Renewing CityHousing Hamilton

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POLICY · RESEARCH · COMMUNITY DEVELOPMENT

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consulting

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These members include:

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Consulting Team

The consulting team for this project consisted of:

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Executive Summary

Many changes have occurred, both within CityHousing Hamilton and for social housing providers in general, that have impacted the operational environment in which CityHousing Hamilton functions. In the face of these many challenges, CityHousing Hamilton (CHH) has managed to continue to serve tenants and make on-going efforts to try and improve operations. However, there is recognition that despite these efforts, there remains opportunities for CHH to be a more effective organization.

To help evaluate the current state of operations and successfully address environmental changes going forward, the City initiated an operational review of CityHousing Hamilton (CHH). In addition to assessing key facets of the organization, the review was conducted to ensure that CHH is operating in compliance with the Social Housing Reform Act (SHRA).

This report is one of three documents which together capture and summarize the results of the review. The three documents include:
- an 'Operational Review Report' which assesses CHH operations and compliance with the SHRA. This report was prepared using the standard template that the City of Hamilton (as Service Manager) uses for assessing all social housing providers;
- a 'Tenant Survey Report' which provides an analysis of result from the tenant survey which was conducted as part of this review; and,
- 'Renewing CityHousing Hamilton' (this document) which provides an overall review of the corporation with a focus on board governance, organizational structure, operations and tenant relations as well as policies and procedures.

The project was led by a steering committee of staff from a variety of related City Departments as well as staff from CityHousing Hamilton, and was assisted by consultants from SHS Consulting and Re/fact Consulting. The review process involved an on-site assessment of operations, including a review of tenant files and site visits to sample buildings. Board meeting minutes and reports were also reviewed as were ad hoc reports and other background documents such as job descriptions and organizational charts.

An extensive consultation process was also undertaken with key stakeholders as part of the review. This process included focus group sessions and interviews with all CityHousing Hamilton staff (with the exception of security tenants), interviews with City management staff as well as interviews with CHH Board members and City Councillors. Additional information to assist with the review was also collected using an extensive telephone survey with CHH tenants and data gathering from other Service Managers and local housing corporations.

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As a result of the review, a number of organizational issues have been identified on five key areas which are highlighted here and discussed in further detail in this report:

- *Governance Structure* - The shareholder and municipal accountability structure are poorly defined; board roles and functions are not clearly articulated; the strategic planning framework is inadequately defined.

- *Organizational Structure*- The alignment of staff is not always based on functional roles nor does it provide enough attention to certain areas; there is a lack of clarity around roles and responsibilities; there is poor information sharing; and inadequate individual performance planning.

- *Operations*- Maintenance standards and accountability are not established; insufficient attention is paid to the maintenance and capital planning process; there is inadequate financial budgeting and reporting; high arrears and problems with unit turnover exist; and the inefficient use of technology.

- *Tenant Relations*- Customer service is not always adequate; there is a lack of clarity around tenant support services; and there is limited communication with tenants on programs and services.

- *Policies and Procedures*- Business processes are not streamlined or uniformly understood; there is no formal framework for policies; and the implementation of policies and procedures is not adequately addressing the needs of staff and tenants.

This report sets out 33 recommendations developed by the consultants in collaboration with the Steering Committee to address identified issues. The recommendations are intended to build on the effort and commitment of staff, the Board and Council to make CHH a better organization. In broad terms, the recommendations serve to:

- Improve CHH's current governance framework
- Align staff to improve effectiveness
- Refine operations to meet business objectives
- Improve tenant engagement
- Integrate effective policies and procedures

Included in the recommendations are suggestions for moving the renewal process forward. A principal recommendation in this regard is that a new steering committee be established to help develop a transition plan for CHH and guide its implementation.

The initial priorities of the transition plan should be:
- Refining the governance framework
- Renewing the mission, vision and operating principles for CHH

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- Establishing a strategic planning framework for CHH
- Undertaking organizational alignment to better meet CHH objectives
- Revising operational practices along with related policies & procedures
- Developing an annual business plan and reporting templates

The secondary priorities of the transition plan should be:
- Creating a tenant engagement plan focused on customer service
- Establishing a staff training & development plan
- Developing formal maintenance and capital plans
- Establishing an asset management strategy
- Creating a long range financial plan focusing on financial stewardship
- Formulating a framework for Community Development

The report also identifies key success strategies which should be considered as part of the transition planning process including:
- Having strong management leadership and support throughout the transition process
- Providing sufficient resources to guide the transition process to conclusion
- Providing sufficient time for the transition process to be completed
- Taking the time to do necessary planning upfront to ensure the renewal process is well defined and clear to all stakeholders
- Supporting staff through the change management process
- Maintaining core operations and service during the transition process

1.0   Introduction

1.1   Background

CityHousing Hamilton was established through the amalgamation of four former social housing organizations (Hamilton Housing Corporation, Hamilton Municipal Non-Profit Housing Corporation, Dundas Valley Non-Profit Housing Corporation and the Portuguese Non-Profit Housing Corporation) following the devolution of social housing to the municipal level in 2001. The amalgamated entity currently operates a portfolio of 6,886 social housing units (apartment complexes, townhouses, row housing and single family dwellings), working under the direction of a Board comprised of five councillors from the City of Hamilton and four private citizens. The City of Hamilton is the sole shareholder of CityHousing Hamilton and all staff of the organization are City employees.

CityHousing Hamilton is the largest social housing operator administered by the City of Hamilton in its role as Municipal Service Manager. The operations of the portfolio are governed by the provisions of the Social Housing Reform Act. As Municipal Service Manager, the City is responsible for ensuring CityHousing Hamilton operates in compliance with the Act.

The City initiated this operational review of CityHousing Hamilton to ensure it is operating in compliance with the Social Housing Reform Act and to identify potential opportunities for improvement in its operations.

1.2   Context

Many changes have occurred both within CityHousing Hamilton and externally for social housing in general that that have impacted/continue to impact the operational environment of CityHousing Hamilton.

Internally, significant changes include the location of the Housing staff (Housing Department) and CityHousing Hamilton staff within the City's organizational structure. Housing staff were originally in the Planning Department, but have since been relocated to the Community Services Department. There have also been several changes in management of CityHousing Hamilton in the recent past.

Since devolution of the housing to the municipal level, City Housing Hamilton has absorbed over 800 units from other Municipal Non-Profit Housing Corporations, and most recently (October 2009) has acquired First Place, which has an additional 602 units. All of these absorptions have been done without additional management support.

An additional change currently in process is the location of staff. CityHousing Hamilton has been operating out of two offices, but is currently renovating the ground floor of 199 Main St., and 8 staff currently located at the East End office will operate out of the 199 Main St. location once renovation is complete.

More broadly, there have been a number of external factors, such as , regulatory change, , changing characteristics of the clientele, growing financial requirements and an increasing incidence of pests, impacting how CityHousing Hamilton as well as other social housing providers must operate. These include, but are not limited to:

- The introduction of the Social Housing Reform Act (SHRA)
- Priority given to victims of domestic violence
- An increase in substance abuse issues
- Additional hard to house clientele
- Higher client expectations
- The increased presence of bed bugs
- More clients with mental illness
- Increasing financial pressures facing the Municipal Service Manager

This operational review is being conducted to help CityHousing Hamilton successfully deal with these changes and address these factors, and to assist the organization in going forward with an effective change management process.

1.3   Project Objectives

Four specific objectives have been identified for this project, as follows:

- To identify any areas of non-compliance with the Social Housing Reform Act

- To identify improvement opportunities in the areas of tenant relations, building management, maintenance and administration (through review of performance metrics and comparisons with social industry averages)

- To identify risks related to current operating procedures, separation of duties, etc.

- To recommend changes to current practices that will address items identified

1.4   Project Approach and Methodology

The project provides a comprehensive review of the organization's operations. It does so by focusing on five key areas: operations (property management),

tenant relations, policies and procedures, organizational structure, and board governance.

The consultant's role was to gather and analyze information on the operations of CityHousing Hamilton and suggest options on suitable approaches for addressing identified issues to the Steering Committee. The Steering Committee was comprised of staff from a variety of related City Departments as well as staff from CityHousing Hamilton. The role of the Steering Committee was to provide direction on the focus and course of the project, assist in identifying issues, and, together with the consultants, develop recommendations to address identified issues.

The project involved the participation of a number of key stakeholders from the City and CityHousing Hamilton through an extensive consultation process. The consultations and participants included:

- *Focus Group Sessions and Interviews with CityHousing Hamilton Staff*- All staff (with the exception of security tenants) were invited to one of ten focused consultation sessions which discussed topics ranging from their satisfaction with their work, opportunities for improving their work environment, achieving the organization's mission, to streamlining or integrating work practices.

- *Interviews with CityHousing Hamilton Management Staff*- Interviews were conducted with CityHousing Hamilton Management Staff regarding all aspects of the review.

- *Interviews with City Management Staff*- City management staff participated in interviews discussing a range of items including the current governance model and accountability framework of the organization, the organizational structure, and issues related to property management, building maintenance and tenant relations.

- *Interviews with Board Members and City Councillors*- Interviews were conducted with Board Members as well as some of the City Councillors not currently serving on the Board particularly about the governance model and accountability framework of the organization.

- *Telephone Survey of Tenants*- Approximately 400 tenants were surveyed about their satisfaction with CityHousing Hamilton's housing services.

- *Interviews and Data Gathering from Other Service Managers and Local Housing Corporations*- Interviews were conducted and background information was gathered from six Service Managers and their Local Housing Corporations to obtain comparable information on their governance framework, organizational structure, service delivery model, policies and procedures, and performance indicators used by the Local Housing Corporation.

Besides the information gathered from the consultations, other sources of information included Board meeting minutes and reports, adhoc reports, other background documents such as job descriptions and organizational charts, and the onsite review of operations, including a review of tenant files and site visits to sample buildings.

1.4.1 Report Format

This document is the third of three documents produced from the review.

The first document is the Operational Review Report. The Operational Review Report was prepared using a standard template that the City of Hamilton (as Service Manager) uses to assess all social housing providers. The report assesses general operational performance as well CHH's compliance with requirements of the Social Housing Reform Act. The Operational Review Report identified certain issues which are explored in further depth in this report. While there are some items identified in the Operational Review Report which the organization can address right away, the recommendations found in this document will also contribute towards addressing the items identified in the Operational Review Report.

The second document discusses the results of the 2009 Tenant Survey. Here we provide only a brief overview of the findings. A random and statistically significant sample of 398 tenants completed a telephone survey regarding their satisfaction with various aspects of their housing. Highlights include:

- Satisfaction levels with the helpfulness and courteousness of staff were relatively good, ranging from 72% to 87% of respondents being either satisfied or very satisfied, depending on the staff position
- Also positive was that most respondents (77%) feel safe in their building or complex
- The area with the lowest satisfaction rating was with the availability of staff and how quickly they respond to their needs (67% satisfied or very satisfied, and 18% dissatisfied or very dissatisfied).
- The next lowest satisfaction rating was related to the common areas of the building (66% satisfied or very satisfied, and 16% dissatisfied or very dissatisfied)
- This was followed by the condition of the unit (66% satisfied or very satisfied, and 12% dissatisfied or very dissatisfied)
- Satisfaction with maintenance services was moderate (71% satisfied or very satisfied, and 13% dissatisfied or very dissatisfied)
- Respondents also reported a moderate sense of community in their building (71% satisfied or very satisfied, and 13% dissatisfied or very dissatisfied)

- Tenants in seniors projects and senior households are more likely to be satisfied or very satisfied with the services they receive from staff, have higher levels of sense of community and safety, and are more aware of CHH programs and services.

The survey results show modest satisfaction with the housing services provided by CityHousing Hamilton, but with definite room for improvement. This information was used to help inform the areas of concern discussed in this report.

This document reviews the corporation overall with a focus on five areas: Governance, organizational structure, operations (property management), tenant relations, and policies and procedures. In sections 2 through 6, this report utilizes the findings from the Operational Review Report and the consultations with key stakeholders to outline the key issues in each of the five focus areas. Recommendations are also provided in each section for addressing the key issues identified. Section 7 of this report provides an overview of the recommended next steps in supporting the renewal of CityHousing Hamilton as well as key success factor to consider in planning for this transition process.

A summary of all recommendations from this report is provided in Appendix A.

2.0   Governance

Good governance is a key element to any effective organization. It sets out the broad framework for roles and accountabilities which is essential to any decision-making body. But good governance is more than just the structure and the interconnected pieces – equally important is the transparency of this structure and how well it strikes the balance of responsibilities between oversight and day-to-day operations. Having a clear and understood governance framework is important; using the right accountability tools is essential to being a truly effective organization.
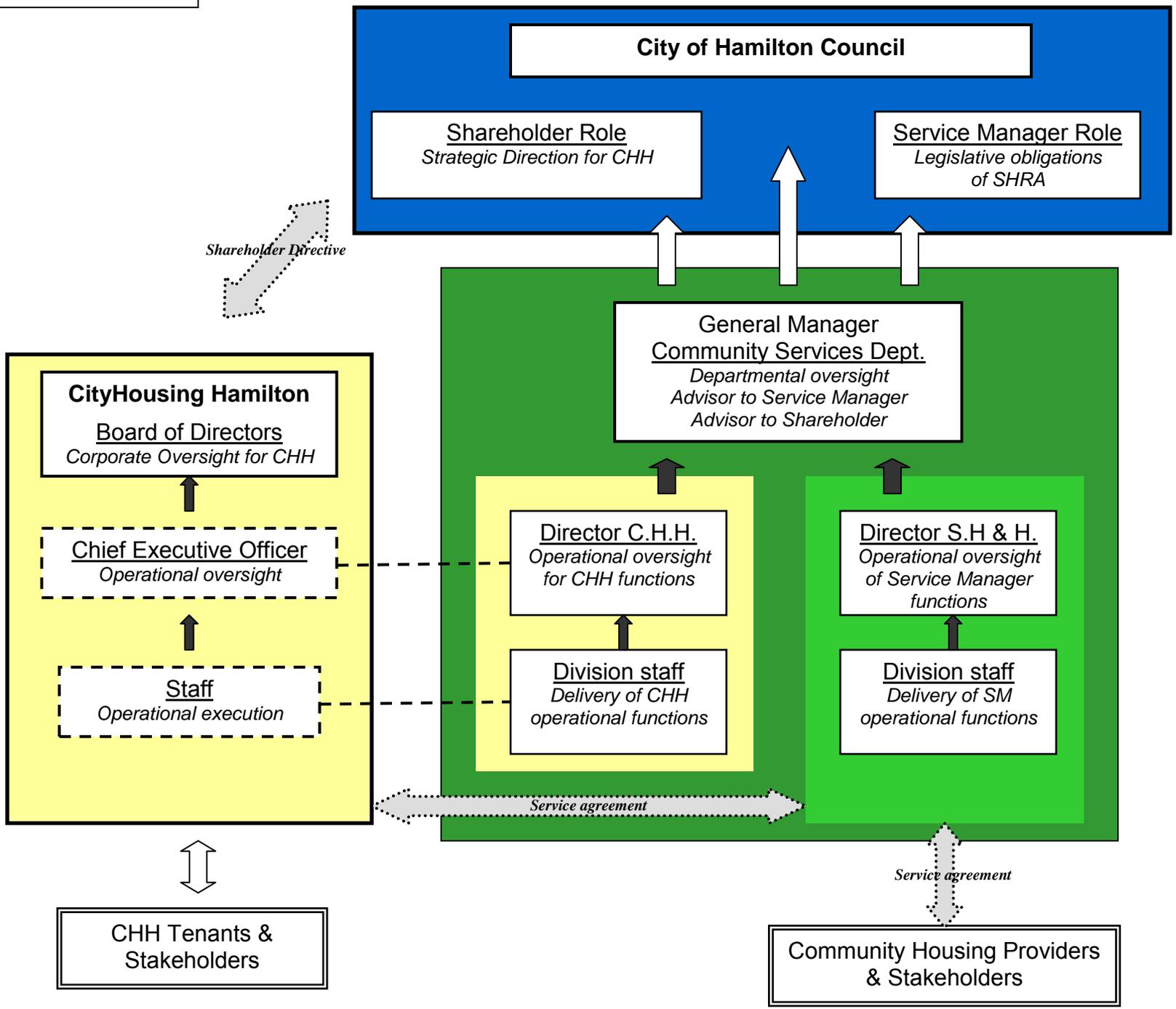
Background

CHH is a legal entity, incorporated under the Ontario Business Corporations Act (OBCA). Since its creation in 2000, three other housing corporations have been merged into CHH's corporate structure. A key facet of this legal status is CHH's share structure – the City of Hamilton is the sole shareholder for the Corporation. As such, City Council has controlling interest of CHH like any shareholder of a private corporation. The parameters under which corporations must operate are defined in the OBCA and as such, City Council's role as shareholder is governed by this legislation.

The City is also responsible for meeting Service Manager obligations under the Social Housing Reform Act (SHRA). In this way, the SHRA defines a second role for City Council - as Service Manager for social housing programs. The Act sets out the funding and compliance obligations of municipalities for delivery of social housing programs. It also defines minimum accountability obligations for the organizations which Service Managers must fund, which in the case of Hamilton is one of 44 community housing providers (including CHH). In this way, City Council has two distinct roles when it comes to CHH – one as a shareholder (owner) and one as a Service Manager (funder). The figure on the following page illustrates the lines of accountability.

Figure 1
Lines of Accountability

CHH Board Meeting
March 10, 2010
Report #10011, Appendix A

City of Hamilton Council

Shareholder Role
Strategic Direction for CHH

Service Manager Role
Legislative obligations of SHRA

Shareholder Directive

General Manager
Community Services Dept.
Departmental oversight
Advisor to Service Manager
Advisor to Shareholder

CityHousing Hamilton
Board of Directors
Corporate Oversight for CHH

Chief Executive Officer
Operational oversight

Staff
Operational execution

Director C.H.H.
Operational oversight for CHH functions

Director S.H & H.
Operational oversight of Service Manager functions

Division staff
Delivery of CHH operational functions

Division staff
Delivery of SM operational functions

Service agreement

Service agreement

CHH Tenants & Stakeholders

Community Housing Providers & Stakeholders

Like other housing corporations, CHH is governed by an independent Board of Directors. The Board is accountable to the shareholder for fulfilling strategic expectations with regards to overall performance of the organization. In turn, the Board's role is also to provide oversight and direction to senior staff who manage the day-to-day affairs of the corporation. The current CHH Board is comprised of 5 City councillors and 4 community representatives.

If CHH were a completely arm's length organization, the lines of accountability for the shareholder and Service Manager roles would be relatively clear. However, since all staff of CHH are, in fact, City of Hamilton staff, the relationship to the City is less than arm's length and can be blurred in terms of accountability. For CHH, this means there is an added municipal staff reporting structure via the Community Services Department and this makes the overall accountability structure more complex.

There are benefits to maintaining these ties with the municipality as they can provide resources, supports and services that are not otherwise available to a stand-alone corporation (i.e. human resource supports, training, financial services, etc.). However, having a clear understanding of the Board's role with regards to authorities and expectations becomes more critical in this instance.

There are also benefits to having certain autonomy since CHH is a legal entity, a distinct corporation with all the rights and obligations that embodies. Its status as a Local Housing Corporation under the SHRA means that it enjoys certain benefits and authorities that other housing providers do not have. It also means that it has authorities that municipalities do not, making CHH a helpful vehicle for advancing municipal interests in housing outside the municipal sphere, especially in the area of development. It also means that the independent community-based Board has the autonomy to make decisions that can leverage these authorities.

Finding the balance in this municipal relationship – the tipping point where municipal benefits can be gleaned for the corporation while decision-making autonomy is maintained – is the real challenge.

2.1 Key Issues

Through investigations with stakeholders and based on reviews of existing documentation a number of emerging issues were identified with regard to CHH's current governance structure.

a. Shareholder relationship

Key finding:
- *The formal role of the shareholder and the accountability of CHH to its shareholder are poorly defined*

The shareholder role is one that is not currently defined in a formal way for CHH and as a result, there is not a common understanding of this role among primary stakeholders, namely Council, the Board of Directors and senior City staff. Because the role of a shareholder embodies different authorities and obligations than municipal government, this role is easily misunderstood. Without clarity of this role, the accountability framework for CHH has become cloudy as Council seeks to understand its role and Board members seek to ensure community housing interests are served.

Forging a common understanding of this role and how it relates to other roles that Council may have would be most helpful for the Board and key stakeholders, especially in framing lines of accountability. Typically, the shareholder role is defined in a Shareholder Direction, a tool available under the Ontario Business Corporations Act by which shareholders establish strategic expectations for the corporation, as guided by the Board of Directors. Balance here is key in order to ensure that the shareholder role remains strategic and provides sufficient authority for the Board of Directors to manage the affairs of the corporation. Being overly prescriptive would only serve to undermine the authority of the Board.

b. Municipal Accountability

Key Findings:
- *The municipal accountability structure between CHH and the City requires further definition*
- *Financial accountability for CHH is poorly defined and requires clarification*
- *Lack of meaningful reporting hinders CHH's ability to keep Council current on key accountability issues*

Given the lack of a Shareholder Direction, the lines of accountability for CHH are unclear to Council. These lines are further blurred because of the staffing relationship between CHH and the City. As City staff perform the operations of CHH, there is a direct employee-employer reporting role with senior staff of the Housing Division. Specifically, the Director of CityHousing Hamilton – a newly created position - reports to the General Manager of the Community Services Department. In this role, the Director has accountability to the General Manager for all staff and resources within her purview. This same Director is also the most senior staff member at CHH, holding the office of

Chief Executive Officer (CEO) for the Corporation. In this role, the CEO reports directly to the Board of Directors of CHH regarding all operational matters related to CHH. These dual roles require joint accountability for the Director and as such, create uncertainty for all parties, primarily because these functions are not well defined.

There is also ambiguity in the relationships that CHH leverages within the City structure to fulfill its mandate. A key advantage of having CHH situated 'in-house' is the opportunity to leverage expertise from other municipal sources for things like broader housing services, social services, finance, IT, asset management and staff training. While there is evidence that certain of these opportunities are being used, they may not be clearly defined in service agreements, may not be as effective as possible or have not been fully explored. In this way, CHH may not be maximizing the 'in-house' advantage that it enjoys by virtue of its structure.

In other instances, this relationship may not adequately support CHH as a distinct entity. A particular area where this is problematic is financial accountability, as support services are provided by the City but the approvals link back to the CHH decision-makers is weak and does not support CHH accountability. Moving towards a concept of full cost accounting for CHH would provide a clearer understanding of the true cost for providing this distinct service and promote fiscal accountability. Broadening fiscal management responsibilities like budget development and long range planning within CHH would also create a more direct link for those who are charged with overseeing the business (i.e. the Board, CEO).

The lack of structured reporting back to Council by CHH only serves to further underscore the accountability issue, creating a knowledge vacuum for councillors with regards to the business of CHH. A similar sentiment was expressed by Board members who also feel that the regularity and content of reporting must be improved. Reporting for municipal senior management is also intrinsically linked to this discussion, given the internal staff function of CHH. As a guiding principle, reporting content should be consistent with the accountability roles of each party. It follows then that with a clarified accountability structure, CHH reporting for accountability purposes should be refined to meet the various requirements of each party.

c. **Board Accountability**

   Key Findings:
   - *Board roles and functions need to be more clearly articulated and communicated*
   - *Tools for staff accountability to the Board are lacking*
   - *Reporting to the Board is inadequate for oversight purposes*

Given the ambiguities that have been noted in the accountability structure, it is not surprising that Board members feel somewhat disconnected from the substance of CHH's business operations. In the absence of a Shareholder Direction, the Board's role within CHH's accountability structure is not well defined. This is particularly critical, given the staffing model employed for CHH whereby City staff operate CHH. As with any organization, the Board is charged with the primary oversight of the Corporation's activities, which are managed on a day-to-day basis by the CEO and staff. In order to be accountable for their oversight responsibilities, the Board must have sufficient and clear 'rules of engagement' to discharge its duties.

Findings suggest that the tools available to the Board to manage its affairs do not support this principle. In particular, reporting to the Board is not robust enough to support informed decision-making. There are also real concerns about the annual budget development process and how it too supports informed decision-making. To be effective in fulfilling its oversight role, the Board must rely on staff to provide timely and meaningful information. Concerns exist that this is not happening and that the staff interface with the Board requires improvement.

For its part, the Board must be clear on its duties and obligations. These are defined in law for corporations and represent fiduciary responsibility – each Board member must act in the best interests of the Corporation to meet this responsibility. The lack of clarity in roles has not been helpful for CHH nor has the level of information in preparing Board members for their duties. This is not uncommon for community-based housing boards but does signal an area where improvements can be made to support more effective decision-making.

At the same time, with a common understanding of obligations and tools to undertake these obligations, it is prudent for the Board to regularly evaluate its performance in the discharge of its duties. This concept helps support the principle of continuous improvement and demonstrates leadership by the Board for CHH staff whom are expected to also regularly review their performance.

d. Strategic planning

Key Findings:
- *Corporate vision and image needs to be renewed*
- *Strategic planning framework is poorly defined and not integrated with annual planning*
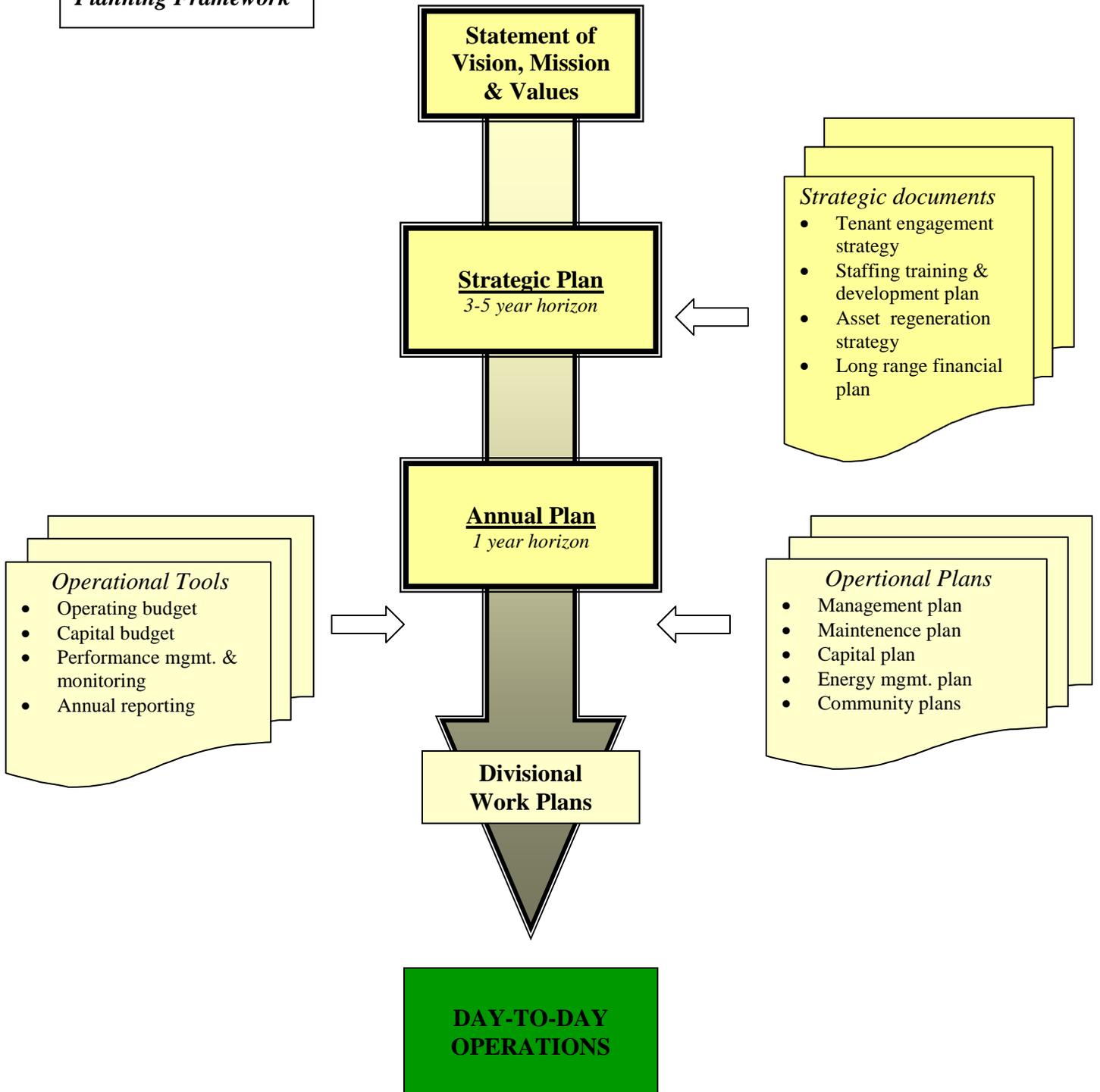- *Annual business planning is basic in its approach and not inclusive*

Effective organizations have a clear sense of purpose and direction, setting strategic goals and objectives to meet these expectations. In pursuit of these goals, they use planning tools to help translate how the organization can move from point A to point B and the manner in which they move from point to point. These tools help create a touchstone for decision-makers by establishing a plan for achieving objectives and by providing a means of measuring progress against this plan. This monitoring component enables decision-makers to regularly confirm they are on-course in meeting objectives and, if not, to take remedial action to correct the course.

Because strategic plans are driven by the vision and mission of the organization, they must also embed the principles of how they operate. Having clarity and transparency in this process helps decision-makers demonstrate leadership, whether to shareholders, housing advocates, tenants or the broader community. By engaging these stakeholders in the planning process, there is also a stronger sense of trust built with the organization and its partners which promotes greater accountability.

This is especially critical for staff engagement within the Corporation. Ideally employees can connect what they do each day with where the corporation is headed. Given the personal contact that staff have with tenants each and every day, this connection is critical to the overall success of the corporation. A generic example of how strategic planning translates helps drive operational business is illustrated in the following figure.

Figure 2
Example of Strategic
Planning Framework

Statement of Vision, Mission & Values

Strategic Plan
3-5 year horizon

Strategic documents
- Tenant engagement strategy
- Staffing training & development plan
- Asset regeneration strategy
- Long range financial plan

Annual Plan
1 year horizon

Operational Tools
- Operating budget
- Capital budget
- Performance mgmt. & monitoring
- Annual reporting

Opertional Plans
- Management plan
- Maintenence plan
- Capital plan
- Energy mgmt. plan
- Community plans

Divisional Work Plans

DAY-TO-DAY OPERATIONS

CHH has established a vision and mission statement to help frame its operational objectives. However, the process of regularly reviewing this statement and connecting it with annual work planning is not well defined. There is also a lack of mid-range planning in the 3-5 year horizon which inevitably leaves the focus on operational planning from year to year. This is especially critical to staff who are committed to doing their jobs but have difficulty in seeing how this work fits with the broader objectives for the corporation. In the absence of a strategic planning framework, staff will continue to be reactive and ad hoc rather than proactive and strategic. This approach to operations is not sustainable over the longer term and there is clear evidence that staff morale has waned, due in part to this lack of more strategic direction.

The lack of a formal strategic planning framework has also created a disconnect for stakeholders since they do not see a demonstrable path forward for the Corporation in addressing the concerns they have. In the case of tenants, this creates lingering issues related to customer satisfaction. Perhaps more concerning is the emerging perception of CHH in the community as a housing provider but not necessarily a leader, despite its obvious size and expertise. Taking steps to provide a more formal, transparent and inclusive process for strategic planning would go a long way to promoting CHH as an important and valued leader in the local housing system.

2.2   Recommendations

To be more effective as an organization, CHH must improve its current governance framework. This means clarifying roles and responsibilities of key stakeholders and respecting the lines of accountability that are established. This clarity will create a visible and more transparent framework in which CHH can operate. More than that, it means improving the way the corporation moves forward to fulfill its obligations in a more strategic way, helping to improve the way it makes decisions, delivers services and promotes continuous improvement.

The following recommendations are designed to improve the current governance structure of CHH:

1. That the City of Hamilton, as shareholder for CHH, establish a Shareholder Direction for CHH which sets out:
   - The role of the shareholder and their broad expectations for CHH
   - The role and authorities of the CHH Board in providing oversight for CHH, including a defined list of matters requiring shareholder approval

- The role and authorities of City staff in assuming the operational duties of CHH
- The role and authorities of City staff as Service Manager and advisor to the shareholder
- The accountability measures required by the shareholder
- The reporting expectations of the shareholder, including an obligation to approve an Annual Report
- A mechanism for amending the Shareholder Direction as needed

It is recommended that the process of developing the Shareholder Direction be a collaborative one, engaging key stakeholders and staff in order to forge a common understanding of governance obligations among all parties going forward.

2. That as part of the Shareholder Direction process, CHH review its corporate operating documents to ensure they reflect the terms and conditions of the approved Shareholder Direction.

3. That CHH hold briefing sessions for new members of Council and new members of the Board to help promote understanding of the Shareholder Direction and the overall accountability framework for CHH.

4. That CHH increase Board effectiveness by:
- Having the Board establish clear operating and reporting expectations for staff in accordance with the Shareholder Direction
- Providing regular orientation to new Board members on roles and responsibilities
- Promoting corporate continuity by staggering Board member terms
- Increasing the frequency of Board meetings to better address emerging issues
- Making Board meetings more effective by coordinating agenda management between the CEO and Board chair and by using template reporting for key business indicators
- Implementing an annual self-assessment process for the Board

5. That CHH develop a formal reporting framework for the Board of Directors which:
- Tracks pertinent indicators that provide key information about current operations (i.e. vacancies, arrears, unit turnover, maintenance work order activity, etc.)

- Monitors financial progress against the approved annual operating budget
- Provides information on status of capital projects and spending against approved plans
- Compares operational performance with benchmarks (internal/external) to help evaluate efficiency and effectiveness

6. That CHH take a more direct role in managing its financial resources by working with City Finance to:
   - Move towards a full cost accounting model that reflects the true cost of operating CHH
   - Create a more CHH-centric model for budget development, one that fosters a bottom-up approach to identifying financial needs, promotes key stakeholder input, incorporates analysis by project and portfolio, and accurately reflects the operational realities of the corporation
   - Promote long range financial planning for CHH to help better plan for the sustainability of the organization and its assets
   - Develop a financial plan or section in the CHH strategic plan to guide strategic financial decisions

7. That CHH enhance or establish working relationships with other City branches to help leverage available resources and expand expertise in the delivery of its housing services. In particular, CHH should:
   - Ensure that Service Agreements accurately reflect CHH expectations and are enforced
   - Re-define financial management expectations for CHH with Finance
   - Explore opportunities for partnerships with Real Estate Services in the management of non-shelter space that is within CHH's portfolio
   - Maximize opportunities to utilize asset management expertise that is resident in the Real Estate branch to help foster a more strategic approach to portfolio management

8. That CHH establish a formal strategic planning framework by:

- Establishing and implementing an annual planning process that helps align corporate strategic documents, links strategic initiatives to current operations, and which integrates stakeholder engagement to foster transparency and build support for CHH initiatives. A key element of this process is an evaluation phase where results are regularly assessed against planned outcomes.

- Revisiting the current mission and vision for CHH to ensure it meets expectations of the Shareholder Direction and that it reflects the core values and principles of the organization.

- Establishing a 5 year strategic plan for approval by the shareholder which sets out key objectives for the organization and how it plans to achieve these goals. The initial plan should have a clear focus on corporate renewal, service improvement and re-defining CHH's image.

- Establishing an annual work plan template that captures and prioritizes core service delivery requirements, aligns activities with the 5 year strategic plan and demonstrates progress towards its objectives. Performance measures should be engrained in this template to assist in tracking and reporting on progress.

- Establishing an Annual Report template to help meet Shareholder Direction obligations. This report should be used each year to convey general information on CHH activity, key achievements of the past year with its partners and directions for the coming year – in this way it can also be used as a primary information tool for tenants and community stakeholders

3.0   Organizational Structure

Organizational structure is the formal system of task and reporting relationships that controls, coordinates and motivates employees so that they cooperate to achieve an organization's goals.[1] A successful organizational structure achieves two key objectives:

- It encourages employees to work hard and develop supportive work attitudes
- It allows people and groups to cooperate and work together effectively

Organizational structure affects:

- Behaviour
- Motivation
- Performance
- Teamwork and cooperation
- Intergroup and interdepartmental relationships

One of the key objectives of this organizational review is an assessment of the effectiveness of the current organizational structure of CityHousing Hamilton and identification of potential approaches for addressing any issues and concerns that have been identified. Below we review the background giving rise to the current organizational structure of CityHousing Hamilton, issues and concerns that have been identified and recommended approaches for addressing these issues.

Background

The existing organizational structure at CityHousing Hamilton has evolved through a series of events and decisions initiated with the passage of the Social Housing Reform Act in 2000. Under the Act, social housing responsibilities were transferred to municipal Service Managers. Local Housing Corporations (LHC's) were also established as legal entities to assume ownership and operations of the social housing portfolio previously owned by the former Ontario Housing Corporation. In the amalgamated City of Hamilton, the passage of the Act meant that the City became the sole shareholder of the LHC portfolio (the former Hamilton-Wentworth Housing Authority) and therefore became responsible for all aspects of its management, operations and financing.

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[1] Robbins, S.F., Judge, T.A. (2007). Organizational Behaviour, 12th Edition. Pearson Education Inc. p. 551

Organizational decisions were further affected by the subsequent amalgamation of the LHC with three other social housing providers (Hamilton Municipal Non-Profit Housing, Hamilton Portuguese Non-Profit Housing and Dundas Valley Non-Profit Housing) to form CityHousing Hamilton in 2006. Each organization had developed its own structure and culture over time and CityHousing Hamilton had the challenge of bringing these structures and cultures together to build an organization effective in meeting the wide-ranging needs of a diverse range of social housing client groups covering a large geographic area.

Not only was there a great variation in the range of client groups and the geographic areas being served; the social housing stock itself varied tremendously across the area, from aging major apartment complexes in the inner city originally built by Ontario Housing Corporation in the 1960's and 1970's , to small townhouse complexes in more suburban locations built in the 1980's and 1990's to one storey seniors row housing to more recent infill and redevelopment projects. The acquisition of First Place in 2009, one of Ontario's largest and most complex inner city multi-use residential facilities, has added further to the organizational challenges facing CityHousing Hamilton.

The organizational outcome of decisions arising from these events is a current structure that in some aspects reflects the structure of the former Hamilton-Wentworth Housing Authority prior to the Act. Indeed, a considerable number of staff currently working at CityHousing Hamilton were former employees of the Housing Authority and still utilize many of the same approaches and systems previously utilized at the Housing Authority to manage the current social housing portfolio.

The figure on the following page illustrates the current organizational structure of CityHousing Hamilton. It must be kept in mind that, although the City of Hamilton is the sole shareholder of CityHousing Hamilton and all workers at CityHousing Hamilton are employees of the City of Hamilton, the organization is structured as a corporation with its own Board of Directors. The Board has responsibility for the operations of the organization, although it is ultimately accountable to the City as the sole shareholder (as discussed in the previous section on Governance). Accordingly, the organizational structure needs to recognize that day-to-day operations are guided by the Board and that all reporting goes to the Board.

Figure 3: Current Organizational Structure
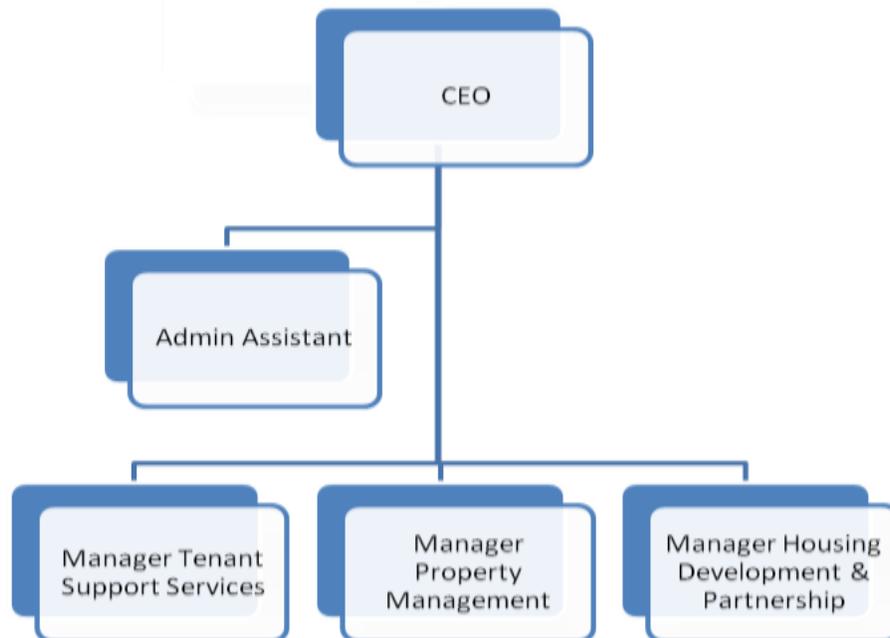
The current organizational structure of CityHousing Hamilton features three Divisions organized around functional responsibilities:

- Operations (responsible for property management, maintenance, capital planning, rent collection, finance and budgeting, reception and tenant/public inquiries, information technology, legal matters and other related day-to-day operational aspects)
- Tenant Relations (responsible for tenant advocacy, social and recreational programs, supportive services, community development)
- Housing Development and Partnerships (responsible for tendering, program administration, planning and delivery of new development projects)

Each Division is headed by a Manager responsible for delivery of the functional areas within the Division. The Managers report to the Chief Executive Officer, who in turn reports to the Board of Directors. At the same time, as noted previously, all workers are employed by the City of Hamilton and as such are governed by the employment standards and practices and human resource policies of the City. All employees are ultimately accountable to the General Manager of Community Services of the City of Hamilton in terms of their employment relationship.

3.1 Key Issues

As noted in the introduction to this section, an effective organizational structure is one which encourages employees to work hard and develop supportive work attitudes and allows people and groups to cooperate and work together effectively to achieve the goals of the organization. Through a series of focus groups and personal interviews with staff and Board members and review and analysis of organizational documentation, the effectiveness of the current CityHousing Hamilton organizational structure was assessed and a number of key issues and concerns related to organizational structure were identified. These are summarized below.

a. Staffing Alignment

Key Findings:
- *The current scope of duties is not sufficiently focused on core CityHousing Hamilton responsibilities, especially in the area of maintenance*
- *The current alignment of functions dissipates some decision-making (administration) and concentrates too much in other areas (property management)*
- *The current alignment creates issues in defining basic roles, responsibilities and accountabilities for functional areas*
- *There are missed opportunities in leveraging City of Hamilton resources to better support the work of CityHousing Hamilton*

Staff alignment could be readjusted to improve the effectiveness of CityHousing Hamilton. Specifically, CHH should "sticking to the knitting" – i.e. focusing all resources of the organization on the delivery of its core social housing portfolio management functions. For example, staff within CHH currently administer certain City of Hamilton housing programs which fall outside of CHH core functions. Transferring this function to the Social Housing Administration section of the City would enable CHH to better focus on its core responsibilities and eliminate any confusion as to who was delivering the programs (i.e. the City vs. CHH).

Creating a division to concentrate primarily on business services (i.e. finance, IT, strategic management and policy development) would allow also CHH to put a greater focus on supporting and improving their core business. The division would act as a key link with other City departments that provide services to CHH. Another important realignment would be to establish a division focused directly on maintenance of the housing portfolio. Assigning all maintenance and capital repair responsibilities to this division would help increase organizational effectiveness and accountability. This would also improve
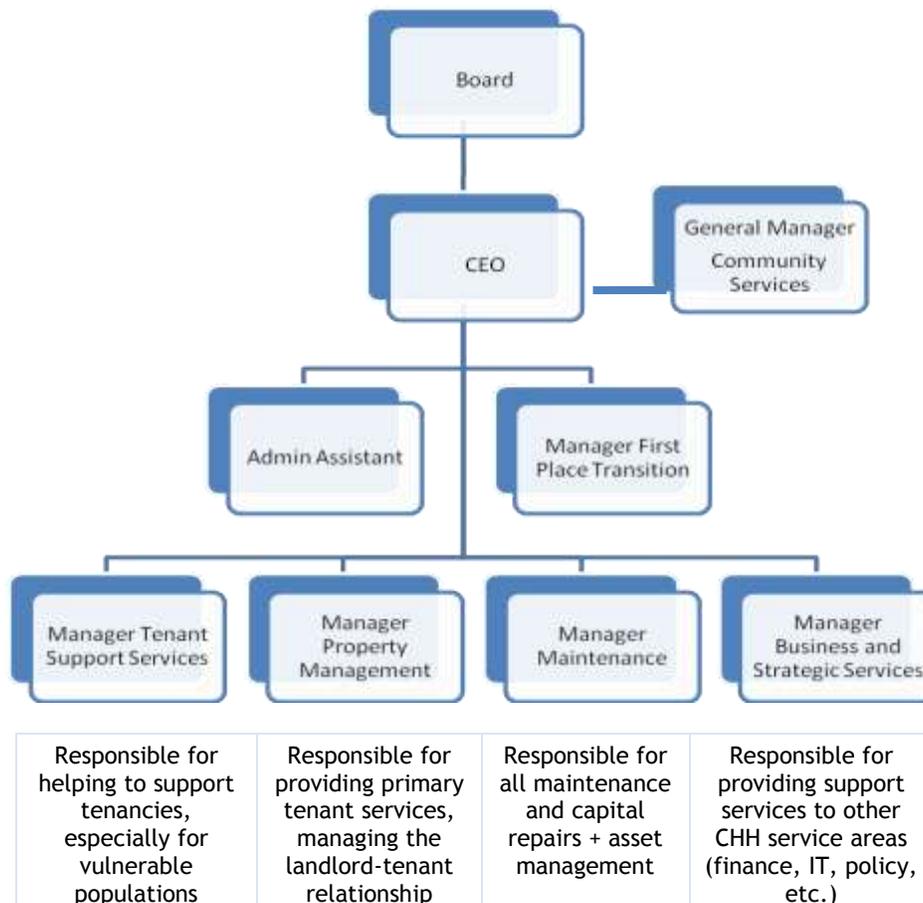
service to tenants and reduce the workload on property managers, enabling them to better cope with day-to-day responsibilities.

First Place is a major, highly complex new addition to the CityHousing Hamilton portfolio that requires a significant level of resources to address major issues around repair and renovation, finance, marketing, supportive services and other related areas. Establishing a short-term transition team would enable a full focus to be placed on addressing these issues, rather than continuing to consume significant amounts of senior management time and attention and reducing their ability to deal with their other responsibilities. The intent would be to have the transition team report directly to the CEO to enable issues at First Place to be directly dealt with by the CEO and to avoid consuming the time of other Senior Management Staff. On completion of this work, First Place would be fully integrated into the regular operations of CHH.

The following figure illustrates the re-alignment of staff resources under the recommended organizational structure.

Figure 4: Proposed Organizational Structure

Responsible for helping to support tenancies, especially for vulnerable populations	Responsible for providing primary tenant services, managing the landlord-tenant relationship	Responsible for all maintenance and capital repairs + asset management	Responsible for providing support services to other CHH service areas (finance, IT, policy, etc.)

b. Roles and Responsibilities

Key Findings:
- *The lack of clarity around roles and responsibilities, especially in the maintenance area, is creating additional property management issues for CityHousing Hamilton*
- *There continues to be concerns about the effectiveness of current on-site resourcing (custodian functions, contracting out and security tenants)*
- *There is also a lack of clarity around tenant support services and the role they should play within the overall CityHousing Hamilton structure*

Property Managers and Property Management Assistants juggle their time between handling maintenance functions and managing the landlord-tenant relationship. The creation of a new maintenance division would free up significant amounts of time currently spent by Property Managers and Property Management Assistants on maintenance issues. This would enable the roles and responsibilities of PMs and PMAs to be redefined to focus more directly on tenant-related responsibilities and other key elements of their work.

Consultations generated strong consensus that an increased on-site presence in the form of superintendants and custodians and reduced utilization of contractors would result in better tenant service and potential cost savings. Such changes would also result in re-aligning the roles and responsibilities of security tenants, or possibly eliminate the need for security tenants in some areas. The proposed maintenance services review (see Section 4.0 on Operations) would enable CHH to determine the best mix of these resources and the most suitable roles and responsibilities for each.

The tenant support area plays an important role in helping vulnerable residents to maintain their tenancies and get the supplementary services they may require. However, the role of tenant relations is broader in scope and this is an important reason for re-aligning PM and PMA duties. Better management of tenant relationships is key and support services staff have an important role to play. However, roles and responsibilities for tenant support staff will need to be clarified within the re-alignment to ensure that services to tenants are managed in an effective way.

Creating clear areas of responsibility in the organizational structure is important as it promotes staff focus and supports accountability. However, good customer service dictates that responsibilities should not be 'siloed'. For this reason, cross-functional work teams could be created to help coordinate delivery of services on a portfolio basis. These teams would be comprised of Property Managers, Property Management Assistants, Community Relations

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Workers and Maintenance staff, each working together to make coordinated service decisions for their specified portfolio. A geographic-based portfolio model is most commonly used for this team approach. This functional coordination would enhance the quality of service to tenants and promote efficiency in service delivery.

c. Staffing Levels

Key Findings:
- *There is a perception that the level of staffing is not adequate to meet current portfolio demands*
- *There are specific concerns related to on-site maintenance, with a clear preference across the organization to move back to a model that uses superintendents/custodians rather than security tenants*

In this report, a number of changes have been recommended in CHH's organizational structure to improve service delivery. However, it is unclear whether current staffing levels are appropriate to carry out the full range of required roles and responsibilities. A review of staffing ratios in other like organizations found that a variety of staffing levels exist and that they depend heavily on the organizational model being employed, the age and condition of the housing portfolio and the mix of tenants being served. The degree to which work tools are used and the standard of service delivered also plays a key element in determining appropriate staffing levels. A formal workflow review that takes into account the recommended changes in organizational structure would enable CHH to determine the most suitable staffing levels for carrying out all aspects of the business once new roles and responsibilities are fully established for CHH positions.

In light of the wide consensus about the potential service delivery and financial benefits of moving towards a system based more on superintendants and custodians rather than the current heavy reliance on contractors and security tenants, it would be important for CHH to conduct a thorough assessment of the potential strengths and weaknesses of this approach and an analysis of the cost implications prior to implementing changes in this regard. It is important that this analysis account for all elements of maintenance service delivery (i.e. managing requests, assigning resources, tracking status, etc.) and not just focus on superintendent duties.

The proposed short-term transition team for First Place would likely have implications for CHH staffing levels. Any additional staffing resources should be carefully determined and brought on for a short-term period with the goal of integrating the operations of First Place fully into the CHH portfolio within 2-3 years.

d. Knowledge Transfer

Key Finding:
- *Information sharing within the corporation is poor and the flow of information internally with other City departments is also poor*

Continuous attention should be paid by staff at all levels to ensure there is full and open two-way communications on all matters. Staff at all levels of CHH bring years of valuable expertise to all aspects of the management of social housing. It is important that the organization benefit from this expertise on a regular ongoing basis. Input to business decisions by all levels of staff would also enhance morale by creating an environment that values the advice and contributions of all staff. Management should make a strong ongoing effort to ensure all staff are provided opportunities for such input on a regular basis.

Regular meetings of management and staff are a highly important vehicle for ensuring efforts of all staff are fully coordinated, staff are aware of any important changes in policy and procedure, and everyone is kept up to date with all key issues arising within the Corporation. Involving staff in setting agendas would enhance morale through valuing their contributions to the process. A commitment by management and staff to continually follow up on issues raised in meetings and special-purpose committees would ensure that these issues are dealt with and would enhance staff motivation by ensuring their contributions and efforts are valued, especially when they spend time away from regular duties to serve on special-purpose committees.

e. Staff Development

Key Findings:
- *Individual performance planning at all levels of the organization is not being adequately pursued*
- *There is a lack of staff development opportunities, which impairs both continuous improvement and corporate knowledge transfer*
- *Staff morale has eroded despite a high level of commitment*

It is critical to both the effectiveness and morale of staff that their performance be carefully and thoroughly appraised on a regular basis by management and that a well organized and planned performance appraisal process be carried out annually within CHH. The Board and General Manager should ensure that they appraise the performance of the CEO annually, particularly in moving towards achieving the corporate mission and vision. In order to assist with performance appraisals, it is important that performance targets be established and utilized, especially for senior staff positions. CHH

should seek the assistance of Human Resource specialists within the City of Hamilton to help in this regard.

Through consultation with staff and with City of Hamilton Human Resource specialists, an annual training and development plan should be set in place for all staff to help improve their capabilities and productivity and to encourage more team-building and cooperation within the organization. As part of this planning process, staff succession strategies, workforce diversity and employee safety should also be addressed by CHH.

3.2 Recommendations

The following recommendations are suggested to help improve the effectiveness of the CityHousing Hamilton organizational structure so that it encourages employees to work hard and develop supportive work attitudes and allows people and groups to cooperate and work together effectively to achieve the goals of the organization. These recommendations have been formulated through discussions with Board members and staff, a day-long working session with the Steering Committee and review of effective approaches to organizational structure among other similar Local Housing Corporations.

1. That CHH re-align staff to improve effectiveness by:
   - Transfering the role of housing program administration out of CityHousing Hamilton to Social Housing Administration
   - Restructuring the current Housing Development and Partnership Division into the "Business and Strategic Services" Division.
   - Establishing a temporary transition team solely for First Place, reporting directly to the CEO, with the goal of "normalizing" this function into the organizational structure within 2-3 years.
   - Prior to seeking additional resources, completing a formal workflow review and functional alignment with a goal of being more effective about what is done and how it is done – i.e. "right-sizing", rather than upsizing or downsizing.

2. That as part of staff alignment to improve effectiveness, CHH organize and articulate maintenance functions and roles so as to:
   - Create a distinct and accountable maintenance function by establishing a new centralized maintenance division responsible for regular maintenance and capital planning
   - Within the context of the new maintenance function, redefine the role of Property Managers and Property Management Assistants

- Undertake a value-based assessment of on-site maintenance services and contractor performance with the specific goal of determining the benefits of moving to a system based more on superintendants and custodians rather than a contractor and security tenant system.
- Subject to the findings of the on-site maintenance services review, articulate clear roles and responsibilities for custodians, maintenance staff, contractors and security tenants as required

3. That CHH define roles and responsibilities for staff. In particular:
   - Consider the creation of cross-functional work teams to foster integrated decision making by moving to a geographic or portfolio team model
   - Better define the role and function of staff in the Tenant Support area, particularly with regard to other City and community resources
   - Communicate portfolio information and "who does what" to all staff/Board members

4. That CHH ensure effective communications between management and staff by:
   - Providing more opportunities for meaningful staff input into business decisions
   - Conducting regular meetings of management and staff; involving staff in setting agendas
   - Ensuring minutes are kept of staff meetings and responsibilities for follow-up are noted
   - Ensuring there is follow-up on issues raised in meetings and in other special-purpose committees (i.e. front counter safety)

5. That CHH enhance its focus on training, development and performance evaluation by:
   - Integrating performance targets for senior staff positions and ensuring that performance appraisals are conducted annually for all staff, including annual appraisals of CEO performance by the Board and General Manager
   - Preparing and implementing an annual staff training and development plan which focuses on team-building and fostering a more inclusive organization, and coordinating this with City resources
   - Developing a staff succession plan and promoting a more culturally diverse work place
   - Updating the staff orientation manual

4.0   Operations

Effective and efficient operations are a key component of achieving CityHousing Hamilton's mission; to provide affordable housing that is safe, well maintained, cost-effective and supports the diverse needs of its many communities.

The operations focus area in this report encompasses the day-to-day functioning of the corporation both in terms of maintaining the properties CHH owns and providing services to the tenants who live there. In terms of maintenance, this encompasses day-to-day repairs, completing planned maintenance and planning for capital repairs or replacements. In terms of tenant services, operations encompass managing tenancies, collecting rents, pursuing arrears and providing support service referrals.

Operations also include the corporate supports that assist staff in delivering day-to-day services. These include services in areas like finance, IT and policy development. These services are critical to the business of the corporation because they support effectiveness though financial monitoring, strategic planning and organizational performance. They also support efficiency by providing work tools and systems that help deliver services in a streamlined way (e.g. IT systems)

4.1   Key Issues

This review found that the performance of the operations of the organization generally meets requirements; however, there were some issues identified through the review that need to be addressed. These issues have been grouped into six areas: day-to-day maintenance, other maintenance issues, capital planning, financial accountability and budgeting, collections and arrears, and technology. The following is an overview of the key operational issues identified.

a. **Day to Day Maintenance**

Key Findings:
- *Maintenance roles and responsibilities are disjointed, and accountability is therefore unclear*
- *Maintenance standards and guidelines are not fully established and used in practice*
- *The maintenance planning process is lacking and not integrated*
- *Maintenance intake, tasking and tracking functions are not effective, and not well coordinated*

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- *Questions remain about direct accountability for on-site maintenance (maintenance, superintendent and custodian resources)*
- *There are customer service issues related to staff and contractors*

Maintenance calls are currently directed to one of 13 Property Management Assistants/Property Managers and each handles its own calls without coordination of requests for maintenance to other Property Management Assistants/Property Managers. Maintenance requests are handled with varying levels of attention while juggling other aspects of managing the tenant relationship.

Having a dedicated maintenance team would help ensure sufficient and coordinated attention to maintenance. A maintenance team could facilitate the intake, tasking and tracking of maintenance requests, accountability of on-site maintenance resources, and quality control of contractors' services, as well as the integration of the maintenance planning process. As part of the maintenance team, a centralized call centre would allow for coordinated intake, tasking and tracking of maintenance calls.

Engaging contractors for repairs can lead to cost inefficiencies when not effectively assigned or managed. Expanding the use of superintendents, custodians and maintenance staff could be a way of avoiding some of these cost inefficiencies. Concern was also expressed about contractors and the lack of quality control for their work. These concerns could be addressed by building-in an accountability structure for maintenance services and using staff instead of contractors for specific repair functions. This would also mitigate the need for certain on-call duties to oversee external repairs. A review of comparator Local Housing Corporations found that they tended to rely on a mixed maintenance model approach, using custodians and maintenance staff as well as contractors. This approach underscores the need to continue to rely on contractors for specialized skills.

b. **Other Maintenance Issues**

Key Findings:
- *Ad hoc or regulatory maintenance issues are not effectively handled*
- *Currency on technical issues is not adequately maintained*
- *Internal and external communication on maintenance and technical issues is poor*

Unplanned maintenance issues such as bed bugs and asbestos are important issues to address and can draw significant resources away from day-to-day operations. Having a common, unified strategy is essential to ensure that

resources can be allocated and costs can be effectively managed when responding to issues like this. Clear and timely communication is also a critical part of this strategy, as is the dissemination of information and training for staff.

c. Capital Planning

Key Findings:
- *There is no comprehensive baseline data on the condition of the assets*
- *The process to support capital planning and decision making is weak and disjointed*
- *Financial forecasting to support planning is not a strategic, long term approach to asset management*

As a landlord, the physical assets of the corporation – the bricks and mortar - represent a huge investment and one that comes with substantial liability. Maintaining buildings in good order is not only critical to supporting sound financial management, it is a legislated requirement. Equally important, it is fundamental to CHH's mandate to provide safe, affordable housing. In this regard, planning to maintain buildings over the course of their lifecycle is a core part of CHH's business.

However, the current CHH capital planning process is weak and needs to be more clearly defined. Responsibility and accountability needs to be clearly articulated and built-in to the planning process. By having a long term asset management strategy and integrated capital planning process, CHH can help ensure that resources are being managed effectively. These practices should be linked with regular maintenance processes to help support cost-effective maintenance decisions. They should also be linked to the budget process to help ensure financial resources are marshalled to support capital renewal as buildings in the portfolio age. Tools such as audits assessing the condition of the buildings, capital reserve fund studies, and energy audits can assist in making effective and strategic decisions related to capital planning and asset management.

d. Financial Management and Reporting

Key Findings:
- *Accountability for financial performance is not well defined*
- *The budgeting process does not promote CHH corporate accountability and is inadequate to meet business planning needs*
- *Financial reporting is modest and does not adequately support strategic decision making*

To ensure sufficient accountability for the financial performance of the organization, monitoring and managing of CHH's financial performance should be a prime component of senior staff responsibilities. Currently, there is significant direction provided by City financial support staff which has lead to some ambiguity regarding accountabilities. Financial decisions for CHH should be made within a strategic framework, and should align with the operational directions of the organization. A financial plan or financial component of a corporate strategic plan should be developed to help embed strategic financial decision-making into CHH's operational business practices (as noted in section 2.0 of this report).

While the budgeting process for 2010 was improved over previous years, the budgeting process should be further enhanced to meet business planning needs. Each project has different financial needs and portfolios are each being managed differently. To understand the variances between projects and portfolios and where the financial pressures are being generated, additional analysis of financial metrics such as revenues, maintenance costs, utilities, accounts receivables/arrears, and vacancy loss/turnaround, should be conducted on a project and portfolio wide basis. It is also important that front line staff perspectives be incorporated into the budgeting process, as they often have a good sense of the needs of the buildings. It also helps generate ownership of the budget and accountability for working within the established budget.

Further, long range asset planning should seek to leverage untapped resources. This may include working more closely with the City's asset management staff, or participating in bulk purchases with other social housing providers in the City of Hamilton.

The current financial reporting to the Board could be improved upon to ensure the Board has sufficient information for decision making. Suggested financial reporting metrics could include:
• Surplus/deficit position
• Capital Reserve Funding status
• Major fluctuations in Balance Sheet accounts
• Significant increases in operational expenses
• Accounts receivables/arrears, current and former tenants
• Vacancy Loss/Turnaround
• Targeting (RGI versus market)
• Degree of under-occupation of dwellings

It is important that the indicators provide meaningful business intelligence and that the indicators are clearly linked to the strategic objectives of the

organization. Tools should be used to collect the data on the performance indicators to ensure that the benefit of collecting the data exceeds the amount of work necessary for collecting them.

e. Collections & Arrears

Key Findings:
- *Current tenant arrears remain high*
- *The process for managing past tenant arrears is unnecessarily cumbersome*
- *Problems with unit turnover are contributing to financial issues for CHH*
- *Unit marketing is not being effectively used to address vacancy loss issues.*

Current tenant arrears are high. Effectively managing current tenant arrears requires establishing performance targets for Property Managers and ensuring timely information is available to Property Managers on their own arrears. To build in accountability for achievement of the performance targets, these should be an integral part of employee evaluation.

In terms of former tenant arrears, there are some challenges for Finance staff in receiving files from some property management staff in a timely manner, reducing the likelihood of collecting the arrears. The process for reporting back on missing files further delays access to the files. The process for handoff of former tenant files and reporting back on missing files should be clarified to ensure a more timely process.

One way to improve the organization's financial position is to reduce vacancy losses. A full analysis should be done of the factors contributing to the turnover time and strategies should be developed to address the identified issues. A lack of curb appeal of some units is contributing to vacancy losses. A marketing plan should be prepared and linked with the capital repair plan to address curb appeal issues.

f. Technology

Key Findings:
- *There is an inconsistent approach to work flow and the use of available work tools*
- *Technology is not being effectively used to support efficient, coordinated work flow*
- *Information and file management is not adequately coordinated*
- *Current systems are not adequately supporting the business reporting function*

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Planning tools and procedures can be used to improve operations control and help make the coordination of tasks more consistent. For example, tools can help manage information and data flow related to tenant files. In particular, a rent calculation tool would contribute to reviewing/auditing rent calculations, would standardize the rent calculation process, and can help limit the errors made in rent calculations.

However, one of the first steps in developing procedures is assessing major activities and responsibilities and defining work flows. As part of this process, IT systems should be leveraged to help generate greater efficiencies in work flow and to help move away from traditional file management systems which are more labour-intense. The training of staff to effectively use technology is equally important in order to ensure that work efficiencies generated by IT systems can be realized.

4.2 Recommendations

The following recommendations are suggested to help create well maintained, cost effective housing, and tenant-focused operations. The recommendations have been developed through discussions with Board members and staff, a day-long working session with the Steering Committee, and a review of approaches to operations of other comparable Local Housing Corporations.

1. That CHH coordinate, integrate, control and plan its maintenance functions by:
    - Adding a team for maintenance with a separate maintenance supervisor to foster integrated decision making for day-to-day maintenance and coverage
    - Creating a centralized call centre for maintenance issues
    - Enhancing policies for callouts for after hours
    - Expanding the custodian count and in-house maintenance staff, and reducing its reliance on contractors
    - Providing regular advice to tenants on basic maintenance
    - Establishing a common, unified strategy in response to unplanned maintenance issues that arise (i.e. bed bugs being a prime example)
    - Developing maintenance standards and guidelines and establishing an accountability structure to review compliance with maintenance standards

2. That CHH develop customer service standards for staff and contractors and establish mechanisms for reporting and addressing customer service concerns.

3.   That CHH take a more comprehensive approach to asset management and capital planning. In particular, CHH should:
   - Establish clearly understood processes, clear lines of responsibility and accountability for the asset management and capital planning process
   - Link asset management strategy, the capital planning process, regular maintenance, and the budget process. Links can be made to the budgeting process by conducting financial modeling of capital repair options and cost drivers, supporting strategies which maximize reserve fund returns, and seeking out untapped resources (i.e. leverage existing resources within the City of Hamilton, cultivating new opportunities)
   - Initiate/update capital planning tools including the building condition audit tools, the capital reserve fund study, and energy audits, and automate for ease of updates
   - Establish a preventative maintenance plan which includes conducting planned annual inspections
   - Develop an overall long term plan for each building with annual updates

4.   That CHH improve financial management and reporting by:
   - Improving financial reporting to the Board on key metrics to help monitor performance over time
   - Using analysis of financial information at the building and portfolio level to better inform the annual budget development process
   - Aligning operational decisions with CHH's longer term financial plan
   - Seeking additional efficiencies through bulk purchasing and shared services opportunities

5.   That CHH develop an arrears control framework which:
   - Clearly defines work flow, roles, responsibilities, and early warning systems
   - Clearly defines procedure for handoff of former tenants files with arrears to Finance and procedures for reporting back
   - Establishes performance standards for Property Managers on arrears levels
   - Monitors arrears by generating roll-up reports regularly, and uses these as an accountability tool for Property Managers

6.   That CHH take steps to reduce vacancy losses by:
   - Conducting an analysis of turnover time and developing strategies for reducing turnover time

- Updating signage and preparing a marketing plan for all buildings, and linking this to capital repair planning by including priority capital items to increase curb appeal
- Considering re-purposing strategies as part of asset management plan where chronic vacancy loss continues

7. That CHH use technology to coordinate and manage information and functions. Specifically, CHH should:

- Implement an integrated IT system to help better coordinate property management, asset management and financial planning functions
- Define work flow for major items and define the role of IT system in assisting work flow, moving away from paper files where practical
- Take advantage of electronic document management systems the City may be pursuing
- Provide full IT training for staff with regular refreshers
- Use IT tools to better manage information and data flow related to tenant files and integrate a standard rent calculation tool with the IT system, and have all RGI calculations reviewed by the PM

5.0 Tenant Relations

Success in operating rental housing requires good tenant relations. This is especially relevant in social housing where tenants are typically from vulnerable populations and have needs beyond simple housing. Maintaining good relations with tenants includes many aspects of the tenancy: establishing a strong landlord and tenant relationship, rent collection, lease renewals, handling of maintenance requests, tenant support services, and terminating the tenancy. Tenant relations involve staff across the organization, although tenant support services staff have a particular focus in this area. Tenant support staff provide individual support to help tenants stay safe, well, and maintain their tenancies. Services include:

- Sorting out any problems with the tenant's housing and help keeping them housed
- Helping tenants get the benefits they are entitled to and the services they need
- Supporting tenants and acting on their behalf with CityHousing Hamilton and other agencies
- Sorting out tenant's bills and debts and helping them to organize their money
- Pointing tenants in the right direction for employment/training and recreation/leisure opportunities
- Providing emotional and practical support

A focused effort on good tenant relations across the organization leads to satisfied tenants, high occupancy, reduced turnover, and improved financial performance.

5.1 Key Issues

A number of key issues and concerns related to tenant relations were identified through a tenant survey and focus groups and personal interviews with staff and Board members. The issues relate to interaction with tenants, communications, and tenant supports. They are summarized below.

a. Interaction with Tenants

Key Findings:
- *There is clear room for improving landlord-tenant relationships though better customer service*
- *Tenant engagement is limited and this is a lost opportunity for community development*

Customer service is a key means for building the landlord-tenant relationship.

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Tenant satisfaction is encouraged by staff and contractors delivering respect, care, and an excellent level of service to tenants. One of the ways that customer service can be supported is by developing standards related to customer service. Standards are a means of communicating to both staff and tenants the expectations of tenant care.

Tenant satisfaction also improves with tenant engagement. This includes engaging tenants through tenant associations, service initiatives, and other community building activities.

During the study, concerns were raised regarding aspects of CHH's customer service to tenants, particularly in the areas of consistent application of policies, general response times and overall tenant engagement. While results of the tenant survey indicated a general level of satisfaction, there was a clear signal that there was room for improvement in managing tenant relationships.

b. Communications

Key Findings:

- *Communications and follow-up with tenant support staff have been inconsistent*
- *Communication with tenants on programs and services can be improved*

Communications are important both internally amongst staff and with tenants. Ensuring there is full and open two-way communications between management and staff can be highly beneficial in fostering an open and productive working environment. Regular meetings are one vehicle for doing this. Follow-up on key issues is also important to ensure efforts are coordinated.

As primary customers, tenants also benefit from timely and informative communications which are the cornerstone of a positive tenant relationship. Given the increasing cultural diversity of the community, these communication requirements can be more complex. While some communication vehicles are in use, there are opportunities to improve these. For example, the tenant survey found that 40% of tenants were not aware of the programs and services offered by CityHousing Hamilton. This points to a clear opportunity for improvement in visibility of programs and services and tenant engagement.

c. Supporting Tenancies

Key Findings:

- *There is a lack of clarity in the role & function of Community Relations Workers (facilitators vs. advocates)*
- *There are finite resources to adequately address tenant supports*

- *The concept of community development and partnerships to support them requires better definition*

There is lack of clarity around the role and function of the Community Relations Workers. As a facilitator the Community Relations Worker would be a neutral party who does not take sides or advocate a point of view, but assists in the process of ensuring the tenant is supported to maintain their tenancy. In an advocacy role the Community Relations Worker would support, defend or act on behalf of the tenant. In this role the Community Relations Workers may be put in a position contrary to other CHH staff. Efforts should be made to clarify their role and function.

Understanding how tenant support staff and partner agencies work together is also important, especially given the finite resources that typically flow to support service agencies. To maximize benefits to CHH tenants and capitalize on available services, it is essential that efforts are coordinated. As a landlord CHH has core service obligations which it must respect. Working with community partners to leverage supports is an important way to enhance services to tenants while respecting these core roles.

CHH has had limited involvement in community development initiatives in the recent past. Many opportunities for community building and community development certainly do exist and are supported more broadly by the City. While these initiatives have real benefits for CHH buildings and the neighbourhoods that surrounding them, the short term focus for CHH needs to remain on organizational renewal, especially since community development has the potential to draw significant resources away from other important areas during this transitional period.

As CHH transitions out of this period, it would be better equipped to effectively participate in community development initiatives. Given the broad nature of initiatives like this, CHH is best suited to help facilitate efforts as a partner rather than assume outright responsibility for these initiatives. Coordination with other City initiatives and community service providers would enable involvement by CHH while ensuring a continued focus on its main landlord responsibilities.

5.2   Recommendations

The following recommendations have been developed in consultation with Steering Committee members and are suggested to help improve the relations with CityHousing Hamilton tenants so that tenant satisfaction is encouraged:

1.   That CHH improve communications with tenants by:
   - Developing a communication strategy to increase visibility and generate awareness of programs and services offered by CHH
   - Providing fact sheets for tenants as part of this strategy
   - Continuing to support tenant associations
   - Evaluating the need to develop communication tools in multiple languages
   - Providing feedback mechanisms that encourage tenant input

2.   That CHH clarify its role in supporting tenancies by:
   - Defining the supports that it will provide directly versus those it will facilitate for internal or external partners
   - Determine the most appropriate service delivery model for CRW's (on-site vs. mobile, case management vs. relationship management, etc.)
   - Refining and maintain clear client referral policies
   - Communicating its support role to tenants, partners and stakeholders

3.   That CHH establish approaches to promote community building and community development. In particular, CHH should:
   - Build a "Community Plan" for each building in collaboration with tenants, and commit staff to the Plans as key stakeholders
   - Partner with other City initiatives and community service providers to advance longer term community development strategies in CHH neighbourhoods

6.0   Policies and Procedures

Policies and procedures are key business tools for every organization. They provide an essential framework for documenting processes which support service delivery by the organization. On a practical level, this helps provide a 'responsibility roadmap', clarifying who is responsible for each part of the business process. These tools also help to establish a consistent decision-making approach for business processes, helping to ensure legislative and legal obligations are also addressed.

It is worth differentiating between the two main streams of policy and procedures for typical corporations, given the focus that each embodies:

* Organizational – covering the business of being a corporation and all that entails such as HR, finance, legal and other corporate functions

* Operational - covering the business the corporation performs and documenting how services are delivered

Both areas are equally important to being an effective organization but they involve a different focus and engage different stakeholders.

Documenting policies and procedures is key to delivering services since it supports accountability, especially in a public service environment and specifically where these services involve scarce resources – in this case, social housing. Without these tools, organizations are subject to inconsistency both in operational practice and in decision-making. While this breeds inefficiency within an organization, there are broader liability issues to consider.

The consequences can be significantly more severe where vulnerable clients and community stakeholders are involved. This is especially true of social housing where legislation is extremely prescriptive for those operating under its purview, as is legislation governing landlord-tenant relations. Having established policies to guide decision-making is critical in this environment.

Having a full suite of policies and procedures in place supports good operating practice because they:

* Establish a documented framework for execution of work duties by staff

* Provide a consistent set of work rules for service delivery

* Define decision-making authorities to match specific work situations

* Help manage risk by establishing planned responses to common issues

* Help ensure consistency within the corporation, especially larger organizations where this is a clear challenge

Despite the importance of these tools in helping to support work process and ensure consistent application of standards, these tools typically get short shrift in terms of resources for many organizations. Dedicating resources to establish and maintain these tools can be a challenge but practice has shown that with sound policies and procedures in place, organizations operate more effectively.

Background

Within the social housing realm, the provision of current policies and practices has been an on-going challenge. Under the former Ontario Housing Corporation, comprehensive policy and procedure manuals were developed at a corporate level for execution by Local Housing Authorities (LHA's) along with other work tools. With the devolution of social housing to municipal responsibility under the SHRA in 2000, the context for housing delivery changed significantly, both in terms of public housing governance and the environment in which it operates. While the former LHA manuals had a great deal of relevant information for the time, the operational context for these tools is now inconsistent with new legislation.

Since implementation of the SHRA, some public housing organizations have moved forward with revamping these resources to try and make them more relevant. For most, this renewal has been a challenge in the face of other obligations associated with the new service delivery framework that the SHRA imposed. In many instances, policies and procedures have been developed and implemented as needed to address immediate issues. CHH finds itself in this same position, having managed largely within the boundaries of the former LHA policy tools. At the same time, CHH's operational position within the City's corporate structure means that staff are also bound by City policies and procedures. Efforts have been made by CHH to undertake a more comprehensive overhaul of existing LHA policies and to mesh these with City policies (where applicable) but these efforts have not been sustained.

6.1   Key Issues

Through investigations with stakeholders and based on reviews of existing documentation, a number of emerging issues were identified with regard to CHH policies and procedures.

a. Business processes

Key Findings:
- *Roles and responsibilities within business processes are not always clear*
- *Business processes are not uniformly understood and have not all been documented*

- *Opportunities exist to make processes more streamlined*

Apart from the service delivery changes that the SHRA imposed throughout the social housing sector, the housing function at the City has been subject to certain organizational changes over this same time period. The absorption of MNP and private NP organizations into CHH has had a further influence on operations, bringing obligations in-house for service functions not previously undertaken. Within this environment of flux, establishing and maintaining common business processes has been a clear challenge for CHH staff.

As a result, business processes have not been well documented. It is not surprising then that the roles and responsibilities of staff within these processes are also not well documented, leading to inconsistency in practice and decision-making by staff. The fact responsibilities for staff continue to evolve over time has further contributed to this problem. Despite attempts to remedy this issue, formal process mapping for all functions has not been undertaken and as such, there is no complete baseline documentation for common procedures.

Where staff responsibilities change or new staff are hired, the lack of documented procedures makes it extremely difficult to convey job responsibilities effectively. It is also clear from our review that work flow – how work is being performed and executed – is not being maximized with available technology, particularly in the area of information management. Using this technology more effectively would enable staff to focus time on more critical areas of their responsibilities.

b. Policy framework

Key Findings:

- *Responsibility for CHH policy does not have a 'home'*
- *Overall framework for policies has not been formalized*
- *Alignment with City policies needs to be re-confirmed*
- *Process for policy development needs to be refined*

Despite a previous work plan to establish a comprehensive, updated set of policies for CHH, this work has not been completed. These efforts relied heavily on operational staff as subject experts with some guidance from housing policy resources. However, without dedicated resources, the ability to prepare, update and maintain policies will continue to be a challenge. Establishing a clear area of responsibility for policy is a critical first step in order to ensure these obligations are met. Setting a logical framework into which these policies fit is also essential, given the lack of a formal framework

at this time. From a governance perspective, developing a common understanding on Board engagement and oversight for policy is also warranted given that this does not currently exist.

Past CHH policy initiatives were successful in creating a standard template for developing policies. These initiatives were also successful in formulating a prioritized list of operational policy gaps but this list is now dated and would not reflect alignment with City policies that have been established since. Past initiatives were also focused in terms of getting input from key staff but were limited in terms of broader consultation and did not include tenants as key stakeholders. Few policies have been developed since then and while certain measures for consultation were used, the overall engagement of stakeholders in policy development has been quite minimal.

c. **Communicating**

Key Findings:

- *A common, accessible resource area for policies does not exist*
- *Implementation of policies and procedures is not adequately addressing the needs of staff and tenants*
- *There is no formal process for assessment of policies*

As a staff resource, policies and practices are not widely available other than within the shared network drive for CHH. This is problematic in terms of promoting consistency in decision-making among staff. It also presents challenges in managing communications about changes in policies or procedures. Supporting centralized work tools for staff via an intranet vehicle may be an opportune way to promote sharing of common, consistent policies and procedures. Expanding existing web tools would also be a way to communicate significant policy changes to tenants and external stakeholders.

While establishing effective policies can be difficult work, these efforts can be nullified if their implementation is handled poorly. For CHH, policy changes have not been effectively communicated to staff and training for implementation has not been adequate. Communication to tenants has also been flagged as an area where improvements can be made.

Including implementation strategies as part of the policy development template could be one option for addressing this. Training for staff and education sessions for tenants would also help improve current implementation approaches, depending on the complexity and nature of the policies being rolled out. It was also noted that no formal policy evaluation strategy is built into the current policy development process. This severely hampers the

follow-up phase of the process which is so critical to understanding policy effectiveness and which supports the principal of continuous improvement.

6.2 Recommendations

As part of organizational renewal, it will be important for CHH to integrate effective policy and procedures tools within its operations. Improving this function and properly resourcing it will help support internal operations and sustain a more effective policy framework that is more inclusive of tenants and other key stakeholders.

The following recommendations are designed to improve the policy and procedures tools currently employed by CHH:

1. That CHH establish dedicated staff responsibility for operational and organizational policy within its current structure

2. That following organizational re-alignment and clarification of staff responsibilities, CHH undertake a business process mapping exercise with a goal to:
   - Define all business processes, related decision-points and key CHH staff
   - Seek out efficiencies in these processes by maximizing use of work flow tools and information technology
   - Identify opportunities within processes for leveraging other City resources/expertise
   - Finalize business processes to identify staff accountabilities and required policy considerations

3. That CHH secure temporary external resources to assist in:
   - Establishing an inclusive policy and procedures framework for CHH that capitalizes on available City resources/expertise
   - Creating a generic policy development template that incorporates implementation and evaluation components
   - Identifying and prioritizing a formal list of policies and procedures to be established/revised
   - Reviewing pertinent City policies to ensure proposed CHH organizational policies will align with them
   - Scanning available policy examples from other housing corporations with a goal of using these to help craft/refine existing CHH policies
   - Drafting a complete first set of policies and procedures for Board approval

4. That CHH implement the approved policies and procedures framework with particular emphasis on:

    - Engaging relevant stakeholders in the policy development process and communicating policy changes to tenants in an effective and timely way
    - Providing timely communication and necessary training to staff on all policy changes (organizational or operational)
    - Reviewing and improving policy effectiveness over time
    - Maintaining the framework on an on-going basis

7.0   Supporting the Renewal of CityHousing Hamilton

This document recommends a number of meaningful changes to support the corporate renewal of CityHousing Hamilton. Collectively, these changes constitute a significant adjustment to the way CHH currently undertakes business in terms of governance, management and operations. Given the breadth and depth of these adjustments, there is significant work that lies ahead in transforming CHH to a more effective, more accountable and more responsive organization.

There have been many organizational challenges which CHH has had to face in the last number of years. There has also been significant turbulence within the legislative policy environment that social housing providers like CHH operate. In spite of these many challenges, CHH has managed to continue to serve tenants and make on-going efforts to try and improve operations. The recommendations of this report are intended to build on the effort and commitment of staff, the Board and Council to make CHH a better organization.

Given the range of recommendations, it is critical for CHH to establish priorities and timeframes for the renewal process. It is also important to manage expectations about this change given the magnitude of the transition involved. To effect positive changes and to engage stakeholders in the process in a meaningful way, the transition process will take time - perhaps up to three years. Change management for staff will also be a critical factor in the success of this transition.

During this period of transition, it will be important to manage the on-going obligations of the organization while moving forward with renewal. To manage these priorities, there is a need to develop a formal implementation plan that assigns necessary resources to balance these two inter-related processes.

It will be important for a dedicated group with relevant expertise to manage the renewal process. Using a steering committee is highly advisable and should draw upon staff from CHH and the Housing Division as well as Board members. In order to build broader support and engage stakeholders in the renewal process, it will be important to include them in the transition process as well, whether on the Steering Committee or through consultations.

It is suggested that the transitional plan incorporate the following priorities to assist in successful implementation of study findings:

- *Improve CHH's current governance framework* - roles and responsibilities of key stakeholders should be clarified to create a visible and more

transparent framework in which CHH can operate. This would allow CHH to fulfill its obligations in a more strategic way.

- *Establish a formal strategic planning framework* - to provide the organization with clear direction, goals and objectives and help the organization transition from where it is today to where it wants to be.

- *Align staff to improve effectiveness* - by organizing resources, creating clearer responsibilities, and supporting core services to meet the organization's goals and objectives.

- *Refine operations to meet objectives* – with staff re-alignment complete, follow through with operational refinements that support the new staff structure and make operations more effective and efficient.

- *Integrate effective policies and procedures* – based on refined operations and business processes, revise the policies and procedures which support CHH operations.

- *Focus resources on the delivery of core functions* – throughout the transition process, maintain focus on delivery of core business, deferring secondary activities such as community development until completion of the organizational renewal process.

Several factors will be critical to the success of the renewal process and these should be considered as part of the transition planning process:

- Having strong management leadership and support throughout the transition process
- Dedicated responsibility for the renewal process via a steering group
- Providing sufficient resources to guide the transition process to conclusion
- Providing sufficient time for the transition process to be completed
- Taking the time to do necessary planning upfront to ensure the renewal process is well defined and clear to all stakeholders
- Supporting staff through the change management process
- Maintaining core operations and service during the transition process
- Having clear communications on the purpose of the transition, providing open dialogue with stakeholders through the renewal process
- Monitoring outcomes of the renewal process as part of a long term commitment to continuous improvement

7.1   Recommendations

The following recommendations are suggested to help support the successful implementation of a comprehensive corporate renewal strategy for CHH.

1. That CHH establish a joint steering committee with a formal terms of reference to help guide the corporate renewal process and that the steering committee include representation from:
   - CHH Chairman of Board of Directors + 1 other member of the Board
   - General Manager of Community Services
   - Senior City staff of the Housing Branch
   - CEO of CHH
   - CHH staff representatives

2. That the Steering Committee develop a formal communications plan as part of the implementation process to help coordinate the flow of key information to the Shareholder, staff, tenants and stakeholders during the period of transition.

3. That the Steering Committee actively engage stakeholders throughout the renewal process to help build positive relationships by including tenants, service partners and community representatives.

4. That the Steering Committee develop a transition plan to guide the multi-year transition process of renewal

5. That the priorities in the transition plan include:
   - Refining the governance framework
   - Renewing the mission, vision and operating principles for CHH
   - Establishing a strategic planning framework for CHH
   - Undertaking organizational alignment to better meet CHH objectives
   - Revising operational practices along with related policies & procedures
   - Developing an annual business plan and reporting templates

6. That the transition plan address as secondary priorities the following:
   - Creating a tenant engagement plan focused on customer service
   - Establishing a staff training & development plan
   - Developing formal maintenance and capital plans
   - Establishing an asset management strategy
   - Creating a long range financial plan focusing on financial stewardship
   - Formulating a framework for Community Development

Appendix A: Summary Table of Recommendations

2.0 GOVERNANCE

1. That the City of Hamilton, as shareholder for CHH, establish a Shareholder Direction for CHH which sets out:

- The role of the shareholder and their broad expectations for CHH
- The role and authorities of the CHH Board in providing oversight for CHH, including a defined list of matters requiring shareholder approval
- The role and authorities of City staff in assuming the operational duties of CHH
- The role and authorities of City staff as Service Manager and advisor to the shareholder
- The accountability measures required by the shareholder
- The reporting expectations of the shareholder, including an obligation to approve an Annual Report
- A mechanism for amending the Shareholder Direction as needed

It is recommended that the process of developing the Shareholder Direction be a collaborative one, engaging key stakeholders and staff in order to forge a common understanding of governance obligations among all parties going forward.

2. That as part of the Shareholder Direction process, CHH review its corporate operating documents to ensure they reflect the terms and conditions of the approved Shareholder Direction.

3. That CHH hold briefing sessions for new members of Council and new members of the Board to help promote understanding of the Shareholder Direction and the overall accountability framework for CHH.

4. That CHH increase Board effectiveness by:

- Having the Board establish clear operating and reporting expectations for staff in accordance with the Shareholder Direction
- Providing regular orientation to new Board members on roles and responsibilities
- Promoting corporate continuity by staggering Board member terms
- Increasing the frequency of Board meetings to better address emerging issues
- Making Board meetings more effective by coordinating agenda management between the CEO and Board chair and by using template reporting for key

        business indicators

- Implementing an annual self-assessment process for the Board

5. That CHH develop a formal reporting framework for the Board of Directors which:
   - Tracks pertinent indicators that provide key information about current operations (i.e. vacancies, arrears, unit turnover, maintenance work order activity, etc.)
   - Monitors financial progress against the approved annual operating budget
   - Provides information on status of capital projects and spending against approved plans
   - Compares operational performance with benchmarks (internal/external) to help evaluate efficiency and effectiveness

6. That CHH take a more direct role in managing its financial resources by working with City Finance to:
   - Move towards a full cost accounting model that reflects the true cost of operating CHH
   - Create a more CHH-centric model for budget development, one that fosters a bottom-up approach to identifying financial needs, promotes key stakeholder input, incorporates analysis by project and portfolio, and accurately reflects the operational realities of the corporation
   - Promote long range financial planning for CHH to help better plan for the sustainability of the organization and its assets
   - Develop a financial plan or section in the CHH strategic plan to guide strategic financial decisions

7. That CHH enhance or establish working relationships with other City branches to help leverage available resources and expand expertise in the delivery of its housing services. In particular, CHH should:
   - Ensure that Service Agreements accurately reflect CHH expectations and are enforced
   - Re-define financial management expectations for CHH with Finance
   - Explore opportunities for partnerships with Real Estate Services in the management of non-shelter space that is within CHH's portfolio
   - Maximize opportunities to utilize asset management expertise that is resident in the Real Estate branch to help foster a more strategic approach to portfolio management

8. That CHH establish a formal strategic planning framework by:

- Establishing and implementing an annual planning process that helps align corporate strategic documents, links strategic initiatives to current operations, and which integrates stakeholder engagement to foster transparency and build support for CHH initiatives. A key element of this process is an evaluation phase where results are regularly assessed against planned outcomes.

- Revisiting the current mission and vision for CHH to ensure it meets expectations of the Shareholder Direction and that it reflects the core values and principles of the organization.

- Establishing a 5 year strategic plan for approval by the shareholder which sets out key objectives for the organization and how it plans to achieve these goals. The initial plan should have a clear focus on corporate renewal, service improvement and re-defining CHH's image.

- Establishing an annual work plan template that captures and prioritizes core service delivery requirements, aligns activities with the 5 year strategic plan and demonstrates progress towards its objectives. Performance measures should be engrained in this template to assist in tracking and reporting on progress.

- Establishing an Annual Report template to help meet Shareholder Direction obligations. This report should be used each year to convey general information on CHH activity, key achievements of the past year with its partners and directions for the coming year – in this way it can also be used as a primary information tool for tenants and community stakeholders

3.0 ORGANIZATIONAL STRUCTURE

1. That CHH re-align staff to improve effectiveness by:

   - Transferring the role of housing program administration out of CityHousing Hamilton to Social Housing Administration

   - Restructuring the current Housing Development and Partnership Division into the "Business and Strategic Services" Division.

   - Establishing a temporary transition team solely for First Place, reporting directly to the CEO, with the goal of "normalizing" this function into the organizational structure within 2-3 years.

   - Prior to seeking additional resources, completing a formal workflow review and functional alignment with a goal of being more effective about what is done and how it is done – i.e. "right-sizing", rather than upsizing or downsizing.

2. That as part of staff alignment to improve effectiveness, CHH organize and articulate maintenance functions and roles so as to:

   - Create a distinct and accountable maintenance function by establishing a new centralized maintenance division responsible for regular maintenance

and capital planning

- Within the context of the new maintenance function, redefine the role of Property Managers and Property Management Assistants
- Undertake a value-based assessment of on-site maintenance services and contractor performance with the specific goal of determining the benefits of moving to a system based more on superintendants and custodians rather than a contractor and security tenant system.
- Subject to the findings of the on-site maintenance services review, articulate clear roles and responsibilities for custodians, maintenance staff, contractors and security tenants as required

3. That CHH define roles and responsibilities for staff. In particular:
- Consider the creation of cross-functional work teams to foster integrated decision making by moving to a geographic or portfolio team model
- Better define the role and function of staff in the Tenant Support area, particularly with regard to other City and community resources
- Communicate portfolio information and "who does what" to all staff/Board members

4. That CHH ensure effective communications between management and staff by:
- Providing more opportunities for meaningful staff input into business decisions
- Conducting regular meetings of management and staff; involving staff in setting agendas
- Ensuring minutes are kept of staff meetings and responsibilities for follow-up are noted
- Ensuring there is follow-up on issues raised in meetings and in other special-purpose committees (i.e. front counter safety)

5. That CHH enhance its focus on training, development and performance evaluation by:
- Integrating performance targets for senior staff positions and ensuring that performance appraisals are conducted annually for all staff, including annual appraisals of CEO performance by the Board and General Manager
- Preparing and implementing an annual staff training and development plan which focuses on team-building and fostering a more inclusive organization, and coordinating this with City resources
- Developing a staff succession plan and promoting a more culturally diverse work place
- Updating the staff orientation manual

4.0 OPERATIONS

1. That CHH coordinate, integrate, control and plan its maintenance functions by:

   - Adding a team for maintenance with a separate maintenance supervisor to foster integrated decision making for day-to-day maintenance and coverage
   - Creating a centralized call centre for maintenance issues
   - Enhancing policies for callouts for after hours
   - Expanding the custodian count and in-house maintenance staff, and reducing its reliance on contractors
   - Providing regular advice to tenants on basic maintenance
   - Establishing a common, unified strategy in response to unplanned maintenance issues that arise (i.e. bed bugs being a prime example)
   - Developing maintenance standards and guidelines and establishing an accountability structure to review compliance with maintenance standards

2. That CHH develop customer service standards for staff and contractors and establish mechanisms for reporting and addressing customer service concerns.

3. That CHH take a more comprehensive approach to asset management and capital planning. In particular, CHH should:

   - Establish clearly understood processes, clear lines of responsibility and accountability for the asset management and capital planning process
   - Link asset management strategy, the capital planning process, regular maintenance, and the budget process. Links can be made to the budgeting process by conducting financial modeling of capital repair options and cost drivers, supporting strategies which maximize reserve fund returns, and seeking out untapped resources (i.e. leverage existing resources within the City of Hamilton, cultivating new opportunities)
   - Initiate/update capital planning tools including the building condition audit tools, the capital reserve fund study, and energy audits, and automate for ease of updates
   - Establish a preventative maintenance plan which includes conducting planned annual inspections
   - Develop an overall long term plan for each building with annual updates

4. That CHH improve financial management and reporting by:

   - Improving financial reporting to the Board on key metrics to help monitor performance over time
   - Using analysis of financial information at the building and portfolio level to better inform the annual budget development process
   - Aligning operational decisions with CHH's longer term financial plan

- Seeking additional efficiencies through bulk purchasing and shared services opportunities

5. That CHH develop an arrears control framework which:
- Clearly defines work flow, roles, responsibilities, and early warning systems
- Clearly defines procedure for handoff of former tenants files with arrears to Finance and procedures for reporting back
- Establishes performance standards for Property Managers on arrears levels
- Monitors arrears by generating roll-up reports regularly, and uses these as an accountability tool for Property Managers

6. That CHH take steps to reduce vacancy losses by:
- Conducting an analysis of turnover time and developing strategies for reducing turnover time
- Updating signage and preparing a marketing plan for all buildings, and linking this to capital repair planning by including priority capital items to increase curb appeal
- Considering re-purposing strategies as part of asset management plan where chronic vacancy loss continues

7. That CHH use technology to coordinate and manage information and functions. Specifically, CHH should:
- Implement an integrated IT system to help better coordinate property management, asset management and financial planning functions
- Define work flow for major items and define the role of IT system in assisting work flow, moving away from paper files where practical
- Take advantage of electronic document management systems the City may be pursuing
- Provide full IT training for staff with regular refreshers
- Use IT tools to better manage information and data flow related to tenant files and integrate a standard rent calculation tool with the IT system, and have all RGI calculations reviewed by the PM

5.0 TENANT RELATIONS

1. That CHH improve communications with tenants by:
- Developing a communication strategy to increase visibility and generate awareness of programs and services offered by CHH
- Providing fact sheets for tenants as part of this strategy
- Continuing to support tenant associations

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- Evaluating the need to develop communication tools in multiple languages
- Providing feedback mechanisms that encourage tenant input

2. That CHH clarify its role in supporting tenancies by:
- Defining the supports that it will provide directly versus those it will facilitate for internal or external partners
- Determining the most appropriate service delivery model for CRW's (on-site vs. mobile, case management vs. relationship management, etc.)
- Refining and maintaining clear client referral policies
- Communicating its support role to tenants, partners and stakeholders

3. That CHH establish approaches to promote community building and community development. In particular, CHH should:
- Build a "Community Plan" for each building in collaboration with tenants, and commit staff to the Plans as key stakeholders
- Partner with other City initiatives and community service providers to advance longer term community development strategies in CHH neighbourhoods

6.0 POLICIES AND PROCEDURES

1. That CHH establish dedicated staff responsibility for operational and organizational policy within its current structure

2. That following organizational re-alignment and clarification of staff responsibilities, CHH undertake a business process mapping exercise with a goal to:
- Define all business processes, related decision-points and key CHH staff
- Seek out efficiencies in these processes by maximizing use of work flow tools and information technology
- Identify opportunities within processes for leveraging other City resources/expertise
- Finalize business processes to identify staff accountabilities and required policy considerations

3. That CHH secure temporary external resources to assist in:
- Establishing an inclusive policy and procedures framework for CHH that capitalizes on available City resources/expertise
- Creating a generic policy development template that incorporates implementation and evaluation components
- Identifying and prioritizing a formal list of policies and procedures to be

established/revised
- Reviewing pertinent City policies to ensure proposed CHH organizational policies will align with them
- Scanning available policy examples from other housing corporations with a goal of using these to help craft/refine existing CHH policies
- Drafting a complete first set of policies and procedures for Board approval

4.   That CHH implement the approved policies and procedures framework with particular emphasis on:
- Engaging relevant stakeholders in the policy development process and communicating policy changes to tenants in an effective and timely way
- Providing timely communication and necessary training to staff on all policy changes (organizational or operational)
- Reviewing and improving policy effectiveness over time
- Maintaining the framework on an on-going basis

7.0 SUPPORTING RENEWAL

1.   That CHH establish a joint steering committee with a formal terms of reference to help guide the corporate renewal process and that the steering committee include representation from:
- CHH Chairman of Board of Directors + 1 other member of the Board
- General Manager of Community Services
- Senior City staff of the Housing Branch
- CEO of CHH
- CHH staff representatives

2.   That the Steering Committee develop a formal communications plan as part of the implementation process to help coordinate the flow of key information to the Shareholder, staff, tenants and stakeholders during the period of transition.

3.   That the Steering Committee actively engage stakeholders throughout the renewal process to help build positive relationships by including tenants, service partners and community representatives.

4.   That the Steering Committee develop a transition plan to guide the multi-year transition process of renewal

5.   That the priorities in the transition plan include:
- Refining the governance framework

- Renewing the mission, vision and operating principles for CHH
- Establishing a strategic planning framework for CHH
- Undertaking organizational alignment to better meet CHH objectives
- Revising operational practices along with related policies & procedures
- Developing an annual business plan and reporting templates

6. That the transition plan address as secondary priorities the following:
- Creating a tenant engagement plan focused on customer service
- Establishing a staff training & development plan
- Developing formal maintenance and capital plans
- Establishing an asset management strategy
- Creating a long range financial plan focusing on financial stewardship
- Formulating a framework for Community Development