impacted?

- **Lenders and underwriters** – increased focus on ESG considerations when making access to capital decisions
- **Investors** – ESG integration has become an investment norm
- **Employees** – ESG has become a key factor in attracting and retaining top talent
- **Consumers** – stakeholders increasingly scrutinize companies' ESG performance and transparency affecting brand acceptance and consumer demand



Importance to the Audit Committee

- **Regulatory developments** – ESG-related compliance costs and disclosure requirements continue to evolve as rules are finalized
- **Material ESG issues** – Audit Committees should understand stakeholder priorities and the company's material ESG risks and opportunities
- **Value creation** – developing a clear ESG strategy, along with a standardized reporting process can set a company apart from its competitors



Governance on ESG Data and Sustainability Reporting

- **Data collecting and reporting** – understand the ESG frameworks and reporting standards most commonly adopted in the industry and jurisdiction (benchmark to others in the industry)
- **ESG assurance** – Audit Committees are best positioned to understand which ESG metrics merit assurance. An assurance readiness assessment on Carbon is a common and often recommended first place to start



Appendix E: Environmental, Social and Governance (ESG)

All companies are facing climate-related risks and opportunities – and are making strategic decisions in response. The impacts of climate-related risks in the financial statements are broad, potentially complex and will depend on the industry-specific risks.

How might climate-related risks impact the financial statements?

**01**

Assets

Consider the useful lives and residual values of PP&E and intangible assets, cash flow projections used for impairment testing of non-financial assets, and the potential impacts on inventories.

02

Liabilities

Consider the recognition of environmental and decommissioning obligations, accounting for emissions or 'green' schemes, impact on employee-benefit arrangements, and restructuring provisions.

03

Borrowers

Consider the accounting for different forms of government assistance, potential for embedded derivatives in green bonds, lease of green technology, impacts of leasing polluting assets.

04

Lenders

Consider how climate-related risks impact operating and financing leases, the potential impact on expected credit losses, and whether green loans meet the SPPI criterion.

05

Disclosures

Consider the impact on the going concern assessment and related disclosures and whether the impacts of climate-related matters have been disclosed clearly.



[See here for more information](#)



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Appendix B: 2023 Financial Statements Comparison with Operations Statement

	Interim Statement of Operations - Feb 29, 2024	Capital Funding & Amortization	PSAS vs. Internal Capitalization Policy	Adj. (Surplus)/ Deficit	Net Bad Debt Reclass	Extraordinary Losses Reclass	CMHC Capitalized Labour Cost	Audited Statements of Operations
		1	2	3	4	5	6	
Revenue:								
Rental Revenue	13,308,790				254,239			13,563,029
The Corporation of City of London								
Rental Subsidy	12,630,651							12,630,651
Funding Adjustment				33,364				33,364
Business Case 19	2,046,000							2,046,000
Capital funding		10,632,740						10,632,740
CMHC revenue		1,359,403						1,359,403
Other	630,071							630,071
	28,615,512	11,992,143		33,364	254,239			40,895,258
Expenditures:								
Salaries	7,792,336						156,595	7,948,931
Maintenance, materials and services	7,457,064		2,637,885	(248,730)		110,976		9,957,195
Utilities	4,698,890							4,698,890
Amortization		2,745,193						2,745,193
Property	6,496,027							6,496,027
Administration	2,093,583		107,308	(3,820)				2,197,071
	28,537,900	2,745,193	2,745,193	(252,550)	0	110,976	156,595	34,043,307
Extraordinary Losses	110,976					(110,976)		0
	(33,364)	9,246,950	(2,745,193)	285,914	254,239	(110,976)	(156,595)	6,851,951

Explanations for Changes:

- 1 - Added Capital Funding, and associated Amortization expenses; these adjustments are done prior to finalization of audited statements.
- 2 - Allocation of capital expenditures; these adjustments are done prior to finalization of audited statements.
- 3 - Adjustment made to include the deficit funding receivable from City of London, and to expenditures post interim statement presentation.
- 4 - Reclassification of the Net bad Debt to Revenue.
- 5 - Recognition of Extra ordinary losses.
- 6 - Adjustment for wages that were capitalized to reflect total wages for the year.

Financial Statements of

**LONDON & MIDDLESEX
COMMUNITY HOUSING INC.**

And Independent Auditor's Report thereon

Year ended December 31, 2023

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of London & Middlesex Community Housing Inc.

Opinion

We have audited the financial statements of London & Middlesex Community Housing Inc. (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

We draw attention to Note 3 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 3 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion such adjustments are appropriate and have been properly applied.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However,

future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

London, Canada

Date

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
		(Restated - note 3)
Financial Assets		
Cash	\$ 513,297	\$ 1,289,054
Accounts receivable (note 4)	4,246,100	2,350,779
Due from The Corporation of the City of London	2,796,240	1,349,187
	7,555,637	4,989,020
Financial Liabilities		
Accounts payable and accrued liabilities	7,331,461	4,570,862
Tenant advances	956,834	874,437
Unearned miscellaneous revenue	84,536	60,818
Asset retirement obligation (note 13)	36,316,420	36,316,420
CMHC loan (note 9)	2,894,602	771,000
	47,583,853	42,593,537
Net debt	(40,028,216)	(37,604,517)
Non-Financial Assets		
Tangible capital assets (note 8)	73,611,712	64,636,161
Prepaid expenses	1,266,636	966,537
	74,878,348	65,602,698
Commitments (note 6)		
Accumulated surplus (note 11)	\$ 34,850,132	\$ 27,998,181

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual (Restated - note 3)
Revenue:			
Rental revenue	\$ 12,526,837	\$ 13,563,029	\$ 13,847,990
The Corporation of the City of London:			
Rental subsidy	12,094,182	12,630,651	12,094,182
Funding adjustment	—	33,364	(16,009)
Business Case 19	1,806,000	2,046,000	1,806,000
Capital funding	—	10,632,740	4,201,132
CMHC revenue	—	1,359,403	456,568
Other	406,391	630,071	523,247
	26,833,410	40,895,258	32,913,110
Expenses:			
Salaries, wages and employee benefits	6,900,485	7,948,931	6,822,096
Maintenance, materials and services:			
Building, general	4,951,929	7,770,696	6,446,480
Grounds	1,225,000	1,443,300	1,429,266
Painting	300,000	553,831	259,746
Other	173,811	189,368	187,783
	6,650,740	9,957,195	8,323,275
Utilities:			
Electricity	1,996,161	1,973,032	1,980,685
Water	1,434,513	1,639,400	1,500,973
Natural gas	970,572	1,125,786	1,068,159
Energy saving project rebates	—	(39,328)	—
	4,401,246	4,698,890	4,549,817
Amortization	—	2,745,193	2,521,836
Property:			
Municipal taxes	5,388,084	5,434,420	5,285,587
Insurance	882,477	1,061,607	860,366
Mortgage payments (note 5)	9,275	—	9,046
	6,279,836	6,496,027	6,154,999
Administration	2,601,103	2,197,071	3,007,799
Total expenses	26,833,410	34,043,307	31,379,822
Annual surplus	—	6,851,951	1,533,288
Accumulated surplus, beginning of year	27,998,181	27,998,181	62,781,313
Adjustment for asset retirement obligation	—	—	(36,316,420)
Accumulated surplus, end of year	\$ 27,998,181	\$ 34,850,132	\$ 27,998,181

See accompanying notes to financial statements.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Changes in Net Debt

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual (Restated - note 3)
Annual surplus	\$ —	\$ 6,851,951	\$ 1,533,288
Acquisition of tangible capital assets	—	(11,720,746)	(4,766,860)
Amortization of tangible capital assets	—	2,745,193	2,521,836
	—	(8,975,553)	(2,245,024)
Acquisition of prepaid expenses	—	(8,434,437)	(7,941,654)
Use of prepaid expenses	—	8,134,340	7,781,931
	—	(300,097)	(159,723)
Change in net debt	—	(2,423,699)	(871,459)
Net debt, beginning of year	(37,604,517)	(37,604,517)	(416,638)
Adjustment for asset retirement obligation (note 3)	—	—	(36,316,420)
Net debt, end of year	\$ (37,604,517)	\$ (40,028,216)	\$ (37,604,517)

See accompanying notes to financial statements.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 6,851,951	\$ 1,533,288
Items not involving cash:		
Amortization	2,745,193	2,521,836
Changes in non-cash items:		
Accounts receivable	(1,895,322)	(1,310,141)
Prepaid expenses	(300,098)	(159,721)
Due from The Corporation of the City of London	(1,447,050)	(354,322)
Accounts payable and accrued liabilities	2,760,599	182,274
Tenant advances	82,397	7,066
Unearned miscellaneous revenue	23,717	(868)
	8,821,387	2,419,412
Capital activities:		
Acquisition of tangible capital assets	(11,720,746)	(4,766,860)
Financing activities:		
Issuance of CMHC loan	2,123,602	711,733
Net decrease in cash	(775,757)	(1,635,715)
Cash, beginning of year	1,289,054	2,924,769
Cash, end of year	\$ 513,297	\$ 1,289,054

See accompanying notes to financial statements.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements

Year ended December 31, 2023

1. Incorporation:

London & Middlesex Community Housing Inc. (formerly London & Middlesex Housing Corporation) (the "Corporation") operates housing accommodation primarily for persons of low and moderate income. The Corporation operates 3,282 units throughout The City of London and the County of Middlesex and is 100% owned by The Corporation of the City of London.

2. Significant accounting policies:

The financial statements of the Corporation are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Corporation are as follows:

(a) Tangible capital assets:

- (i) Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Site improvements	25 - 30
Buildings and improvements	25 - 40
Technology and communications	3
Vehicles	10
Furniture and fixtures	10
Machinery and equipment	25
Appliances	10

One half-year's amortization is charged in the year of acquisition.

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

An asset retirement obligation is recognized when, at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

(a) Tangible capital assets (continued):

(i) (continued):

A liability for the removal of asbestos and other hazardous materials in the building owned by the Corporation has been recognized based on estimated future expenses.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in this note.

In addition, the Corporation's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

(ii) Contributions of capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

(b) Revenue recognition:

Rental revenue is recognized at the time the service is provided. Other revenues are recognized when the services are earned.

Government transfer payments are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and a reasonable estimate of the amount can be made. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenses are incurred or services performed. If funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as a liability at year end.

(c) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying value of tangible capital assets and the valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

(d) Budget data:

Budget Figures have been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by PSAB, certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

(e) Pension contributions:

The Corporation has a pension agreement with the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined contribution benefit plan. The Corporation's costs are the contributions due to the plan in the period.

(f) Contaminated sites:

Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organisms that exceeds the environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

(g) Financial instruments:

PS 3450, *Financial Instruments*, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the Corporation's December 31, 2023 year-end).

Financial instruments are classified into three categories: fair value, amortized cost or cost. Portfolio investments reported at fair value consist of equity instruments, certain fixed income securities, and any other investments where the investments are managed and evaluated on a fair value basis and the fair value option is elected.

Other financial instruments, including cash, accounts receivable, CMHC loan, and accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at cost or amortized cost, net of any provisions for impairment.

Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method.

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Change in accounting policy – adoption of new accounting standards:

The Corporation adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*.

- (a) PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.
- (b) PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.
- (c) PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.
- (d) PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

Fair value hierarchy: The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- (i) Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Change in accounting policy – adoption of new accounting standards (continued):

(d) (continued):

- (iii) Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

- (e) PS 3280 *Asset Retirement Obligations* ("ARO") establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on January 1, 2023 using the modified retrospective approach.

In the past, the Corporation has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance, and monitoring that are an integral part of the retirement of the tangible capital asset (if applicable). When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

As a result of applying this accounting standard, an asset retirement obligation of \$36,316,420 (2022 - \$36,316,420) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the Corporation owned buildings.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Change in accounting policy – adoption of new accounting standards (continued):

(e) (continued):

The adoption of PS 3280 ARO was applied to the comparative period and balances were restated as follows:

2022	As previously stated	Adjustments	As restated
Statement of Financial Position			
Asset retirement obligation liability	–	36,316,420	36,316,420
Accumulated surplus	64,314,601	(36,316,420)	27,998,181
Statement of Changes in Net Debt			
Adjustment for asset retirement	–	(36,316,420)	(36,316,420)
Net debt, beginning of year	(1,288,097)	(36,316,420)	(37,604,517)

4. Accounts receivable:

Accounts receivable recorded on the statement of financial position are composed of the following:

	2023	2022
Rent	\$ 1,747,410	\$ 1,811,198
Allowance for doubtful accounts	(782,979)	(1,014,699)
Harmonized Sales Tax	845,416	620,213
LMHC Accounts Receivable	2,274,066	615,615
Sundry	162,187	318,452
	\$ 4,246,100	\$ 2,350,779

5. Income producing properties:

The income producing properties held by London & Middlesex Housing Authority and passed through to the Corporation were originally financed by the Province of Ontario through general obligation provincial debentures. At the time of the transfer of ownership the Province did not transfer the responsibility for repayment of these debentures. Accordingly, the value of the provincial debentures associated with them have not been recorded on the Corporation's financial statements.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Commitments:

(a) Contractual obligations:

The Corporation is committed to the following minimum annual operating lease payments for premises and equipment

2024	\$	601,754
2025		593,427
2026		153,881

7. Pension agreement:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. In 2023 contribution rates are 9.0% for employee earnings below the year's maximum pensionable earnings and 14.6% thereafter. Employee contributions match these rates.

Contributions to OMERS by the Corporation are recognized as an expense in the period they are incurred. A total of \$564,779 was incurred as pension expense in 2023 (2022 - \$467,983).

The last available report for the OMERS plan was on December 31, 2023. At that time, the plan reported a \$4.2 billion actuarial deficit (2022 - \$6.7 billion), based on actuarial liabilities for \$136.2 billion (2022 - \$130.3 billion) and actuarial assets for \$131.9 billion (2022 - \$123.6 billion). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Tangible capital assets:

Cost	Balance at December 31, 2022	2023 Additions	2023 Disposals	Balance at December 31, 2023
	(Restated - note 3)			
Land	\$ 24,605,751	\$ —	\$ —	\$ 24,605,751
Site improvements	3,835,972	3,102,887	—	6,938,859
Buildings and improvements	140,665,793	7,486,752	—	148,152,545
Technology and communications	1,705,217	5,346	64,625	1,645,938
Vehicles	48,297	—	—	48,297
Furniture and fixtures	318,180	10,895	42,683	286,392
Machinery and equipment	4,317,004	935,353	—	5,252,357
Appliances	2,517,795	179,513	—	2,697,308
Total	\$ 178,014,009	\$ 11,720,746	\$ 107,308	\$ 189,627,447

Accumulated amortization	Balance at December 31, 2022	2023 Disposals	2023 Amortization	Balance at December 31, 2023
	(Restated - note 3)			
Land	\$ —	\$ —	\$ —	\$ —
Site improvements	2,067,465	—	141,114	2,208,579
Buildings and improvements	105,679,566	—	2,131,559	107,811,125
Technology and communications	1,414,499	64,625	187,058	1,536,932
Vehicles	48,297	—	—	48,297
Furniture and fixtures	201,604	42,683	24,363	183,284
Machinery and equipment	2,028,897	—	157,788	2,186,685
Appliances	1,937,520	—	103,311	2,040,831
Total	\$ 113,377,848	\$ 107,308	\$ 2,745,193	\$ 116,015,733

	Net book value December 31, 2022	Net book value December 31, 2023
	(Restated - note 3)	
Land	\$ 24,605,751	\$ 24,605,751
Site improvements	1,768,506	4,730,279
Buildings and improvements	34,986,227	40,341,421
Technology and communications	290,718	109,006
Vehicles	—	—
Furniture and fixtures	116,577	103,108
Machinery and equipment	2,288,107	3,065,672
Appliances	580,275	656,475
Total	\$ 64,636,161	\$ 73,611,712

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

9. CMHC credit agreement:

On November 25, 2021, together with the City of London as a guarantor, LMCH entered into a ten-year credit agreement with Canada Mortgage and Housing Corporation (CMHC) to finance repairs and renewal of designated housing units at thirteen sites owned and operated by LMCH. Under the agreement, LMCH will make quarterly drawdowns up to a maximum of \$40,136,090. LMCH plans to draw the full amount by the end of 2027, 39% of the loan will be forgivable. LMCH will be receiving funds in seven tranches each with its specific interest rate. The first Loan Facility was received on December 9, 2021 with the applicable interest rate for a Repayable Loan of 1.84% for the first tranche, second tranche was received in 2022 bear interest of 3.01%. CMHC received funding is allocated to three areas: Energy efficiency, Accessibility and Property Repairs & Renewals. LMCH has an option to extend the term of any of the repayable loans for an additional ten years. At this time the intention is to pay each tranche back to CMHC after the first ten years and waive the option to extend.

	2023	2022
Repayable Loan Tranche 1	\$ 57,305	\$ 58,336
Repayable Loan Tranche 2	2,837,297	712,664
	\$ 2,894,602	\$ 771,000

Forgivable loans in the amount of \$1,359,403 (2022 - \$456,568) were received during the year and were reflected as CMHC revenue on the statement of operations. Should the Corporation not meet certain requirements throughout the term of the loans they may be required to repay these amounts.

10. Capital allotment:

An approved capital allotment is managed by the City of London to finance future capital expenditures. The allotment has not been recognized in these financial statements and will be accounted for as the funds are received and expensed.

	2023	2022
Opening balance	\$ 9,407,277	\$ 6,308,910
Contributions during the year	8,350,000	6,525,000
Capital expenditures	(7,264,032)	(3,426,633)
	\$ 10,493,245	\$ 9,407,277

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

11. Accumulated surplus:

	2023	2022
Surplus:		
Business Case 18 Co-investment Funding	\$ 449,442	\$ 449,440
CHMC loan	(2,894,602)	(771,000)
Invested in tangible capital assets	73,611,712	64,636,161
Asset retirement obligation (note 13)	(36,316,420)	(36,316,420)
	<u>\$ 34,850,132</u>	<u>\$ 27,998,181</u>

12. Contingencies:

The Corporation is subject to certain actual and potential legal claims, which have arisen in the normal course of operations. It has been determined by management that the outcome of these claims is not determinable at this point and as such no amount has been included in these financial statements.

13. Asset retirement obligations:

The Corporation has recorded an asset retirement obligation as of the January 1, 2023 implementation date on a modified retroactive basis, with a restatement of prior year amounts.

As at December 31, 2023, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

A reconciliation of the beginning and ending aggregate carrying amount of the asset retirement obligation liability is below:

	2023	2022
Liabilities for asset retirement obligations, beginning of year	\$ 36,316,420	\$ —
Opening adjustments	—	36,316,420
Liabilities for asset retirement obligations, end of year	<u>\$ 36,316,420</u>	<u>\$ 36,316,420</u>

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2023

14. Financial risks and concentration risk:

Risks arising from financial instruments and risk management:

The Corporation is exposed to a variety of financial risks including credit risks, liquidity risk and market risk. The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial performance.

(a) Credit risk:

The Corporation's principal financial assets that are subject to credit risk are cash and accounts receivable. The carrying amounts of financial assets on the Statement of Financial Position represent the Corporation's maximum credit exposure as at the Statement of Financial Position date.

(b) Liquidity risk:

The Corporation mitigates liquidity risk by monitoring cash activities and expected outflows through extensive budgeting. Accounts payable and accrued liabilities are all current. There have been no significant changes from the previous year in the Corporation's exposure to liquidity risk or policies, procedures and methods used to measure the risk. All accounts payable and accrued liabilities will be paid within twelve (12) months.

(c) Market risk:

The Corporation's financial instruments consist of cash, accounts receivable, loans payable and accounts payable and accrued liabilities. It is Corporation's opinion that it is not exposed to significant interest rate or currency risks arising from these financial instruments except as otherwise disclosed.

Reimagine Southdale Phase 2 Update STAFF REPORT- 2024- 14

TO: LMCH Board of Directors

FROM: Trevor Whittingham, Senior Manager of Asset Management

SUBJECT: 2024 – Phase 2 – Architectural Services

DATE: May 16, 2024

PURPOSE:

The purpose of this report is to update the LMCH Board of Directors on LMCH Staff's plans to develop Phase 2 of the Reimagine Southdale project and seek approval to engage an architect to lead the design of the second building.

RECOMMENDATION:

That the LMCH Board of Directors **RECEIVE** this report and **APPROVE** the **RECOMMENDATIONS**:

1. **Acknowledge** and **APPROVE** that the increase in contract value for architectural services in Phase 1 of Reimagine Southdale has risen to \$1,052,415 based on changes in scope and contract value for the project.
2. **APPROVE** the award of a contract for Phase 2 architectural services to Curran Gacesa Slote Architects Inc. for a maximum value of \$734,900 (before tax)
3. **Request** that LMCH Staff continue efforts to renegotiate the contract value for Phase 2, on a best-effort basis, to reduce the architectural costs
4. **Report** back to the Board at a future meeting on the outcome of the negotiations
5. **Authorize** LMCH staff to take the necessary steps to give effect to the above recommendation(s).

FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE UPDATE:

The FAR Committee met on May 9, 2024 to review the 2024 – Phase 2 – Architectural Services report. After a presentation from the Senior Manager of Asset Management, the Committee members discussed the report, and recommendations and asked a number of questions of staff. The Committee noted:

- They approve the increase in Phase 1 Architectural Costs; and
- Approve the award of the contract for architectural services for Phase 2 of Reimagine Southdale; and
- Request that management go back and negotiate fees with CGS. A motion was passed by the committee, *to proceed with CGS and attempt to renegotiate the Phase 2 fee on a lower cost on a best-effort basis.*

The recommendations of this report have been changed from the original FAR Committee report to reflect the input of the FAR Committee.

BACKGROUND:

In the summer of 2021 LMCH issued a public RFP for architectural services for the Reimagine Southdale project. At that time the scope of the project was anticipated to be two four-storey buildings, constructed in two phases. Bids were received from seven firms, located all across Southwestern Ontario. Following an extensive evaluation process, including design submissions as well as interviews, Thier+Curran

Architects (TCA) – the predecessor firm to CGS – was selected as the preferred partner. The LMCH Board of Directors approved a \$764,000 contract with TCA at the September 2021 meeting. This contractual value was based on an estimated construction cost of \$19M.

Throughout 2022, CGS led us through several design exercises and worked with the team to develop a plan that best utilized the Southdale site. Through these design iterations, the scope of the project evolved from two four-storey buildings to three six-storey buildings. As a result of these changes, the parties agreed to a contractual change that removed the fees associated with the construction of a second building and also recognized that the anticipated construction cost of the project had risen from \$19M to \$24.35M. Because architectural contracts are typically structured as a percentage of construction cost the contract with CGS was required to increase proportionately.

With the changes noted above, as well as a few other Change Orders for work that was outside of the scope considered in the 2021 RFP, the current contract with CGS for Phase 1 of Reimagine is valued at \$1,052,415. Please see Appendix A for a full listing of all changes to this contract.

As part of the 2024 City of London Multi-Year Budget Process, LMCH submitted a business case requesting funding to continue with our Regeneration goals. At the end of February, the City confirmed that it will be providing \$33.4M to fund the LMCH Regeneration Plan; the majority of which is earmarked for the second building at Southdale.

PHASE TWO APPROACH:

Now that funding has been approved for Phase 2, it is LMCH’s desire to move as quickly as possible to deliver the second building. The intent is also to have each of the buildings planned for Southdale to complement each other and have very similar designs. With the exception of a few small tweaks, or potential changes to ground floor layouts, Phase 2 is planned to utilize the same design as Phase 1; Phase 3 will, likewise, be a copy of the previous two buildings.

Understanding those factors, LMCH requested that CGS submit a proposal to act as the Prime Design Consultant for our second building. They have submitted a proposal to complete this work for \$734,900. Please see the table below outlining the breakdown of fees across each design phase. The full proposal can be found in Appendix B.

PROJECT PHASE	Percent of Total Fees (Phase 1)	Fee (Phase 1)	Percent of Total Fees (Phase 2)	Fee (Phase 2)
Program & Scope Development Phase	6.0%	\$55,814.98	5.1%	\$37,500.00
Schematic Design Phase	12.0%	\$111,629.96	10.2%	\$75,000.00
Design Development Phase	16.0%	\$148,839.95	17.0%	\$125,000.00
Construction Documents Phase	46.0%	\$427,914.86	39.5%	\$290,000.00
Construction Procurement Phase	6.0%	\$55,814.98	8.4%	\$62,000.00
Construction Phase	13.5%	\$125,583.71	19.1%	\$140,000.00
Close Out / Warranty Period	0.5%	\$4,651.25	0.7%	\$5,400.00
TOTAL	100.0%	\$930,249.70	100.0%	\$734,900.00
CONSTRUCTION VALUE		\$24,350,000.00		\$22,500,000.00
% OF CONSTRUCTION VALUE:		3.82%*		3.27%

*The original percentage fee in the awarded RFP from July 26, 2021 was **4.03%**

**Construction Value based on Phase 1 Excluding Townhouse Work + approx. 5% inflation

FINANCIAL IMPACT:

As outlined above, the proposed cost of designing and administering the second building is expected to be approx. \$200k less than Phase 1. This makes intuitive sense since much of the design from the first building will be reused. The team will still need to proceed through all the stages of design development, but the decisions and learnings from the first phase should make each step proceed significantly faster.

The CGS proposal estimates that construction fees will be 3.27% of the construction cost. This rate is well below the industry standard. For comparison, qualified submissions received during the 2021 RFP ranged from 4.02% to as high as 5.17%.

Finally, it is important to note that no matter how good the architect is, no matter how thorough the design review process, there will be small drawing errors or coordination issues found during construction. These issues lead to Change Orders, increasing the

cost of construction. Because CGS has experience designing and administering the documents during Phase 1, coordination errors in Phase 2 should be reduced significantly. A cleaner design should minimize Change Orders and keep construction costs as low as possible.

As part of the Regeneration business case, which was approved by the City, an estimated consultant fee of \$1.08M was included. The CGS proposed cost of \$734,900 is significantly less than this allocation. For all the above financial reasons utilizing CGS to complete the design of Phase 2 is recommended.

LEGAL IMPACT

To minimize risk and ensure compliance with the LMCH Procurement Policy, as well as public sector procurement guidelines, Cohen Highly Lawyers have provided a legal opinion on the risks of entering into a contract with CGS for Phase 2, rather than publicly tendering this scope of work. Their report is found in Appendix C. At a high level, they believe that LMCH will remain fully compliant with relevant policies and legislation because the scope of the 2021 RFP included multiple buildings, constructed across multiple phases.

CONCLUSION:

For reasons of quality, schedule, and cost it is recommended that the Board of Directors approve LMCH to engage CGS Architects to act as our Prime Consultant on Phase 2 of the Reimagine Southdale project.

PREPARED and SUBMITTED BY:	STAFF CONTACT:
TREVOR WHITTINGHAM SENIOR MANAGER, ASSET MANAGEMENT	SCOTT ROBERTSON, CONSTRUCTION AND PROJECT MANAGER

ATTACHMENTS:

- Appendix A – Calculation of CGS contract value for Phase 1
- Appendix B - CGS Phase 2 proposal
- Appendix C – IN CAMERA ATTACHMENT Cohen Highly legal opinion

Appendix A – Calculation of CGS contract value for Phase 1

LMCH CO No.	Change Order (additional Service)	Total CO Value	Running Total Change to contract
		Initial Contract Value	\$ 764,940.00
1	ZBA meeting with the COL and meeting prep. & follow up	\$ 792.50	\$ 765,732.50
2	Alternate options (Option C)	\$ 1,052.50	\$ 766,785.00
3	TCA attendance at ZBA meeting with COL	\$ 842.50	\$ 767,627.50
4	Ex. Townhouse renderings and concept drawings	\$ 2,560.00	\$ 770,187.50
5	Master Plan development	\$ 12,160.00	\$ 782,347.50
6	ZBA Submission TCA and MHBC	\$ 55,200.00	\$ 837,547.50
7	Issued in error by CGS	\$ 31,162.50	\$ 868,710.00
7	Credit issued by CGS	-\$ 31,162.50	\$ 837,547.50
8	Renderings (Preliminary)	\$ 3,050.00	\$ 840,597.50
9	Graphic Design	\$ 1,035.00	\$ 841,632.50
10	Renderings (Final)	\$ 2,245.95	\$ 843,878.45
11	ZBA Application Fee	\$ 301.17	\$ 844,179.62
12	Open House - Consultants hourly rates	\$ 902.45	\$ 845,082.07
13	New Construction Value	\$ 165,309.70	\$ 1,010,391.77

Appendix A – Calculation of CGS contract value for Phase 1

LMCH CO No.	Change Order (additional Service)	Total CO Value	Running Total Change to contract
14	Prequal	\$ 25,800.00	\$ 1,036,191.77
15	Enbridge SBD	\$ 6,650.00	\$ 1,042,841.77
16	Expenses	\$ 820.36	\$ 1,043,662.13
17	Marketing Drawings	\$ 8,753.25	\$ 1,052,415.38

March 25, 2024

London & Middlesex Community Housing
1299 Oxford Street East
London, Ontario
N5Y 4W5

Attention: Scott Robertson, Construction and Project Manager

By Email:
srobertson@lmch.ca

RE: Proposal to Provide Professional Architectural Services for
PHASE 2 of LMCH's REIMAGINE Southdale Project

Dear Mr. Robertson,

Thank you for the opportunity to provide a fee proposal for Phase 2 of Reimagine Southdale. We are thrilled to have an opportunity to continue working with you on this important and transformative project!

What is Unique about CGS | Curran Gacesa Sote Architects Inc.?

We have a **passion for design excellence**, and we consistently deliver **innovative, high quality buildings**. We are adept at visioning, creating powerful buildings and vibrant places that are a source of pride for our clients and communities. Our buildings reflect and are tailored to fit their communities, but with **fresh and exciting ideas** that garner attention. We design with **careful attention to the fine detail**. We create unique solutions to our clients' problems, seeking to **rethink accepted paradigms** to deliver unexpected results, or solve problems our clients' weren't aware that they had.

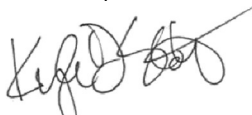
CGS's greatest resource is our high quality team. **Our staff profile is a unique competitive advantage**, since all CGS staff are fully trained Architects, unlike most firms that hire many technologists. So our team of Architects brings greater depth and understanding to every task, delivering higher quality buildings and better quality services throughout the project.

We understand environmental integrity and sustainable design deeply. But we also know how to see beyond just certifications and its costs to deliver **cost effective sustainability**. **Our work as developers** gives us a unique advantage in understanding value and achieving design impact.

As Principal, I will lead the project throughout with our talented team of architects assisting, and I will continue to be the primary contact.

Please do not hesitate to contact me at 905-297-0863 x 228 or kyle.slote@cgsarch.ca should you have any questions or wish to discuss this. We are very excited about the possibility of working with you!

Sincerely,



Kyle D Slote, OAA
Principal

Project Understanding

Our understanding of Phase 2 is as follows:

- A 6 storey, 50-unit multi-residential building that is the mirror of Phase 1 with some materiality changes to differentiate the buildings.
- Site work as shown in the Phase 2 portion of the Master Plan including a pedestrian gateway feature, surface parking, a multi-use sports court, and landscaping.
- A shelled office space on the ground floor in lieu of the amenity spaces, residential units, and community spaces in Phase 1.

Preliminary Project Scope + Fees

For your convenience we have provided our fees broken down by project phase with comparable Phase 1 fees included for reference.

We are still refining sub-consultant numbers and are optimistic that we will be able to provide additional savings beyond the below numbers:

PROJECT PHASE	Percent of Total Fees (Phase 1)	Fee (Phase 1)	Percent of Total Fees (Phase 2)	Fee (Phase 2)
Program & Scope Development Phase	6.0%	\$55,814.98	5.1%	\$37,500.00
Schematic Design Phase	12.0%	\$111,629.96	10.2%	\$75,000.00
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Construction Documents Phase	46.0%	\$427,914.86	39.5%	\$290,000.00
Construction Procurement Phase	6.0%	\$55,814.98	8.4%	\$62,000.00
Construction Phase	13.5%	\$125,583.71	19.1%	\$140,000.00
Close Out / Warranty Period	0.5%	\$4,651.25	0.7%	\$5,400.00
TOTAL	100.0%	\$930,249.70	100.0%	\$734,900.00
CONSTRUCTION VALUE		\$24,350,000.00		\$22,500,000.00
% OF CONSTRUCTION VALUE:		3.82%*		3.27%

*The original percentage fee in the awarded RFP from July 26, 2021 was **4.03%**

**Construction Value based on Phase 1 Excluding Townhouse Work + approx. 5% inflation

Assumptions and Additional Services:

- 1 Only Class B and A Cost Estimates are required.
- 2 Procurement is based on a two-stage process with a pre-qualification stage followed by a final selection phase.
- 3 The ground floor office space is for shell only.
- 4 Energy targets are the same as Phase 1 with modelling for Enbridge Savings by Design included. Energy modelling for CMHC is not included.
- 5 Site Plan Approval is included with a provision for a minor variance to accommodate the ground floor office use.
- 6 All other aspects of the design and building systems not mentioned above will be a repeat of Phase 1.

Approach

Vision

At CGS, we pride ourselves on bringing vision and added creative energy to every project, regardless of scale or budget. We use our skillfully-attuned vision to identify unique solutions unseen by others, to analyze the site within its larger geographical, social, and cultural context, unlocking value in any problems or constraints to find the right solution for our clients. This approach allows us to help our clients achieve more than they ever thought possible.

Collaboration

Our approach is fundamentally collaborative, always amplifying and enriching the individual insights of the participants. We begin the design process by listening. We engage clients and building users in a dialogue that will translate their needs and aspirations into built form. While an open and collaborative spirit must always be balanced with real leadership, we have seen again and again that our work is enriched by the significant participation of clients and users, as well as of our consultants.

2024 HOURLY RATES

For any additional services requested, only if required.

ROLE	RATE / HOUR
Senior Principal	\$240.00
Principal	\$210.00
Senior Architect	\$185.00
Intermediate Architect	\$160.00
Junior Architect / Intern	\$135.00
Architecture Student	\$95.00
Administration	\$ 75.00

DISBURSEMENTS

Travel: \$0.68 / km.

Delivery: Postage, Courier, Taxi At Cost

Reproduction: Outside Service At Cost

		Black & White	Colour
Printing (in house)	8.5"x11"	\$0.08 ea	\$0.65 ea
	11"x17"	\$0.10	\$1.00
Plotting (in house)	24"x36"	\$0.85	\$18.00
	36"x48"	\$1.75	\$25.00
Renderings:	Cost plus Coordination / Direction Time		

All Disbursements are subject to a 15% administrative handling charge. H. S. T. not included in above Hourly or Disbursement rates.



Standard Client /Architect Agreement Terms

1. As professionals, Architects are remunerated for their time on an hourly basis, the normal basis of engagement. If we are requested to work to a fixed fee or fixed percentage fee, in order to commit to a fixed fee fairly, the client must define all required services, tasks, and deliverables first in order to define the time and fees required. Any required tasks or deliverables not specifically stated as included are an additional service.
2. The Architect shall exercise the standard of care, skill and diligence required by customarily accepted professional practices. All Architects in Ontario carry professional liability insurance and commercial general liability insurance. Evidence of insurance is available upon request.
3. Upon acceptance of this Proposal, the Architects will draft a current OAA Standard Client / Architect Agreement, Document 600 for execution. All terms and conditions will be as per Document 600, including standard definitions and general conditions. Where a Document 600 is not executed contract terms and conditions will be as if an executed Document 600 was in place.
4. Fees will be invoiced monthly as the project progresses based on the work completed to date and/or hours expended. Fees are based on the stated building area and calculated on the agreed budget or current estimated construction cost. The final invoice will be calculated on the final total cost of construction, less fees previously billed. Construction cost is as defined in OAA Standard Client / Architect Agreement, Document 600, latest version. Should project size, scope, complexity or cost change, the Fees will be adjusted accordingly.
5. Should the work not be completed within one year of the Agreement, the fixed fees and hourly rates shall be adjusted on the anniversary of the Contract according to the annual change in the Statistics Canada Consumer Price Index Rate.
6. The Architects have the right to stop work if the scope is disputed, or if the Client is late with payment. Terms of payment are Net Due within 15 days of invoice receipt, with interest charges at 1.81% per month (24.00% per annum) on the total unpaid balance commencing thirty (30) days after the date of the invoice. The Architects will stop all work, without prejudice, and all reasonable suspension costs shall be paid by the Client if any invoice is unpaid 30 days after the date of the invoice. The Client shall not have any claim whatsoever against the Architects for any loss, cost, damage or expense incurred or anticipated to be incurred by the Client as a result. To protect Construction Lien rights the Architects will place a Lien on the property at 45 days, with all costs to be paid by the Client. All charges are payable in Canadian dollars.
7. Any Work released by the Architect to the Client is provided on the basis of prompt payment by the client. The Work cannot be used or disseminated for any purpose unless payment has been made in full.
8. The Client will supply a complete detailed Program of all quantitative and qualitative requirements prior to the start of the design phase. Room specification sheets will be provided for all spaces.
9. The Client will provide prompt review of the work and provide written comments within three days of receipt of any materials, sketches, drawings, requests, etc.. If approval or comments are not received within seven days the work is considered approved.
10. The copyright in all drawings, reports, sketches, specifications, calculations and other documents are Instruments of Service prepared or provided by the Architects in connection with the project belong to the Architects. The Architect retains the property,



copyright and moral rights for the Instruments of Service whether the project they were made for is executed or not.

The Client shall have a non-exclusive, royalty-free license to use the documents one time for the purpose of the construction of the project. The Client shall not use the documents otherwise without the Architects' prior written approval and upon such terms as may be agreed between the Client and the Architects. The Client's use of Instruments of Service is contingent upon full payment to the Architect for services rendered.

11. Fees for any changes to the work to date are an Additional Service. Fees for changes shall be as agreed prior to the commencement of services for the change if possible, or if a specific fee for a change is not agreed prior to the performance of the services in respect of the change or cannot be readily determined, the fee shall be at standard CGS hourly rates.

Changes and Additional Services include but are not limited to:

- a. Any work related to unforeseen site conditions, soil problems, designated substances, or hazardous substances.
 - b. Re-design or additional design due to new or changing owner requirements.
 - c. An increase or decrease in scope, including an increase or decrease in budget or construction cost.
 - d. Value engineering and cost reduction.
 - e. Accommodating changes proposed by the contractor.
 - f. Changing to design-build on building components.
 - g. Design and detailing of millwork or custom items not specifically identified in the Proposal.
 - h. Substandard performance by the contractor, either in pace, quality or performance of the work.
 - i. Phasing design, detailing of phasing requirements and design and detailing of temporary accommodation.
 - j. "Fast-tracking", multiple tender packages and other non-standard drawing production requirements, unless specifically included in this Agreement.
 - k. Post-Tender contractor award negotiations.
 - l. Review of any claims, resolution of change pricing or contractor disputes.
 - m. Review of contractor proposed Substitutions or Alternatives, including analysis and approval. Review and analysis of any new or unproven material, systems or components.
 - n. Dispute resolution, arbitration, legal claims or matters arising, any work related to a Contractor or subtrade bankruptcy, liens, etc.. The rates for assistance with any adjudication, mediation, arbitration, legal proceeding or other dispute resolution shall be 200% of the hourly rates, unless agreed otherwise.
12. All Approvals work by any relevant Authority not specifically identified as included, including applications, processes, expediting, revisions, reviews, meetings, etc. are an Additional Service to be billed on an hourly basis (Including Site Plan Approval, Re-zoning, Committee of Adjustment, Building Permit, Heritage Permits, Ministry of Environment, Niagara Escarpment Commission, etc.). Any fees or charges from Authorities are not included.
13. Engagement, coordination and direction of any special consultants or services not specifically identified as included (ie. Geotechnical, Seismic, Survey, Archeology, Water Flow Tests, Renderings, Models, Arborist, etc.) are an Additional Service.

14. Any design changes made after the Contract Document phase commences will be invoiced at 1.25 times the normal billing rates to reflect the complexity and additional effort required.
15. Independent Judgements of Client: The information, interpretations and conclusions in our work will be based on our interpretation of conditions revealed through the limited investigation conducted within a defined scope of services. We cannot accept responsibility for independent conclusions, interpretations, interpolations and/or decisions of the Client, or others who may come into possession of our documents, or any part thereof. This restriction of liability includes, but is not limited to, decisions made to buy, sell, retain or demolish a structure.
16. Projects put on hold for a period of 2 months or longer will be subject to a re-starting fee. Either party can terminate this agreement with seven days written notice. Termination expenses of 10% of the unbilled fees at the date of termination will be paid to the Architects, in addition to all unbilled work completed to date.
17. Coordination, layout and selection of furniture, fixtures, equipment and furnishings are an Additional Service.
18. The Client shall:
 - a. Obtain and pay for all required consents, approvals, licenses, and permits from all authorities having jurisdiction.
 - b. Provide all information regarding the existing conditions of the subject lands and premises, including surveys, soils and sub-surface conditions, existing structures, hazardous substances or designated materials.
 - c. Arrange and make provision for the Consultants' entry and access to public and private property and the project site in the performance of the duties.
 - d. Arrange and pay for any advertising, and any legal, financial or insurance advice required for the project.
 - e. Designate in writing a representative to have authority to transmit instructions to, and receive information from, the Architects, and advise the Architects in advance if this representative is to be changed.
 - f. Notify the Architects immediately, should the Client, or the Client's representative, becomes aware of an inaccuracy, defect or deficiency in the work, or the contract documents.
19. Construction phase services commence at the date of acceptance of the Contractor's bid and extend for the time period specified in the Contractor's bid submission. Should the Contractor be late in completion beyond the specified period, any work beyond that date will be an Additional Service.
20. Site visits are strictly to ensure conformance with Ontario Building Code criteria. If engaged for full contract administration services then site visits and field review reports will include review for all contract conformance requirements.
21. Warranty period services are an Additional Service. If included, they terminate 1 year after Substantial Performance. Identification and resolution of deficiencies and warranty problems are an Additional Service.
22. Construction phase services end 45 days after Substantial Performance is achieved. If services include Contract Administration, we will prepare one Deficiency List in accordance with CCDC-2 Contract requirements.
23. Reliance on Provided Information: The evaluation and conclusions contained in the work we prepare are on the basis of conditions in evidence at the time of site visits and/or on the basis of information provided. We rely in good faith upon representations, information



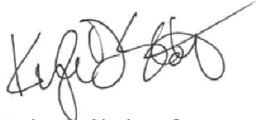
and instructions provided by the Client. Accordingly, we cannot accept responsibility for any deficiency, misstatement or inaccuracy contained in the work as a result of misstatements, omissions, misrepresentations, or fraudulent acts of persons providing information.

24. The total amount of all claims, in contract or tort, which the Client may have against the Architect related to this Contract is limited to the amount of professional liability insurance carried and available.
25. The Architect shall not be responsible for:
 - a) acts of omissions of contractors, suppliers or any other persons performing any work, or for failure of any of them to carry out the work in accordance with the construction documents;
 - b) controls or supervision, or responsibility for construction means, methods, techniques, schedules, sequences or procedures, or, for safety precautions and programs required in connection with the work;
 - c) any changes made to the Architect's design, drawings or documents without the Architect's knowledge and approval;
 - d) decisions made by the Client without the advice of the Architect or contrary to, or inconsistent with, the Architect's advice;
 - e) interpretations by an Authority having Jurisdiction which differs from the Architect regarding statutes, regulations, laws and by-laws;
 - f) any consequential loss, injury or damages suffered by the Client, including loss of use or earnings, and interruption of business;
 - g) any and all matters arising from or related to toxic, hazardous or designated substances or materials.
26. Computer files and electronic drawing files remain the property of the Architects and will not be released without compensation for any purpose.
27. The Architects have the right to install a sign on the site and building throughout the project duration. The Architects may publish alone, or in conjunction with any other person, any articles, photographs, drawings or other illustrations relating to the project. The Architects have the right to provide a small, discreet permanent marker or cornerstone to identify their work. The Client agrees to name the Architects on all marketing or promotional materials and site signage.
28. The Client must adequately budget for construction contingencies. Construction projects are unique and highly customized, so a contingency allowance of at least 3% must be budgeted for Contract Document errors, omissions and design improvements during the construction phase.

We feel this is an exciting opportunity and we very much hope that we get the opportunity to work with you.

We trust you will find the above acceptable. Please do not hesitate to contact me should you have any questions, or wish to discuss this proposal.

Sincerely,



Kyle D Slote, OAA
Principal

Your signature will serve as acceptance of this proposal and authorization to prepare a standard Ontario Association of Architects Client / Architect Agreement Document 600 for signature:

Design fees are less than 1% of the cost of a facility over 25 years, but the decisions made during the design process significantly impact your organization's image and operating costs forever.

Therefore, the architect hired through the initial procurement process for this Project has been hired to the extent of the scope of the Project, which we believe from the language of the Contract to include Phase 2.

3. Assuming that you are safe to utilize your incumbent for Phase 2, does that extend to a future Phase 3? Or would you be required to tender the design of that building, since your initial RFP did not consider a third building?

The *Regulations* require the procurement process be repeated for each new contract. If the Contract is amended, procurement will not need to be repeated. However, the Request for Proposal and Contract clearly state that the Project consists of the demolition and construction of two buildings, performed in two phases. Adding a third phase may be construed as significantly altering the scope of the Project, and that is a question of fact.

Neither the *Regulations* nor LMCH's internal policies specify at what point a change to the scope of a project transgresses an amendment and becomes a new project. However, as adding a new phase may be construed as a substantial amendment, and erring on the side of caution, it would be prudent to tender the design of the building again for the third phase and capture the same in a new contract.

LEGISLATION

Government Contracts Regulations, SOR/87-402

Section 3(1) of the *Regulations* states that the *Regulations* apply to all contracts entered into involving the payment of government funds.¹ From a review of LMCH's policies, it appears that LMCH is owned by the City of London (the "City") and utilizes the City's funds. On this basis, the applicable law to address LMCH's queries is the *Government Contracts Regulations*.

The *Regulations* define a construction contract as: "a contract entered into for the construction, repair, renovation or restoration of any work except a vessel[.]" including "(a) a contract for the supply and erection of a prefabricated structure, (b) a contract for dredging, (c) a contract for demolition, or (d) a contract for the hire of equipment to be used in or incidentally to the execution of any contract referred to in this definition[.]"²

Before any contract is entered into, the *Regulations* require the contracting authority to solicit bids pursuant to the manner described in section 7.³ Section 7 specifies that bids must be solicited by: "(a) giving public notice, in a manner consistent with generally accepted trade practices, of a call for bids respecting a proposed contract; or (b) inviting bids on a proposed contract from suppliers on the suppliers' list."⁴

The *Regulations* outline the following, limited circumstances where a contracting authority may enter into a contract without soliciting bids:

- (a) the need is one of pressing emergency in which delay would be injurious to the public interest;

¹ *Government Contracts Regulations*, SOR/87-402, s 3(1).

² *Ibid*, s 2.

³ *Ibid*, s 5.

⁴ *Ibid*, s 7.

- (b) the estimated expenditure does not exceed
 - (i) in the case of a goods contract, \$25,000,
 - (ii) in the case of a contract to be entered into by the Minister for International Development for the acquisition of architectural, engineering or other services required in respect of the planning, design, preparation or supervision of an international development assistance program or project, \$100,000,
 - (iii) in the case of a contract for the acquisition of architectural, engineering or other services required in respect of the planning, design, preparation or supervision of the construction, repair, renovation or restoration of a work, \$100,000, and
 - (iv) in the case of any other contract to which these Regulations apply, \$40,000;
- (c) the nature of the work to be contracted for is such that it would not be in the public interest to solicit bids; or
- (d) only one person is capable of performing the contract.⁵

INTERNAL DOCUMENTS

Standard Form of Contract for Architect's Services

The following quotations and page references below correspond with the document entitled "21023 LMCH Reimagine Southdale OAA 600-2013_2021-10-08 FINAL_SIGNED". All page references refer to the Contract and Request for Proposal pagination, not Adobe pagination.

Meaning of "Substantive Performance"

Section GC10 of the Contract addresses termination of the Contract. The Contract will be terminated on the earliest of: completion of the services; termination pursuant to GC10.2, 10.3, or 10.4; one year from the date of certification of Substantial Performance of the Work; or, one year from the date of completion of the Work.⁶

The Contract defines "Substantial Performance of the Work" as having the same definition as that contained in the *Construction Act* (Ontario).⁷ The definition of substantial performance under the *Construction Act* is:

- (a) when the improvement to be made under that contract or a substantial part thereof is ready for use or is being used for the purposes intended; and
- (b) when the improvements to be made under the contract is capable of completion or, where there is a known defect, correction, at a cost of not more than,
 - (i) 3 per cent of the first \$1,000,000 of the contract price,

⁵ *Ibid*, s 6.

⁶ *Standard Form of Contract for Architect's Services*, s GC10 (pg 17) [*Contract for Architect's Services*].

⁷ *Ibid* at pg 5.

(ii) 2 per cent of the next \$1,000,000 of the contract price, and

(iii) 1 per cent of the balance of the contract price.”⁸

Scope and Terms of the Project

The scope of the Project, as defined by the Contract and the Request for Proposal, includes the demolition and construction of two buildings, executed in two phases, with construction on Phase 2 beginning after the completion of Phase 1.⁹

London & Middlesex Housing Corporation: Purchasing Policies and Guidelines

The following quotations and page references below correspond with the document entitled “Purchasing Policy Guidelines Updated Apr 18”. However, all of the sections discussed are also present in the same or similar wording in the document entitled “LMCH Purchasing Policy”.

Section 4.1 of the Guidelines requires all procurement activities be subject to applicable LMCH policies, relevant provisions of the *Municipal Act*, and any other applicable Federal and/or Provincial legislation.¹⁰

Section 5.26 of the Guidelines lists the following terms, which apply to all contract amendments:

- No amendment to a contract shall be made unless the amendment is in the best interest of LMCH.
- No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work with approval.
- Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within LMCH approved budgets including authorized amendments.
- Directors may authorize amendments to contracts provided that the total amended value of the contract is within their approval limit.
- Where expenditures for the proposed amendment combined with the price of the original contract exceeds LMCH approved budget for the project, a report shall be submitted in accordance within the approval limit to the Board of Directors recommending the amendment, and proposed source of financing.¹¹

London & Middlesex Community Housing Corporation Inc. Item 4.2: Purchase Authorization Limits Effective May 1, 2023

This document was reviewed for any content relevant to the issues at hand. The contents of this document are not relevant to consider when addressing the pertinent issues.

ANALYSIS

1. Has the full scope of the development changed significantly enough, such that the initial contract would not be valid after the substantial performance of the first building?

The scope of the Project is identified in the Request for Proposal and Contract as consisting of two phases: (1) the demolition of 20 existing townhouses and construction of a 4-storey apartment building

⁸ *Construction Act*, RSO 1990, c C.30, s 2(1).

⁹ *Request for Proposal for Architectural and Engineering Services*, s 1.3 (pg 7) [*Request for Proposal*].

¹⁰ *Purchasing Policies and Guidelines*, s 4.1 (pg 10) [*Guidelines*].

¹¹ *Ibid*, s 5.26 (pg 24).

with 35 units; and (2) the demolition of 30 existing townhouses and construction of a 4-storey apartment building with 35 units, with the construction of Phase 2 only beginning after the completion of Phase 1. Because the Contract accounts for the Project having two phases, it will remain valid for the scope of work covering Phase 2, even after the completion of Phase 1.

The Contract should be amended in accordance with LMCH's Guidelines to account for the addition of new storeys, as this alters the scope of the Project. However, the addition of a third phase is a significant modification to the scope of the Project. To ensure compliance with the *Regulations* and LMCH's internal policies, it would be prudent to go through the procurement process again for the new third phase.

2. If you utilize your incumbent architect to design the second building (Phase 2), are you at risk of other architectural firms claiming that you violated procurement guidelines by not tendering that consultant work?

The Request for Proposal and Contract cover the entirety of the Project, which consists of two phases. Pursuant to the *Regulations*, the procurement process need only be repeated for each new contract.

Therefore, the architect hired through the initial procurement process for this Project has been hired to the extent of the scope of the Project, which we believe from the language of the Contract to include Phase 2.

3. Assuming that you are safe to utilize your incumbent for Phase 2, does that extend to a future Phase 3? Or would you be required to tender the design of that building, since your initial RFP did not consider a third building?

Pursuant to the *Regulations*, the procurement process must be repeated for each new contract. If the Contract is amended, it will not be necessary to repeat procurement.

However, as mentioned earlier, the Request for Proposal and Contract clearly state that the Project consists of the demolition and construction of two buildings, performed in two phases. Because adding a third phase would substantially alter the scope of the Project, it would be prudent to tender the design of the building again for the third phase, to avoid breaching the requirements for procurement. However, there is no wording in the legislation or LMCH's internal policies that explicitly states how much the scope of a project can be altered before a new contract is required.

CONCLUSION

The Project consists of two phases, which are both covered within the scope of the Contract. If LMCH has already undergone procurement for the Project, there is no need to repeat procurement for the second phase. Because the addition of a third phase may be construed as substantially changing the scope of the project, it may be prudent to tender the design of the building again to ensure compliance with the procurement requirements outlined by the legislation and LMCH's internal policies, which seems to be the safest option. Whether Phase 3 is a substantial change to the scope of project or not, is a question of fact, to be determined by the relevant experts it seems.

This memorandum is predicated on our assumption that all of the approvals and corporate governance measures with LMCH's sole shareholder will be considered and adhered to.

Capitalized terms used but not defined herein shall have the meaning given to them in our earlier memo dated March 26, 2024 or the Contract/documentation furnished to us in respect of the Project.

**Security Services – Extension of Contract
STAFF REPORT-2024-15**

TO: LMCH Board of Directors

FROM: Tim Rudow, Community Safety Manager

SUBJECT: Security Services – Extension of Contract

DATE: May 16, 2024

PURPOSE:

The purpose of this report is to inform the LMCH Board of Directors and to request an extension of contracted Security Services until September 30, 2024.

Based on the *LMCH Purchasing Policies and Guidelines*, Board approval is required whenever staff would like to amend a service contract, via change orders, by a value that exceeds 20% of the initial contract award

RECOMMENDATION:

That the LMCH Board of Directors APPROVE the following recommendation:

1. **Extend** the existing contract with Solutions Security Protection Services until September 30, 2024, to support a comprehensive and equitable Request for Proposal (RFP) process, ensuring alignment with time constraints and fulfilling all necessary procedures for board approval of a new multi-year contract for a contract security provider.
2. **Authorize** an increase in contract value from \$425,000 to a maximum of \$685,000 to cover the contract extension up to September 30, 2024.
3. **Authorize** LMCH staff to take the necessary steps to give effect to the above recommendations.

BACKGROUND:

The Board of Directors approved a contract award to Solutions Security Protective Services (2023-52) in the amount of up to \$425,000 for the provision of security Guard Services for eight months with an anticipated end date of May 2024. The selection

process was initiated to replace a vendor that was withdrawing services and was purposefully short-term in nature to allow LMCH to strengthen oversight of security guard services and inform the development of a new RFP for these services.

To ensure a fulsome RFP process for potential bidders LMCH staff are recommending an extension of the current contract so that there is sufficient time for interested bidders to respond, LMCH to review the responses and, if needed, support the transition to a different provider.

CURRENT OPERATING MODEL

LMCH has strengthened the relationship with and oversight of the contracted services provider over the past five months. The current model of security guard services includes:

- Overnight Guard services at the following locations: Dundas, Simcoe, Wharncliffe, Kent and Albert.
- Extension of morning shift changeover times to allow for site debriefing with LMCH Community Safety Specialists.
- Introduction of a Dedicated Mobile Supervisor. This supervisor is equipped to support security guards at each site and support the On Call Manager with tent complaints and emerging issues while on duty.
- Improved information sharing of security reports with LMCH staff to support appropriate follow-up with tenants, maintenance issues, etc.

TENANT IMPACT:

- LMCH eagerly anticipates continued ongoing collaboration with our vendor to enhance the LMCH Security Profile. This endeavor involves gathering comprehensive and precise data to inform strategic sourcing decisions and enable proactive security deployment.
- Furthermore, the vendor has implemented Tour Verification Systems at all five static security locations and generously provided LMCH's Dedicated Supervisor with a marked vehicle at no additional expense. This will improve tenants' "piece of mind" as security is more visible.
- As LMCH's data collection grows, more proactive Security deployment and resource placement can be utilized in partnership with our vendor to reduce response times and loss events while increasing security presence at LMCH properties under this new model
- LMCH will strive to reduce the negative impact on tenants and adjust service requirements to better meet the needs of our tenants and our buildings based on the enhanced data we are collecting.
- We foresee no negative impact on our tenants by extending this contract.

FINANCIAL IMPACT

The current vendor has agreed to hold all rates consistent for the entirety of the extension period. We made conservative estimates based on the pricing structure provided to us by the preferred proponent. Our estimates must consider the unpredictability of security support, however, the probability that there will be unforeseen costs that need to be considered may require cost adjustments such as overtime hours that are not predictable.

We are proposing that LMCH move forward to engage with Solution Security to extend this work collaboratively to control costs while enriching our tenants' lives. We are confident in the preferred proponent's capabilities and established track record since

The current service cost is approximately \$64,000 per month. The RFP decision will come back to the Board in August 2024 and LMCH anticipates the need for up to 30 days to transition to a new provider. Based on the current cost, the contract value has been estimated at \$260,000 for this extension. This is within the current budget allocation for security guard services in the LMCH budget.

This extension will provide the necessary time for a thorough and transparent Request for Proposal (RFP) process involving all relevant vendors under the updated scope.

LEGAL IMPACT / RISK MANAGEMENT:

There are no anticipated legal or risk management issues as we will ensure all contractors provide proof of proper insurance(s) and abide by LMCH policies while on-site and in our buildings.

ATTACHMENT: Appendix A: Contract Security Extension Briefing Note

PREPARED and SUBMITTED BY:	STAFF CONTACT:
Tim Rudow, Community Safety Manager	Sherry Tunks, Procurement Manager

APPENDIX A: Briefing Note: Contract Security Extension

Overview: The recent initiatives introduced under the current security contract have resulted in marked improvements in communication, incident response, and general safety across LMCH properties. Key enhancements have addressed both minor and major incidents, significantly improving our operational capabilities at all locations, including areas previously without physical any security presence.

Key Improvements:

1. Enhanced Communication and Incident Response:

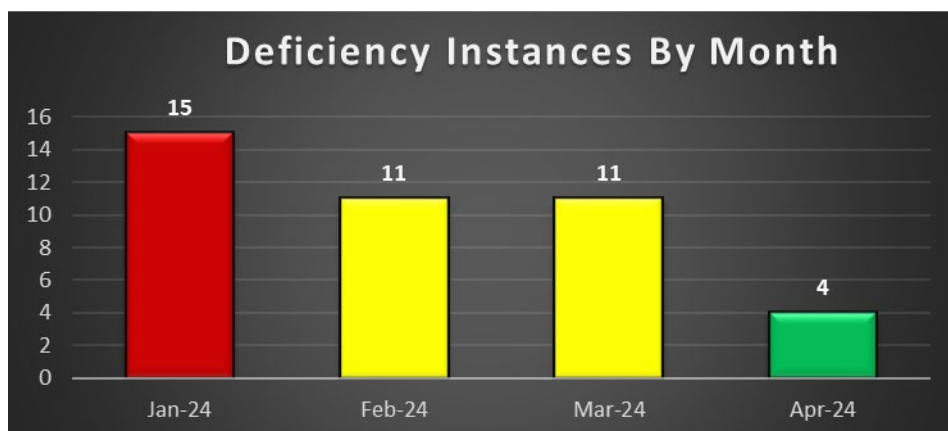
- Improved communication mechanisms have streamlined how incidents are reported and managed within LMCH, enhancing our response capabilities across all sites.
- Increased physical security presence and patrols at high-risk locations, such as 122 Baseline, have been instrumental in managing and mitigating security concerns effectively.

2. CCTV Access and Collaboration with Law Enforcement:

- Access to CCTV footage for the London Police and other emergency responders has been significantly enhanced, facilitating quicker and more effective responses to both ongoing and past incidents.

3. Vendor Accountability and Management:

- Following commitments made at the last board meeting, regular meetings and reporting from the security provider have been instituted, resulting in increased vendor accountability and a noticeable reduction in the number of complaints received month over month.



Service Model Enhancements for LMCH Staff and Tenants:

1. After-Hours Noise Complaint Response:

- This service has substantially reduced tenant stress and decreased the volume of calls to the London Police Service regarding noise complaints.

2. Enhanced CCTV Support:

- Extended support for CCTV searches and data retrieval has been made available to the London Police and other authorities, accommodating requests outside regular LMCH hours.

3. Prompt Response to Tenant Calls:

- Issues such as suspicious activities or domestic situations are now addressed swiftly, significantly improving tenant quality of life and reducing the need for police intervention.

4. Random and After-Hours Patrols:

- Increased patrols at non-dedicated security sites, such as 122 Baseline, 30 Baseline, 200 Berkshire, and 304 Oxford, are helping to prevent loss events and provide additional security for tenants.

5. Enhanced Reporting on Nuisance and Anti-Social Behavior:

- Improved reporting mechanisms have been put in place to better support the Landlord and Tenant Board (LTB) process, addressing nuisance and anti-social behaviors more effectively.

Conclusion: The enhancements brought about by the new service model under the current contract have significantly improved the safety and security environment for LMCH staff and tenants. The extension of this contract will ensure the continuation of these benefits, further supporting our commitment to providing a safe and secure living environment for all residents.

Human Resources Manager Update and Q1 KPI Report PSH- 2024-07

TO: People Service and Housing Committee

FROM: Dirk Volschenk, Manager of Human Resources

SUBJECT: Human Resources Manager Update and Q1 KPI Update

DATE: May 8, 2024

PURPOSE:

To provide the People, Service, and Housing Committee an overview of the key activities in Human Resources for Q1 of 2024 and to provide information for the matters identified as priorities for Human Resources in 2024.

RECOMMENDATION:

That the People, Service and Housing Committee receive this report for information.

BACKGROUND:

LMCH is committed to providing quality, accessible, affordable, and sustainable housing to those in need in our community. The work of our Human Resources Team is critical to supporting the organization in meeting this objective as well as individual staff reach their full potential at LMCH.

Q1 Review:

Staffing Complement

	Q4 2023	Q1 2024
Employees at the beginning of the Quarter	93	96
Employee Departures in the period	1	6
Employees starting in the period	4	6
Employees at the end of the Quarter	96	96

LMCH saw an increase in employee departures during the first quarter of the year of, two departures were due to employee contracts ending, two were resignations based on personal decisions and two decisions to terminate employment were made by the organization. The organization was able to maintain consistent staffing during this period, this was a result of increasing staffing in key areas for development.

As part of LMCH's strategic priorities to promote a healthy organization that attracts and maintains people, LMCH will continue to work to ensure that our goals align with our values and the interests of employees.

Although the employee departures through resignation declined exit interviews, it was shared informally that they were exploring options better aligned with their interests and values. Both these employees were relatively short-term, less than one year and slightly more than one year of service. As a result, we must ensure that when we hire, that our organization matches the values of new hires.

Recruitment

	Q1 2024
Recruitments open at the beginning of the period	4
New Recruitments Initiated	7
Successful recruitments	6
Number of recruitments canceled, amended or reposted	0
Average number of days between posting and offering	27.33 days
Recruitments carried into the next period	5

As LMCH achieved a full staffing complement during Q4 of 2023, we had a relatively low recruitment load to start off the year and most new recruitment was initiated during the quarter.

Most recruitments were also filled through either referrals or conversions of previous temporary staff into permanent vacancies, which contributed to the very low total of days between posting and offering positions.

We expect that the turnaround time will increase into Q2, closer to our target range of 50 – 60 days as Q1 recruitments are being completed.

Maintenance Repair which has been a challenging position to fill reached full complement during Q1 of 2024 which has been an achievement for the Property Services Team and to the benefit of Tenants.

Labour Relations

	Q1 2024
Grievances filed during the Quarter	4
Grievances resolved during the Quarter	1
Arbitrations ongoing	1
Disciplinary Investigations Initiated	6
Disciplinary Investigations Completed	4

During Q1 the Union filed 4 new grievances, one related to terminations and one related to discipline of a Union Member. The remaining 2 grievances related to the use of contractors by management during after-hours callouts.

LMCH was able to resolve one grievance through the Grievance process while the remaining three remained ongoing heading into Q2 of 2024.

LMCH continues to have one ongoing arbitration regarding the position of Tenant Services Team Lead.

During Q1 of 2024, LMCH initiated six investigations during the period and was able to conclude or resolve four. The focus of the investigations was in relation to the organization's policy on *Workplace Violence, Harassment, and Sexual Harassment, Code of Conduct*, and disciplinary.

Workplace Attendance

	Q1 2024
Average Sick / Sick Appointment Time (Union)	56.76 days
Average Sick / Sick Appointment Time (Non-Union)	31.27 days
Average per Employee Per Month	0.92 days
Average Vacation Time (Union)	42.92 days
Average Vacation Time (Non-Union)	34.43 days
Average per Employee Per Month	0.81 days

During Q4 of 2023, the organization launched its attendance management program and had the initial round of meetings with employees. This has continued into 2024 with the first rounds being conducted in Q2.

To support the program LMCH has developed the required reporting of attendance numbers through its ADP HRIS and will continue reporting workplace attendance to

determine the feasibility of the program and assist in identifying opportunities for fostering greater workplace health and wellness with the goal of increasing workplace attendance.

Health and Safety

	Q1 2024
Staff Occurrences Reported	15
WSIB reports made	3
Days lost to injury	1 day
Cost of total WSIB benefits	\$12,594

As part of the Healthy Organization Strategic Objectives LMCH continues to encourage reporting of all staff occurrences to ensure we receive reliable information on the experiences of employees in the workplace.

Despite the regular occurrences we have had little workplace injuries or illnesses which necessitated time off from work.

The current amount for WSIB benefits is from ongoing claims from 2023 for which we have introduced the option of return to modified duties with the WSIB case manager and return to work specialists which is currently ongoing.

Human Resources Staffing

The Human Resources department currently consists of two FTEs, the Manager of Human Resources and a Human Resources Assistant. At the start of Q1 the previous Human Resources Assistant resigned after a period of absence which significantly reduced the capacity of the Department.

This resulted in certain projects being delayed or functions being missed. However, we were able to fill the position in Q1 and will increase productivity as the orientation of the new incumbent happens.

Occupational Health and Safety

Q1 of 2024 saw the conclusion of the Steve Hall Safety Consulting project's initial phase and LMCH worked with the Consultants to finalize the report during Q1 of 2023. The report has provided LMCH with expert and detailed information on opportunities to improve the health and well-being of our employees and our Tenants.

The project will now be communicated to all staff through our Joint Health and Safety Committee and implementation planning and processes have started.

Collective Bargaining

A large focus of Q1 for the Human Resources Department has been Collective Bargaining. The process was initiated in October 2023 and during Q1 the organisation and CUPE Local 101.3 spent six days in bargaining regarding non-monetary issues.

The negotiating parties were able to move forward during this period and while bargaining is ongoing all matters remain confidential.

Bargaining continued into Q2 2024 and remains ongoing.

PREPARED and RECOMMENDED BY:
Dirk Volschenk MANAGER OF HUMAN RESOURCES

**Director of Tenant Services Update
PSH- 2024-08**

TO: LMCH People, Services & Housing Committee

FROM: Andrea Mackenzie, Director of Tenant Services

SUBJECT: Tenant Services Update

DATE: May 8, 2024

PURPOSE:

The purpose of the report is to provide an update to the People, Services & Housing Committee on the status of key initiatives and to provide updates on meetings, events or operational activities that may be of interest to the Committee.

RECOMMENDATION

That the Tenant Services Report **BE RECEIVED** for information.

UPDATES:

SHOAC (Social Housing Operational Advisory Committee)

The most recent meeting of the Social Housing Operational Advisory Committee (SHOAC) took place on April 3, 2024. During the meeting, the Director of Municipal Housing Development (MHD) discussed additional staffing plans and shared information about the updated organizational structure, which incorporates funding approved through the recent business case within the multi-year budget.

MHD continues to explore opportunities to develop new affordable housing. With the recent land acquisition of the former Fairmont Public School for future residential development, more funding is available for similar land purchases.

Network updates included housing providers' challenges with the new green bin program and advocacy for surplus sharing to invest in capital reserves.

MHD has engaged with Municipal Compliance to assist housing providers with parking and CPTED assessments. Next sector meeting is scheduled for May 22, 2024.

Relmagine – Phase II Tenant Engagement

Several members of the Tenant Services team, along with Scott Robertson the Project Manager, as well as the Communications team participated in our tenant outreach for Phase II of our Relmagine project on Thursday, April 25. Packages were put together for all residents that will be required to relocate in Phase II of this project, a total of 21 households, along with the London Community Chaplaincy units and LMCH's recreation unit. We were able to connect with 13 of the 21 households during the initial door knocks.

Packages included a notice outlining the timing of the project, how it will impact tenants in these units, where to find the best place for relocation and how LMCH will support the tenants and families through this redevelopment. Included as well was a relocation form, that can be completed on their own or with support from the Community Relations Worker for Southdale.

Meeting Seniors Where They're At! – Ontario Senior's Community Grant Program

This project was launched with support from our Community Develop staff member Carrie Bowen in July of 2023. The key priority for the project was to reduce older adults' social isolation by increasing access to programs and reducing barriers tenants face. Off-site events included a concert, hockey game, and theatre performance. On-site programming included: a mural project, arts & crafts sessions, and musical sessions that tenants participate in. Information sessions were held before program implementation to determine programming preferences for each location and to gather insight as to how to deliver the opportunities to tenants while fostering shared confidence in safely socializing with their neighbours.

Throughout the project, research was completed using surveys, focus groups, and personal interviews with tenants to gather data in line with the program objectives. The objectives can be identified as follows:

1. Increase awareness about our program and how they can participate and increase knowledge or skills learned within the faucets of fitness and artistic abilities.
2. An increased sense of place for each community as well as shared confidence in safely socializing with their neighbours at each site.
3. An increase in tenant participation in the program and a tenant-informed continuity plan on how to maintain programming that meets the changing needs of each community.

Outcomes taken from tenant narratives included some of the following themes: tenants connecting outside of their buildings; welcoming and making new friendships with neighbours they had never met; feeling young again; and feeling relaxed and safe in

inclusive spaces. The quantitative impact of the initiative is 155 unique tenant experiences at the above-mentioned events and programs across 6 LMCH properties. Tenants expressed they are grateful for the experiences they shared in their communities and for the opportunity to attend events outside of their buildings that they otherwise would not have had.

Homeless Hubs – Sector Meetings

Tenant Services staff continue to attend Hub meetings as part of the broader advisory group supporting the work of the Hubs. At these meetings updates on current Hubs are shared by representatives of Youth Opportunities Unlimited (YOU) and Atlohsa, including information on current numbers of respite beds and pending construction as well as the types and hours of support being offered to participants.

At the most recent meeting, on April 26, 2024, updates on the Hubs application process were provided to the working group by Matt Feldberg from the City of London. There is a project to assist the Hubs in the application process and EOI request. The project aims to support new agencies looking to become a Hub by exploring suitable land/property, rezoning options, and streamlining the RFP process.

Connectivity Table

Tenant Services Manager, Amanda David, attends the Connectivity Table on a weekly basis, along with representatives from many other organizations including London Police Services, London Fire Services, CMHA, John Howard Society, and more. The goal of the Connectivity Table is to have these organizations work together to identify and support an individual or family that is at acute elevated risk (AER) to themselves, to others, with potential loss of housing, etc.

Any of the participating organizations may bring a case forward and present it to the Table who then determine if there is AER and the next steps, which include planning an “intervention” which may be as simple as a door knock, determining the lead organization and which other partnering agencies will participate to the get an individual or family to accept supports.

In Q.1 of 2024 the Connectivity Table has been presented with 14 referrals, 9 of which were from LMCH, and we have completed 9 door knocks. Most of the referrals are made for mental health reasons, as a result of tenants being unconnected, having no supports in place, or because they have stopped taking medication and typically come forward to be presented at the table as a result of an escalation in behavior with concerns about the tenant’s welfare/safety, or the welfare/safety of other residents meeting the AER.

Tenant Services Staffing Changes

In March we saw the retirement of one of our longest serving team members, Denise McRae, who joined LMCH in 1989. Denise had held a variety of roles with our organization but spent the last several years in Tenant Placement where she worked tirelessly finding homes for those in need.

We are fortunate to announce a new member of the Tenant Placement team has already started, Jacqueline Hinds took up her new position with LMCH on April 29, 2024, and comes to us with over a decade of previous Property Management Administration experience.

PREPARED BY:	REVIEWED BY:
Andrea Mackenzie Director, Tenant Services	Paul Chisholm CEO

Community Safety Update – Q.1
PSH- 2024-09

TO: People, Services & Housing Committee

FROM: Tim Rudow, Community Safety Manager

SUBJECT: Community Safety Update – Q.1

DATE: May 8, 2024

PURPOSE:

The purpose of this report is to provide an update to the People, Services and Housing Committee on key Community Safety operational outcomes for the first quarter of 2024. The report highlights key incidents, trends, and challenges for both our Community Safety Unit as well as our Contract Security that may be of interest to the Committee.

RECOMMENDATION:

That the People, Services, and Housing Committee **RECEIVE** this report for information and forward to the Board of Directors as an information item.

BACKGROUND:

During the first quarter of 2024, the Community Safety Unit focused on enhancing incident response capabilities through improved communication and developed strategies to address identified gaps.

Additionally, this period saw increased levels of incident reporting (**Appendix A**) and challenges stemming from aging CCTV equipment, which collectively posed significant operational hurdles. The CSU team saw intensive operational activities with significant security incidents.

The security contract expires Q.2 2024, and work is well underway to develop a new and more comprehensive RFQ that will be released this month, which is outlined in (**Appendix B**) attached.

Continued focus on training with both contracted vendors and our in-house staff, planned equipment upgrades and strategic security placement will be essential to address the challenges and reduce incident rates in the coming year.

We're thrilled to announce the acquisition of two "new to us" Ford Escapes for CSU's transportation and mileage requirements. These vehicles were purchased from the City of London at a below-market rate, with less than 55,000 KM mileage, ensuring a substantial service life ahead.

This purchase also enables LMCH-branded vehicles to join the City of London's internal fueling program, accessing gasoline at a significantly reduced rate alongside other city vehicles, resulting in substantial cost savings for the duration of this application.

ATTACHMENTS:

APPENDIX A: CSU Data

APPENDIX B: Briefing Note – Contract Security

PREPARED and SUBMITTED BY:	REVIEWED BY:
Tim Rudow Community Safety Manager	Andrea Mackenzie Director, Tenant Services



Community Safety Unit – Q.1 Data

Basic Metrics:

- **CCTV Operations:** 74 searches were conducted, with 71% supporting police agencies and 29% for internal inquiries.
- **Use of Force Incidents:** 21 instances were documented, varying from assisting personnel departing to arresting suspects when necessary.
- **Incident Debriefs:** 5 debriefs were conducted, with one resulting in a new Standard Operating Procedure (SOP) for medical transportation in custody situations.

Incident Overview:

- **Total Incidents:** 2623 incidents were handled, averaging 29.14 incidents per day.
- **Weekly Trends:** The average number of daily incidents rose to 34 on weekdays, with a decrease noted during weekends.
- **Seasonal Influence:** Higher incident rates in Q1 are generally attributed to colder weather. This as well as the introduction of a Dedicated Mobile Supervisor & Increased Static Guard hours caused a reporting Increase in March as the Security presence greatly increased.

High Frequency Incidents:

- **Trespassing:** The most frequent incident with 1768 reports, accounting for approximately 67% of all incidents. This highlights a significant security challenge.
- **Access Control:** The second most common incident type with 404 occurrences, which may indicate issues with unauthorized access or failures in access control systems/ mechanisms being defeated by tenants or unwanted guests.

Moderate Frequency Incidents:

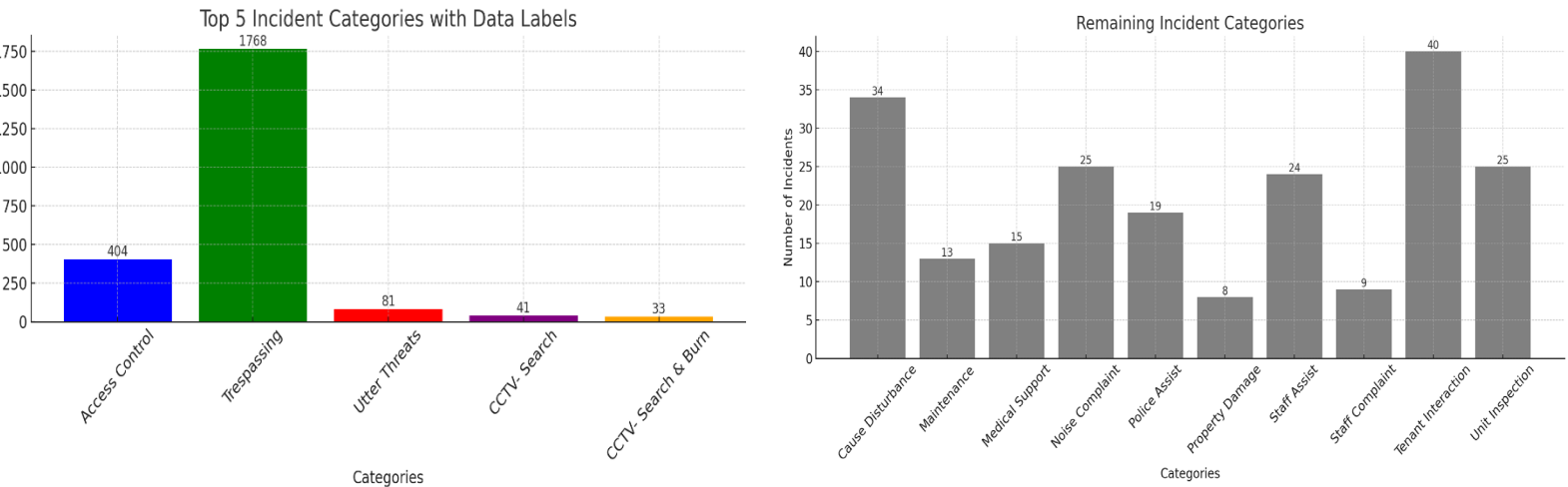
- **CCTV Search:** This category is also notable, with 74 incidents combining between CCTV- Search & CCTV- Search & Burns respectively, pointing to frequent involvement of law enforcement and significant use of surveillance.
- **Noise Complaint:** There were 25 complaints, indicating issues with noise disturbances. It is worth noting that LMCH Only began reporting Noise Complaints consistently on March 1. We can expect a significant increase in this category for Quarters 2,3 & 4.

Low Frequency but Critical Incidents:

- **Break & Enter, Eviction, and Fire Alarms:** These are less frequent but represent serious issues. Actual fire alarms were triggered 13 times, while false alarms occurred 8 times.



Below we see a graphic to demonstrate the incident breakdown and overall percentage each category encompasses.



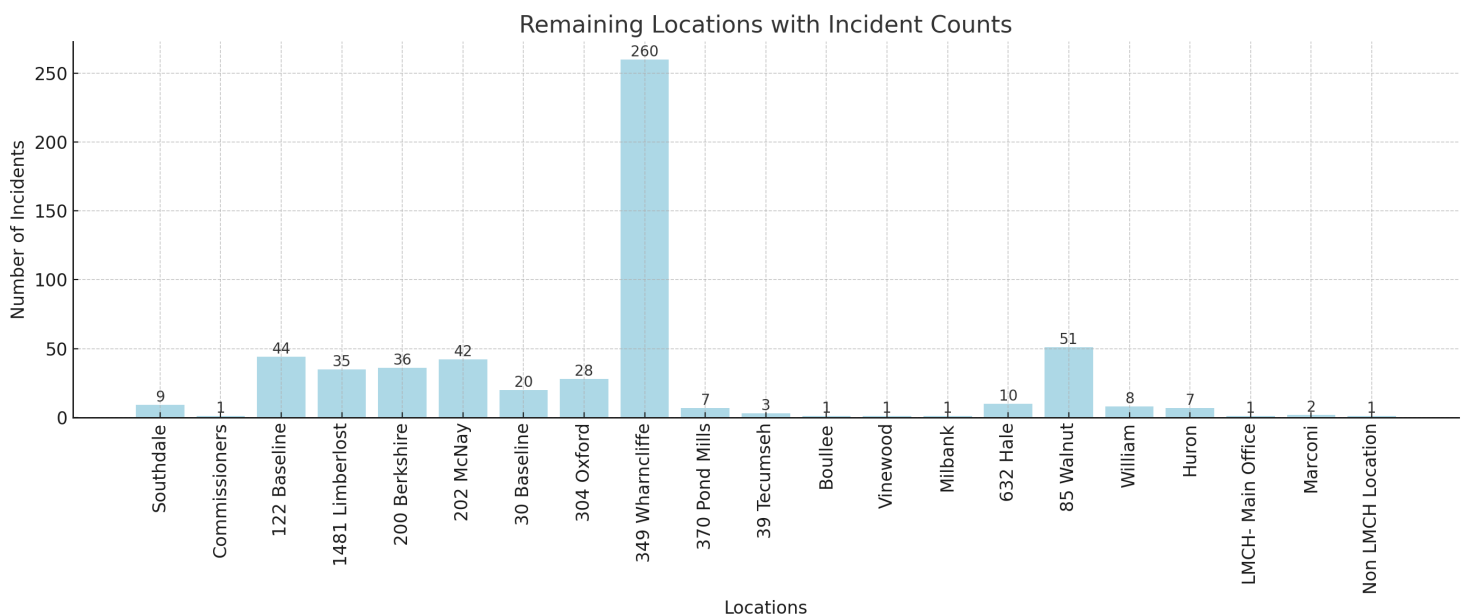
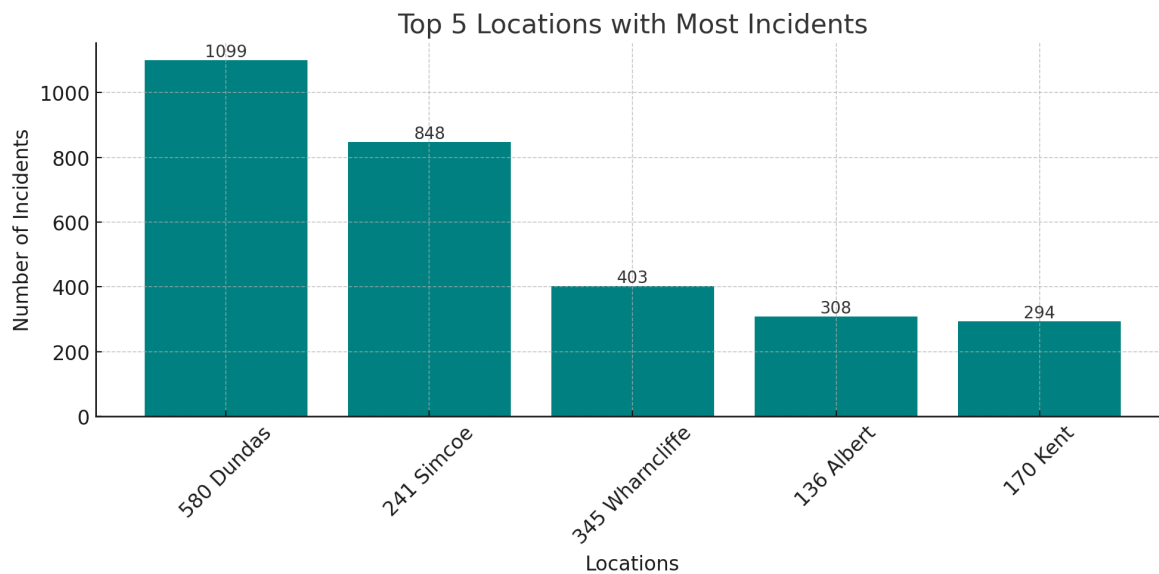
LMCH Incidents By Locations

The Community Safety Unit has observed specific locations wielding much higher incident levels than other locations. The top five locations for incidents in Q1 have been identified below and supported by applicable incident counts.

- **Top 5 Locations by Incident Count:**
 1. **1st: 580 Dundas:** 779 incidents
 2. **2nd: 241 Simcoe:** 367 incidents
 3. **3rd: 345 Wharncliffe:** 191 incidents
 4. **4th: 136 Albert:** 133 Incidents
 5. **5th: 170 Kent:** 128 incidents
 - **These top 5 locations account for 1589 /2623 or 60.57% of all incidents in Q1.**
- **Next 5 Locations by Incident Count:**
 1. **6th: 349 Wharncliffe:** 99 incidents
 2. **7th: 85 Walnut:** 29 incidents
 3. **8th: 202 McNay:** 22 incidents
 4. **9th: 200 Berkshire:** 14 incidents
 5. **10th: 1481 Limberlost:** 12 incidents



- The next top 5 locations account for 176/2623 or 6.7% of all incidents in Q1.





Briefing Note: Contract Security Extension

Overview: The recent initiatives introduced under the current security contract have resulted in marked improvements in communication, incident response, and general safety across LMCH properties. Key enhancements have addressed both minor and major incidents, significantly improving our operational capabilities at all locations, including areas previously without physical any security presence.

Key Improvements:

1. Enhanced Communication and Incident Response:

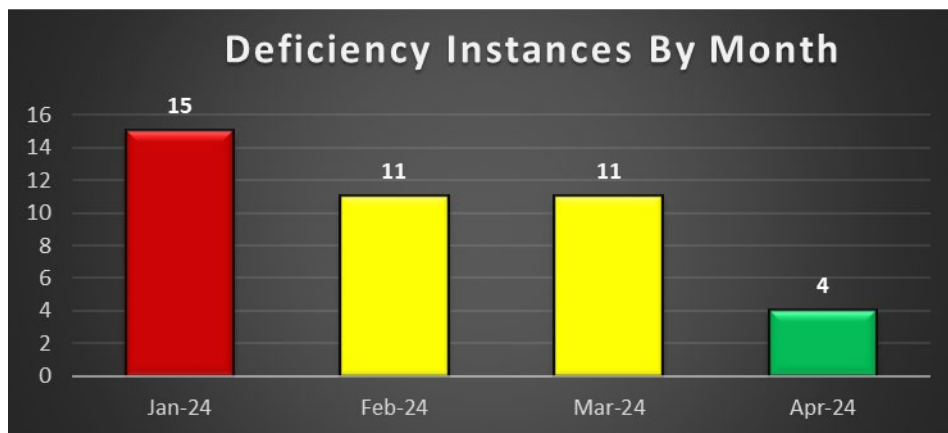
- Improved communication mechanisms have streamlined how incidents are reported and managed within LMCH, enhancing our response capabilities across all sites.
- Increased physical security presence and patrols at high-risk locations, such as 122 Baseline, have been instrumental in managing and mitigating security concerns effectively.

2. CCTV Access and Collaboration with Law Enforcement:

- Access to CCTV footage for the London Police and other emergency responders has been significantly enhanced, facilitating quicker and more effective responses to both ongoing and past incidents.

3. Vendor Accountability and Management:

- Following commitments made at the last board meeting, regular meetings and reporting from the security provider have been instituted, resulting in increased vendor accountability and a noticeable reduction in the number of complaints received month over month.





Service Model Enhancements for LMCH Staff and Tenants:

1. After-Hours Noise Complaint Response:

- This service has substantially reduced tenant stress and decreased the volume of calls to the London Police Service regarding noise complaints.

2. Enhanced CCTV Support:

- Extended support for CCTV searches and data retrieval has been made available to the London Police and other authorities, accommodating requests outside regular LMCH hours.

3. Prompt Response to Tenant Calls:

- Issues such as suspicious activities or domestic situations are now addressed swiftly, significantly improving tenant quality of life and reducing the need for police intervention.

4. Random and After-Hours Patrols:

- Increased patrols at non-dedicated security sites, such as 122 Baseline, 30 Baseline, 200 Berkshire, and 304 Oxford, are helping to prevent loss events and provide additional security for tenants.

5. Enhanced Reporting on Nuisance and Anti-Social Behavior:

- Improved reporting mechanisms have been put in place to better support the Landlord and Tenant Board (LTB) process, addressing nuisance and anti-social behaviors more effectively.

Conclusion: The enhancements brought about by the new service model under the current contract have significantly improved the safety and security environment for LMCH staff and tenants. The extension of this contract will ensure the continuation of these benefits, further supporting our commitment to providing a safe and secure living environment for all residents.

PSH- 2024-10
Community Development Update – Q.1

TO: LMCH People, Services & Housing Committee

FROM: Lisa Luther, Community Engagement Manager

SUBJECT: Community Development Update – Q.1

DATE: May 14, 2024

PURPOSE:

The purpose of this report is to provide an update to the People Services and Housing Committee on key Community Development events and initiatives that may be of interest to the Committee.

RECOMMENDATION:

That the People Services and Housing Committee **RECEIVE** this report for information and forward to the Board of Directors as an information item.

BACKGROUND:

The Community Development (CD) Team utilizes an asset-based community development (ABCD) approach when developing and implementing tenant-informed initiatives that incorporate one or more of LMCH's Community Engagement Pillars:



ASSET-BASED COMMUNITY DEVELOPMENT IN SOCIAL HOUSING

An asset-based community development (ABCD) approach empowers, engages, and supports tenants to effect change within their communities. The CD team utilizes the following main principles of ABCD in their interactions and work with tenants:

Tenant-led/ tenant-informed

- Communities know themselves best - what they can do on their own, with each other and what they could do if they had some outside help.
- Services, programs, and community supports should be informed by tenant needs and feedback.

Gifts & Assets

- Leveraging what's strong, not what's wrong.
- Every individual has a gift and asset to contribute to their community, but gifts must be discovered.
- Matching talents with tasks.

Relationships Drive Community Development

- When a community works together, they become strong together.
- Relationships amplify and multiply the capabilities of individuals.

Questions Lead to Solutions

- Providing opportunities for tenants to explore their potential and create their own path.
- Rather than coming in with answers to the community's problems, ask questions and allow tenants to discover solutions through their answers.

CD EVENTS & INITIATIVES

Below is a sampling of CD events & initiatives that have been implemented between January- March 2024.

Community Needs Assessment

A Community Needs Assessment (CNA), focused on LMCH's 4 Pillars, was distributed to a senior community with the intention to better understand what challenges tenants are experiencing as well as how they want to be connected to their community. This information, combined with the information gathered from a Community Conversation, will inform future engagement opportunities, as well as exploring bringing in new programs and services that are tenant-informed.

Employment Services Workshop Series

In partnership with Fanshawe Community Employment Services, a workshop series was initiated with the purpose of educating and drawing awareness to what services Fanshawe CES offers. Following an information session, the following topics were covered: Envision your Future, Personality Dimensions, Career Exploration, Resume and Cover letter writing.

Harvest Hands

As a non-profit distribution center dedicated to reducing food from bakers, growers, and retailers for redistribution. Harvest Hands has partnered with LMCH and CMHA to increase food security at two LMCH communities on a weekly basis where food is distributed to tenants. Plans are in the works to explore the possibility of expanding to a third location in 2024.

Income Tax Clinics

In March, 161 tenants were supported by free income tax clinics facilitated by CRA-approved volunteers.

Digital Literacy Workshops

Literacy Link along with ATN and Fanshawe offered 2 series of digital literacy workshops to support seniors to increase their confidence in their ability to use and understand digital tools like computers, smartphones, and tablets to communicate, create and find information.

UPCOMING CD EVENTS & INITIATIVES

Below is a sampling of CD events & initiatives that are anticipated to be implemented between April- June 2024.

Clean & Green

Clean & Green is an annual community clean-up initiative held at LMCH sites through the month of April. The goal of this initiative is to provide tenants with the opportunity to come together as a community to care for the environment and their shared outdoor spaces. Stay tuned for an update on how our 9 events went.

Group Certification Initiative

Informed by a Community Needs Assessments facilitated in 2023, an initiative to support participation in Training and Certification programs (e.g., Safe Food Handling, First Aid, etc) at London Training Centre is being rolled out to senior sites that indicated an interest in this skill-building opportunity.

Rookie Ball

LMCH is once again excited to be partnering with London Police Services to run Rookie Ball this summer, with registrations starting in May and June to prepare for the summer season.

Rookie Ball is open to youth, ages 8-11, who are residents of LMCH. Police officers volunteer to coach, and the youth from various communities come together to make 4 teams that play twice a week through the summer. Kids in Rookie League learn how to play baseball while building life skills about teamwork, peer pressure, and bullying.

Community Gardens

Building on the success of the 2023 community garden initiative at several of LMCH county sites, tenants will be taking the lead this year on sustaining the projects for the 2024 season.

Informed by Community Needs Assessments facilitated in 2023, communities indicating an interest in starting community gardens will be engaged to initiate their own community garden projects.

Senior's Month Celebrations

Adopting an Asset-Based Community Development lens, LMCH senior sites will be engaged to decide a meaningful way for their community to celebrate Senior's month in June.

ATTACHMENT:

APPENDIX A: Q1 INFOGRAPHIC: CD Team, Community Partner Impact, Tenant-Led Events

PREPARED and SUBMITTED BY:	REVIEWED BY:
Lisa Luther Community Engagement Manager	Andrea Mackenzie Director, Tenant Services



January– March 2024

CD TEAM LED

EVENTS & INITIATIVES



Bags of fresh produce and
essential groceries
distributed

720

37

Tenants
participated in
Community
Conversations



Tenants participated
in CD initiatives

97

48

Tenants completed
a Community
Needs Assessment



Pets received free vet
examinations and low
cost vaccines

10

161

Tenants received
free income tax
preparation and
filing





January– March 2024

COMMUNITY PARTNER IMPACT

2826

Seniors received health & wellness supports



Visits to an After School Program

1255

96

Visits to Digital Literacy Sessions



Children and Teens attended groups that explore healthy relationships, coping skills and skill building

89

07

Tenants received confidential health testing



Seniors participated in community led social events

89

20

Families enjoyed an Ice Cream Social

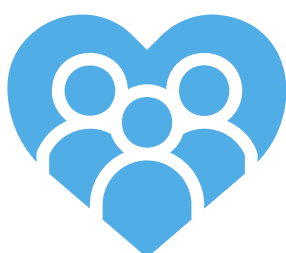
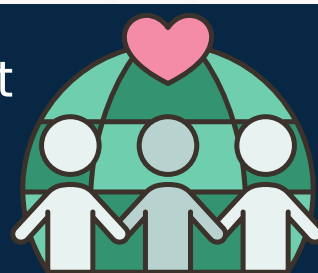


Seniors received free tune ups on their mobility equipment

33

325

Tenants participated in student led community conversations and social events



Tenants participated in CMHA facilitated groups

85



January– March 2024

TENANT LED EVENTS

100

Bingo
Events



Coffee/Tea
Groups

82

4

Celebrations



Exercise &
Movement
Classes

4

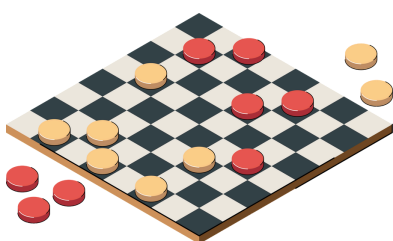
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Food
Program Events

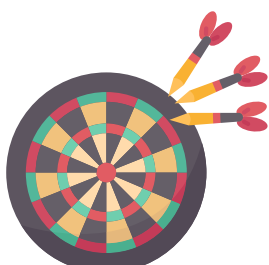


Social Activities

- Crafts
- Cards
- Games
- Music



136



PSH- 2024-11
Q1 Vacancy Management Report

TO: LMCH People, Services & Housing Committee

FROM: Christine Poirier, Senior Manager - Property Services
Andrea Mackenzie, Director of Tenant Services

SUBJECT: Vacancy Management Report

DATE: May 8, 2024

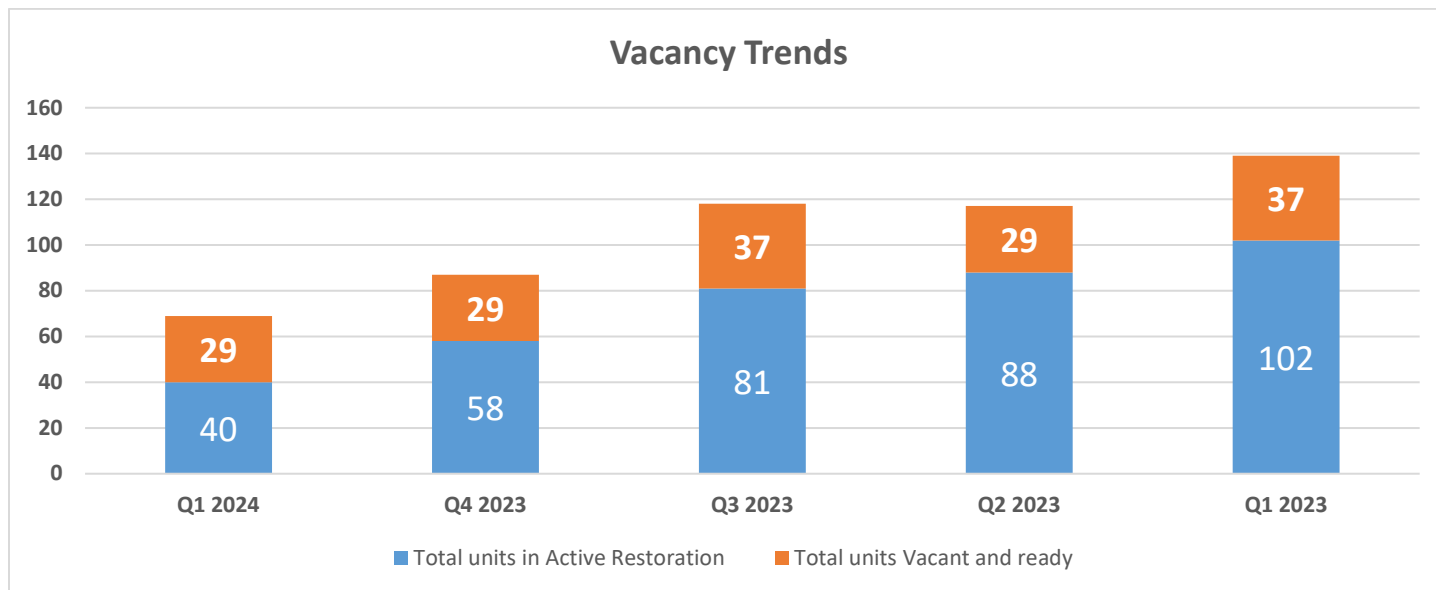
Purpose:

To update the PSH Committee regarding the status of LMCH's Vacancy Management progress with the objective of achieving a three percent (3%) total vacancy.

RECOMMENDATION:

That the Vacancy Management Update report **BE RECEIVED** for information.

OVERVIEW:



Monthly Vacancy Progress (Reported as of Q1 2024)

- 1. Total Vacancy:** This includes all units within LMCH portfolio that are not occupied. It is inclusive of units that are Non-Rentable or in Active Restoration and Rent Ready Stock.
(Target: 3%)

Count (Units)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Total units in Active Restoration	40	58	81	88	102
Total units Vacant and ready	29	29	37	29	37
Total	69	87	118	117	139

Count (Units)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Total units in Active Restoration	1.2%	1.8%	2.5%	2.7%	3.1%
Total units Vacant and ready	0.9%	0.9%	1.1%	0.9%	1.1%
Total	2.1%	2.7%	3.6%	3.6%	4.2%

2. Non-Rentable Units:

The non-rentable category includes units that do not have a predictable rent ready projection date due to an insurance claim or a major construction project (e.g., units that are being used for broader portfolio improvements).

- 28 units are on hold as part of CMHC Accessible Unit Project. Five units were returned to rent ready status in Q1 and were rented in early Q2.
- 5 units are vacant and undergoing restoration for fire or as part of insurance claims.
- 1 unit is now non-rentable for Relmagine Southdale Phase 2.
- 1 unit is non-rentable to support the elevator modernization at William Street.

3. Active Restoration:

The active restoration category includes all remaining units that are slated for restoration and rental. The target for units in active restoration is 2% of the portfolio or 66 units. At the end of Q1 2024, there were 40 units in active restoration which 1.2 % of the portfolio.

There were 81 units restored during Q1 2024 that took an average of 88 days to return to rent ready.

Age of Units Restored in Period (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days (last day of quarter)	3	1	1	1	1
16-30 days (last day of quarter)	3	4	3	4	2
31-60 days (last day of quarter)	4	10	7	9	6
61-90 days (last day of quarter)	9	2	12	5	10
91+ days (last day of quarter)	7	12	15	10	20
Total units restored	81	94	102	96	112
Average # of days in restoration	88	105	108	103	126

At the end of Q1 2024 there were 40 units in active restoration down from 58 at the end of Q4 2023. Units in active restoration at the end of Q1 2024 had been vacant for an average of 84 days as of 31st March 2024.

Age of Units in active Restoration (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days (last day of quarter)	4	5	12	18	16
16-30 days (last day of quarter)	5	13	9	14	11
31-60 days (last day of quarter)	10	10	21	23	20
61-90 days (last day of quarter)	9	14	14	4	12
91+ days (last day of quarter)	12	16	25	29	43
Total units in Active Restoration	40	58	81	88	102
Average # of days in restoration at end of Quarter	84	80	85	100	100

4. **Active Rental Stock:** These are the units that are rent ready and available to offer. Units leave this category when they are future leased or leased (when the actual lease is signed, and keys are handed to the new tenant). The target for Active Rental Stock is 1% of the portfolio or 33 units.

Q1 2024 leased a total of 63 units that had been rent-ready for an average of almost 23 days. In addition to units leased an additional 29 units were accepted by tenants to be leased in future periods.

Age of Units Leased in the Period (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days (last day of quarter)	12	22	15	23	20
16-30 days (last day of quarter)	6	4	11	10	8
31-60 days (last day of quarter)	4	3	3	3	6
61-90 days (last day of quarter)	0	1	0	1	0
91+ days (last day of quarter)	0	0	0	1	1
Total units Leased	63	98	87	109	84
Average # of days to commit the unit	21	23	19	20	18

At the end of Q1 2024, the active rental stock was 29 units or 0.9 % of the portfolio. The average days units were in Active Rental at the end of Q1 2024 was 18 days.

Age of Units Vacant and Available (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days	19	16	22	16	24
16-30 days	1	4	5	8	4
31-60 days	8	6	7	4	9
61-90 days	0	2	0	0	0
91+ days	1	1	3	1	0
Total units Vacant and ready	29	29	37	29	37
Average # of days vacacnt and ready	18	19	21	17	11

Q1 2024 Summaries:

LMCH had a total of 40 units in active restoration at the end of Q1 2024. LMCH also restored a total of 81 units during this same quarter.

LMCH leased 63 units during the quarter and future leased an additional 54 during Q1 2024.

Conclusion:

The corporate target for vacant units is 100 units. The sub-targets set are 66 units in Active Restoration and 33 units are in Active Rental stock. We have achieved this target this quarter with total vacant units at 69.

LMCH has achieved the 3% vacancy target over the past two quarters which are the first consecutive quarters achieving this target in more than three (3) years. Work will continue to keep a number of units in active restoration to below 66 units in future quarters.

Transition of units to the CMHC Unit Accessibility Program will reduce the number of vacant units moving to active restoration resulting in a decreased number of units and the length of time a unit is in the active restoration phase.

The intent is to bring this report as a revised quarterly vacancy report moving forward. A draft sample report (APPENDIX A: Vacancy Sample Quarterly Report) has been attached for your review and comments.

APPENDIX A: Vacancy Sample Quarterly Report

RECOMMENDED BY:	STAFF CONTACT:
CHRISTINE POIRIER, Senior Manager, Property Services	RYAN WINTER, Business Planner
ANDREA MACKENZIE, Director of Tenant Services	

Board of Directors Quarterly Performance Report:



Q1 2024

Period Ended March 31, 2024

PSH Committee:

May 14, 2024



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Section 1

Executive Summary

The 2024 1st Quarter Performance Report provides highlights of London Middlesex Community Housing (LMCH) strategic and operational performance for the January, February, and March period. The quarterly performance report evolves on a continuing basis as metrics are identified and data collected and analyzed. The report shows our key performance indicators and conforms to the reporting requirements of the Board of Directors.

1st Quarter 2024 – Overview

- Q1 2024 showed a vacancy rate that has remained below LMCH's target of 3% and has been reduced by 50% year-over-year.
- Units in active restoration have decreased by 18 and now sit at 40.
- Average days in restoration has entered the "Yellow" for the first time since quarterly records have been reported. This is a positive trend that LMCH will continue to focus on in Q2 2024.
- Average days to commit the unit (23) has remained in the Green in Q1 2024. This metric has remained constant over the past five (5) quarters.

Q1 2024 - Performance Scorecard Vacancy

Outcome	Strategy	#	Measure	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Turnover Process in a Timely Manner	Improve Unit Time in Restoration and Days to Commit Unit	1.1	Maintain Vacancy Rate (%): Target = 3%	4.2%	3.6%	3.6%	2.7%	2.1% ▼
		1.2	Average # of Days to Commit the Unit: (From Vacant to Leased) Target = less than 33 days on average over the Quarter	19	18	16	17	23 ▲

Legend:

G	Expected results achieved
Y	Results moderately below expectations
R	Results far below expectations

Outcome	Turnover Process in a Timely Manner	
Strategy	Improve Unit Time in Restoration and Days Vacant	
Measure	1.1	Vacancy Rate (%) Units Available to Rent

Performance Measure Definition & Calculation	Performance Thresholds	
<p>The performance measure for "Vacancies" tracks the percentage of unoccupied housing units relative to the total number of units available within LMCH. This KPI is calculated by dividing the number of currently vacant units by the total number of units in the development, then multiplying the result by 100 to express it as a percentage.</p> <p>LMCH has set a service standard of 3% vacancy rate</p>	G	Green = Less than 3%
	Y	Yellow = 3% - 4%
	R	Red = Greater than 4%

Summary Analysis of Results	Status	G
<p>Q1 2024 has shown the lowest vacancy rate over the previous 12 months while also being down 50% year-over-year. The steady decline in vacancies is due to the new operational plan put in place by Property Services.</p> <p>Units in active restoration have decreased to 40 from 58 in the previous quarter. This is the lowest results achieved over the past 5 quarters.</p> <p>Total units restored in Q1 2024 was 81, down from 94 in the previous quarter. This metric helps to explain why LMCH was able to maintain their vacancy rate sub 3%.</p> <p>Average number of days in restoration dropped from 105 to 88 days throughout Q1 2024.</p>	Trend	▼
	<p>Notes: Results for this period are green with 2.1% of units found to be vacant.</p>	

Business Impact / Implications	A high vacancy rate correlates to less individuals and families being removed from the waitlist and placed within LMCH units. Additionally, a high vacancy rate can significantly impact LMCH's financial stability due to lost revenue and increased operational costs.
Management Actions	<p>Property Services has created and implemented KPI's and made them visible to Property Services Managers so they can track their progress in real time.</p> <p>Property Services implemented a strategy to complete all vacancies that appear each month while also completing additional units in their backlog to continue to maintain or exceed the 3% target.</p>
Assumptions	<ul style="list-style-type: none"> Barring no major emergencies including fire, flood, natural disasters, etc., the plan continues to be achievable. There are seasonal variables that can affect the vacancy rate where the summer months can have higher rates due to less staff due to vacations, higher move-out rates by tenants, and the seasonality of pests which will slow down the turn rate for treatment.


Count (Units)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Total units in Active Restoration	1.2%	1.8%	2.5%	2.7%	3.1%
Total units Vacant and ready	0.9%	0.9%	1.1%	0.9%	1.1%
Total	2.1%	2.7%	3.6%	3.6%	4.2%

Age of Units Restored in Period (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days (last day of quarter)	3	1	1	1	1
16-30 days (last day of quarter)	3	4	3	4	2
31-60 days (last day of quarter)	4	10	7	9	6
61-90 days (last day of quarter)	9	2	12	5	10
91+ days (last day of quarter)	7	12	15	10	20
Total units restored	81	94	102	96	112
Average # of days in restoration	88	105	108	103	126

Age of Units in active Restoration (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days (last day of quarter)	4	5	12	18	16
16-30 days (last day of quarter)	5	13	9	14	11
31-60 days (last day of quarter)	10	10	21	23	20
61-90 days (last day of quarter)	9	14	14	4	12
91+ days (last day of quarter)	12	16	25	29	43
Total units in Active Restoration	40	58	81	88	102
Average # of days in restoration at end of Quarter	84	80	85	100	100

Outcome	Turnover Process in a Timely Manner	
Strategy	Improve Unit Time in Restoration and Days Vacant	
Measure	1.2	Average # of Days to Commit the Unit: (From Vacant to Leased)

Performance Measure Definition & Calculation	Performance Thresholds	
“Average # of Days to Commit the Unit” measures the average time a renovated unit takes to be leased. This metric helps assess the efficiency of our leasing process and removing potential tenants from the waitlist.	G	Green = less than 33 days on average over the Quarter
	Y	Yellow = 34 to 50 days
	R	Red = 51+ days

Summary Analysis of Results	Status	G
In Q1 2024, the average number of days to commit the unit has stayed consistent over the past four quarters. The average number of days currently sits at 23 which is up year-over-year from 19 days in Q1 2023.	Trend	
	Notes: This has been a consistent metric for LMCH over the past year.	

Business Impact / Implications	Minimizing the average number of days to commit a unit is crucial for LMCH as it enhances cash flow and operational efficiency. Quick unit turnover aids in accurate financial forecasting, allows for efficient resource allocation, and reduces risks associated with vacant units. Overall, it strengthens LMCH's financial stability and reputation.
Management Actions	Tenant Placement begins the matching process of the unit once Property Services deems the unit to be “rent ready”. Tenant Services begins the process of matching potential individuals from the housing waitlist with vacant units available. This process includes showing the unit to the potential tenant and completing all paperwork including the signing of a lease with LMCH. Tenant Services has been consistent with their ability to lease units within the timeframe set out by LMCH.
Assumptions	Some tenants may reject the available unit for a variety of reasons which will add extra time to the placement process. In addition, circumstances may arise with the unit that may force Tenant Services to return the unit to Property Services to rectify the issue. This will prevent the unit from becoming available to individuals on the housing waitlist.

Age of Units Leased in the Period (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days (last day of quarter)	12	22	15	23	20
16-30 days (last day of quarter)	6	4	11	10	8
31-60 days (last day of quarter)	4	3	3	3	6
61-90 days (last day of quarter)	0	1	0	1	0
91+ days (last day of quarter)	0	0	0	1	1
Total units Leased	63	98	87	109	84
Average # of days to commit the unit. (From Vacant to Leased)	23	17	16	18	19

Age of Units Vacant and Available (Count)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
0-15 days	19	16	22	16	24
16-30 days	1	4	5	8	4
31-60 days	8	6	7	4	9
61-90 days	0	2	0	0	0
91+ days	1	1	3	1	0
Total units Vacant and ready	29	29	37	29	37
Average # of days vacant and ready (Unit has not been leased, still available)	18	19	21	17	11

Q1 Work Order and Service Requests for 2024
PSH-2024- 12

TO: People, Services, & Housing Committee

FROM: Christine Poirier, Senior Manager, Property Services

SUBJECT: Work Order and Service Requests for Q1 2024

DATE: May 8, 2024

PURPOSE:

To update the Tenant Services Committee regarding the status of LMCH's Q1 work order and service requests broken down by category, Priority, and Vendors.

RECOMMENDATION:

That the Work Order and Service Requests – Q1 2024 report **BE RECEIVED** for information.

OVERVIEW:

- LMCH created a total of 6,767 work orders in Q1 of 2024 for all LMCH buildings. This number equates to 2,255 work orders per month, 74 work orders per day and about 2 work orders per unit.
- Pest Control remains the highest service request category followed by plumbing and keys/doors. Together they account for 54% of Work Orders in the period.
- After Hours Service Requests have doubled since early 2023. This needs to be investigated to determine if this relates to an increase in dispatched after-hours maintenance concerns or an improved recording of non-emergency service requests by the new after-hours answering service which started in Q3 2023.

Created Work Orders by Category (Q1-2024)

1. **Work Orders:** This includes all work orders created between January 1, 2024, through March 31, 2024. Our top categories during Q1 remain pest control, plumbing, and keys/doors which account for 54% of the work orders in this period.

	Q1 2024 Work Orders	Q4 2023 Work Orders	Q3 2023 Work Orders	Q2 2023 Work Orders	Q1 2023 Work Orders
Pest Control	1,817	2,651	1,011	940	1,273
Plumbing	1,180	1,095	1,026	916	1,028
Keys and Doors	625	636	661	614	643
Electric Sys / Repairs	486	588	312	313	419
Building General	502	427	268	347	416
Cleaning	217	241	229	271	306
Door	274	304	248	281	263
Waste Removal	247	227	204	211	233
Life & Safety System	294	323	192	187	222
Other	1,125	1,164	587	599	785
Total	6,767	7,656	4,738	4,679	5,588

	Q1 2024 Work Orders	Q4 2023 Work Orders	Q3 2023 Work Orders	Q2 2023 Work Orders	Q1 2023 Work Orders
Pest Control	28%	34%	21%	20%	23%
Plumbing	17%	14%	22%	20%	18%
Keys and Doors	9%	8%	14%	13%	12%
Electric Sys / Repairs	7%	8%	7%	7%	7%
Building General	7%	6%	6%	7%	7%
Cleaning	3%	3%	5%	6%	5%
Door	4%	4%	5%	6%	5%
Waste Removal	4%	3%	4%	5%	4%
Life & Safety System	4%	4%	4%	4%	4%
Other	17%	15%	12%	13%	14%
Total	100%	100%	100%	100%	100%

Work Orders by Priority (Q1-2024)

2. **Priority Work Orders:** After-Hours Work Orders increased to 633 and 9% or work orders in the period. Non-emergency work orders account for 49% or work orders.

	Q1 2024 Priority Level	Q4 2023 Priority Level	Q3 2023 Priority Level	Q2 2023 Priority Level	Q1 2023 Priority Level
Non-Emergency and Routine	3,327	4,232	2,386	2,588	2,959
Urgent, Emergency or 24 Hours	2,015	2,094	1,330	1,503	1,471
Turnover	748	675	619	630	804
After Hours	633	633	365	312	256
Other	44	22	38	42	98
Total	6,767	7,656	4,738	4,679	5,588

	Q1 2024 Priority Level	Q4 2023 Priority Level	Q3 2023 Priority Level	Q2 2023 Priority Level	Q1 2023 Priority Level
Non-Emergency and Routine	49%	55%	50%	55%	53%
Urgent, Emergency or 24 Hours	30%	27%	28%	32%	26%
Turnover	11%	8%	13%	13%	14%
After Hours	9%	8%	7%	7%	5%
Other	1%	2%	2%	1%	2%
Total	100%	100%	100%	100%	100%

Unit Turnover by Category (Q1-2024)

3. **Turnover Categories:** Of the 748 work orders attributed to the turnover process, 16% were for cleaning services, 19% for keys and doors, 12% for paint and repairs, and 10% for pest control services. Keys and doors was the dominant work order category found for the turnover process.

	Cleaning	Keys and Doors	Paint / Repairs	Pest Control	Building General	Other	Total
Q1 Work Orders	116	144	87	76	76	249	748
% of WO's	16%	19%	12%	10%	10%	33%	100%

Total Work Orders – LMCH vs Vendors (Q1-2024)

4. Analysis of Q1 work orders revealed that LMCH assigned 58% of work orders to vendors, which is up slightly from Q4 2023. This increase in work orders assigned to vendors is related to increases in work orders for pest control and cleaning which are assigned to vendors more than 99% of the time.

	LMCH	Vendors	Total
Q1 Work Orders	2,812	3,955	6,767
% of WO's	42%	58%	100%

LMCH vs Vendors per Category (Q1-2024)

Minimum 245 Work Orders

5. **Category Breakdown:** LMCH manages at least 75% of work orders for plumbing, keys and doors, electrical repairs, and general maintenance. Conversely, almost all cleaning and pest control tasks are outsourced to vendors.

	Pest Control	Plumbing	Keys and Doors	Electrical Sys / Repairs	Building General	Cleaning	Door
Q1 Work Orders	1,817	1,180	625	486	502	217	274
LMCH %	2%	73%	92%	66%	65%	1%	76%
Vendors %	98%	27%	8%	34%	35%	99%	24%

Conclusion

In Q1 of 2023, LMCH generated 5,713 work orders. In Q1 of 2024, LMCH generated 6,767 work orders which is a modest increase of 11.9% compared to 2023.

Furthermore, the pest control work order trend shows a rise from 1,275 in Q1 of 2023 to 1,817 in Q1 of 2024, amounting to a year-over-year increase of 43%. This is the only category revealing such a substantial deviation from our 2023 data.

PREPARED BY:	STAFF CONTACT:
CHRISTINE POIRIER SENIOR MANAGER, PROPERTY SERVICES	RYAN WINTER, BUSINESS PLANNER

Integrated Pest Management Update Report PSH- 2024 - 13

TO: People, Services, & Housing Committee

FROM: Christine Poirier, Senior Manager, Property Services

SUBJECT: IPM Update from Senior Manager, Property Services

DATE: May 7, 2024

PURPOSE:

The purpose of the report is to provide updates to the Tenant Services Committee on the status of key initiatives previously approved, introduce items that may come before the Committee in future meetings, and provide updates on meetings, events, or activities that may be of interest to the Committee.

RECOMMENDATIONS:

That the Update from the Senior Manager, Property Services report **BE RECEIVED** for information.

Integrated Pest Management/Service Recovery Plan:

This first step of the Integrated Pest Management was the creation and implementation of the Service Recovery Plan to include the following tasks.

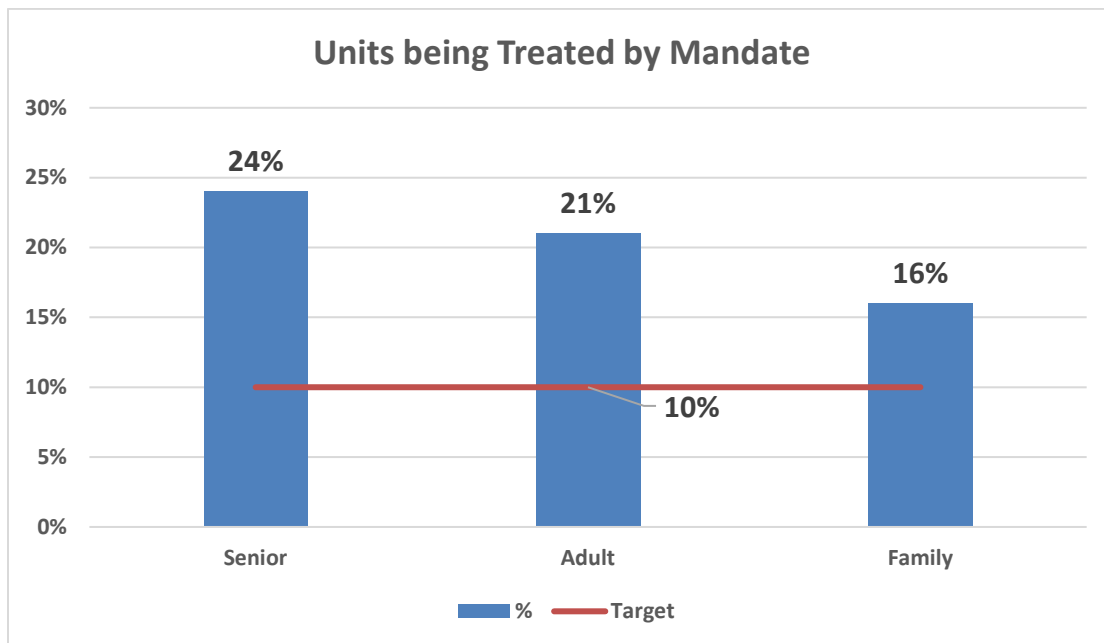
- 1) Set up dedicated weekly treatment dates per building/property.
- 2) Set up monthly common are treatment scheduled per building/property.
- 3) Create an internal scheduling and tracking system so we can proactively schedule future treatments and ensure treatments are completed to our standards.
- 4) Improve the NOE (notice of entry) creation and distribution process.
- 5) Service report review system for scheduling all follow-up treatments to clear units of infestations within the appropriate pest treatment cycle based on best case scenario.
- 6) Service report and invoice review process to ensure service confirmation and accurate invoice processing.
- 7) Reporting warehouse on SharePoint that all staff can access.

This plan was successfully completed in Q1 2024.

Integrated Pest Management (IPM) Q1 2024 Results:

During Q1 2024, LMCH has been tracking the pest treatments which have been provided by our vendor, Safeguard 24/7. Over this period 24% of our senior units, 21% of adult units, and 16% of family units have been treated. A target of 10% infestation rate has been set per mandate.

Looking at the chart seniors report more infestations on average. Adult buildings have higher infestation but lower reporting levels. Family units have less infestations.

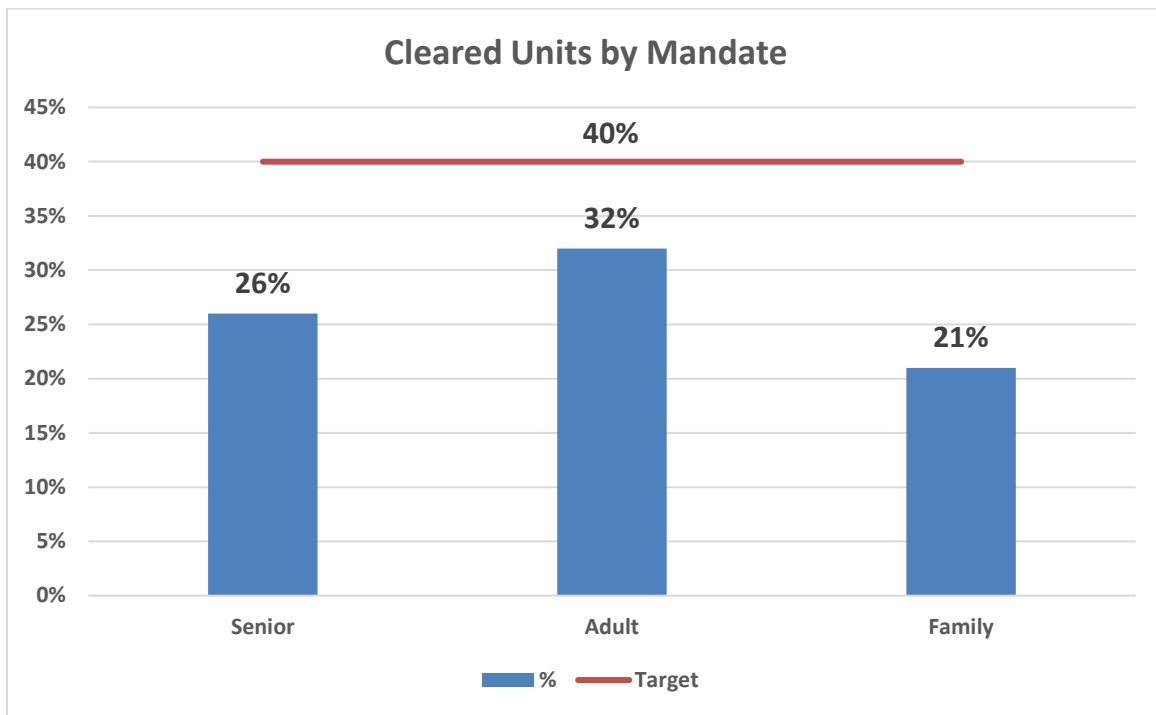


Percentage of Buildings Being Treated - Mandate				
Mandate	Cycle in Progress	Total Units	%	Target
Senior	295	1244	24%	10%
Adult	245	1154	21%	10%
Family	140	860	16%	10%

William St is an adult building that was sitting at an infestation rate of 38% in March 2024. Due to this rate LMCH has proceeded with a full building inspection and treatment plan. Inspections took place on March 23rd. William St has a total of 70 units in which 27% were indicated as good, 36% were indicated as fair, and 31% indicated as poor. This process allowed LMCH to identify the units with infestations that were unreported by tenants.

LMCH created a team of property services and tenant services staff members to assist the tenants throughout the process. Common area treatments took place on April 30th, units indicated as good and fair were treated on May 2nd, and all units indicated as poor were scheduled to be treated on May 7th. All follow-up treatments have been scheduled in order to clear the units.

The process for clearing a unit consists of completing a full treatment cycle with the final inspection indicating no further live activity or evidence of pests. A full treatment cycle takes place over a six (6) to eight (8) week period. LMCH has been tracking the percentage of units cleared of the total treated units per mandate throughout Q1 2024 and found 26% of our senior units, 32% of adult units, and 21% of family units have been cleared.



Percentage of Cleared Units - Mandate				
Mandate	Cleared Units	Total Active Units	%	Target
Senior	119	464	26%	40%
Adult	152	481	32%	40%
Family	47	229	21%	40%

Integrated Pest Control Program Challenges

Throughout the treatment cycle, there are circumstances that arise which prevent the pest control service provider from properly treating a unit. LMCH has been tracking the following categories preventing treatment which include, "No Access", "Tenant Refusal", "Not Prepped", and "Escalated". These are defined as follows:

1) **No Access:**

Pest control vendor was unable to gain access to a unit because a member of LMCH was unable to provide access or proper notice was not given to the tenant within the appropriate timelines.

2) **Tenant Refusal:**

Tenant refused entry after receiving proper notice from LMCH staff.

3) **Not Prepped:**

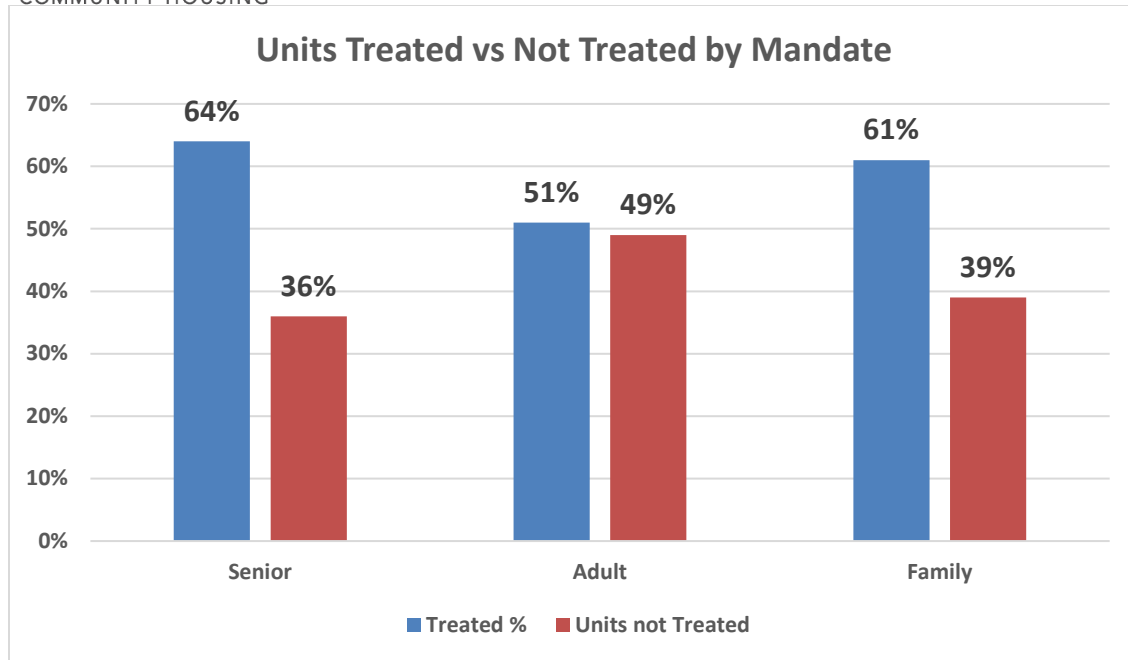
Tenant has received proper written notice from LMCH staff with pest preparation documentation and they did not properly prepare their unit for pest treatment. This results in either no treatment or only a partial treatment being completed.

4) **Escalated:**

Units in this category have been escalated to management as the tenant has denied access or refused treatment more than once.

Based on the results from Q1 2024, 36% of senior units, 49% of adult, and 39% of family units were not treated for one of the reasons mentioned above.

Units Treated vs Requested - Mandate				
Mandate	Cycle in Progress	Total Active Units	Treated %	Units not Treated
Senior	295	464	64%	36%
Adult	245	481	51%	49%
Family	140	229	61%	39%



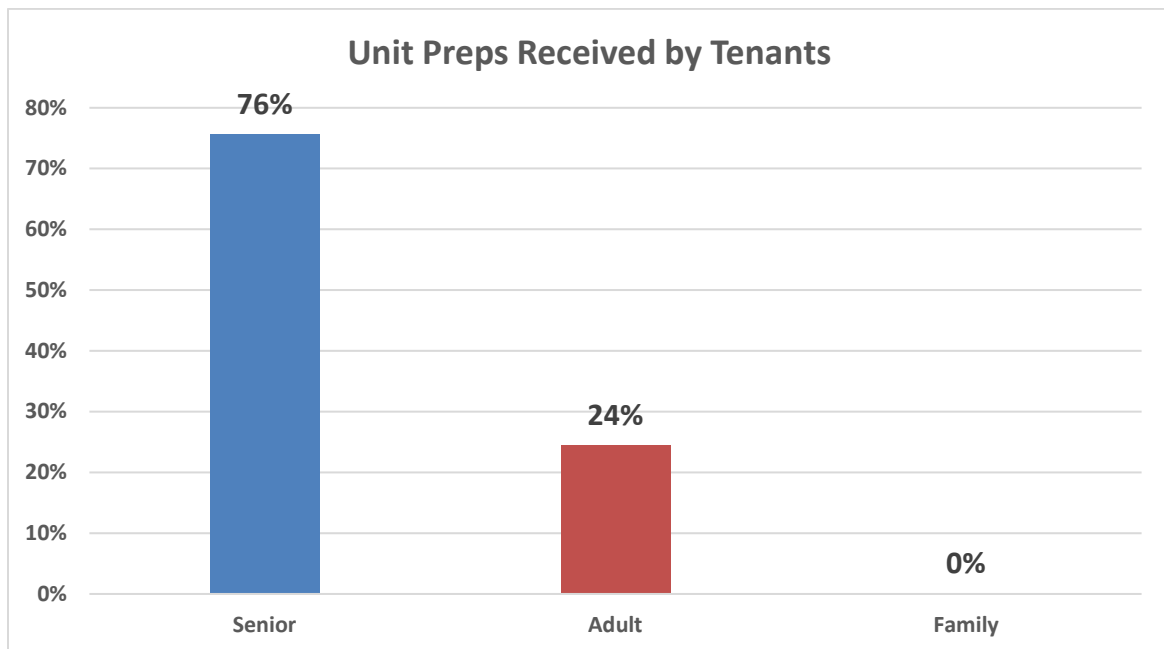
Further analysis was conducted and found that over the course of Q1 2024, LMCH saw a decrease of instances of “No Access” dropping from 12% to 6% over that period. “Tenant Refusal” remained constant at around 8%, “Not Prepped” decreased from 12% to 8%, and LMCH increased their escalated units from 3% to 5%.

These results show a positive trend of reduced instances of “No Access” and “Not Prepped” units while also addressing some of our problematic units through escalation to management. LMCH will continue to work to improve the “Tenant Refusal” numbers through additional communication, assistance, and tenant accountability.

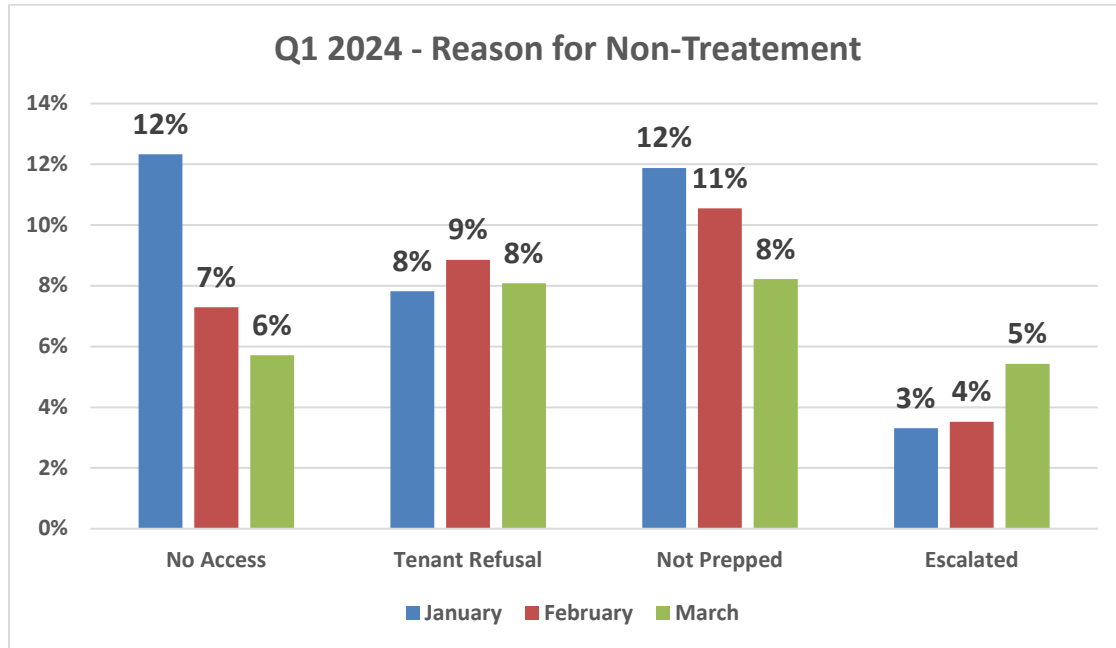
Percentage of Other "Status" - Q1 Results					
Month	No Access	Tenant Refusal	Not Prepped	Escalated	Total Units
January	12%	8%	12%	3%	664
February	7%	9%	11%	4%	764
March	6%	8%	8%	5%	714
Total					2142

During Q1 2024, 41 LMCH tenants requested support preparing for a pest control treatment. LMCH engages with various 3rd party company to prepare in advance for the treatment required. Each request for assistance is assessed by LMCH and if a tenant has a disability and are incapable of prepping their unit themselves or with the help of friends and family, LMCH will provide this service.

Our senior tenants requested a total of 31-unit preps which is 76% of all unit preps in the quarter. The other 24% of unit preps were requested by our adult tenants. These numbers accurately speak to the challenges our senior tenants have in prepping their units independently.



Unit Prep Received by Tenants					
Mandate	January	February	March	Q1 2024	Q1 2024 %
Senior	10	8	13	31	76%
Adult	7	2	1	10	24%
Family	0	0	0	0	0%
Total	17	10	14	41	100%



Conclusion:

LMCH is in the first stage of the new Integrated Pest Management (IPM) program and strives to build a sustainable model that will allow our tenants to live in clean, safe, well-maintained units. LMCH has set a goal to achieve our internal targets by the end of Q4 2024.

PREPARED and SUBMITTED BY:	REVIEWED and CONCURRED BY:
CHRISTINE POIRIER SENIOR MANAGER, PROPERTY SERVICES	PAUL CHISHOLM CHIEF EXECUTIVE OFFICER