



**CITY OF HAMILTON**

**COMMUNITY AND EMERGENCY SERVICES DEPARTMENT**  
**Housing Services Division**

<b>TO:</b> Chair and Members Emergency & Community Services Committee	<b>WARD(S) AFFECTED:</b> City Wide
<b>COMMITTEE DATE:</b> July 10, 2013	
<b>SUBJECT/REPORT NO:</b> Housing Collaborative Initiative CS13033 (City Wide)	
<b>SUBMITTED BY:</b> Joe-Anne Priel General Manager Community and Emergency Services Department	<b>PREPARED BY:</b> Ron Wilson 905-546-2424 ext.2754 Robert McKnight 905-546-2424 ext.3728 Gillian Hendry 905-546-2424 ext. 4818
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the Mayor and City Clerk be authorized to enter into a Consortium Agreement between the City of Hamilton and the Cities of London, Windsor, Chatham-Kent, and Ottawa, and the Regional-Municipalities of Waterloo, York and Halton, in a form that is satisfactory to the City Solicitor up to a maximum of \$300,000 for the development of social housing software;
- (b) That the City of Hamilton's share for this project be funded to a maximum of \$300,000 in the amount of \$275,850 from the Social Housing Transition Reserve (#112244) and in the amount of \$24,150 from the Developing Opportunities for Ontario Renters (DOOR) Reserve (#112239);
- (c) That subject to the procurement of a suitable software development contract, the General Manager of the Community and Emergency Services Department or designate be authorized to execute the necessary agreements and documents related to the City of Hamilton's continued involvement in the development of a social housing software solution in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

Since the downloading of social housing in 2001, there has been no supporting information technology (IT) platform or software system for Service Managers to manage the social housing system. This report will provide information on a collaborative initiative that has been undertaken by a consortium of Ontario municipalities to develop an administrative IT solution to support the management of the social housing program. Eight municipalities, including Hamilton have formed a consortium, named the Housing Collaborative Initiative (HCI):

- City of Hamilton
- City of Windsor
- City of London
- City of Ottawa
- Regional Municipality of Waterloo
- Regional Municipality of Halton
- Regional Municipality of York Region and
- Municipality of Chatham-Kent

With the lack of a provincial information technology system for social housing; municipal Service Managers have developed their own local systems or found alternative solutions to support their business operations. As a result, the majority of Service Managers use a combination of Excel, Access and Adobe PDF files to manage their information needs. The result is incompatible data formats, compromised data integrity, poor auditing capabilities and inconsistent reporting.

Hamilton's current data collection method is labour intensive and is not flexible enough to respond to data gathering or reporting exercises. In Hamilton, \$61,760,120 is budgeted to subsidize 47 social housing providers in their operations. There is a risk of human error in using spread sheets to manage a portfolio of this size. The current system limits administrative effectiveness and the capacity to manage business performance and reporting both internal to the City and to external stakeholders such as the Province.

The proposed software system will provide the necessary tools to operate more effectively and efficiently, for example:

- Improved data analysis and the ability to identify trends and the comparison of results among participating Service Managers'
- Ability to measure and track housing providers' expenditures and performance in the area of budgets, financial statement review, operational review results, client demographics, asset management, subsidy allocation, risk management and tenant satisfaction surveys.

The more sophisticated system will reduce the existing business risks, improve administrative efficiencies and strengthen the ability to provide improved service to both internal and external stakeholders.

In 2011, a group of Service Managers was assembled to explore the need for a software solution for social housing and the Housing Collaborative Initiative (HCI) was formed. After considerable information gathering, the HCI group recommended that the most efficient and cost-effective approach is to develop a custom solution to best meet the business requirements of the Service Managers for social housing. The processes of the proposed system are specific to the role of the Service Manager for social housing and are not available in any existing private sector based system such as the Yardi and Northgate systems that serve the property management side of housing.

Plans are underway to collectively issue an Expression of Interest (EOI) leading to a Request for Proposal (RFP) to select a vendor to develop the software. It is recommended that Council grant authority for the Mayor and Clerk to enter into a Consortium Agreement with the seven other municipalities for this purpose.

The Region of Waterloo and the City of Windsor volunteered to spearhead the Request for Proposal (RFP) process. Once the RFP documentation is finalized, it will be vetted by the Procurement department at each municipality.

The Region of Waterloo will issue an RFP seeking proposals from software developers and anticipate choosing the successful vendor in the fourth quarter of 2013. With an estimated one-year development period, it is anticipated that implementation will commence January 1, 2015.

Costs to date have been in-kind by each respective Service Manager and have been limited to staff time, travel and meeting costs. It is recommended that funding for development of the system be allocated from two reserves – the Social Housing Transition Reserve (#112244) and the Developing Opportunities for Ontario Renters (DOOR) Reserve (#112253). The estimated cost of \$34,000 for the on-going maintenance of the system will be absorbed in the social housing operating budget commencing 2015.

At the time this report was written, 4 of the 8 municipalities had received the approval of their Councils to participate in the initiative. If any of the 8 municipalities should choose not to participate, the initiative will collapse.

There is no indication from the Province that they are interested in developing or funding a province-wide software system for the administration of social housing due to lack of resources.

The initiative supports the City of Hamilton's Corporate Strategic Priority 2.1 which is "to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation". Secondly, the project supports the sound management of

financial resources and the development of better performance metrics to inform future policy decisions.

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:**

Hamilton's share of the total cost is up to \$300,000 for development of the social housing software. If approved, the full balance of \$275,850 from the Social Housing Transition Reserve (#112244) will be allocated to the HCI. The funding in this reserve was provided by the Province in 2001 to cover costs associated with the downloading of social housing to the municipality and from a recent provincial contribution of \$208,425 in April 2013. The province has indicated that the \$208,425 may be used for housing related purposes at the discretion of the municipality. The remaining cost of \$24,150 will be drawn from the Developing Opportunities for Ontario Renters (DOOR) Reserve. DOOR funding originates from the Province in 2007 and is to be used for housing and homelessness related programs.

The estimated cost to develop the proposed social housing software solution is \$1.5 million. If all the proposals received during the RFP process exceed the \$1.5 million, any member of the consortium may decide to withdraw from the project. A report would be brought back to Council to determine whether the City will continue to participate and at what cost.

The cost-sharing amount for each municipality is based on the total number of social housing units for each municipality as reported in the 2011 Service Manager Annual information Return (SMAIR) to the Ministry of Municipal Affairs and Housing (MMAH). Hamilton has 18.8% of the total social housing rental units in the HCI Group.

Table one provides a breakdown of the cost, not including HST, for each of the municipalities that comprise the HCI Group.

	<u>Member</u>	<u>Number of Units</u>	<u>%</u>	<u>Cost</u>
1.	Halton	4,203	6.1%	\$ 91,521
2.	<b>Hamilton</b>	<b>12,948</b>	<b>18.8%</b>	<b>\$ 281,944</b>
3.	Windsor	8,566	12.4%	\$ 186,526
4.	Waterloo	7,615	11.1%	\$ 165,817
5.	York	6,210	9.0%	\$ 135,223
6.	Chatham-Kent	1,592	2.3%	\$ 34,666
7.	London	7,861	11.4%	\$ 171,174
8.	Ottawa	19,891	28.9%	\$ 433,129
		<u>68,886</u>	<u>100.0%</u>	<u>\$ 1,500,000</u>

After it is completed, the software solution will be offered to the municipal Service Managers who are not currently part of the HCI with the exception of Toronto who has its own software program. There will be a cost for additional municipalities to access the software. Any additional revenue will be shared among the eight originating members in the form of a rebate. Any rebated funding received by the City will be reinvested back into a social housing reserve fund.

There will be on going hosting and maintenance fees. Although not quantifiable at this time, it is estimated to be approximately 11% of development fees, which would result in an annual cost of \$34,000. This amount will be absorbed into the operating budget for social housing in 2015 when the new software system is implemented.

**Staffing Implications:**

There are no staffing implications to Report CS13033.

**Legal:**

Legal Services is engaged in the development of the Consortium Agreement for the eight participating municipalities. Legal Services will be consulted in the execution of all agreements and documents related to the City of Hamilton's continued participation in the HCI and in the development of the social housing software.

**HISTORICAL BACKGROUND**

In the spring of 2011, Housing Services Division staff joined a group of municipal Service Managers for social housing to discuss the need to find a solution to the information technology gap in the municipal administration of social housing.

Service Managers for social housing were struggling with managing their information needs using multiple and independent systems. Many municipalities were in the process of exploring alternative software solutions. Meetings were held in mid-2011 to discuss the possibility of establishing a collaborative project to develop a single software system for the administration of social housing for municipal Service Managers.

It was determined that this group in conjunction with the Housing Services Corporation (HSC) would initiate the following:

- Create a comprehensive governance model, including a Consortium Agreement identifying potential partners, responsibilities and deliverables;
- Establish a neutral and fair cost sharing agreement between interested Service Managers to cover the cost of future development, hosting and support related expenses;
- Create a clear, well managed plan to ensure that the deliverables are

successfully met and on time;

- Include for consideration, lessons learned from other collaborative projects in the design and creation of an administrative system; and,
- Develop a communication protocol to facilitate the goal of having one Province wide system. All Service Managers would be kept informed and given the opportunity to join and/or contribute to the project throughout its lifecycle.

The HCI group has established the scope of the project. This involved detailing the desired outcomes from this process and the required inputs, tables, charts, data, structure and organization that would be required to achieve the intended results. The project includes the following modules:

- System Administration
- Programs
- Housing Provider Portfolio
- Contacts
- Financials
- Housing Provider Portal
- Performance Management
- Action Items
- Letters and Forms Templates
- Risk Management
- Rent Supplement Management
- Asset Management
- Wait List Management

#### **POLICY IMPLICATIONS**

There are no policy implications to Report CS13033.

#### **RELEVANT CONSULTATION**

The Ministry of Municipal Affairs and Housing is supportive of the initiative and noted the need to develop a system but on the other hand will not fund the project due to lack of resources.

The Housing Service Corporation participated in the discussion of the system requirements and expressed an interest in bidding on the software development process.

Niagara Region, Brantford, Sault Ste. Marie, Nipissing, and Peel are interested in the project but did not commit to participating in the HCI at this time citing lack of financial and staffing resources. They continue to receive updates on the progress of the project and may invest in the initiative after the implementation phase is complete.

The City of Hamilton's Information Services was consulted in Hamilton's participation in the project. They have provided information and direction on hardware requirements and platforms required for successful implementation of the software system in Hamilton.

The City of Hamilton Corporate Legal Services Division is participating in the development of the Consortium Agreement.

The City of Hamilton's Procurement Division has reviewed Waterloo's EOI and RFP process to ensure alignment with the City of Hamilton's procurement procedures. The Procurement Division has approved the cooperative purchase, to be issued by the Region of Waterloo, pursuant to Policy #12 – Cooperative Procurements, Section (1).

### **ANALYSIS / RATIONALE FOR RECOMMENDATION**

The project objective is to replace all locally existing solutions with a single user-friendly, web-hosted Social Housing Information management system that will meet the governance, administrative, and financial needs of the Service Managers for social housing.

The social housing sector in Ontario is in need of an automated information technology system to effectively support and manage the social housing program. Effective Information technology is necessary to meet regulatory requirements and to increase efficiencies within the social housing system.

The system will provide the following benefits:

- Improved information access and reporting – social housing data will be available in a single location.
- Automate the subsidy and mortgage calculations.
- Improve usability of software.
- Less time for manual data collection and updating, for both internal and external users.
- The timely completion of provincially legislated reporting requirements.
- Ability to do more timely financial analysis.
- Improve data controls and reduce potential for computation errors.
- Improve data integrity and internal controls.

### **ALTERNATIVES FOR CONSIDERATION**

None.

**CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability,  
3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development,  
6. Environmental Stewardship, 7. Healthy Community

**Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.2 Improve the City's approach to engaging and informing citizens and stakeholders.
- 2.3 Enhance customer service satisfaction.

**Strategic Priority #3**

Leadership & Governance

*WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.*

**Strategic Objective**

- 3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.
- 3.2 Build organizational capacity to ensure the City has a skilled workforce that is capable and enabled to deliver its business objectives.
- 3.3 Improve employee engagement.
- 3.4 Enhance opportunities for administrative and operational efficiencies.

**APPENDICES / SCHEDULES**

There are no appendices to Report CS13033.