



2024-2027

# Multi-Year Budget

City of London



## Business Case #P-14 - Municipal Housing Development Resourcing

Primary Strategic Area of Focus: Housing and Homelessness

Primary Outcome: The City of London demonstrates leadership and builds partnerships to increase quality, affordable, and supportive housing options.

Primary Strategy: Increase the supply, range, and depth of affordability of quality housing options where people feel safe.

Business Case Type: Additional Investment

Description: Sustain Roadmap capital funding, add new staff and resources to support the creation and retention of all forms of housing including affordable, community, supportive and transitional housing units. New staff and resources will support the transition to being a proactive and adaptive housing provider that puts the needs of the Londoner first.

Service(s): Housing Services (Municipal Housing Development)

Lead: Scott Mathers, Deputy City Manager, Planning and Economic Development

Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	\$457	\$897	\$1,273	\$3,420	\$6,047
Annual Incremental Tax Levy Impact	\$457	\$440	\$376	\$2,147	\$3,420
Estimated Annual Tax Levy Impact %	0.06%	0.05%	0.04%	0.25%	0.10% Average
Estimated Annual Taxpayer Impact \$ <sup>1</sup>	\$2.05	\$4.02	\$5.70	\$15.31	\$6.77 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## What is Included in the Base Budget?

Base Budget Table (\$ Thousands)

Municipal Housing Development Base Budget	2023	2024 to 2027 Total	2028 to 2033 Total
Total Tax Levy Funded – Operating	\$9,822	\$53,747	N/A
Full-Time Equivalents	18.0	18.0	N/A
Total Capital	\$33,994	\$28,300	\$0
SH3000 - Roadmap to 3,000 Affordable Housing Units	\$33,994	\$28,300	\$0

Subject to rounding.

Base budget includes total personnel costs of \$2.1M in 2023, and \$8.6M from 2024-2027.

## Base Budget Summary

The capital component of the base budget comes from the Roadmap to 3,000 Affordable Units and is currently funded to the end of 2026. The total capital budget, life-to-date plus future, is \$78.0 million for the 2022 to 2026 period.

The existing operating funding represents the staffing resources that support community housing providers and deliver on the City's responsibilities under the Housing Services Act. It also represents the staffing resources required to support the Roadmap to 3,000 Affordable Units and the City's commitment to develop partnerships the deliver new housing to the local market from across the housing continuum.

## Business Case Summary

As the capital component of the Roadmap to 3,000 only goes to 2026, this business case proposes to add an additional \$15,600,000 in 2027, with capital funding beyond 2027 to be discussed in the 2028 to 2031 Multi-Year Budget process.

Municipal Housing Development is requesting the addition of 16 new staff to the area at an ongoing operational cost of \$1,420,000 at full complement, plus an initial \$500,000 capital investment for furniture and equipment for the new staff. The team will be focused on becoming a proactive and adaptive housing provider that puts the needs of the Londoner first. There are currently 18 staff engaged in this work and the new team would have a focus on continuous improvement by embedding these roles in the department, along with enhanced operational and tenant connections. The short-term focus for this team is to build new units and this team has been bolstered and strengthened as an immediate need.

In 2021, City Council approved the Roadmap to 3,000 Affordable Units which is a bold plan to bring new affordable units to market in either ownership or rental models by 2026. Council also requested that civic administration undertake a number of activities to bring the former Housing Development Corporation into the City of London’s organizational structure. During the same time period a number of changes were made to the Planning Act and Housing Services Act to change the way that developments are approved and how community housing projects can be managed. All of these actions contribute to the complexity of delivering new units, but do not reduce the level of effort or the scope of work involved in the delivery of these services.

To further understand the need in the community, it is important to recognize the state of capital repairs required for many of our community housing providers. Incorporating the number of vacancies, changes to the Residential Tenancies Act, the increasing cost of operations along with the needs of the tenants themselves adds to the needs of this department. Many of these items have strategies outlined in the Housing Stability Action Plan, but lack the staff resources to deliver on many of the actions.

The new continuous improvement team will work on finding efficiencies within through the development approvals process along with overlap with Social and Health Development. Part of this work will be the management of Strategic Plan key performance indicators, benchmarks, etc. to improve Council’s ability to track matters associated with housing.

## Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Expenditure <sup>1</sup>	\$457	\$897	\$1,273	\$3,420	\$6,047
Revenue: Grants	-\$0	-\$0	-\$0	-\$0	-\$0
Revenue: User Fees	-\$0	-\$0	-\$0	-\$0	-\$0
Revenue: Savings from Existing Budget	-\$0	-\$0	-\$0	-\$0	-\$0
Revenue: Other (Specify funding source)	-\$0	-\$0	-\$0	-\$0	-\$0
<b>Net Tax Levy</b>	<b>\$457</b>	<b>\$897</b>	<b>\$1,273</b>	<b>\$3,420</b>	<b>\$6,047</b>

Subject to rounding.

Note:

1. This expenditure includes an increased tax supported reserve fund contribution to the Affordable Housing Reserve Fund in the amount of \$2.0 million in the years 2027 through 2031.

Capital Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Expenditure	\$500	\$0	\$0	\$15,600	\$16,100	\$0
Capital Levy	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Debenture	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Reserve Fund <sup>1</sup>	-\$500	-\$0	-\$0	-\$15,600	-\$16,100	-\$0
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Non-Tax Supported	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0

Subject to rounding.

Note:

1. The reserve fund financing for this business case is provided via the Affordable Housing Reserve Fund. To support this request, \$15.6 million of internal financing will be provided to the Affordable Housing Reserve Fund in 2027 from the balance available in the Unfunded Liability Reserve Fund. This internal financing will be repaid over ten years. The increased tax supported reserve fund contribution in the Operating table above is required to support the repayments.

Staffing Summary - Changes	2024	2025	2026	2027
# of Full-Time Employees Impacted	4.0	5.0	5.0	2.0
# of Full-Time Equivalents Impacted	4.0	5.0	5.0	2.0
Cost of Full-Time Equivalents (\$ Thousands)	\$441	\$440	\$372	\$151

Subject to rounding.

## Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Socio-economic Equity

Environmental

Governance

### Environmental:

This business case does not include any new greenhouse gas mission sources of increased emissions from existing sources. This business case is expected to avoid, reduce, or help to reduce greenhouse emissions in the community. Many of the community housing buildings are over 40-years old and have reached their end of useful life, including the level of energy efficiency that they can provide. New buildings will be more energy efficient and encourage energy conservation. This aligns very closely with many of the Provincial and Federal government funding programs requiring that climate change mitigation be actively incorporated into building design when grants and funding have been provided to a housing provider. This business case is expected to improve or increase community adaptation and resilience in the community.

### Socio-economic Equity:

Housing is a major contributor to economic growth, social stability, and household wealth. Complete and inclusive communities with a range of housing options, including affordable and community housing, support community wellbeing and prosperity. Households who live in housing that is affordable are more likely to be in better health, have more personal wealth (including non-housing wealth) and children and youth perform better in school. It reduces reliance on social and health services, thereby lowering the cost of such services.

Partnering with the local non-profit and development community in the construction and management of housing that people with low and moderate incomes can afford improves the capacity of all local businesses to recruit and retain employees and attracts new businesses into the city.

### Governance:

When the Roadmap to 3,000 was approved in 2021, staff resources were not identified to support the implementation component of the program. The current complexity of the housing market, agreement structures with other levels of government among other administrative components associated with land purchase and disposal, procurement, etc. were not well understood at the time. Approval of this business case will improve progress on the Roadmap to 3,000 units program. Increasing the number and type of available housing will reduce the risk of individuals becoming homeless. The Federal and Provincial government have mandated municipalities to work to increase the housing stock.